

DHARNA BASED POLITICAL UNREST AND INVESTMENT  
CONUNDRUM: A CASE STUDY OF ISLAMABAD



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**CERTIFICATE**

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### Author's Declaration

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### *Dedication*

I dedicate this research to my Parents, my brother Awais Saleem, my sister Maryam Saleem, Eshal and my beloved wife Ayesha Sohail. Without their love, prayers and support, I would not have accomplished what I have in my life.

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## **ABSTRACT**

Political unrest is defined as a state of widespread unrest and protest that is frequently accompanied by general strikes, large-scale protests, and disruptions of regular corporate operations. Many individuals, employees from unions, or members of political parties may participate in order to express their concerns about perceived injustices. This research examines the impact of Dharna based political unrest on investment dynamics in Islamabad, Pakistan, across different time periods by analyzing historical context and contemporary dynamics. The study aims to provide insights into challenges and opportunities faced by investors.

The protests and political unrest in Islamabad have had significant economic consequences on investment and businesses. This research highlights how Dharnas (sit-ins) and protests often driven by political grievances and demands, disrupt business operations, discourage investor confidence and create uncertainty in the investment environment. Investors face a conundrum when navigating the risks associated with instability, balancing potential return against the volatility of socio-political landscape. The main objective of this research is to investigate the possible factors that are contributing to the economic consequences of protests in Capital, such as the duration and intensity of the protests, the specific demands of the protesters, and the response of the government. Through a combination of Mixed Method techniques such as interviews and surveys, the research provides a comprehensive analysis of the patterns, trends, and characteristics observed in investment behavior during periods of political unrest. The results reveal significant challenges, including citywide business closures due to road blockades and substantial daily losses for small investors during political sit-ins, especially in prominent markets.

**Keywords:** Political Unrest, Violence, Investment Behavior, law and order, Gross domestic Product, Sit-in, Political Parties

## TABLE OF CONTENTS

Abstract .....	v
List of Figures .....	x
List of Tables.....	xi
List of Abbreviations .....	xii
<b>Chapter 1</b>	
Introduction .....	14
1.1 Major Political Strike.....	15
1.2 Impacts of Dharna on Society .....	18
1.3 Impact on Investment and Economy after 2014 Dharna .....	19
1.4 Research Problem .....	20
1.5 Research Questions.....	20
1.6 Objective of the Research.....	21
1.7 Explanation of the Key Terms.....	21
1.8 Significance of Research .....	22
1.9 Locale .....	23
1.10 Organization of the Research .....	24
<b>Chapter 2</b>	
Literature Review.....	25
2.1 Introduction.....	25
2.2 Theories of Political Unrest.....	25
2.3 Research Gap .....	30
<b>Chapter 3</b>	
Methodology .....	32
3.1 Research Strategy.....	32
3.2 Research Design.....	32
3.3 Methods of data Collection.....	32

3.4	Sampling .....	33
3.5	Procedure of data collection .....	34
3.6	Analysis .....	34
3.5	Conceptual framework.....	35

**Chapter 4**

Finding and Discussion.....		37
4.1	Themes 1: Impact on Business Operation.....	38
4.1.1	Customer approach Issue.....	39
4.1.2	Disruption in Supply Chain .....	40
4.1.3	Closure of Basic Utility .....	41
4.2	Themes 2: Risk Aversion in Uncertainty Situation .....	41
4.2.1	Delayed in Investment Decision.....	42
4.3	Theme 3: Specific Area for Political campaign.....	43
4.4	Theme 4: Impacts on Local Economy .....	44
4.4.1	Destruction on Trading and Business Activity .....	45
4.4.2	Investor Confidence.....	46
4.5	Theme 5: Ensure Friendly Business.....	47
4.5.1	Reduce Tax Tariffs .....	48
4.6.	Theme 6: Mitigating the Impact of Unrest and Strikes .....	48
4.7.	Descriptive Analysis .....	49

**Chapter 5**

Conclusion and Recommendations .....		64
5.1	Recommendation .....	65

References .....	68
------------------	----

Appendix .....	73
----------------	----

Annexure .....	77
----------------	----



## LIST OF FIGURES

<i>Number</i>		<i>Page</i>
Fig 1.7	Conducted Survey.....	23
Fig 3.6	Conceptual Framework.....	36
Fig 4.8	Respondent Details .....	79

## **LIST OF TABLES**

Similar to the list of figures.

## LIST OF ABBREVIATIONS

DA	Democratic Accountability
FM	Financial Markets
GDP	Gross Domestic Products
GS	Government Stability
IB	Investment Behavior
L&O	Law and Order Situation
O&M	Operation and Maintenance
PI	Political Instability
PIDE	Pakistan Institute of Development Economics
PKR	Pakistan Rupee
PTI	Pakistan Tahreek-i-Insaf
Pub I	Public Investment
Pvt I	Private Investment
R&D	Research and Development
Rs	Rupees
RT	Religious Tension
TLP	Tahreek e Labbaik Pakistan
WGI	Governance Index

# CHAPTER 1

## INTRODUCTION

### 1. Introduction

The protests and political unrest in Islamabad have had significant economic consequences on investment and businesses. In the realm of Pakistani politics, the capital city Islamabad has often found itself at the epicenter of various political unrest episodes characterized by Dharnas, Sit-ins or protests. These events have not only shaped the political landscape but also raised concerns about their impact on the investments. The political uncertainty has resulted in a cost of over 800 billion Rupees due to a prolonged strike or lockdown. This has had a severe impact on traders, industrialists, and small-to-medium enterprises, with a direct increase in production costs by 25%. The supply chain has been greatly disrupted with over 380 containers affected and food costs and other basic utilities prices have raised. This has resulted in a 2% reduction in the country's overall GDP and has left many daily workers without income. Additionally, the unrest may also affect office hours and economic activities in the city, with the most affected areas being **Apbara**, **Blue Area** and **Faizabad**, Islamabad.

Political unrest can be described as a situation in which there is widespread unrest and protest, often characterized by general strikes, mass demonstrations, and disruptions in daily business activities. It may involve the participation of large number of citizens, workers from unions or political parties, who come together to voice their concerns about perceived injustices. On the other hand, political instability refers to the likelihood of a government collapse due to conflict or intense competition among various political parties.

Political stability is a crucial aspect of national development, and unfortunately many Asian countries are currently facing greatest political instability. This has become a major issue in Pakistan and is causing difficulties and delays in economic and business activities.

A stable political system is crucial in maintaining unity in society, promoting economic growth, ensuring the rule of law and fostering social integration. Further, a stable political environment is necessary for a favorable business environment and growth. The success and progress of business activities is not possible without a well-organized and stable political system.

Political instability can be analyzed through various approaches, including the likelihood of government or regime changes, the occurrence of political disorder such as violence, strikes, and lockdowns, and the impact on economic and business activity.

Pakistan has been plagued by internal security problems, military leadership issues, and political unrest. The lack of cooperation between the government and stakeholders, widespread corruption and dishonest politicians, all pose threats to political stability and create uncertainty in the business sector. This makes both foreign and local investors wary of investing, resulting in the country's reliance on foreign aid or heavy loans. Political instability also curtails internal investment and limits opportunities in the business sector, and set the stage for future conflicts.

### **1.1 Major Political Strikes**

Demonstrations, agitations, and public protests are all a component of the democratic political process. It alters social, political, and economic facets of a nation and determines its politics. Because they fortify the political system and guarantee accountability, sound governance and the rule of law, protests are crucial to the survival of democracy and democratic values in a nation. People can use it as a platform to speak out against injustices and violations of their most basic human rights.

Protests and demonstrations are also used by people to advance and defend their legal, constitutional and political rights. However, protests are organized by civil society members and political rights movements as a political ploy and a way to put pressure on governments to uphold their fundamental rights. Thus, in order to get their political and legal rights, the forerunners of the civil rights movement in the United States (Gaines, 2007), the anti-apartheid movement in South Africa, the votes for women movement, and the abolitionist movement in the United States staged nonviolent demonstrations.<sup>1</sup>

Political instability and disruption have occurred at various points in Pakistan's history, whether as a result of protests or military intervention.<sup>2</sup>

---

<sup>1</sup> R. Kurtz, L. (2010). *The Anti-Apartheid Struggle in South Africa (1912-1992)*.

<sup>2</sup> Lamba, B. (2014, October 31). Fall of Pakistani Governments -Coups or Street Politics [Linkedin]. Retrieved June 26, 2019, from Linkedin website: <https://www.linkedin.com/pulse/20141031120823-3614456-fall-of-pakistani-governments-coups-or-street-politics>

**Long March 2012:**

In 2012, Pakistan Awami Tehreek's leader, Dr Tahir-Ul-Qadri, staged a Dharna/ protest (Sit-in) in Islamabad. The protest, known as the Long March, was aimed at demanding electoral reforms eradication of corruptions and good governance. The event highlighted the potential impact of mass mobilization, disrupted daily life, causing inconvenience to residents and impacted local business in capital city Islamabad.

**Dharna/Tsunami March 2014:**

Dharna/Tsunami March 2014 refers to a prolonged sit-in protest that took place in Islamabad, the capital city of Pakistan. It was led by the political party Pakistan Tehreek-e-Insaf (PTI) and the cleric Tahir-ul-Qadri's represented Pakistan Awami Tehreek (PAT).” The sit-in, was also known as the Azadi March, aimed to protest against alleged electoral fraud in the 2013 general elections and demand electoral reforms. The protest began in August 2014 and lasted for several months, effectively paralyzing the capital city's routine activities. “Thousands of protesters, led by PTI and PAT leaders, were gathered in the heart of Islamabad, particularly in the high-security "Red Zone.”

The sit-in had significant socio-political and economic implications. It disrupted daily life in Islamabad, with road closures and disruptions to business activities. It also raised concerns about security and stability in the capital. “The government deployed security forces to manage the protest and ensure law and order.

It had significant economic implications and resulted in various economic losses for the city and the country as a whole”.

Some of the economic losses attributed to the 2014 Dharna/Strikes included: The sit-in paralyzed routine business activities in Islamabad, particularly in the central business districts and commercial areas. Road closures, security measures and the presence of protesters in key locations such as Blue Area, Aabpara, D-chowk and Faizabad stuck the movement of people and goods. The widespread disruption caused by the sit-in resulted in decreased productivity across various sectors.”

Government offices, private sectors, health and educational institutions were either closed or operated at a limited capacity due to an uncertain environment and security concerns.

“The sit-in also led to road closures and disruptions in transportation networks, affecting the movement of goods and supplies. Investors reliant on timely transportation and supply chains faced challenges in procuring raw materials and delivering finished products.”

Extended political unrest and instability eroded investor confidence. The time and resources spent on managing the sit-in, including deploying security forces and conducting negotiations, diverted attention and resources away from other important government functions and development initiatives.

“The uncertain environment created by the sit-in added to economic uncertainty, influencing consumer and investors’ confidence. Investors often postponed major decisions, investments and expansions during periods of political unrest.”

### **Faizababad Sit-in 2017:**

The Faizababad dharna/strike was a major protest that happened in Faizababad, Islamabad in 2017. This protest was led by a religious political party called Tehreek-e-Labbaik Pakistan (TLP). “They were protesting against changes in the way candidates for elections took an oath, which they found disrespectful.” This protest lasted for a while and caused a lot of problems for people's daily routines and businesses in the both city (Rawalpindi and Islamabad). “In this protest Islamabad Police had requested Rs146.5 million from the government to cover the costs of managing the protests. However, the government has not given the money yet.” About 6,000 personnel, including some from the Frontier Constabulary and Punjab Constabulary, were assigned in the both cities for nearly a month to handle two sit-ins. “Also, approximately 200 shipping containers were rented at a daily rate of Rs8,500 per container. However, the accumulated expenses reached Rs146.5 million by the time the protesters departed.”

### **Azadi March 2018**

In an attempt to challenge the ruling Pakistan Tehreek-e-Insaf (PTI) government, the Chief of (JUI-F), Fazlur Rehman, initiated an "Azadi (freedom) March" from Karachi to Islamabad. The primary objective of the march was to demand Prime Minister Imran Khan's resignation and subsequently, a re-election.”The march held the potential to disrupt the security and stability of Islamabad, where protestors assembled near the Red Zone.

**TLP Dharna 2021:**

The TLP's dharna (sit-in) began in April 2021 and saw widespread participation from its supporters across various cities, particularly in Lahore and Islamabad.” The protestors blocked major roads and intersections, leading to disruptions in daily life, business activities and traffic flow. The protest gained attention due to its fanatical religious tone and its focus on issues related to perceived blasphemy.

**PTI Protest 2022:**

This was led by former Prime Minister Imran Khan, protest against the government of Shahbaz Sharif which was took place in 2022.” This protest resulted in the blockage of key roads and highways in Islamabad, leading to disruptions in both business activities and transportation systems in Rawalpindi and Islamabad.

**1.2 Impacts of Dharna on Society**

The overall economy has suffered significantly due to the unrest caused by the protests. For example, the increasing costs of essentials have fueled inflation, leading to a decrease in exports. The protectionist measures adopted to counteract this decline in exports have contributed to higher fiscal deficits as a result of increased spending to address the trade imbalance. Sectors related to transportation may incur substantial losses due to severe disruptions in services and significant damage to vehicles. Financial expenses, such as direct business losses and increased costs for security services, further exemplify the economic impact.

