



RESEARCH PAPER

**Countering Violent Extremism in Southern Punjab: Poverty
Alleviation through Sustainable Economic Growth**

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ABSTRACT

During the last two decades, there has been an alarming increase in intolerance and radicalization in the country. Both State institutions and countrymen are vulnerable to its impacts. Regarding violent extremism, it is thought that South Punjab is majorly responsible for recruiting militants into violent extremist organizations. Countries like Pakistan, where the poverty rate is high and young men do not find means of livelihood and are forced to join militant groups. In Southern Punjab districts, 39% of inhabitants are below the poverty line. For addressing this, the government took initiatives for poverty alleviation, Southern Punjab Poverty Alleviation Programme (SPPAP). The project aimed to reduce poverty and assimilate poor people into the circle of collective development. The article also discusses the steps taken by numerous developed states highlights and the challenges faced by Pakistan. The study adopted a qualitative approach (i.e. using the existing body of literature-books, newspapers, and journal articles to draw conclusion). Findings reveal that in order to resolve the problem of poverty as well as extremism, the government needs to address the issues related to gender differences, unskilled labor, climate change, and infrastructure.

Keywords

Economic, Poverty, Punjab, Violent Extremism

Introduction

Violent extremism has been plaguing Pakistani society for a long; however, during recent decades there has been an alarming increase in intolerance and radicalization in the country. During the last two decades, Pakistani society has transformed radically, resulting in decreased harmony, acceptance, and tolerance. Violent extremist organizations are embedded in the socio-political landscape of the country. It is a multidimensional phenomenon observed in movements of sectarian hegemony, political and ethnic insurgency, Talibanization, and Islamisation. During the last two decades, there have multiple incidents of terrorism, violence, and hate crimes in the country. The geo-strategic factors amplify the drivers of the phenomenon thus intensifying the challenge. Both civilians and state institutions are vulnerable to the effects of increasing radicalization and violent extremism (Siddiq, 2013). Punjab has nine divisions and thirty-six districts. Of these nine divisions, Dera Ghazi Khan, Multan and Bahawalpur constitute South Punjab. Regarding violent extremism, it is thought that South Punjab is majorly responsible for recruiting militants into violent extremist organizations. This area is the hub of majority militants and sectarian outfits. A large number of Deobandi seminaries are concentrated in this area. A study titled "Sectarian landscape, Madrasas and Militancy in Punjab" conducted by Muhammad Ramzan stated that there is a total of 2158 seminaries in Multan, Bahawalpur and Rahimyar Khan (Ramzan, 2015). Moreover, the area has also been a safe haven for militant leadership and numerous extremist organizations. The increasing militancy and extremism in the area are due to various

factors including geo strategic variables, feudal-authoritarian sociopolitical framework, power and patronage and poverty and underdevelopment.

Poverty is the major factor leading to an increase in radicalization. Social and economic deprivation can instigate people towards violence. According to World Bank, the national poverty ratio in 2018 was 31%, which increased to 32% in 2020-21 (Malik & Malik, 2021). In Southern Punjab districts 39% of inhabitants are below the poverty line (Khalid & Leghari, 2020). Such socio economic indicators reveal the poor lifestyle of the residents of South Punjab. Poor economic status has been potent propelling force for "drifting the social fabric from tolerant to extremist trends as the locals are getting inclined to the radical elements operating in the region"(Khalid & Leghari, 2020). It has been observed that residents of underdeveloped areas of South Punjab willingly adopt the agenda of violent organizations. In this study, we will assess the association between violent extremism and poverty, governmental policies for poverty alleviation in Southern Punjab and ways by which developed nations have pulled people out of poverty through sustainable economic development. The study also provides policy recommendations for countering extremism through poverty reduction in South Punjab.

