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## Essay: Is Pakistan on verge of Economic collapse

### 1- Introduction

Pakistan is trying hard to not get into default situation like Sri-Lanka, also it provide assistance to flood affectedes and played a role in COP-27. But still Pakistan is not implementing some long-term effective policies and is consequently dragging into condition of economic collapse.

2- Grim Economic situation of Pakistan.

3- Pakistan is on -the verge of Economic collapse.

a) Poor Governance and their ineffecient economic policies

b) Political crisis - a major leading factor of economic crisis.

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c) Social disorganization -  
domino effect of economic  
crisis

d) Climate change - Effects  
of Recent catastrophic  
floods on economy

e) A remarkable effect of  
energy crisis on economy.

4. Pakistan - doing its best to  
avoid <sup>conditions like</sup> Sri-Lankan default.

a) Government is trying to  
devise long term economic  
policies

b) Government is improving  
in creating more employme  
nt opportunities

c) Pakistan during floods  
provided relief and assista  
-nce to -thousands people

d) Vibrant role of Pakistan  
in COP-27.

e) Pakistan has resources to

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cope with its energy crisis.

5- Although Pakistan is trying not to get default but is still on the edge of economic collapse

a) Policies not been implementing due to bad political situation.

b) Political crisis is the major obstacle in economic development.

c) Social structure has been destroyed.

d) Floods ignites the situation even further

f) Pakistan instead of <sup>utilizing</sup> its own energy resources is dependant on energy import

6- Conclusion.

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What is support? Basically in the universe everything has been created in the pairs by Allah SWT and these pairs act as a support system for each other either it's humans, animals, or any other non-living entity and that cannot work separately.

Similarly, for any country's development, it is linked and paired with its economy and the political stability. Any disruption in either factor will lead to instability and eventually devastation. <sup>Economic</sup> stability cannot

be achieved without the support of a <sup>sound</sup> political activity and vice versa. Pakistan, currently is facing a very bad economic situation and is on the edge of economic collapse. The reason behind its grim economic situation is the

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poor policy structures and the political crisis which has far reaching devastating effects on the country's economy and its social structure overall. Adding to it Pakistan being an almost negligible contributor of carbon emission is facing catastrophic climate change effects. Recent floods has drained the country's economy and <sup>caused great</sup> humanitarian loss. Also the energy crisis are dragging the country into the vicious circle of ~~loans~~ <sup>increased</sup> imports and debts. Government till now has not taken some remarkable steps, but provide a little assistance instead. Relief has been given to alot of flood effectees but some long term reforms has been needed to improve

Pakistan is trying hard to not get into default situation

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the country's situation. However, <sup>↑</sup>  
and <sup>↑</sup>, played a major  
role in Cop-27 and providing  
relief <sup>to flood affected</sup>. Pakistan is not implementing  
some long term <sup>economic</sup> policies and  
is consequently dragging into  
the condition of economic  
collapse.

Pakistan is facing a grim  
economic situation. Its foreign  
reserves has been depleted  
to about \$4.1 billion, a drastic  
decline seen ever. Pakistan is  
also getting into trade deficit  
and budget deficit and is  
almost on the edge of  
economic collapse.

The collapse however ~~will~~ is  
~~be~~ the result of poor  
governance model and its  
inefficient economic policies,  
as most of the politician's

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and governments officials are more inclined towards self-interests, abandoning the country's major interests.

This has been the crisis are the result of political crisis, inefficient leadership and chaotic situation in the country.

Recently on 14<sup>th</sup> January the dissolution of Punjab Assembly by Parvez Ishaq has ignited the already bad situation of the country. There is an unending struggle for power in the country deteriorating the country's economic conditions.

As these economic conditions are worsening the social structure of the country has been destroying. High inflation rates that is 25% more inflation since last year, unemployment

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and increasing poverty has hit the country very hard. Almost 8 lakh young minds have left the country due to unemployment. It destroys the domestic industries and businesses has been closed creating chaotic environment throughout the country that has a very negative psychological impact on the people living here.

Along with these <sup>problems, the</sup> devastating effects of floods has destroyed the remains, whatever was left. Humanitarian loss, economic and infrastructure loss has been evident from these floods.

Millions of people were affected and about \$30 billion economic loss has faced by the country. Around 7 lakhs, along with this, agriculture land and



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Livestock has been destroyed. Pakistan has increased its imports and this has aggravated the situation even more worse. Increased imports caused trade deficit as Pakistan lost about millions of agriculture products in floods.

Pakistan, not only import food but also due to facing energy crisis, it has increased the energy imports in order to fulfill the energy needs. It has to give the <sup>electricity</sup> energy generating projects to on renting which further increase the cost. Instead of blessed with Ha Energy resources, Pakistan is lacking in technology in order to fulfill its energy needs. Pakistan can generate 50 MW electricity from

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hydraal energy and about  
1 lakh MW from Sun - through  
Installation of solar pannels.  
It has vast coast and can  
install windmills but instead  
of having all the energy  
resources it is lacking in  
technology as well as  
economy in order to make  
these plans workable.

Although, Pakistan instead  
of all these deformities is  
still doing its hard not to  
get into Sri Lankan like  
default. Government is trying  
to devise some long term  
policies.

Also government has  
increased employment  
opportunities. Recently Punjab  
govt has announced about  
thousands of teaching vacancies

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which will provide a great opportunity for many unemployed graduates.

Along with providence of employment opportunities, Pakistan has also played role in COP-27 and provide relief to flood affectedes, shelters, medicines, food and had been given to the flood affectedes.

By providing all these assistance and help, Pakistan is still on the edge of economic collapse.

The reason is non-implentation of the policies and the bad political situation in the country.

Political crisis leads to economic crisis. Lack of interest of politicians and the struggle for power from every party has

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worsened the situation. Corruption has been increased. According to the Transparency International Pakistan is 140<sup>th</sup> in corruption among 160 countries.

Corruption along with unemployment has destroyed the country's social fabric and the country will probably has increased in <sup>street</sup> crimes.

All these abnormalities in the system has effected the country's economy badly and therefore it is on the verge of economic collapse.