The manufacturing sector has been resorting to indirect strikes and protests owing to the increased costs of inputs and decreased overall production. As a result, the protests will eventually have long-term negative effects in the commercial sector of the economy.

There are a lot of non-monetary costs. These strikes restrict residents' ability to move about freely and frequently include violent clashes and significant injuries. The unrest will cause the following repercussions: the factory will lose working days, the business will lose valuable working time, poor people will lose a day's salary, patients will not be able to see a doctor, debts will be delayed, meetings will be postponed, and the economy as a whole will miss its targets. The most serious effects of these protests are injuries and violent casualties. Despite the fact that



political parties frequently call for protests, public opinion is impacted by demonstrations, particularly lower- and middle-class economic groups.

In developed countries citizens less participate in political unrest or strikes and engage in economic and commercial activities. However, in less developed countries like Pakistan there are many socio-economic issues which citizens are facing on daily basis. Pakistan is a nation with opportunities for growth. The short-term economic potential of human capital for natural resources can drastically alter a nation's appearance, if political stability can be restored.

Pakistan grapples with persistent issues including triple deficits, poverty, hunger, inadequate human capital, sluggish economic growth, terrorism, and fragile governance structures. Unnecessary strikes and similar incidents consume precious time that could be better utilized in meaningful discussions with experts, politicians, and the media. The focus should shift towards addressing genuine socio-economic challenges to enhance the country's overall condition. Redirecting energy towards exploring alternative strategies, leaders can guide the nation towards prosperity and development.

### **1.3 Impact on Investment and Economy after 2014 Dharna**

PTI's dharna in 2014 had detrimental effects on Pakistan's financial markets. The signing of the CPEC MoU faced delays as the Chinese premier couldn't visit Pakistan due to the ongoing sit-ins. This period saw depreciation in the value of the rupee, exemplified by the exchange rate of the US dollar to the rupee increasing from Rs98.82 on August 5th, 2014, to Rs103.19 by August 25th, marking 4.4% depreciation. The currency devaluation led to a surge in Pakistan's import bill and foreign liabilities, resulting in a staggering economic loss of Rs228 billion due to an increase in external public debt. Additionally, the delayed inflows of \$2.4 billion and the failure to meet foreign exchange reserve targets on time further strained the economy.

The Karachi stock exchange witnessed a sharp decline of 2,000 points within a few days due to the political uncertainty brought about by the PTI's dharna politics. Before the sit-ins, the market capitalization stood at Rs7.2 trillion, but after a few days of the dharna, it plummeted to Rs6.7 trillion. Similarly, Foreign Direct Investment (FDI) experienced a decline from \$114 million to \$92 million from July 2014 to August 2014. These figures underscore the macro-level costs

associated with political instability. At the micro-level, numerous businesses bore the brunt of the PTI's sit-in politics, experiencing disruptions and losses.<sup>3</sup>

Protests are a common means of expression, particularly in Islamabad. However, in smaller areas within the city, such as Faizabad, Blue Area, and Aabpara, frequent strikes have resulted in complete city shutdowns, typically lasting half a day. This has caused an unwarranted economic setback, as numerous manufacturing and service activities come to a halt, affecting the city and its residents.

#### **1.4 Research Problem**

The objective of this study was to examine the causal relationship between political unrest/instability and investment behavior in capital city (Islamabad 2012 to 2022) and how this results in reduced economic activity. The study focused on the specific mechanisms through which political unrest affects investment decisions and how these decisions impact our economic growth/activity, Investment decision and have negative impact on investor confidence. Quantum and scope of these impacts would be measured along with measurement of the economic cost of these. The research design consisted of a within city Survey based analysis, using both quantitative and qualitative methods.

Secondary data was also collected from various sources, including reports, and other relevant institutions, as well as primary data will be collected from surveys and interviews.

Based on the narrative of statement of problem in the preceding text, I am narrowing my research problem into “*What are the economic consequences of protest/Lockdowns, such as loss of economic activity economic growth/activity, Investment decision, negative impact on investor confidence and domestic/foreign investment decision delays*” and have operationalized my topic into following research questions and objectives.

#### **1.5 Research Questions**

The following research questions will be addressed in this research, including:

- 1- How does political unrest impact investor risk perception and willingness to invest in affected areas?
- 2- What are the economic impacts of Strike/ dharnas in Islamabad?

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<sup>3</sup> <https://tribune.com.pk/story/1467291/can-pakistans-economy-afford-political-instability>

- 3- How do different types of political unrest (violent/ non-violent) impact specific business operations (e.g. supply chain, workforce and customer access)
- 4- What measures can be taken to attract and retain investment in Islamabad despite the challenges of political unrest?

## **1.6 Objectives of the Research**

The main objective of this study is to understand the relationship between political unrest and investment conundrum and how this relationship can further impact economic growth.

To evaluate/quantify the economic activity loss resulting from protest in terms of gross domestic product, trade closure and loss of job in capital.

- To investigate the impact of protests on economic activity, including loss of economic output.
- To investigate the possible factors that are contributing to the economic consequences of protests in Capital, such as the duration and intensity of the protests, the specific demands of the protesters, and the response of the government.
- To examine the effect of unrest on domestic/foreign investment and net effect on the overall commercial activity
- To understand how to develop business confidence and how roads closure affected their investment and socio-economic activity.
- Identify the obstructions and hurdles before, during or after political unrest.

## **1.7 Explanation of the Key Terms/ Concepts**

The following text summarizes the central ideas and key terms relevant to this study.

### **1.7.1 Political Strikes**

It refers to work stoppages/general strikes carried out by labourers, traders and unions as a means of demonstrating their opposition to government policies. It involves large number of people and business society and can have an important impact on a country's economy, politics and society.

### **1.7.2 Business Communities**

Political instability can have significant effect on business communities and investment behavior. In a situation of uncertainty in capital city Islamabad, business community may face business closure/cautious and reduce their investment activities due to uncertainty about the future prosperity and the risk of government intervention which may impact business/investment decision. Traders, unions and business communities may also face challenges in obtaining financing from lenders, supply chain issue, difficulties in accessing markets and de-functioning appropriately due to an uncertain business environment.

### **1.7.3 Institution and Governance Index**

The Institution and Governance Index is a measurement tool that assesses the quality of institutions and governance in a country. It takes into account various factors, such as the rule of law, regulatory, quality of government effectiveness, political stability, and control of corruption. This index can be useful in understanding the level of political stability and the impacts on overall investment. In general, a high score on the Institution and Governance Index indicates a well-functioning government and strong institutions, which can foster a stable political environment and increase investor's confidence. On the other hand, a low score can signal political instability, corruption, and weak governance, which can reduce investment flows and discourage foreign and local investment.<sup>4</sup>

### **1.7.4 Investment**

It refers to the purchase of goods to create wealth. Investments take various forms such as Government Bonds, Shares in listed companies, Basic Commodities, Technology Advancement, Mutual Funds and Real Estate. The goal of investment is to create wealth, create businesses and help in economic growth.

## **1.8 Significance of Research**

This research on political unrest and investment conundrum is significant, as political instability in the form of strikes, marches, lockdowns and protests has a negative impact on the economy, causing increased in costs of production and economic losses. The purpose of this research is to examine the effects of political unrest on investment, growth, and socio-economic activity. The

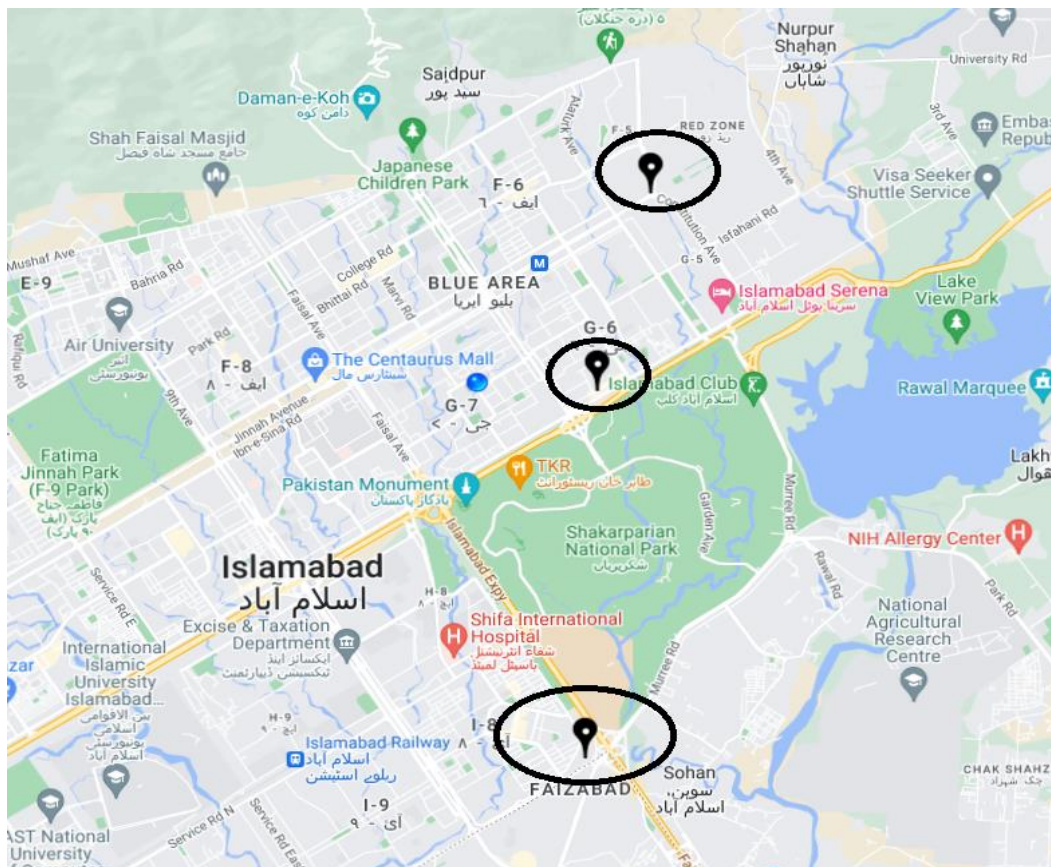
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<sup>4</sup> <https://solability.com/the-global-sustainable-competitiveness-index/the-index/governance-capital>

outcomes of this study will aid in finding ways to establish stability, drive business & economic growth and reduce the occurrence of strikes and lockdowns, thereby improving the confidence of businesses and investors and promoting sustained growth.

## 1.9 Locale

For this study, the researcher intended to visit most affected areas in Islamabad, Pakistan, which are Blue Area, Faizabad and Aabpara to carry out semi-structured interviews with officials from various stakeholders. These stakeholders included traders, government officials, and representatives from the district government, Unions and chamber of commerce. The purpose of these interviews is to gain insights and depth understanding into investment behavior.



(Conducted Survey in these Areas)

(Figure 1.7)

## **1.10 Organization of the Study**

This thesis is divided into five chapters. The first chapter of this research is devoted to the Introduction by providing essential context for the study. It provides the brief overview of the overall organization of the research. The second chapter of the research is a comprehensive review of existing literature related to topic and helps readers to understand the academic context of the work. In third chapter it explaining the research design, data collection and research methodology adopted in this study. In Chapter four it delves into results and analysis of the findings. In chapter five it contains the study conclusion and recommendation based on debates and finding.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents a comprehensive and in-depth review of the literature currently available. It investigated deeply into the realm of political unrest theories and the relationship between political instability and their repercussion on investment behavior. Additionally, it investigates the dynamic roles that traders & their unions and chambers of commerce play their role to steer the market and business activities. This research sheds light on the investigation into how political disruptions influence investment behaviors. Within this perspective, the chapter sheds light on a variation of investment behaviors that become prominent amid political uncertainty. Moreover, it examines the complicated effects of political unrest on market operations, investor sentiment, risk perception and business/economic instability. The study investigates how traders and chambers of commerce leverage the public sentiments that emerge from political tensions to influence market trends. This exploration aims to provide a comprehensive understanding of the complex connection between political unrest and the dynamics of investments.

#### 2.2 Theories of Political Unrest and Investment Conundrum

The relevant literature is introduced before going into great detail about this argument. The resources listed below offer pertinent perspectives on the subject. The literature is available on this topic in form of books, articles and both digital /print media.

##### 2.2.1 Historical Perspective of Political Unrest:

The study “Political Rhetoric; Slogan Politics in Pakistan and Role of Parliament” argues that, every political party lodged a complaint on the flaws and manipulation during the 2013 general election. Following their acceptance of the election results, PML (N) established the government. As a result, the leader of Pakistan Tehreek-e-Insaf called for election changes and launched public demonstrations that resulted in the Azadi March in Islamabad. Pakistan Awami Tehreek declared the Revolution (Inqilab) March in the interim (PAT). PTI and PAT both held sit-ins in front of the parliament in Islamabad, calling for the resignation of the current administration and the implementation of election reforms (Sharif, 2017).