Literature Review

It is reasonable to believe a casual association between violent extremism and poverty, particularly in countries like Pakistan, where the poverty rate is high and young men do not find means of livelihood and are forced to join militant groups (Mesoy, 2013). Gurr gave the theory of relative deprivation and established its link between rebellion and aggression(Gurr, 2015). He was of the view that rebellion is not caused by absolute depression, rather people are compelled towards aggression when they compare their situation with other societal groups. Merton gave strain theory according to which everyone has the same needs and desires, when desires of certain groups of society are not fulfilled it causes strain and delinquency (Tierney & O'Neill, 2013). Von Hippel mentioned individual groups from Pakistan and Somalia in which poor young men were recruited. She mentioned that militant groups gain acceptance among poor segments by offering social services (Von Hippel, 2009). The Club de Madrid Working Group also concluded that "Terrorism today has both local and transnational causes and costs, and it, therefore, requires coordinated local, regional, and global policy responses"(Gurr, 2005). Research conducted in Swat showed that 63% of individuals agreed that young men joined militant organizations for improving livelihoods(Aziz & Luras, 2010). Another research showed that militants receive more support from the poorer districts of the country (Zaidi, 2010 & Karamat, et. al, 2019)

Government Policies for Poverty Alleviation in Southern Punjab

It is a fact that South Punjab is neglected both at the policy level and on the ground. Due to high levels of poverty and associated issues in these areas, the government took initiatives to the alleviation of poverty and improve the life standard of people of this area. Punjab Resource Management Program (PRMP) took steps to improve fiscal management. This Program included strategic planning for reducing poverty and restructuring and strengthening human resource development, administration and government. It was specifically designed for Rahim Yar Khan, Bahawalpur and Bahawalnagar districts. Sustainable Livelihoods in Barani Areas Projects (SLBP), in line with policies of the government and the Asian Development Bank, were designed to reduce poverty and strengthen local government for better planning and implementation of local government. In line with PRDP, the Microfinance Sector Development Program (MSDP) was started in 2000 to support Khushhali Bank for micro financing. The bank operates in various districts of the country including Rahim Yar Khan, Bahawalpur and

Bahawalnagar and 30% of borrowers are female citizens (Chaudhry, 2009). Moreover, the government also introduced Southern Punjab Poverty Alleviation Programme (SPPAP) which will be discussed in detail in the following section.

Southern Punjab Poverty Alleviation Programme (SPPAP)

The project was designed for rural poverty reduction and was aimed to increase social mobilization and enhance the production and productivity of livestock and agriculture and asset building reforms targeted at the poor. Major projects included micro financing, technical and vocational training for youth, livestock and agriculture extension support, agriculture machinery and rural infrastructure. Two schemes i.e. provision of small lands and ruminants were particularly for the poorest. Social mobilization approach was adopted for the delivery of all projects. It was expected that these interventions will improve productivity and create employment opportunities for rural residents, thus increasing incomes and reducing poverty. The project was based in Rajanpur, Muzaffargarh, Bahawalpur, and Bahawalnagar. These interventions were an important component of the Punjab government's poverty reduction efforts. Interventions and objectives of the project were also in accordance with Pakistan Vision 2025. Rural development objectives of the provincial government include elevating the lifestyle of people by strengthening the rural economy, updating rural infrastructure, initiating productive projects, providing social amenities, and increasing water resources availability and agricultural production (Mohsin, Iqbal, Taghizadeh-Hesary, & Iram, 2021). In the following section relevance and impact of the project will discuss briefly (Report, 2017):

Housing Units

The economic, political, and social empowerment of poor rural residents is greatly compromised by homelessness and dependence on local landlords for shelter. Landlords receive free farm labour and domestic help from poor families in return for providing shelter. Often poor people are forced to let go of remunerative employment opportunities due to fear of loss of shelter. It also undermines the social status and political will of the poor people. In the past, different initiatives were taken for addressing this challenge, but those had no significant impact. Different schemes provided plots but the housing unit was not supported. A scheme was initiated in the 1980s, in this poorly designed units were constructed away from the targeted population of the scheme. As a result, no one took up that unit as it would deprive them of local economic and social support in return for a poorly designed unit. Another initiative was taken after the 2010 floods. It also proved unsuccessful as inappropriate sites far from the economic and social network of beneficiaries were selected. In SPPAP, many failures of the previous initiatives have been successfully addressed. Small housing units have offered a promising framework for addressing the homelessness of poor rural households. Under this project, land plots were allotted to women so that they can produce small crops to increase their income. Nevertheless, it not be accomplished due to the small plot size and long distance from the source of water supply. Later these plots were transferred to women so that they could construct their own small houses and not have to rely on the shelter provided by the landlord. Following are the strengths of small housing units constructed under the SPPAP approach.

