**PERFORMANCE OF ECONOMY IN DEMOCRATIC AND NON – DEMOCRATIC GOVERNMENT IN PAKISTAN**

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***ABSTRACT*:** *There is a comparison between political scenarios in Pakistan that is democratic and dictatorship regime and the association amongst Democracy and Economic Growth and controlling rule. Yearly data was collected comprising of GDP (market price), GDP per capita, Direct Tax, Indirect Tax, Inflation Rate, Exchange Rate, FDI.*

**Keywords:** Democratic, Non- Democratic, Pakistan

**1. INTRODUCTION**

This investigation has established a lot of influences, which after periods of query emerge no closer to being fixed. This proposal takes a quicker scrutiny in the arguments after this autopsy and attempts to elucidate the connections among Democracy and monetary development. The study was supported to discover out the assessment among the Democratic and Non-Democratic Government and its presentation in Pakistan. For this determination the additional traditional approaches of proportional scrutiny is used to comprehend the contrivances through which Democracy or Autocracy whichever value or hamper the procedure of expansion and progress.

**2. LITERATURE REVIEW**

The major notion of radical establishments altering financial outcome and presentation has escorted communal experts since the existences of Adam Smith. Over time, it has converted generally that recognized monetary presentation is causally connected to the political and the established situation of financial accomplishments.

Though, a current study has shown that the connection among financial development and egalitarianism is much multifaceted and disordered, and intellects shared on the stuff that whichever self-governing establishments has greater influence on monetary presentation than authoritarian rules or not. After vague and indecisive consequences of a plentiful pass country and other lessons, Cliques of the “equality sanctions, development” theory declare that it bring keenness to persons to exertion and capitalize, the effectual distribution of incomes, and revenue exploiting secluded attainment in a circumstances of liberty and safety. It is frequently preserved that equality is a treat which reaches at a value within rapports of subsequent gentler cumulative nationwide living morals. Though numerous contemporary cross segment trainings absorbs onto profitable surges that have situated signal that shortage of public and radical rights is damagingly connected with profitable growth.

Ramakrishnan et.al [1] exposed that on nasty equality improve the pace of development. They concerned out that equalities source advanced and improved value development through a kind of behaviors. Researchers grants an experiential checked to exhibit that equality have an assenting outcome on development through the channel of investment. In other sayings state that egalitarianism increases investment, which in turn limbs financial development.

While disagreement of egalitarianism progress the development hypothesis proclaim that democracy damage the pulse of financial development in numerous methods and errands Non-democratic governments to restrain clatters, rough nationwide salaries actions, and for application of forced assesses desired for rapid financial development. Researchers evaluated the fifteen experiential soundings and exposed those eleven out of fifteen exposed no or provisional influences among democracy and financial development [2]. Borneret find that out of sixteen experiential soundings, three reveal an assenting connotation among democracy and growth, three disclose the inconsistent accessory and stay behind, and ten are indecisive concerning the associations among aimed variables [3].

Past researchers scrutinize that there is a powerful positive correlation occurs among per capita GDP and the overseer of law. The three reviews of the experiential study with reversing assumption is in indulgence of a negative association among democracy and development, researchers accomplish that there is positive connection, They do not know whether democracy nurtures or hinders financial development[4].

Experiential work made a decision that radical governments do not fluctuate in impression on the development of per capita incomes. They originate that democratizing states have rarer tools to endorse development than dictatorships.

Curle also identify that the excellence of supremacy and organizations is notable for defining rates of speculation [5].

The competition that "democracy bids those whom are impoverished, troubled or otherwise unfortunate as an influence of the first donations and occasion towards meeting compensation via the state.

Bardhan, P. originate that the purpose for reduction in standard interchange capacity is due to surge in inflation and financial instability [6].

Some factions to the compatibility viewpoint oppose that a democratic administration is best coordinated to substitute preserved and reasonable financial expansion. According to it self-governing events and the realism of public rights and political freedoms grow the condition most favorable to financial development [7]. Democratic organizations deliver an appraisal onto administrative power and thus limit the vision of communal administrators to amass individual profusion and towards transmit out unpopular strategies [8].

**3. METHODOLOGY**

**Method of Data Collection**

Secondary data was attained from reliable and credible sources from federal bureau of statistics, trade development association of Pakistan and State Bank of Pakistan websites and World data bank.

**Sample Size**

Data of 30 years from 1980 to 2009 encompassed on yearly basis has been used in the research.

**Research Model**

1. GDP (market price)

GDP mp Democratic – GDP mp Non

Democratic ≠ 0

1. GDP per capita

GDP per capita Democratic – GDP per capita Non Democratic ≠ 0

1. Direct Taxes

Direct Taxes Democratic – Direct taxes Non Democratic ≠ 0

1. Indirect Taxes

Indirect Taxes Democratic – Indirect Taxes Non Democratic ≠ 0

**Statistical Technique**

Statistical method used in this study is “Independent Samples-T Test”. This procedure was used keeping in cognizance the nature of the hypothesis and the data.

**4. RESULTS AND DISCUSSION**

**GDP at market price**

The sig value in the Table 1 displays that the mean difference of 2523369 among the GDP mp in Democratic Government and the GDP mp in Non-Democratic Government is Significant and by observing at the mean of GDP mp in Democratic Government i.e. 4063040 is higher than the mean of GDP mp in Non-democratic Government i.e.1539671, so the conclusion is that the enactment of Democratic Government is superior as associated to the Non-Democratic Government.

**TABLE 1: Independent Sample T-Test**



**GDP per capita**

The sig value in the Table 2 shows that the mean difference of 12719.770 among the GDP per capita in Democratic Government and in Non-Democratic Government is Significant and by observing at the mean of GDP per capita in Democratic Government i.e. 25137.35 is higher than the mean of Non-democratic Government i.e. 12417.58, so the inference is that the enactment of Democratic Government is restored as associated to the Non-Democratic Government.

**TABLE 2: Independent Sample T-Test**



**Direct Taxes**

The sig value in the Table 3 shows that the mean difference of 0.35649 among the Direct Taxes in Democratic Government and Non-Democratic Government is Non-significant. So the presentation of Democratic and Non-democratic Government is equal.

**TABLE 3: Independent Sample T-Test**



The sig value in the Table 4 shows that the mean difference of -0.509734 among the Indirect Taxes in Democratic Government and Non-Democratic Government is Non-significant. Consequently the presentation of Democratic and Non-democratic Government is equal.

**TABLE 4: Independent Sample T-Test**



**Hypotheses Assessment Summary**



**5. CONCLUSION**

The experiential study of the financial development and dissimilar Governmental regime hypothesis guesses positive association and causal association among Development and Democracy. Regime also supports in capitalizing verdicts for foreign stockholders at the same time it are also helpful for community to select right political institution for the country.

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