A study “Political instability and lessons for Pakistan: Case study of 2014 PTI sit in protests” says that, Pakistan suffered significant economic losses as a result of the PAT and PTI Dharna. The President of China's previously scheduled visit was cancelled because of Dharna, which caused Pakistan great shame. The PTI chief's encouragement of its overseas supporters to transfer money through hundi rather than via authorized channels was another move in the direction of Pakistan's economy collapsing. The IMF delegation also cancelled their trip to Pakistan due to the PTI and PAT-organized Dharnas in Islamabad (Javed, 2017).

A book named “Pakistan Political Unrest: In Brief” describes that the Dharna's demands were against the country's constitution. Politicians generally agreed that the parliamentary process should continue. The PTI chief's obstinate demeanor and his demanding demands caused a standoff in the nation. Analysts predicted that military involvement might result from such a circumstance. According to some analysts, it hindered Pakistan's democratization process (S Kumar, 2014).

An article entitled “Drivers of Long-Term Insecurity and Instability in Pakistan” says, protests led by Muhammad Tahir-ul Qadri and Imran Khan of Pakistan Tehreek-e-Insaf attempted to alter the country's political landscape. PTI staged protests against Prime Minister Nawaz Sharif's administration. On October 20, 2011, Imran Khan organised the movement's largest-ever public protest in Lahore (a rally that reportedly gathered 100,000 people). There is a great desire among Pakistani voters for something better than the current political parties. The last two attempts to close this gap were the protests of PTI and the cleric Muhammad Tahir-ul Qadri. In the nearly two decades preceding 2013, the first party, headed by a longtime London sybarite, managed to elect exactly one Member of Parliament. The second was a brief protest movement headed by a priest who held dual citizenship with Pakistan and Canada and who never saw a single member elected (Black, J., 2014).

### **Empirical Studies on political unrest and Investment Conundrum**

The study “Social Movements and Processes of Political Change” puts forth a policy impact amplification model. According to this model, public opinion has a higher influence on legislative activity when protest levels are high, and protest has an independent influence on legislative actions. Agnone discovers that when protests stir up public opinion on a specific policy problem, more legislation is approved in his analysis of the American environmental



movement from 1960 to 1998. Protests magnify public opinion, which has a bigger influence on the policy-making process (Bidé, Y. M., 2015).

### **Political Unrest Impact on Investment**

The article “Economic impact of political protests (strikes) on manufacturing firms: evidence from Bangladesh” highlighted the main attention of their research on the impact of political protests, particularly strikes, within the manufacturing sector in Bangladesh. In their study titled "Economic Impact of Political Protests (Strikes) on Manufacturing Firms: Evidence from Bangladesh," the authors reveal a surge in production costs, amounting to approximately 1.17 percent, attributed to strikes in the manufacturing domain”. This political unrest was a target to disrupt economic activities. The study contributes to a deeper understanding of how political protests can substantially impact manufacturing firms and reshaping economic dynamics. (Shonchoy and Tsubota, 2016)

The study “The Economic Cost of General Strikes in Nepal” offers a detailed exploration of the “Economic Consequences of General Strikes in Nepal and study titled reveal that evident decrease in growth rates, ranging from a reduction of 0.6% to 2.2% gross domestic product (GDP).” Such consequences are highlighted by the substantial accumulated output loss incurred due to general strikes over a five-year span, totaling NRs. 117 billion. “This substantial damage further leads to the observed deceleration in annual GDP growth rates, manifesting as a decline ranging from 0.6 to 2.2 percentage points throughout the study period.” (Shrestha, M., & Kant Chaudhary, S., 2013).

The occurrence of political unrest and its impact on local economy have been studied extensively across Europe. “This review focuses on the economics of political unrest in France, Spain, and Austria. The research revealed that political instability had tangible consequences on their economies. In France, political instability led to a 0.17% decline in GDP.” The private sector bore the majority of this impact, reflecting the vulnerability of businesses to such disruptions. “Spain experienced a reduction of 0.1% GDP cost due to political unrest. This demonstrates that even modest disturbances can affect economic performance. Austria confronted an estimated 0.46% GDP loss, underlining the economic toll of political instability. Moreover, the stock markets were not protected. Political unrest caused an average stock price decline of 0.4% to 1%.”

The study “The costs of Domestic Political Unrest” emphasized in their study that the effects of political unrest can be categorized based on the nature of the unrest “violent or nonviolent”. Violent forms of unrest heightened uncertainty and risk, thereby adversely affecting investor sentiment. On the other hand, “Non-violent forms of unrest are demonstrated to be more successful in achieving their objectives, often leading to positive outcomes like democratic change and improved business confidence and market stability” (Alex Braithwaite, Jeffrey Kucik and Jessica Maves et al, 2014).

Research “Can Pakistan’s economy afford political instability?” focus on exploring the relationship between political unrest and its economic repercussions on potential developmental avenues in Pakistan. “This study precisely focused on the influence of sit-ins and political strikes on the local economy within the Federal capital. Additionally, the research investigated the broader implications of political unrest on various aspects of society, including its effects on daily lives, accessibility to get employment and the overarching economic and business objectives (Iqbal, 2019).

A study “Political Instability and Lessons for Pakistan: Case Study of 2014 PTI Sit in Protests” explain the consequences of political unpredictability on internal investment and economic development in Pakistan. They illuminated the role of political uncertainty as a restrictive to business investment in several regions.” This trend was represented through the case study of Pakistan's "Azadi March," with government estimations suggesting direct economic losses were ranging from Rs500 million to Rs800 million. In addition, an adviser to the Prime Minister indicated that these losses had worsened even further, reaching a shocking \$6 Billion (Javed, Rabbia, Dawood, and Mamoon et al, 2017).

A comprehensive analysis in the Harvard Business Review explored how companies should adapted during times of political uncertainty. “This article examines into the strategies that firms, shops and companies should adopt in response to extreme political unrest. The article highlights the growing challenges that firms are facing due to unpredictable situations such as sit-ins, strikes, political unrest and government shutdowns within their home markets.” The authors stress that this uncertainty not only affecting economic conditions, such as the rise in input costs and shifts in customer behavior, but also present a significant threat to the continuity of business operations itself (Benjamin Laker and Thomas Roulet, 2019).

Emotions and political unrest argue that the impact of emotion and political unrest on public policy decisions, shedding light on the complicated relationship between public policy formulation and political disturbance.” Their work emphasized the role of emotion-driven factors in shaping policy outcomes in the perspective of unrest. Research findings aligned with the statement that more radical and homogeneous groups tend to be more inclined to engage in political unrest. “This dynamic emphasizes the potential for these groups to steer government decisions based on the intensity of their demands and their capacity to disrupt communal stability (Francesco Passarelli and Guido Tabellini, 2017).

The study “Income Distribution, Political Instability, and Investment” gives a comprehensive analysis focused on the association between political instability and private investment. “Their study underscored the adverse consequences of political instability on local investment, which subsequently contributes to diminished economic growth.” The authors put forth the argument that political instability hosts an environment of risk and uncertainty diminish domestic and local investors from engaging in significant investment activities. “The lack of investor confidence also leads to a decline in local investment, consequently causing a decline in overall output levels. As a result, this decline in output impacts, employment, reduction in income levels, rise in cost of goods and production affecting both capital and goods markets (Alesina and Perotti, 1996).

A study titled “The Dharna Culture in Pakistan and Distinctive Nature of Pakistani sit-ins” sets them apart from general sit-ins, as they deliberately focus on key areas like Islamabad, the capital, in order to maximize their influence and interrupt governance. “For instance, the Pakistan Tehreek Insaf’s sit-in in 2014 had a substantial impact on the country’s overall peace and economy, leading to substantial financial and economic losses.” The local economic sector tends to bear the brunt of such sit-ins, often leading to violence and chaos. “In response to the potential risks posed by the gatherings, main highways and markets are frequently locked as a protective measure, causing disruptions to economic operations.” Other sectors, including education, health and mobility, also experienced negative consequences due to road closures and termination of transportation services. These disturbances have direct impact on daily life, mobility, and overall economic and business stability (Ullah, Y., 2013-2017).

A comprehensive analysis was conducted on the titled “Management and Economy in Hartals: The Case of Bangladesh” into the economic and social consequences of Hartal and related political activities in Bangladesh. “One of the prominent findings of the study is the significant economic losses causing from Hartal. These losses contain disruptions to various aspects of economic life, including employment, working hours’ schedule, business management, industrial productivity, business capital, property and even human life. This sheds light on the multifaceted negative impact that Hartal and similar political actions can have on the country's economic conditions (Rahman, K. M, 2014).

These findings underlined the substantial economic strain brought by protests/strikes, sit-ins and lockdowns in Pakistan. The disruptive impact on industries, trade, supply chain and commerce, coupled with broader repercussions for economic stability and investor confidence, underscores the importance of striking.

Nonetheless, there is a not enough of study on the subject of this approach. The majority of the literature is accessible online and through news reports, newspaper articles, and other online publications. The study aims to offer a thorough literature for prospective Pakistani protest politics researchers.

#### **2.4 Research Gap**

The comprehensive review of existing literature has revealed several significant research gaps in the field of political unrest and investment conundrum. One prominent research gap relates to the need for regional specificity in understanding the impact of political unrest on investment behavior. Recognizing that each locality and region may show unique characteristics and responses to political upheaval, it is essential to conduct in-depth analyses at a local level.

Further, the impact of political unrest on investment behavior might differ from its prolonged consequences. This historical dynamic remains underexplored in the current body of literature and a deeper investigation to shed light on these evolving trends.

Another notable research gap centers on the role of government policies during periods of political unrest. The study reveals a lack of comprehensive analysis regarding government actions, such as economic incentives, stability measures, or policy frameworks designed to influence investor behavior during times of political turmoil.

Furthermore, in the context of Pakistan, there is a lack of records and materials available for the systematic analysis of different forms of political unrest and their distinctive effects on investment behavior. This gap hinders the ability to provide valuable insights to investors operating in the area. It is notable that this research paper represents a groundbreaking effort in the domain of analyzing the impacts of political unrest on investment behaviors. This study intends to investigate deeper into the factors that influence investment behavior, providing a comprehensive understanding of this complex relationship. By addressing these research gaps, this research aims to contribute meaningfully to the knowledge base in this critical area of study.

## **CHAPTER 3**

### **METHODOLOGY**

This chapter discusses the research methodology for the current study which is thoroughly examined. Research methodology serves as a systematic approach to align results which address the goals and objective. It outlines how researchers define their objectives and analyze finding derived from the data collected over the study period.

#### **3.1. Research Strategy**

In this research, I used qualitative research strategy to obtain evidence-based results concerning the impact of political unrest. Both primary and secondary data sources, including public records, news articles, insights from government representatives, Chamber of Commerce reports and contributions from local business investors, were involved in this research process. Moreover, the qualitative research technique, a scientific investigative method, was utilized with the aim of uncovering answers to questions, generating novel discoveries & ideas and creating new information.

#### **3.2. Research Design**

For this research process, I intended to use an exploratory research design approach, aiming to examine a problem that was not clearly defined regarding the impact of political unrest on business activity and investment behavior in Pakistan. As there was limited available research on Dharna based Political Unrest and investment conundrum in Pakistan. Exploratory research was taken as a research design for this study. With the help of the exploratory research design, an in-depth understanding of this topic was gained.

#### **3.3. Methods of Data Collection**

Semi-structured interviews are the most widely approach in the qualitative research. Semi-structured offered a combination of structure (planned/formal) and unstructured (Informal) in the interview process. Questions are roughly structures and provide more opportunities to express themselves fully. The goal of engaging semi-structured interviews in this study was to obtain more insights and in-depth information from UDC's.

I conducted semi-structure interview to gather information from the following Unit of Data Collection's.

1. Trade Unions/Traders

2. Chamber of Commerce
  3. Government Officials
  4. Commuters
- UDC 1. Trade Unions/ Traders- To represent the perspective of organized labor and business shareholders in markets.
  - UDC 2. Chamber of Commerce - To deliver insights into economic and commerce implications for the business and investment opportunity.
  - UDC 3. Government Officials- Offers insights into regulatory and policy framework affected by political strikes/unrest
  - UDC4. Commuters/Thella – Share the Impact of political unrest on daily routine life mobility and effecting investment decisions.

Additionally, several methods of data collection were used in the study of political uncertainty and investment behavior, including:

1. **Survey:** Surveys were used to gather information from multiple individuals and organizations about their observation of political uncertainty and its impact on their investment behavior.
2. **Interviews:** Interviews with experts and local investors (affected) in the field or with persons who had experienced political uncertainty in their area.
3. **Archival Data:** Data from government reports, news articles and other sources were analyzed to determine the impact of political uncertainty on investment behavior.

### **3.4. Sampling**

For this research, I employed random sampling to obtain in-depth information on the relationship between political unrest and investment conundrum. In the context of Dharna based political unrest and investment conundrum random sampling would involve representative groups of event. This sampling helps in understanding how different segments of society perceive and are affected by political unrest. I utilized simple random sampling to investigate the perspectives of traders and their sentiments regarding potential further investments.

### **3.5. Procedure of Data Collection**

The process of collecting data commenced once the stakeholders were identified. Subsequently, I reached out to representatives and the interview schedules were coordinated based on the availability and convenience of the interviewees. I conducted semi-structured interviews lasting between 30 to 40 minutes with the participants. The interviews were conducted in both English and Urdu languages. Prior to commencing the interview, I communicated to the 54 participants that the questions would be presented in English and Urdu. They were given the option to respond in their language of preference. The interviews were transcribed into the Romanized version of Urdu and subsequently translated into English using the back-translation method. Prior to conducting the interviews, I obtained verbal consent from the interviewees to include their details, including name, designation, and organization, in the thesis. Additionally, I sought permission to utilize their statements in the form of quotes during the analysis phase of the research.