Social Mobilization

Rural communities were mobilized and organized into community organizations (COs) due to which the development process was locally owned and resources were allocated and used with more transparency. SPPAP also trained community members in

different managerial and technical skills. COs were involved in the project to validate the poverty status of households. COs also selected beneficiaries of the project activities and planned, implemented, and maintained community infrastructure.

Targeting

As the rural population is relatively invisible and insignificantly represented so is challenging to target the rural population. The targeting mechanism, based on BISP Poverty Card, under SPPAP, is transparent, it ensures that only rightful individuals benefit from the program. Moreover, women empowerment has also been focused on as plots were transferred directly to female house heads.

Social Impact

Though the program was meant for a small portion of rural poor, it instilled aspiration for better and improved living conditions among poor rural residents. This activity enabled the poor to work freely for the first time. It provided an opportunity to concentrate on better education and health conditions. Registering houses in the name of women made them feel much more secure and empowered. The constructed houses provided a sanitation model, running water, and water based electricity.

Economic Impact

The project had some immediate impacts in form of the injection of money into the rural economy through unskilled and skilled labour costs and economic uplift of poor households. Money was injected into the rural economy in the shape of wages of skilled and unskilled labour employed for the construction of houses. The cost of locally sourced construction material also added to the economy. The construction of household toilets also reduced social and health issues related to open defecation.

Site Selection

Poorly selected sites led to the failure of past poverty alleviation schemes. Social mobilization under the SPPAP project allowed communities to select suitable village land for poor households. The selected land was located within the village as a result of which target families remained near their economic and social system and did not feel isolated or uprooted, because they happily relocated.

Visibility and Transparency

The local community handled the whole implementation process including material procurement and engagement of skilled and unskilled labour. This brought transparency, created employment opportunities and ensured quality construction and efficiency. As these interventions are very visible and are truly pro poor this offered political mileage to the government.

Costs

Due to implementation methodology and practical design, the cost of a house has a living room, bathroom, kitchen and solar energy remained below \$5000.

Quality

SPPAP delivered quality construction, unlike previous projects. It was due to the strong involvement of beneficiaries and community and social mobilization.

Replicability

Due to robust process, visibility, cost, approach, efficiency and general impact on poor households, political gain and local rural economy, the model is reliable for replication and upscaling.

Asset Creation

Due to the unavailability of productive assets poor fail to improve income, generate capital and access sources of micro finance. Providing such productive asset immediately boost self-confidence and the income flow of the poor. Poor women were also provided cattle to build assets and create additional income sources.

Entrepreneurship and Vocational Training

Pakistan has a huge young population, the rate of illiteracy is high and a small portion of the youth has employable skills. Condition in South Punjab is more grave. Under the poverty graduation approach, young men and women have imparted skills. Funded entrepreneurship and vocational training were given to youth. It was later surveyed that trained people started a business or found employment to increase incomes.

Input Funds

Small farming households faced the challenge of the unavailability of cash for agricultural input. Because of this, they relied on usurious financing sources like output buyers or input suppliers.

Women Empowerment

The most creditable outcome of the project was the provision of a forum to women in form of community organizations. Women were empowered through information, training and knowledge about their potential, role and status. It also provided a collective voice to women. Women largely benefitted from the improved water supply, low cost housing, land plot, livestock, asset creation and capacity development training.

Social and Human Capital

The project invested significantly in the development of social and human capital and the empowerment of rural residents. This investment was aimed to increase employment capacity and capability and increase self employment of youth, men and women. Community organizations implement the plan at the village level. COs have started skill enhancement training in a different market driven trades. Short courses provided vocational training in different trades to young men and women from poor families. SPPAP also provided fifteen day training to youth based upon market demand and business management like agribusiness, livestock and poultry, shop business etc.