### **3.5. Analysis**

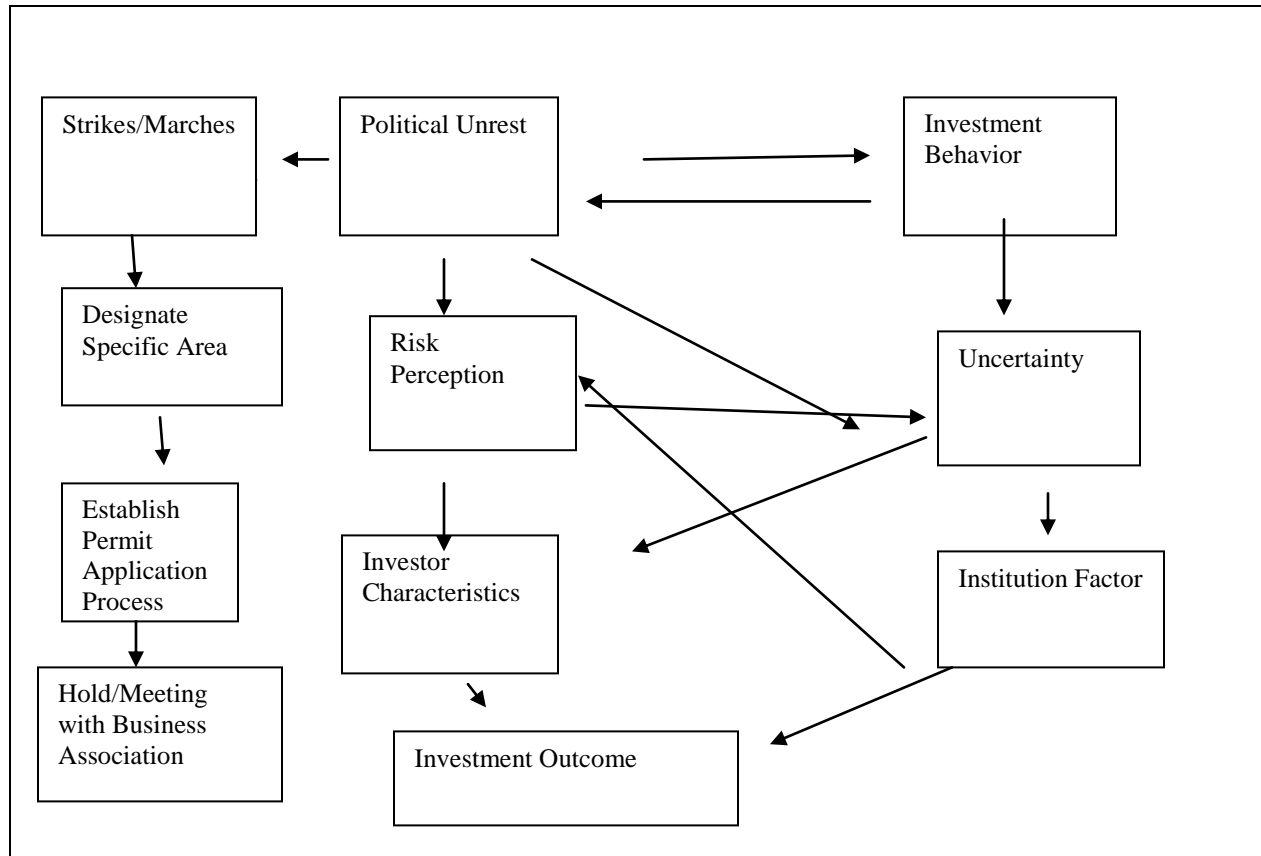
For this study on political unrest and the investment behavior, the thematic analysis method was employed. This method solely focused on identifying themes and patterns of meaning within the data. This analysis proved particularly useful for exploring opinions, themes and observations. Thematic analysis approach allowed for the uncovering of both explicit and implicit meanings within the data acquired through interviews, focus groups discussion, surveys and field research. Also, the descriptive and framework analysis aided as a suitable tool for analyzing and providing a structured and systematic method to data analysis. I used thematic analysis as a qualitative data analysis approach, while the framework approach was utilized as a data analysis tool. The expert opinions, themes, and views were inferred and analyzed using the thematic and descriptive approach.

For this study, a combination of thematic analysis, descriptive and the framework approach was used to analyze the qualitative data collected from semi-structured interviews with officials. Furthermore, SPSS method was also used to get numerical analysis. The thematic analysis method was employed to identify and analyze themes and patterns in the data, while the framework approach served as a tool to structure the analysis and uncover insights and opinions. Through these methods, a more comprehensive understanding of the expert views and opinions related to political unrest and investment behavior was achieved.



## CONCEPTUAL FRAME WORK

Figure 3.6: Diagram of Political Unrest and the Investment Behavior



This research discovers the relationship between political unrest and Investment conundrum and interrelates to shape investor decisions and actions. Political unrest impacted Investment Behavior through the mediation of Risk Perception and Uncertainty. During the periods of political unrest, traders/investor perceives higher risks due to economic disturbance, unpredictability in markets and ambiguity in economic conditions. “This Risk Perception effects their decision-making process, leading to restrained and altered investment strategies in future. The occurrence of uncertainty further added complicates in investment decisions.” The absence of clarity about the future consequences of unrest hinders investors' ability to accurately forecast market conditions.

“This uncertainty leads shareholders to re-evaluate their investment choices, potentially preferring safer assets or adopting defensive portfolio positions”

“Investor Characteristics play a significant role in how investors respond to political turmoil. Investors with higher risk tolerance view unrest as an opportunity to procure under-valued assets. Conversely, risk-averse investors may adopt a more conventional approach, reducing exposure to potentially volatile markets.”

“The role of Institutional Factors is also important in shaping the impact of unrest on investment behavior. A strong institutional framework, characterized by the rule of law, transparency, regulatory, stability, and effective good governance can alleviate the negative impact of political unrest.”

Investors in strong developed countries with strong institutions may be more resilient and adaptable to political chaos.

“The culmination of these factors leads to Investment Outcomes. The responses of investors, driven by their risk perceptions, uncertainty, acceptance and the institutional environment, jointly determine how investments cost during and after political unrest. Investment outcomes range from increased risk-adjusted returns for those capitalizing on opportunities to decreased returns for those who adopt more conservative strategies.”

## CHAPTER 4

### FINDING AND DISCUSSION

This chapter presents the findings of the research study. The thematic analysis of the collected data has resulted in the identification of six central themes and seven corresponding sub-themes. These themes and sub-themes directly address the research questions posed earlier. “The insights have been derived from interviews conducted with stakeholders engaged in trading, investment and entrepreneurial activities within areas affected by political strikes and sit-in. Additionally, this chapter provides an in-depth exploration of the survey findings gathered from the program beneficiaries.”

<b>Themes</b>	<b>Sub-Themes</b>
Theme 1: Impact on business Operation	<ol style="list-style-type: none"> <li>1. Customer Approach issue</li> <li>2. Disruption in Supply Chain</li> <li>3. Closure of Basic Utility, Mobility and Offices</li> </ol>
Theme 2: Risk aversion in uncertainty situation	<ol style="list-style-type: none"> <li>1. Delayed in Investment decision</li> </ol>
Theme 3: Specific area for political campaign	NA
Theme 4: Impact on local economy	<ol style="list-style-type: none"> <li>1. Destruction on trading and Business activity</li> <li>2. Investor Confidence</li> </ol>
Theme 5: Ensure Friendly Business	<ol style="list-style-type: none"> <li>1. Reduce Tax tariffs.</li> </ol>
Theme 6: Mitigating the Impact of Unrest/strikes	NA

The first research question highlights the themes that have developed as a result of investigation the impact of business operations in strike-affected areas. Following themes and sub themes conveys a clear understanding and outcome of research.

#### **4.1. Theme 1: Impact on Business**

Impact of political unrest on businesses/trading is complicated, affecting various sides of business operations, customer behavior and economic stability in our area. Businesses and trading in these affected areas face struggled with disruptions in business operations, supply chain issue, customer approach and workforce-related challenges. The uncertainty and mutilation caused by political unrest often led to decreased in trades and profitability. Strikes by political parties disrupt business operations by causing terminations, long delays and uncertainties which hinder regular developments. Supply chains disturbances, procurement challenges and logistical hurdles due to road closures and transport disruptions, impacting production schedules and inventory management. Moreover, the unpredictability halting from political unrest leads to an environment of economic uncertainty, affecting consumer sentiment and spending behavior. Businesses face the challenge of managing and mitigating these uncertainties while striving to maintain stable economic growth.

This theme also sheds light on how political unrest drives changes in consumer behavior and preferences. Customers may become more careful in their spending, ranking basic essential goods and services over discretionary purchases. Such shifts in demand patterns force businesses to change marketing strategies and adapt to changing customer needs. Mr Hannan Ahmed (director Marketing and Business) highlights how businesses must be responsive in reacting to changing customer behaviors to stay competitive.

*“Strikes and unrest damage our long-term economic growth and impact on business operation in Islamabad. It is dire need to look at this issue through strong chambers and local government.”*

Furthermore, tax implications are a significant aspect of this theme. Political unrest lead to reduced sales, decrease revenue and increased cost of production associated with protection of assets during periods of unrest. Businesses may experience monetary and economical strain due to declined profitability and liquidity challenges. The impact on business underscores the importance of effective risk management strategies and the need for businesses to build financial resilience against external shocks.

Interview with street local vendors concluded that political unrest and strikes affects our various dimensions of business operations, decrease in transaction, changes in consumer behavior and disturb supply chain management. We are bound to navigate through closure of business and

adapt new strategies to run the affairs of the business to ensure business friendly environment amid the challenges posed by political instability.

#### **4.1.1. Customer Approach issue**

A sub theme that came out to investigate the challenges businesses face in their interactions with customers during periods of political unrest. This sub-theme provides perceptions into how customer behavior disrupted by strikes and protests.

“Our businesses struggled with the consequences of unrest, consumers often tend to avoid zones/sectors affected by strikes resulting in diminished foot traffic and subsequently impacting trades volumes. The uncontrolled environment nurtured by unrest also impacts on customer confidence. The consciousness of insecurity and fear among consumers influences their confidence in making purchases. This, in turn, reduces their trust in the region's stability and leads to a reluctance to spend.”

*“Moreover, the local vendors from Faizabad highlighted the complications arising from inconvenience and limited accessibility brought about by strikes and road closures. Such hindrances affect customers' ability to physically reach businesses, contributing to a decline in footfall and overall sales. They also highlighted that how political unrest causes a rescheduling in non-essential purchases. This deferral, particularly evident in luxury goods and non-essential services, directly impacts businesses' revenue streams and financial stability.”*

During the times of unrest, there is an evident shift towards online channels for customer dealings. This evolution can be attributed to customers' desire to bypass physical stores located in strike-affected areas. This change assumes importance in contexts where businesses heavily rely on in-person sales for sustenance.

*“Tajirs from Blue Area stresses that the challenges arising from the customer approach issues can potentially erode the hard-earned reputation and trust that businesses have thoroughly built over time. This situation can leave customers puzzled and further exacerbate challenges related to their engagement with businesses.”*

“It's imperative to recognize the long-term implications arising from these customer approach issues. Even after the unrest abates, businesses need to proactively work on reconstruction on customer trust and loyalty that may have been eroded during the uncontrolled period.”

#### **4.1.2. Disruption in Supply Chain**

Disruption in Supply Chain discovers that businesses encounter when dealing with disruptions in their supply chain during periods of political unrest. This sub-theme investigates how strikes, protests and civil unrest disrupt the movement of goods and services, materials and resources which are crucial for businesses to function effectively.

“One key feature is the logistical challenges that businesses face due to road closures, blockades and transportation disturbances. These problems led to delays in supplying goods, extended over times and the potential for economic and opportunity cost losses.” Local vendors from Aabpara market highlighted that:

*“Supply chain disruptions may result in shortages of our inventory, making it difficult for us to meet customer demands. This scarcity of goods can lead to lost sales opportunities and decreased revenues.”*

Merchants’ inaccessibility is also another significant concern in our area. “If traders' facilities are affected by the unrest, it can disrupt the availability of essential inputs for businesses. This dependence on affected suppliers can have led to decrease in production and sales or even complete halts our operations.” Besides, these disruptions led to increased input costs as businesses might need to source materials from different suppliers, potentially incurring higher expenses.

*“Rapid changes in suppliers or alterations in production processes compromised the quality of products, which in turn, harm our business's reputation. The overall business activity can be challenged by these disruptions and face discontinuity.”*

Disruptions in the supply chain could strain long-term partnerships with merchants. “Even after the unrest diminishes, businesses may encounter difficulties in improving their supply chain operations and returning to regular operations.”

Disruption in Supply Chain underlines the vital role that an efficient supply chain plays in preserving business operations and influencing investment decisions. “It underscores the interconnected nature of businesses with their suppliers, emphasizing the importance of strategic planning, modification of suppliers and the execution of contingency measures to alleviate the adverse impact of supply chain interruptions caused by political unrest.”