Agricultural Productivity and Food Security

The project supported different productivity increasing initiatives. These initiatives increased crop and livestock productivity of small households and also were part of the government's vision 2025 which aimed to decrease 50% crop losses and bridge the 40% yield gap by 2025. Investment opportunities helpful for increasing productivity and production were identified by the community members. Technical and financial assistance was provided to selected households. These initiatives aimed to increase food

security. However, the actual impact and adoption level were not analyzed afterward. It was suggested that a food bank should be introduced as a pilot activity in each district. Under this initiative, wheat grains were provided to poor households for food security during the hunger season. This initiative was a safety net for rural people and fulfilled food needs during rainy days, natural disasters or starvation. It also served as a precedent for future legislation and policy formulation on food security. It directly addressed the government's agenda of expanding and revamping social safety and protection of vulnerable segments.

Funds for Agriculture

The project also started Community Revolving Fund for Agriculture Inputs (CRFA) as a pilot scheme in each district. The scheme was for small land holding men and women who were engaged in agricultural activities. The mission aimed to build capacity for better livestock and agricultural services and to increase access to better agricultural management. It was expected that this project will help smallholders to get rid of exploitative service charges; however, the impact of this is yet to be analyzed.

Climate Change and Environment

SPPAP supported rural communities to establish solar power systems and biogas at the household level. These interventions aimed to make cheaper green technologies, save time and cut the cost of fuel, wax and kerosene oil, more assessable to the rural poor. In addition to positive environmental impact, these technologies have led to time efficiency and people are able to utilize time on additional income generating activities like sewing. The biogas facility has reduced the amount of time spent on cooking by 20 to 30 minutes. The availability of light enabled students to spend more time on educational activities. It also improved health by providing smoke free environment. Biogas has multiple innovative uses from cooking to energy for tube well irrigation.

Policies and Institutions

Long term efforts that necessarily engage grass root institutions, strengthen decentralization and investment in a public development project are important for poverty alleviation. As SPPAP was a time bound initiative this criterion could not be fulfilled, though it served as a replicable model for poverty alleviation in rural areas. For a larger effect, a better programmatic approach, political commitment, enormous investment and public awareness are required. Community-driven development is yet to be mainstreamed in rural development planning and implementation and government budgets. Such initiatives have been kept as an isolated projects, it is challenging to defragment a community driven approach from its existing spread in different departments and sectors and to transform current rural development from stereotypical and traditional to a clear sustainable strategy for increasing income. The goal of policy making should be to mainstream sustainability into the development agenda. SPPAP has demonstrated effective interventions such as asset creation and housing of poor rural people, transparent targeting, and strong community organizations, it has provided a suitable model that can be scaled up using government resources and systems.

Sustainable Growth in Developed Countries

It is often necessary to achieve rapid economic development in order to reduce absolute poverty. However, development does not immediately solve the entire poverty issue as it may be linked to higher income disparity. According to classic economic development theory, continuous and rapid economic expansion required a highly

unequal distribution of wealth and income. Large income disparities were justified by the underlying economic justification that high earnings (personal and corporate) were required for bigger savings, which in turn were required for investment and economic expansion (Todaro, 1994 as cited in Kniivilä, 2007). According to the modern political economy research, the mobility of poverty with respect to growth is seen to drop when inequality expands which links greater inequality to slower future growth trajectories and views it as a barrier to poverty-reducing growth (Nissanke & Thorbecke, 2004). However, the methods by which this occurs have not been uncovered by the research in this field (Helpman, 2009). One argument that is often given is that failure of the credit market prevents the poor from taking advantage of investment possibilities that would promote growth. The level of investment and the rate of growth are inversely correlated to the percentage of persons who are credit-constrained. High inequality is also likely to have an effect on overall labor productivity and delay economic growth since it makes a big segment of the population more likely to have poor nutrition, health, and education (Todaro, 1994 as cited in Kniivilä, 2007). On the other hand, increasing the income levels of the poor promotes domestic product demand, boosts employment, and boosts output. While inequality may lead to economic and political instability, a more equitable income distribution may serve as a psychological and material incentive for widespread public involvement in the development process (Todaro, 1994 as cited in Kniivilä, 2007).