### **4.1.3. Closure of Basic Utilities, Mobility and Workplaces**

Another sub-theme "Closure of Basic Utility, Mobility, and Offices" emerged from the challenges that businesses encounter when essential utilities, mobility and workplaces are disrupted amid periods of political unrest. "I inferred from the interview from native shops and organizations nearby they disclose that how political strikes and protests from different political parties for their own agendas led to the termination of essential services and facilities vital for businesses' smooth functioning."

One critical aspect is the shutdown of basic utilities like communication networks and internet closure. These cessations halted our business operations, interruptions in production, collapses in communication, and an inability to serve economic generation activity.

*"The absence of the internet on various aspects impacts our sales, mobility, and potential financial setback. Communication failures impede businesses from coordinating with stakeholders—customers, suppliers and employees—resulting in delays and burden."*

"The cessation of mobility avenues and road barriers poses an ample obstacle. This disrupts the flow of goods and the movement of common citizen, making it difficult for businesses to receive capitals, allocates goods and upholds efficient operations in marketplace."

*"The ability of ordinary citizen and traders to commute to their workplaces can be compromised as well, affecting workforce attendance and overall productivity and sale."*

Another significant aspect we face is the securing of office place due to safety concerns arising from unrest. In this situation we have to suspend operations provisionally or shift to remote work setups. "This confusion disrupted the customary workflow and economic activity. The closure of office spaces influences the interaction between businesses and customers, possibly leading to service disruptions and revenue losses."

The chemistry of closures in basic utilities, mobility, and workplace highlights businesses' susceptibility to the disruptions engendered by political unrest. "It is essential and proposed to formulate contingency plans that ensure functioning continuity during utility and facility terminations.

## **4.2. Theme 2: Risk Aversion in uncertainty Situation**

During the investigation into "Risk Aversion in Uncertainty Situations" within the framework of "Political Unrest and Investment conundrum," "a deeper understanding was emerged about the

complex connection between investor behavior and their observation of risk during times of uncertainty instigated by political unrest.”

Through in-depth interviews, surveys and comprehensive analysis of investor sentiments I intended to know about the Risk Aversion in Uncertainty Situations. “It was inspected that how investors perceived and responded to the heightened risks and uncertainties coupled with political chaos and shedding light on their business decision-making processes.

It was found that “investors consistently articulated a pronounced sense of risk during periods of political unrest, compelled by the unpredictable nature of protests, strikes and civil disobedience. This heightened risk perception influenced their investment decisions, as many opted for online designed to safeguard their portfolios against possible market disturbances.”

“All respondents indicated a preference for maintaining liquidity and flexibility in uncertain environments, enabling us to adapt quickly to altering circumstances. Many dealers/brokers chose to avoid high-risk opportunities, preferring to mitigate potential losses amidst the instability.” All respondents believe that "Risk in Uncertainty Situations" worried the significant role of risk perception in shaping investor behavior during political unrest. One influential (trader) respondent stated that:

*“During times of political unrest, my risk perception tends to increase significantly, and as an investor, I become more cautious about where I invest and where I can found a stable business environment.”*

#### **4.2.1. Delayed in Investment Decision**

Regarding the second theme about “Delayed in Investment Decision” that deals insights the cautious behavior of investors in the face of uncertainty caused by political unrest. I asked from respondents how the unpredictability and potential risks are associated with unrest that led investors to postpone their investment decisions.

“Traders/brokers and small business holder verified that prevailing uncertainty created an environment where possible outcomes were unclear and investors suspend their investment plans.” Economic and political instability often quoted as reasons for the delays. The lack of clarity about the future economic conditions and stable political environment stopped us in obliging further invest.



Many brokers/dealers refrain from making new investments as a way to minimize exposure to potential losses. This risk-averse approach derived to protect portfolios from the potential negative effects of the uncertain situation.

Union President of One Markaz stated that:

*“During times of unrest, investors tended to reevaluate their potential investment opportunities. He thoroughly estimates or calculates the risks and benefits of investments in light of the uncertainty. Investors sought additional time to collect information, monitor changes and assess the stability of the situation.”*

“Investors often engaged in negotiations with government advisors, local chamber of commerce and peers to gain diverse perspectives before making investment decisions. The uncertain circumstances urged investors to seek more consultations and share information to make informed choices.”

Finally, the preference for stability emerged as a significant factor in the delayed investment decisions. Merchants and traders preferred friendly business environment with greater predictability and stability. The absence of these factors during political unrest prompted them to delay their investment decisions until the situation improved and the economic and political landscape become stronger.

### **4.3. Theme 3: Specific Area for Political Campaign**

The third theme that emerged out of the interviews and open discussions with traders and small business holders was there should be a specific area for such political campaign and strikes.

Interview data with stakeholders and investors concluded that a specific Area for Political Campaign/strikes should be located in Parade Ground, F9 Park and or that place where they can communicate with government representatives. Government should notify such locations for political campaigns to minimize disruptions to businesses and maintain a favorable business and investment environment.

*“Business areas located in the vicinity of Rawalpindi and Islamabad are susceptible to disruptions caused by political strikes or campaigns. This disruption stems from road closures, lack of transportation and the potential for property damage. Respondents/stakeholders have pointed out that political campaigns held near commercial business areas might have unintended repercussions for businesses operation. They emphasized that the need to carefully consider the*

*location of political activities to minimize adverse effects on businesses and the overall investment environment.”*

All respondents’ “disclosed that businesses are heavily rely on customer availability and foot traffic. Political campaigns in close proximity to business districts can discourage customers from visiting physical stores due to logistical challenges and security concerns. This unpleasantly affected our sales and revenue during and after the campaigns.”

Road closures, traffic blocking and security measures hampered our daily activities of businesses, impacting our ability to serve clients, difficulties in receiving consignment and uphold normal operations.

*“All stakeholders indicated that an initiative should be taken to make collaboration between political stakeholders and local business associations.”*

“Some stakeholders/investors expressed a preference for campaigns to be conducted during off-peak hours or on weekends to minimize intervention with their business operations. Political parties should align their political campaign schedules with businesses' operational hours that can maintain a pleasant balance.”

Investors from all marketplaces and sectors acknowledged that the choice of campaign locations influenced investment perceptions. “Investors always considered the stability and business-friendliness of an area when conducted investment decisions. Constant disruptions to business operations can erode our confidence, hinder economic and business growth and deter foreign direct investment and exports.

#### **4.4. Theme 4: Impacts on Local Economy**

One of the major condemnations from all traders/investors that how political unrest affecting our local economy, including economic and business growth, employment, trade relationships with other cities and poor investment opportunities.

The data collected from respondent tell us that unrest from political parties significantly impacted economic growth. With disruptions stemming from strikes, protests and road closures leading to economic stagnation. These disturbances created an environment of uncertainty that causes businesses to reconsider investments and halt overall economic activity.”

Representatives from daily Labor stated that disruptions, “as job loss and employment instability become prevalent during such times. Moreover, local businesses vendors experienced challenges

in maintaining trade relationships and attracting foreign direct investment (FDI) due to eroded trust in the region's stability.” Market instability caused fluctuations in investment portfolios and affects the business and financial health of individuals and businesses alike.

Moreover, “investors are worried that consumer sentiments are also impacted, as uncertainty stimuli consumers to exercise caution and reduce their spending. This cautious approach further dampens economic activity, affecting various sectors including retail, hospitality and tourism.

When I talked to union president he said that unfavorable business environment arising from political instability delay entrepreneurship, venture capital, innovation and economic diversification in markets.” Traders may adopt risk-averse policies, focusing on short-term survival rather than long-term growth.

The ripple effects of unrest extend far beyond immediate disruptions, affecting economic growth, employment, investment opportunities, and overall business confidence. Government and local chamber of commerce need to adopt comprehensive strategies to address these challenges, fostering resilience and stability within the local economy, even amid political instability.

#### **4.4.1. Destruction on Trading and Business Activity**

The sub-theme "Destruction on Trading and Business Activity" exposed the profound negative effects that political unrest can inflict upon the trading and business landscape. The data collected from traders and investors that Political unrest disrupts the smooth flow of goods and services along supply chains. Stakeholders may face delays in receiving essential materials impacting production schedules and affecting the ability to meet market demands.

Mr. Imran from Bank Al-Habib stated that:

*“Uncertainty triggered by political unrest always creates financial instability in the area which may decrease investor confidence and capital flight. Investors, especially small and medium-sized enterprises (SMEs) and farmers may struggle to secure necessary funding for operations and expansion.”*

Interview with investors complaining that business operating in D-chowk and Blue Area affected by unrest encounter operational challenges such as difficulty in transporting goods and closures due to safety concerns. These challenges hinder our businesses' ability to operate efficiently.

Further, this turmoil resulted in damage to public infrastructure, private property, shops and Thela/Rehri. “The costs of restoring and rebuilding infrastructure divert resources from

productive business activities to non-production undertakings. Government and their association never made any effort to support us in this situation. The perception of instability hampers the inflow of foreign direct investment (FDI) and discourages local businesses from growing. The lack of investment limits job creation and stifles economic growth.”

#### **4.4.2. Investor Confidence**

Another sub-theme that emerged from the interview data is "Investor Confidence" that how political unrest influences the perceptions and confidence levels of investors. Investor and trader's confidence are deeply tied to the stability of a region. Manufacturer and Investors evaluate the level of risk associated with investing in regions affected by political unrest.

It was also found that during periods of unrest, there is often a flight of capital as investors and traders seek safer havens for their investments. This flight further eroded investor confidence in the affected region.

*“One Import Export dealers opined that Political unrest affects foreign direct investment (FDI) in hot areas of Islamabad. Mostly foreign investors may hesitate to commit capital with uncertain political environments and discontinuity in business activities affects their investor confidence.”*

Respondent also alleged that sustained political unrest deterred investors from making long-term investment commitments. Instead, they may opt for short-term or defensive investment strategies until stability is restored. Investor confidence is influenced by the level of communication and transparency from authorities during times of unrest. Lack of clear information from respective institution like Chamber of Commerce, incumbent government, Political parties and District governments lacks the communication between Unions. This led to create further uncertainty and reduced confidence.

Another problem that was identified that the role of Institutions. Traders and Investors look for proactive measures from government bodies and authorities to mitigate the impact of unrest. Respondents suggested that effective responses can positively influence investor confidence.

Mr Muhammad Atif Ghouri, Chairman Mateela Group stated that:

*“The importance of rebuilding investor confidence after periods of unrest is crucial for any business. He also suggested that strategic initiatives and policies should be adapted to restore stability and demonstrate commitment can play a pivotal role in regaining trust.”*

#### **4.5 Theme 5: Ensure Friendly Business**

Friendly Business Environment is indeed a vital and foundational component for any business activity. It serves as the core strategy in which businesses can thrive, innovate and contribute to the economic growth. A business-friendly environment incorporates a range of factors that collectively create an atmosphere for enterprises to operate, grow and succeed.

A friendly business environment is marked by investor protection laws that instill confidence, fair rules and regulations that provide a level playing field and efficient processes. It includes the presence of supportive infrastructure, from reliable utilities to well-maintained transportation networks, enabling businesses to function smoothly.

A friendly business environment flourishes in collaboration between governments, business associations and investors. In the face of political unrest, the implication of a friendly business environment becomes even more evident. When businesses feel safe, sustained and assured of their rights, they are more likely to weather the challenges posed by political uncertainties. Such an environment encourages innovation, attracts local and foreign investment and sustains economic activity even during turbulent times.

Fifth theme that emerged out from the question related to effective local bodies in fostering a friendly business environment. A district local government plays a central role in providing necessary infrastructure, security, reform procedures and addressing the needs of businesses to continue the economic generation activity.

A member from Chamber of Commerce revealed that

*“The primary goal of Chambers of Commerce is to actively contribute to the development of favorable business environment. Our role involves advocating for policies that encourage stability, drive economic growth, and establish regulations that attract investors. Regrettably, despite our efforts to maintain regular communication with union presidents and investors, we often find ourselves powerless in the face of heightened political tensions. Despite our consistent endeavors, the political fervor often undermines our collective struggles.”*

The data collected from respondents strongly indicated the urgent necessity of reducing bureaucratic obstacles and unnecessary administrative complexities that have the potential to impede our business operations, especially in areas affected by unrest. Establishing a stable

regulatory framework is of utmost importance. However, it's disheartening that the government has yet to address the challenges we face in ensuring seamless business operations.

#### **4.5.1. Reduce Tax Tariffs**

Data collected from stakeholder interviews; it is evident that there is a convincing case for the government to consider reducing tax tariffs as a deliberate response to the challenges posed by political unrest. Stakeholders emphasized that by alleviating tax burdens, businesses can be better equipped to withstand the challenges posed by uncertain conditions, thereby fostering a more conducive environment for continued investment.

All investors expressed their view that

*“Reduced tax tariffs could serve as an incentive to continue operations and investment in the face of unrest. Lower tax burdens were seen as a way to offset some of the economic challenges posed by political instability.”*

Many respondents noted that during periods of unrest, we often face financial pressures due to disruptions in operations/sales and decreased revenue. Therefore, lower the tax tariffs or reduction viewed as a prospective means to alleviate some of this financial strain and enable our businesses to weather the storm. Investors will appreciate governments to adapt tax such tariffs to accommodate the evolving economic environment. Further, reduction in tax tariffs will see as a strategy to attract new investments, particularly during uncertain times. Investors will be more inclined to commit funds to regions where tax policies are accommodating and aligned with economic realities.

Data gathers from the stakeholders suggested that governments can play a pivotal role in shaping investment behavior by implementing responsive and accommodating tax policies that reflect the challenges faced by businesses during times of unrest.

#### **4.6 Theme 6: Mitigating the Impact of Unrest and strikes**

Lastly, the theme emerged out from the respondents of stakeholders that "Mitigating the Impact of Unrest and Strikes" within the context of political unrest and investment conundrum. They shed light on the policies, recommendations and procedures put forth to alleviate the adverse consequences of disruptions caused by political unrest and strikes on businesses and investment activities.

A significant strategy that came out from the respondents that involves ordering preparedness and implementing contingency planning. It was evident from discussions with investors, Union Presidents, and Government officials that anticipating potential disruptions and formulating comprehensive plans is crucial to effectively handle operational challenges and ensure business continuity during periods of unrest. The concept of diversifying business operations across various locations also emerged as a valuable approach to minimize susceptibility to disruptions in specific areas. Establishing business activities in different regions can act as a barrier against localized disturbances and their associated risks.

All investors responded that:

*“The importance of diversifying suppliers and considering alternative sourcing options emerged as a key strategy to maintain a consistent supply of goods and materials during periods of unrest. Technological investments, such as e-commerce platforms and remote work capabilities, were suggested to enhance business flexibility, enabling operations to continue even in the midst of physical disruptions.”*

Effective communication and consultation between businesses and government stakeholders can lead to more informed and effective policy formulation that fosters a favorable business environment during unrest. Security measures were highlighted as critical components to protect business assets and operations during unrest. Public awareness campaigns were recommended to inform citizens about the economic implications of unrest and productive engagement. Offer legal safeguards and clear guidelines that can mitigate the negative impact of unrest on the investment landscape.

#### **4.7. Descriptive Analysis:**

In this research, I conducted descriptive analysis of the relationship between political unrest and investment conundrum. This analysis offers a comprehensive overview of patterns, trends, and characteristics that observed in the data collected through interviews and surveys. The analysis examines the investment preferences exhibited by various investors during periods of unrest. Additionally, the analysis addresses the temporal aspects of investment behavior by comparing short-term to longer-term strategic adjustments in future. In summary, the descriptive analysis of political unrest and investment conundrum provides valuable insights into the complex dynamics between political events and financial decisions."

Some following result which was carried out in politically affected areas:

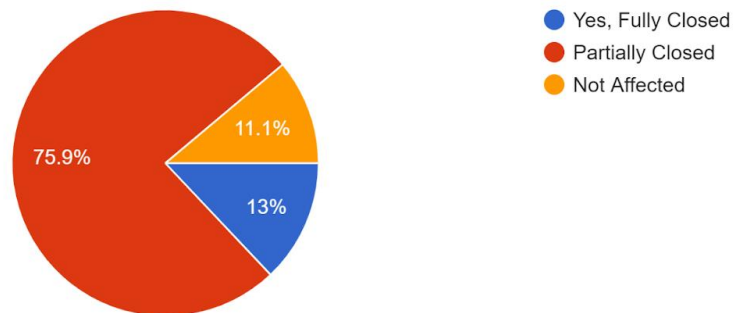
1- 29.6% of the respondents faced the closure of the business due to the road closure, 3.7% due to the obligatory business closure while remaining 66% businessmen faced the business closure due to strikes and protests. From this we can infer that business closures are not exclusively localized to protest hotspots but because of road closures have a significant citywide impact, affecting businesses throughout the area.

What type of Unrest have you faced in this area?  
54 responses



2- During last year 11% of the respondents did not face the business closure, while 76% were facing partial closure while 13% faced complete closure of business. From these results it can be assumed that 76% of the respondents experienced partial business closures, indicating that the impact of political unrest on business operations is widespread and affects a majority of businesses in varying degrees. Moreover, 13% facing complete closure and it highlights the strictness of the disruptions caused by political unrest on a prominent portion of businesses.

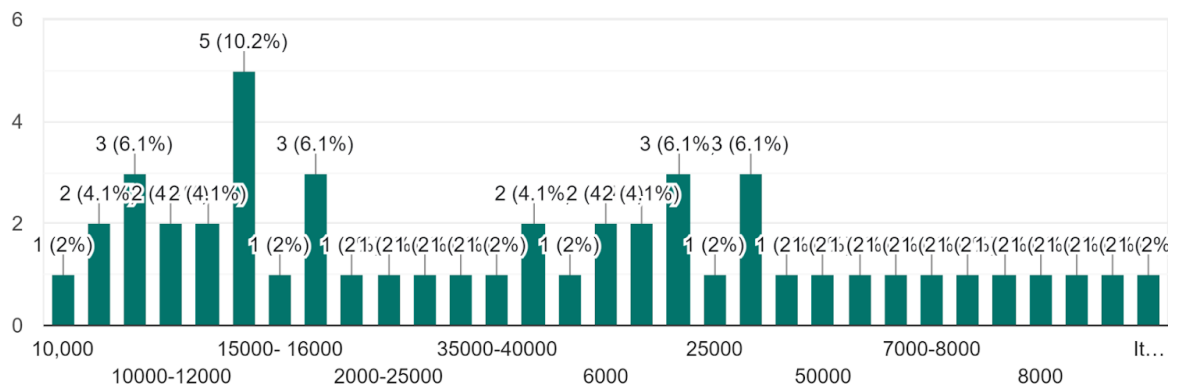
Last Year, how many days were your businesses affected by political unrest?  
54 responses





3- According to data collected in Aabpara market on average a small investor faced a loss of 14000 Rupees daily, and in the blue area market on average daily loss recorded was more than Rs 37000/, while in the Faizabad market the average daily loss is estimated almost Rs 15000 during a political sit in. The data collected from the different markets in Islamabad highlights the significant economic losses suffered by small investors during political sit-ins. In Aabpara market, where the average daily loss amounted to Rs 14,000. It indicates a significant economical setback for small investors. The situation is unpleasant in the Blue Area market, where the daily loss exceeded to Rs 37,000 on average, indicating a huge burden on small businesses. Furthermore, in Faizabad, with an estimated average daily loss of around 15,000 Rupees during political sit-ins. It also experienced remarkable financial and economic challenges for small investors. It proves that political unrest can have a crippling economic impact on small-scale investors who may lack the resources to absorb such losses easily.

How much daily loss did your business face during political unrest? Please write some value in Rs  
49 responses



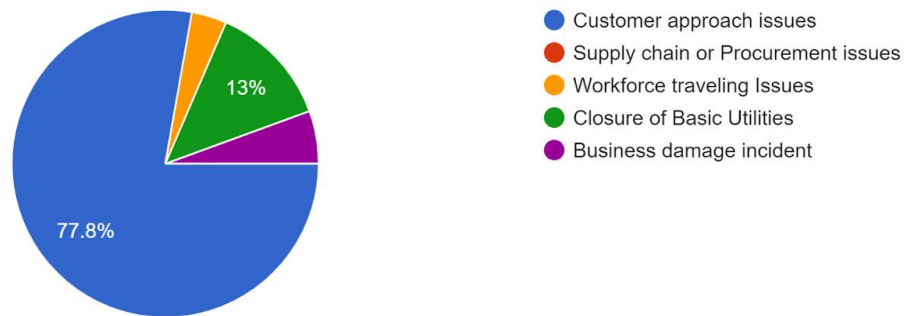
4- 5% of the respondents faced the issue of business damage incidents, 13% faced the closure of the basic utilities, 78% encountered the issue of customer approach issue while 3% faced the issue of workforce traveling issues during a political sit in. From these results it is highlighted that the data collected from respondents during political sit-ins reveals several key issues faced by businesses in Islamabad. 78% of the respondents reported the

issue of customer approach. This indicates that the disruptions caused by political unrest significantly impact customer behavior and engagement, potentially leading to decreased sales and foot traffic.

13% of the respondents experienced the closure of basic utilities and this highlights the broader impact of political sit-ins on the infrastructure and services that businesses rely on for their daily operations. 5% respondents reported incidents of business damage during political sit-ins and 3% of the respondents faced challenges related to workforce traveling issues during political sit-ins, indicating that employee mobility can also be affected, potentially disrupting business operations.

During the political unrest, what kinds of issues were faced by your firm?

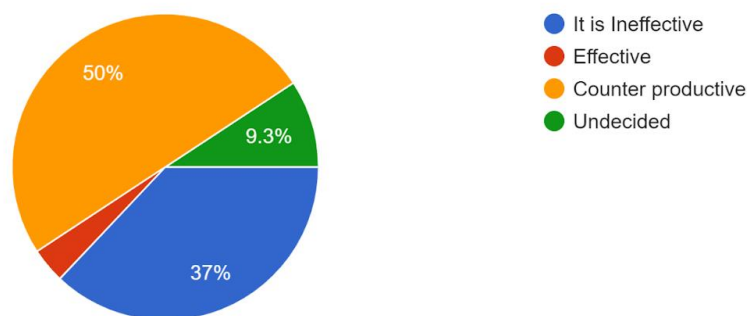
54 responses



5. 50% of the respondents think that the political strikes were counterproductive, 3% thinks of them as effective, 37% consider it as ineffective while 10% of the respondents were undecided about the results of these political strikes and protests. Respondents reveal mixed views. Around half of the respondents view these political strikes as counterproductive. This advocates that business community and individuals in the city do not see positive outcomes arising from such actions.

### How would you define your observation about strikes/protest?

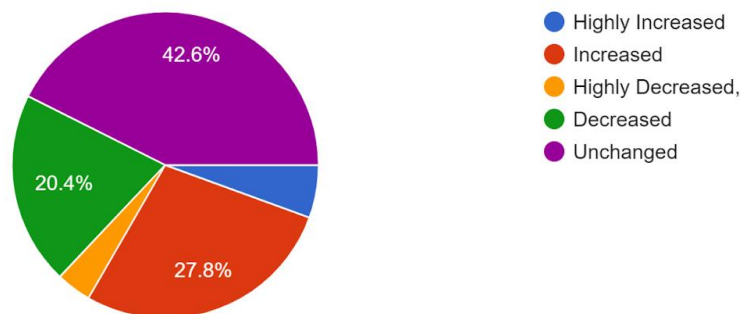
54 responses



- 20% of the respondents faced decline in the sales and output after the normalization of the environment, 9% of respondents experienced highly declination in the output, 28% faced increase in the sales and output while 43% of the respondents reported the unchanged output after protests. 20% of the respondents reported a decline in sales and output even after the normalization of the political environment. It indicates that the disruptive effects of protests can have lingering consequences on businesses and their profitability. 28% of respondents reported an increase in sales and output after the normalization of the environment. It indicates that some businesses benefited from post-protest dynamics, resulting in improved performance. Lastly, 43% of the respondents reported that no significant change in output. This suggests that a considerable portion of businesses managed to maintain their pre-protest levels of sales and productivity even after the political unrest contracted.

## Your Firm's Output/Sale after Political Unrest

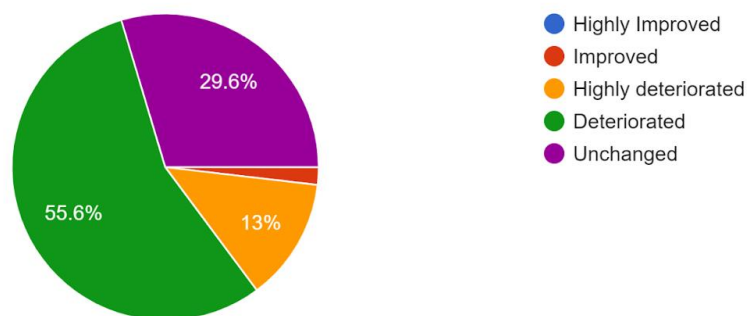
54 responses



7. 55% of the respondents think that their business will deteriorate if the current political unrest situations prevail, other 13% speculate that their business will highly deter, remaining 32% have the idea that their business will remain unchanged. Majority of respondents comprising of 55%, expressed the belief that their businesses would deteriorate if the current political unrest situations persisted. This indicates a prevailing sense of concern and distrust among the business community which can hinder normal business operations and consumer confidence. 32% of respondents believe that their businesses would remain unchanged despite the political unrest. This advocates that some businesses have strategies that make them more resilient to external disruptions .A smaller portion of respondents, specifically 13%, held a terrible stance, expecting that their businesses would highly deteriorate under the ongoing political turmoil.