In recent decades, the proportion of poor in the world's population has decreased which is highly attributed to economic development. Especially, countries like China, Brazil, India, Korea, Mexico, and Indonesia showed massive economic growth and moved from the list of developing nations, to developed nations very swiftly. Hence, economic mantra of these will be discussed in this section to provide a framework to be followed by underdeveloped economies.

In the developed world, industrialization has played a significant role in boosting economic growth. In countries like China, India, export promotion, greater trade access, trade liberalisation, and an improved business climate have all contributed to output expansion. Nevertheless, in some countries, import protection and some state intervention have also been used. Moreover, increased agricultural production is frequently a crucial component of the early stages of economic growth because poverty is often primarily a rural concern. For instance, countries like China and Indonesia faced this issue when they were developing and decided to prioritise rural development or began their economic changes with agricultural reform (Xie & Ahya, 2004; Jha, 2002). Oil rentals were employed in Indonesia to pay for rural development (Feridhanusetyawan, 2000). The development of the manufacturing sector in these nations increased employment options outside of agriculture, which benefited the poor, as manufacturing in many of these nations has historically relied heavily on unskilled labor, at least in the beginning. Some nations, like Korea, have experienced development that has been blatantly pro-poor at times, with the poor reaping the benefits proportionately more than the non-poor (Pernia & Kakwani, 2000). But there are substantial regional variations in how industrialization affects the underprivileged. For instance, in Mexico, skilled employees benefited more from the development of the industrial sector in the late 1980s and early 1990s than did unskilled individuals. (Kniivilä, 2007).

The pattern of industrialization determines how efficiently poverty and inequality are reduced by industrial development. The earnings of the poor can benefit from industries that use a large percentage of low-skilled laborers and/or local inputs and raw materials manufactured using labor-intensive technology. In Taiwan, for instance, the demand for unskilled labor increased relative to the need for skilled labour during the early stages of industrial development, which decreased inequality and poverty. Later on, the demand for skilled labor rose dramatically, and Taiwan's manufacturing and export

units changed. Taiwan had already made significant investments in its human capital at that point, therefore the impact of shifting skill demands on income distribution was somewhat subdued. The Republic of Korea took a similar course. On the other hand, manufacturing has typically been more capital intensive in India and Brazil providing the poor with only minimal employment options. The service industry has also been a significant factor in India's recent growth, but dynamic service sectors like software and back-office processing have only indirectly created a small number of opportunities for the unskilled. Nevertheless, India's poverty rate has greatly decreased due to the country's remarkable growth performance during the past two decades.

The degree to which industrialization benefits the poor might also be influenced by the locality of the industry (Kniivilä, 2007). China's industrialization has greatly raised per capita income, but because industrial growth has mostly been confined to the eastern coastal parts of the country, regional inequality has worsened and industrial growth has made a small difference in the country's widespread poverty (Ravallion & Chen, 2009). Even so, there is a lot of inter-regional labor mobility, and remittances from migrant workers can assist lessen the impact of regional inequality caused by geographic location of industry. Some regions of Brazil, India, Indonesia, or Mexico are significantly less developed than other regions of those nations due to geographical or economic reasons. Initial circumstances have a big impact on whether large industrial development happens, whether industrialization speeds up economic growth, and whether industrialization lowers poverty (Kniivilä, 2007).

Examples of these countries suggest that political, social, and economical stability, as well as effective institutions and the rule of law, are prerequisites for sustained economic growth and industrial development. In order to achieve these, the government needs to play a crucial role. Without these prerequisites, both local and international investments are likely to be limited and growth will likely be constrained and unstable. Poor people are likely to be particularly impacted by economic instability, as was the case, for example, in Mexico in the mid-1990s and Indonesia in the late 1990s. On the other hand, economic growth has been considerably more steady in Korea and Taiwan (Kniivilä, 2007).