Considering the economic condition after the uncertainty, what is the future of your company

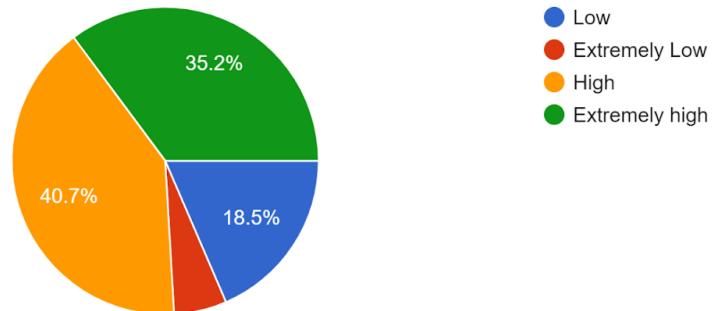
54 responses



8. 41% of the respondents consider that political unrest is extremely high in the capital, 40% consider it slightly higher than remaining areas of Pakistan while 19% are of the view that the political situation in the capital is controlled than other areas of Pakistan. It is inferring that 41% respondents observe political unrest in the capital as extremely high. This advocates a prevailing sense of instability and tension in Islamabad. It may be attributed to the city's status as the seat of government/ state and frequent political activities or protests that occur there. Such a perception can have higher levels of unrest often translate to increased uncertainty. 40% investors believe that political unrest in Islamabad is slightly higher than in other areas of Pakistan. This viewpoint indicates that the elevated political activity in the capital, they do not consider it drastically different from the rest of the country. A smaller segment of respondents, comprising of 19%, holds the view that the political situation in Islamabad is more controlled than in other areas of Pakistan.

How would you describe the Level of Political unrest in Islamabad as compared to the rest of a country?

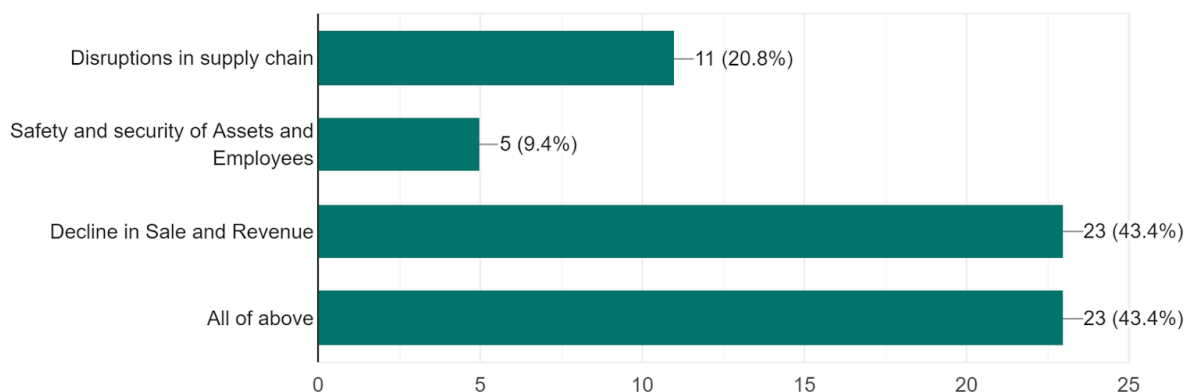
54 responses



9. 35% of the respondents faced the threat to the sales and revenue during a political sit in, 20% faced a disruption in the supply chain, 6% of the businessmen faced the threat to safety of assets and the employees while remaining 39% of the respondents faced all of the above-mentioned threats. It concludes that this threat underscores the economic impact of political unrest, as disruptions to normal business operations can directly affect a company's bottom line. Reduced consumer activity, road closures and security concerns are main factors contributing to this threat.

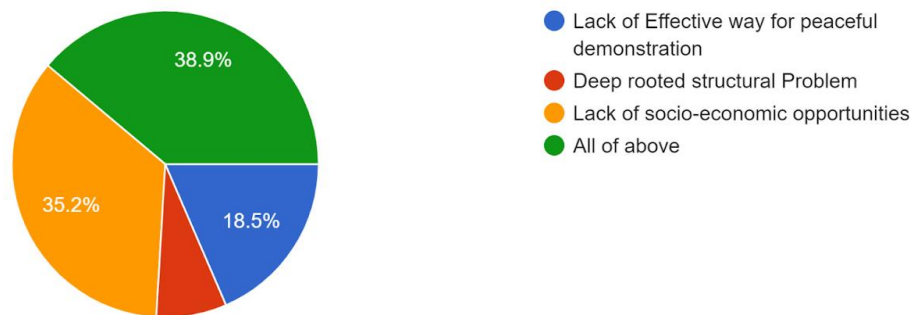
Have you faced any of the following threat to economic activity during sit-in? (Select all that apply)

53 responses



10. 7% of respondents think that the structural problems to be the cause of the violent strikes, 19% of them blamed the lack of information about peaceful demonstration, 35% stated it as the lack of socio-economic opportunity while remaining 39% were of the view that all of above problems are the reason behind violent protests. This perception suggests that deep-rooted issues related to good governance, infrastructure and institutional challenges may be underlying causes of the unrest. Addressing these structural problems would likely require significant systemic changes.

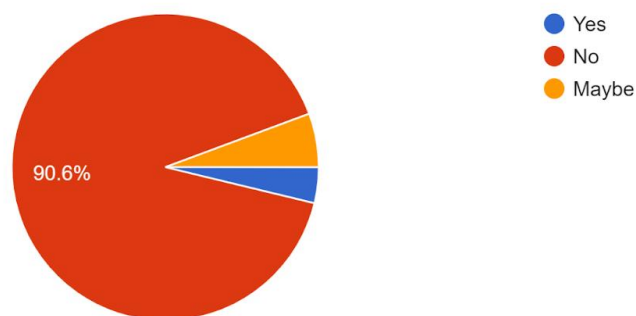
In your opinion, what are the main reason which can lead to Violent and non-violent strikes?  
54 responses



11. 4% of the respondents surely took part in the political campaigns, 3% occasionally participated while remaining 92% claimed to be neutral in this regard. It indicates that a very small percentage of respondents actively participated in political campaigns. However, the overwhelming majority of respondents identified themselves as neutral and prefers not to engage directly in political campaigns.

Have you ever contributed in any Political Campaign/strikes?

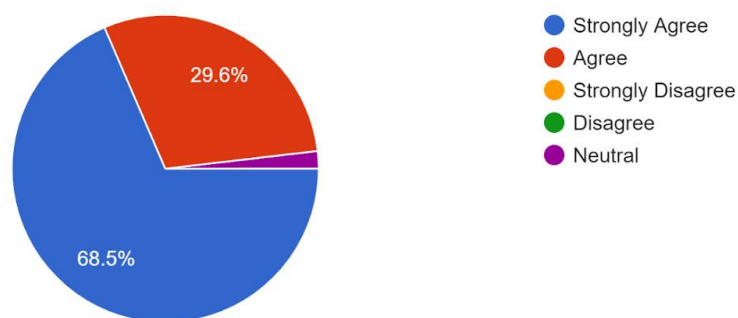
53 responses



12. 30% supported the idea of the political activities outside the business area while 70% strongly supported this idea. It proves that a substantial majority, of respondents, strongly supports the idea of political activities taking place outside business areas. This irresistible support suggests that many individuals prefer a clear separation between political activities and business operations. This separation may help mitigate disruptions and maintain a stable business environment.

In your Opinion do you think Political campaign should be outside of the business Area?

54 responses



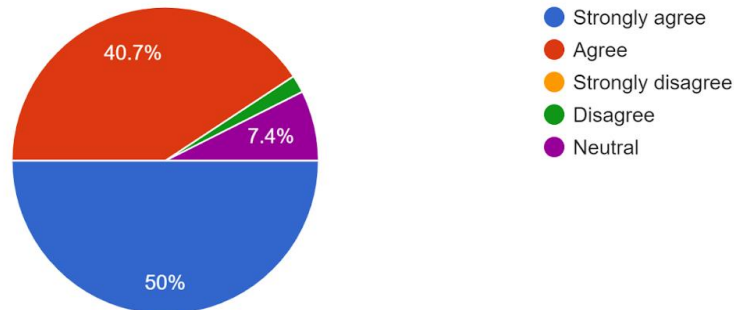
13. 40% of the respondents supported the idea that the investment environment protection is more important than the revenue collection, 50% strongly supported this claim while only 2% opposed the idea remaining 8% were neutral in this regards. Majority of the respondents supports the idea that protecting the investment environment holds greater



importance than revenue collection. This strong agreement suggests that stakeholders prioritize a stable and friendly business environment for investment over immediate revenue generation, which could lead to more sustainable economic growth.

Is investment environment safety is more important than Tax revenue collection for a country?

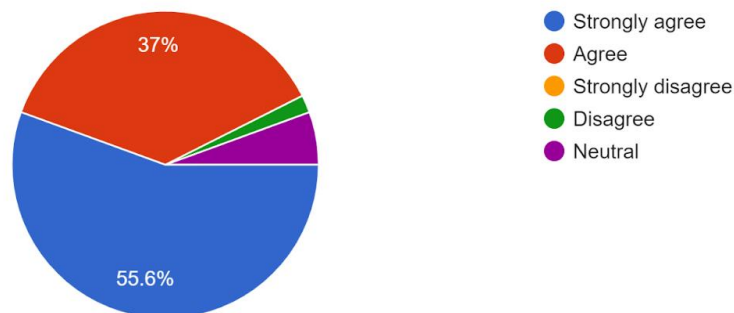
54 responses



14. 37% of the respondents supported the argument that government must provide the safety environment to ensure the investment boost, 55% supported it strongly while only 2% disagreed with the notion remaining 6% of respondents gave neutral views. It directs that a substantial majority strongly supports the belief that the government should ensure a safe environment to encourage investment. This strong agreement underscores the importance of safety and stability as key factors in attracting and retaining investments in the region.

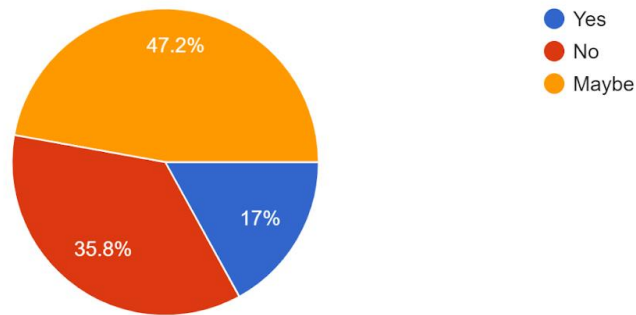
Government should provide safety environment to boost investing confidence?

54 responses



15. 16% of the respondents have plans for further investment in future,35% of the them are not going to invest any more in the business while remaining 49% showed in decisiveness in this matter. It is suggests that there is a notable level of indecision among respondents regarding future investments, with nearly half remaining uncertain about their plans. This uncertainty could be revealing of the cautious approach in the face of political unrest and uncertainty.

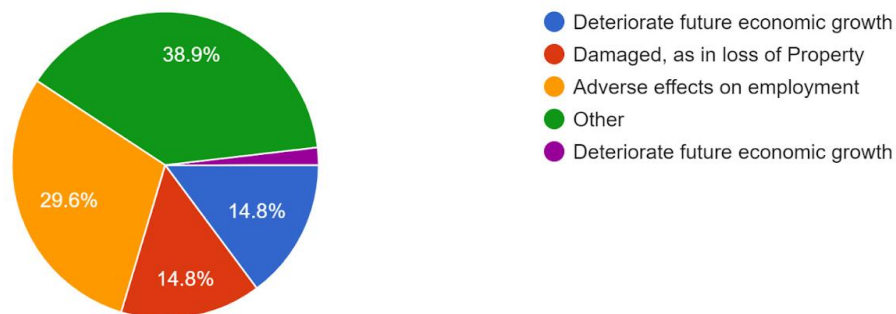
Has your company/Shop/Industry planned new investment for coming year or near future?  
53 responses



16. 30% of the respondents described the impact of strikes in the local economy as adverse on the employment, 15% described it to be the damage in property while 16% described it to be the deterred future growth while remaining 39% of them described it as other impacts than the mentioned above. It concludes that that a substantial portion of respondents observed impacts on the local economy that extend beyond adverse effects on employment, property damage and future economic growth.

### How do you think these strikes can Impact our Local economy?

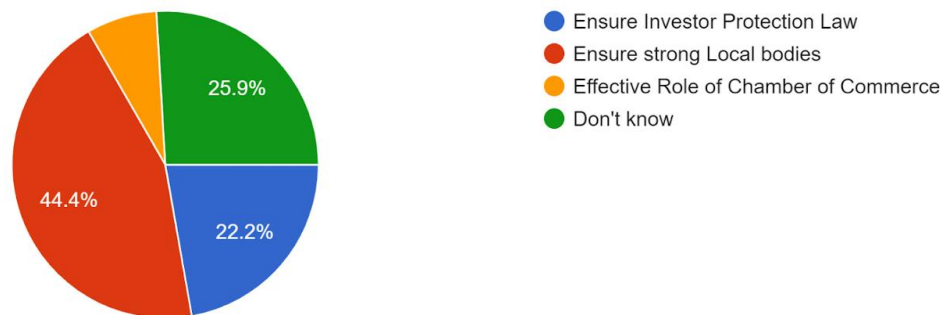
54 responses



17. To ensure business friendly environment 26% of the respondents expressed ambiguity, 7% of them suggested the effective role of chamber of commerce, 44% suggested effective local bodies while remaining 23% supported the idea of investment protection laws. It shows that a considerable percentage of respondents were uncertain about how to ensure a business-friendly environment. However, a significant proportion favored the roles of local chambers of commerce and effective local governance in creating such an environment. Moreover many respondents supported the implementation of investment protection laws suggesting that multiple strategies might be necessary to foster a business-friendly atmosphere.