The development of infrastructure, human resources, and innovation and technical advancement are all significant tasks for the government. All the countries examined here have started their development process by relying on one or both of these elements. At the beginning of their development, countries may rely on primary resources or a cheap labor force. But in the long run, if a country wants to maintain economic growth and worldwide competitiveness, it must invest in human capital and technical advancement. Korea and Taiwan are two excellent examples of nations where the development of their human resources has significantly influenced the growth of their industries and overall economies. Rapid technological advancement and globalization have increased competitiveness, making it more and more essential to be able to use cutting-edge technology in order to compete. This capacity primarily depends on the workforce's competence. Countries may decide to develop their industrial skills domestically, as Taiwan and Korea did to a great extent. A more typical strategy has been to join global value chains, supply labor-intensive goods, and gradually improve technological capabilities through external investments (UNIDO, 2002 as cited in Kniivilä, 2007). This is the approach taken, for instance, by Mexico and to a lesser extent by Brazil. The two strategies are not mutually exclusive, and many nations rely on a combination of technology imports and indigenous technological capability development, with a tendency for the balance to tilt in favor of the latter as economic growth advances. Both acquiring FDI and strengthening capabilities are important tasks for governments. In order to shift the sectoral structure of production toward those areas

they believed to have offered the best chances for faster productivity growth (Kniivilä, 2007).

All of the countries, at some point in the past, implemented selective industrial policies. Taiwan and Korea in particular are two instances of export-oriented manufacturing nations that have successfully used import protection and government intervention in the early stages of growth of their manufacturing sectors. The level of policy freedom that developing nations have today is less than it was a few decades ago, even though some well-planned government intervention may appear appropriate in light of the early decades' successes. Governments continue to play a major part in encouraging sustainable economic growth, particularly growth that reduces poverty. In addition to guaranteeing stability, effective institutions, and suitable legislation (such as labor laws) other crucial government measures pertain to technology assistance, innovative financing, skill development, infrastructure development, and the supply of a variety of public goods. A country's trade and economic performance are impacted by all of these. As a general rule, rapid growth in the economy tends to reduce poverty. Income disparity may rise as a result of rapid development, but this is not inevitable. Whether it happens or not, will depend on a variety of factors, including the skill bias of technological progress in an economy, human capital formation initiatives, and the type of tax and spending policies. (Kniivilä, 2007).

Challenges of Implementation for Pakistan

Although numerous initiatives have been taken in Pakistan to pace up economic develop, for instance the initiatives taken in Punjab to counter extremism through eradicating poverty (as mentioned in section III), several factors hinder the development. These challenges are as follows:

Effective Policies and Institutions

Political stability, and the rule of law are all beneficial for economic progress. Stable economic growth, a decrease in corruption, and long-term economic sustainability all depend on effective fiscal management, allocation of resources, and regulatory institutions, as well as on fair, efficient, and adequately implemented laws. Since, Pakistan is struggling in this aspect, it fails to grow economically.

Infrastructure The analysis of successful economies discussed in the previous section highlights that development in rural areas is the key. A vital part of establishing a favorable environment for economic success is infrastructure. To reach markets for their products and services, businesses require efficient transport networks, from rural roads to airports and ports. Moreover, firms are more creative and productive when stable power and communication technology are available. In Pakistan, the lack of such fundamental infrastructure is a persistent impediment that lowers economic growth.

A skilled Workforce

According to many, the bedrock of sustainable economic development is a trained work force. The highest growth is typically found in states that make significant investments in human capital. Many working-age individuals in Pakistan lack the numeracy and literacy skills necessary for employment (Shah & Syed, 2018). Moreover, youth population growth has emerged as a significant social and economic concern, placing additional strain on education and skill-training resources in developing world. Economy is also hampered by a lack of managerial, marketing, and entrepreneurship skills necessary to seize development opportunities.

Women

To pull themselves, their households, and their communities out of poverty, women can play a crucial role as wage earners. Woman in Pakistan frequently encounter considerable obstacles, including social, legal, regulatory, and cultural impediments, that prevent them from fully and effectively participating in many economies as workers, entrepreneurs, and employers. Although this issue has been addressed by policy makers and woman are given prime importance in various initiatives, there still exists gap in theory and practice (Aslam, Latif, & Aslam, 2013).

Agriculture

Many developing nations' biggest economic sector is agriculture. It is a major generator of employment and aids in reducing poverty and ensuring food security. Economy can be fuelled by increases in agricultural innovation and productivity but obstacles to trade, market access, and infrastructural facilities, as well as unstable land tenure, high production costs, and limited access to advanced technology, make it difficult for developing nations to take advantage of this sector's growth prospects.

Environmental Management

Long-term economic security in developing economies depends on ensuring ecologically sustainable economic growth. Developing nations must strike a balance between their requirements and fair environmental management. To achieve this balance, laws, rules, and regulations must encourage sustainable resource use, enhance natural resource management, and take climate change concerns into account.

Conclusion

Violent extremism has grown significantly in Pakistan over the last couple of decades, which has led to a decline in the tolerance, acceptance, and unity. Moreover, it has substantially impacted the economic development leading to poverty. The costs of the spread of radicalization and the accompanying extremism especially in South Punjab are strongly felt by the governmental institutions and the general public. Fundamental changes in the socio-economic sectors are required to mount a response to this complex problem. In recent years, the federal and provincial governments have made an effort to address the new threat by taking action to stop and stem the development of violent extremism by eradicating poverty. The role of economic considerations towards shaping, diffusion and persistence of violent extremism is a widely documented phenomena. Numerous states have designed and successfully implemented substantial economic development. The role that the poverty reduction can play in the growth of the economic development has recently begun to gain substantial traction in the national and international development discourse. Yet, in Pakistan the initiatives taken to pace up economic develop face several challenges. To successfully address the issues of radicalization, violent extremism, disputes, promotion of tolerance and respect for diversity, practices, and institutional infrastructure are dwindling. Conclusively, in order to resolve the problem of poverty as well as extremism, government needs to fix these issues shortly.

Recommendations

To attain high rates of long-term economic growth and ultimately counter extremism, the following recommendations can be useful;

- **accountable governments:** An administration that is ready to implement efficient and transparent public management of the economy, fostering a favorable environment for industry and business; this will ultimately increase the government's capacity to uphold its duty to ensure the welfare of its citizens;
- **research and development (R&D):** In developed nations, research and development (R&D) initiatives are the primary source of technological advancement. Even if technology or inputs stay the same, businesses and employees learn by increasing output and productivity (Arrow 1962). As R&D activities are more scarce in developing markets and because such nations are distant from the technological frontier international technology dissemination is crucial for increased productivity.
- **International economic ties,** particularly commerce as well as foreign direct investment, are crucial conduits for the diffusion of technology and faster growth. Nonetheless, effective technology dispersion requires a high level of human resources, significant incentives for technological advancement, and generally well-functioning systems.
- **Trade** also affects the degree of industrialization or structural change within industries, as well as the trends of specialization within nations. In an open trade system, nations typically import goods that are relatively more expensive to produce locally and specialize in producing goods for which they have a comparative advantage. Additionally, trade openness may encourage foreign investment. This is quite crucial, especially during the initial stages of development. Given the competition from outside markets that domestic enterprises are now facing, productivity may also rise. However, both the nature and degree of openness of commerce also matter (Amable, 2000). Furthermore, specialization by itself does not always result in faster growth. This is particularly clear in the case of developing nations that depend on the export of primary goods. Specialization in primary production rarely encourages long-term growth in the economy since real international prices of non-oil goods have been trending downward over time and are vulnerable to significant short-term variations.
- **open and effective markets:** An entrepreneurially-stimulating corporate climate that fosters competition and market growth, embraces new knowledge, and optimizes investment options;
- **infrastructure:** A developed and maintained infrastructure that facilitates access to and between markets, including networks for communication and transportation.
- **capable human capital:** a workforce that is skilled, versatile, and able to meet the needs of the business;
- **Equal opportunity for men and women:** an economic and social climate that supports both genders equal access to opportunities; and
- **sound environmental management:** The long-term viability of the economy is enabled by responsible and sustainable management of natural resources and proper adaptations to climatic changes.

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