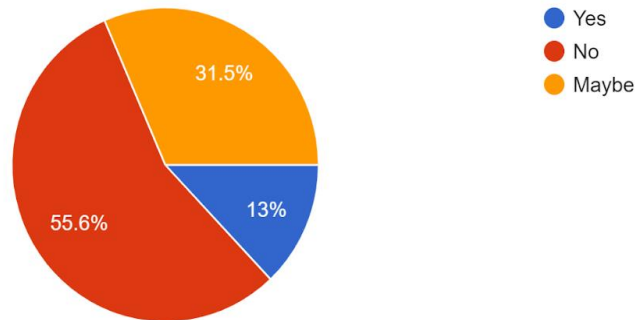
### How to ensure friendly business environment by Government and political parties?

54 responses



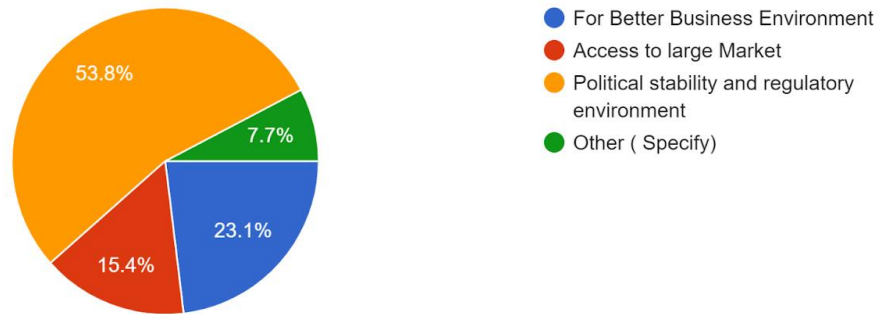
18. 13% of the respondents wanted to move their business, 55% of them wanted to remain in the existing market while 32% were not sure about the migration. The survey results show that respondents expressed a wish to relocate their businesses, possibly due to the challenges posed by political unrest. However, the majority of the respondents expressed a preference for staying in their current market.

Are you considering to relocate in any other region/place?  
54 responses



19. 54% of those who were intended to migrate stated the reason to be quest for politically stable market, 15% of them supported the idea of access to larger market and remaining 31% stated it to be the better business environment. The survey also reveals that the inspiration to migrate their businesses is the search for a politically stable market. It replicates the critical importance of political stability in influencing business decisions. Respondents also emphasized the desire to access a larger market, cited the pursuit of a better business environment.

If yes, what is the main purposes to relocate?  
26 responses



## CHAPTER 5

### CONCLUSION AND RECOMMENDATION

In developed countries usually they have well-established institutions and foundation in place to cope with political unrest and investment conundrum. These foundations include independent courts, regulatory bodies and a free print & electronic media. They also have strong democratic processes and well-functioning government institutions that can address the grievances of their citizens and ensure stability.

Many developed countries have established public forums, such as town hall meetings or online platforms, where citizens can express their concerns and engage with government officials. Some countries have also established citizen panels or assemblies that are tasked with providing input and recommendations on policy issues.

In Pakistan, similar mechanisms could also be established to provide citizens with a channel to convey their demands and grievances earlier. One possibility could be to establish a public forum where citizens can engage with government officials and provide valuable input on policy issues.

My motivation was behind this research is to understand the complicated relationship between political unrest on investment behavior for businesses and policymakers in today's context. To investigate this topic, mixed-methods approach was conducted. Surveys and interviews were steered with stakeholders, including investors and business owners in Islamabad. These surveys and interviews focused on gathering their knowledges and perspectives about the impact of political unrest on investment behavior."

In conclusion, the study on political unrest and investment conundrum in Islamabad emphasizes the complex relationship between the political landscape and economic activities. The identified themes and sub-themes highlighted the multidimensional impact of unrest on businesses, investor confidence and the local economy. The policy recommendations put forth aims to mitigate the challenges posed by political unrest and create a more favorable environment for investment. By adopting holistic approach that comprises improving security measures, expanding regulatory frameworks, nurturing public-private collaborations and providing targeted

support to affected industries. These efforts not only contribute to business resilience but also emphasize the assurance to sustainable economic growth, even in the face of external disturbances. It is vital for policymakers, stakeholders and investors to work together to implement these recommendations and create a friendlier business environment that remains robust and appealing in uncertain times.

The results reveal significant challenges, including citywide business closures due to road blockades and substantial daily losses for small investors during political sit-ins, especially in prominent markets. “Opinions on the impact of political strikes vary, but a majority of stakeholders anticipate a worsening business environment if the unrest continues in the capital. Respondents prioritize safeguarding the investment environment over immediate revenue collection and call for government measures to ensure a safe investment climate. Investment plans are influenced by political unrest, and political strikes have adverse effects on employment, property and future economic growth.” Creating a business-friendly environment is deemed crucial, with proposed solutions ranging from local chambers of commerce to investment protection laws.

On the following research finding I present some policy recommendation:

### **5.1 Recommendation:**

- The government must ensure focus on enhancing “institutional strength, rule of law and regulatory stability to provide a friendlier environment for investors and traders.” This could include reforms in our legal systems and governance structures to promote investor confidence.
- During the periods of unrest, a clear and transparent communication between concerned authorities, businesses and investors is crucial. Creating reliable channels of information dissemination can help mitigate uncertainty.
- Inspire and encourage investors and traders to diversify their business operations and supply chains across multiple locations to reduce vulnerability to localized disturbances.

In this scenario, Tax Incentives or Subsidies could be offered to incentivize diversification and expansion.

- Make a closer collaboration between governmental institutions and Chambers of Commerce to accommodate investors. Systematic dialogues with all stakeholders can help policymakers to understand the challenges that investors face and propose the better public solutions.
- Support and encourage a fast-track dispute resolution mechanism specifically tailored to address conflicts arising from political unrest. This can provide businesses with a quicker resolution process, reducing uncertainty and encouraging investment.
- Propose investor protection laws to ensure that investors' rights are protected even in times of unrest. These laws can impart confidence among investors and provide legal resort in case of disruptions.
- Creating awareness and encourage among investors and trade union bodies to engage with local communities and support initiatives that enhance stability and resilience during unrest. Building strong relationships can foster a sense of unity and collaboration. This can also authorize and empower investors to make informed decisions during uncertain times.
- Encourage political activities to take place outside of business districts to minimize disruptions.
- Regular communication and dialogue between businesses, government officials, and civil society can help identify and address concerns before they escalate into unrest.
- The government must guarantee a secure environment for businesses underscores the significance of security and stability. To foster this, the government should allocate resources towards enhancing law enforcement, fortifying security infrastructure, and implementing effective conflict resolution mechanisms. This concerted effort will contribute to establishing a safer environment for both businesses and citizens.
- Empower chambers of commerce, trade unions and legislators to play an active role in advocating for a business-friendly environment and addressing challenges arising from political unrest.
- Ensure Peace Forums/committees in all districts that bring together stakeholders from various sectors to share experiences and best practices in navigating political unrest.



These forums can facilitate knowledge exchange and mutual support to promote sustainable business at every level.

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## APPENDIX A

### Response Form for Businesses and Individuals

This questionnaire is designed for academic research on “Analyzing Investment Behavior during Political Unrest (A Case Study of Islamabad)”. The information you provide will be confidential and only be used for research purpose.

Name of the Respondent (Optional):	
Gender	Age
Business Name (Optional):	City
Area of Business:	No of Employees:
Types of Business Real Estate/Marketing Food Chain Grocery shops Garments Shop/Shoe Shops Automobiles Electronics/Mobile Shops Others	

## QUESTIONS

1- What type of Unrest Happens in this area?

- Strikes/Protest
- Civil disobedience
- Road closure
- Obligatory business closure

2- Last Year, how many days were your businesses affected by political unrest?

- Yes, Fully Closed
- Partially Closed
- Not Affected

3- During the political unrest, what kinds of issues were faced by your firm?

- Customer approach issues
- Uncertainty for consumers/customers
- Supply chain or Procurement issues
- Workforce traveling Issues
- Closure of Basic Utilities
- Business damage incident

4- How would you define your observation about strikes/protest?

- It is Ineffective
- Effective
- Counter productive
- Undecided

- All of above

5- Your Firm's Output/Sale after Political Unrest

- Highly Increased
- Increased
- Highly Decreased,
- Decreased
- Unchanged

9- In your opinion, what are the main reason which can lead to Violent and non-violent strikes?

- Lack of Effective way for peaceful demonstration
- Deep rooted structural problem
- Lack of socio-economic opportunities
- All of above

6- Considering the economic condition after the uncertainty, what is the future of your company?

- Highly Improved
- Improved
- Highly deteriorated
- Deteriorated
- Unchanged

10- Have you ever contributed in any Political Campaign/strikes?

- Yes
- No
- Don't Know

7- How would you describe the Level of Political unrest in Islamabad as compared to the rest of a country?

- Low
- Extremely Low
- High
- Extremely high

11- In your Opinion do you think Political campaign should be outside of the business Area?

- Strongly Agree
- Agree
- Strongly Disagree
- Disagree
- Neutral

8- Have you faced any of the following threat to economic activity during sit-in? (Select all that apply)

- Disruptions in supply chain
- Safety and security of Assets and Employees
- Decline in Sale and Revenue

12- Is investment environment safety is more important than Tax revenue collection for a country?

- Strongly Agree
- Agree
- Strongly Disagree
- Disagree

Neutral

Don't know

Neutral

13-Government should provide safety environment to boost investing confidence?

17(a)- If yes, what is the main purposes to relocate?

- Strongly Agree
- Agree
- Strongly Disagree
- Disagree
- Neutral

- For Better Business Environment
- Access to large Market
- Political stability and regulatory environment
- Other (Specify)

14-Has your company/Shop/Industry planned new investment for coming year or near future?

18- Have you ever applied any specific methods to alleviate the effects of political unrest on your business?

- Yes
- No
- Don't Know
- Neutral

- Yes
- No
- Don't Know
- Neutral

15-How do you think these strikes can Impact our Local economy?

18(a) If yes, please provide any adaptation or policy recommendation?

- Deteriorate future economic growth
- Damaged, as in loss of Property
- Adverse effects on employment
- Others (Specify)

16- How to ensure friendly business environment by Government and political parties?

- Ensure Investor Protection Law
- Ensure strong Local bodies
- Effective Role of Chamber of Commerce
- Neutral

17-Are you considering to relocate in any other region/place?

- Yes
- No



**Open Ended Question:**

- 1- How does political unrest impact investor confidence in affected areas?
- 2- Examples of best practices that businesses have implemented to maintain continuity during political unrest?
- 3- In what ways Government and their institutions can support businesses during political turmoil?
- 4- Does political turmoil have any repercussions on trade agreements or international trade relationships?
- 5- How Chamber of Commerce collaborate with the government to address the economic implications of political unrest in Islamabad? Moreover, how they can advocate promoting stability and business friendly environment?

*Thank you for your participation*

## Annexure

### Respondents Details

S. No	Name of Interviewee	Designation	Occupation/Department
1	Mr. Atif Ghouri	Director and Founder	Mateela Group of Marketing
2	Mr. Hannaan Ahmed - Auditor	Shop Owner	Blue business
3	Mr. Hazrat Khan, Owner	Shop Owner	Tawakal Vegetable and Fruit Shop
4	Muhammad Arshad	CEO	AY consulting Private limited
5	Mr. Mohsin Sarfraz Abbasi	Shop Owner	Mobile Shop
6	Mr. Haroon	Shop Owner	Mobile Shop
7	Mr. Adil Amjad	Director	Digital Marketing and Broker
8	Islamabad Masala Shop	Shop	General Store
9	Mr. Gul Jan	Shop Owner	Bag Shop
10	Mr. Khizer Hayat	Associate	Kashmir General Store
11	Mr. Fahad Ali	Local Vendor	ASG Garments
12	Mr. Mahad Ali	Shop Owner	Nazeer Shopping Mall
13	Mr. Iftikhar Ahmed	Assistant	Govt officer
14	Mr Mohsin	Owner	Hamza Electric Store Aabpara
15	Mr. Ghazanfar Iqbal	Shop Owner	Mughal Engineering
16	Mr. Asif Hussain	Shop Owner	Raja Vegetables

17	Mr Aijaz	Officer	Banking and Finance
18	Mr Asim Ali	Business Owner	Nuts & Nuts
19	Mr. Shehzad Ali	Business Owner	i-repair
20	Mr Anwar Ali	Partner	Friends Mobile
21	Mr. Atif Shabeer	Owner	Uni cell
22	Mr Kamran Haider	Owner	Kamran Carpets
23	Mr Shahid Ali		Al Qayyum Carpets
24	Mr. Altaf Hussain	Shop Owner	Carpets
25	Mr. Mr Asif Bhatti	Add Seceretary	Ministry
26	Mr. Mr Sami	Director	Ministry
27	Mrs. Ansari	Director	Women Chamber of Commerce
28	Mr. Badruddin	Shop Owner	Furniture
29	Faisal Hayat	Shop Owner	Tourism and Hotel Industry
30	Naeem Ahmed	Shop Owner	Stone and Tile Bond