

Will Pakistan's Economy
always remain fragile?

Essay Outline

1- Introduction

Thesis Statement: The economy of Pakistan has always been struggling with uncertainties. However, the future of the economy points toward stability rather than fragility. This is ensured by a few positive rays of light that would keep the country

going.

2- The problem of Pakistan's Economy

3- Reasons Why the Economy Will Survive (Thesis)

(a) Glorious 75 Years of Sustenance

promise future security

(b) An Asia-centric future: the

glory coming home

(c) Changing-focus: an economy-

centric policy

(d) Self-reliance of Pakistan: A

comparison with a collapsed nation

e) Youth bulge of Pakistan: a guarantee
do a better future

4- Factors retarding the future security of Pakistan's Economy (Asia)

(a) Glorious past years or ever-so struggling ones?

(b) Asian glory will empower the enemy nation, not Pakistan

(c) The focus has never shifted in the past to economy

(d) A never ending Balance-of-Payment Crisis: imports exceeding exports

(e) Youth bulge causing further poverty and unemployment

5- Pakistan Will Surely Survive (syn)

(a) The difference between Pakistan of past and Pakistan of today

(b) Rise of strategic partner China and regional superiority

(c) A promising National Security Policy: the first of its kind

(d) Imports cut: A new strategy

(e) Directing the youth towards betterment

6 Conclusion

Essay

"We would make the situations so hard for them that they will come back on their knees to be with us again!" Jawahar Lal Nehru whispered in the ~~ears~~ ears of Lord Mountbatten.

And these were not just words. Nehru and allies did everything possible to make this dream of him a reality. Yet, they could not find anyone going back to them on their knees. Torn from four walls; snatched of the eastern arm; suffered from the internal divide; and misused by the global powers, Pakistan has done one thing that nobody ^{had} expected - Survive! ~~All~~ All of the policies of the Pakistan in general and economic policies in particular have always been struggling

with uncertainties. Still, the future of the economy points towards stability rather than fragility. This is ensured by a few rays of hope that still light-up the darkest times. The glorious past of Pakistan ~~now~~ shows a great commitment that future will be bright too. Not only Pakistan, but the whole Asia will snatch the glory of the Euro-centric world of the past. Moreover, the ^{preferences and} economic policies of Pakistan are also shifting to the better ones. This is evident from a self-servant Pakistan, fulfilling the basic needs of her subjects unlike the collapsing economies. Most importantly, the emerging youth of Pakistan promises a better future. However, there are still some reservations that are widely talked about in negation of the positive future. Chief among which is the

controversial part of the country.
In addition, Asia glory would
also imply the aggrandized
problems created by the eastern
neighbour in future. Although all
politicians commit for a better
economy, no one actually does it.
And to make it worse, the
exceeding impacts of the nation
Moreover, the youth bulge of the
country is a promise to enhanced
poverty, unemployment and not
glory. However, these premises
are faulty. Although the part of
Pakistan is tragic from time-to-
time but the growth and
development is crystal clear. The
rise of India may be a tough
question to deal with but the Asia
glory will go in the hands of
Pakistan's all-weather friend
China. The National Security policy
(2022-2026) is also a promise for
Geo-Economic nature of Pakistan.

Moreover, although the BOP is facing problems, the import-cut strategy will surely pay well. And most importantly the emerging youth, although depressed and hapless now, but if directed ~~by~~ the right way, will promise ~~to~~ the Pakistan that has been dreamed about.

Analyzing the economic issues of Pakistan, it is evident that the country keeps facing economic crisis due to foreign dependence, never-ending debt cycle, and non-seriousness towards economy for longer periods. These issues imply that the country would eventually default as the issues are quite "unsolvable". As of the December 2022, ~~the~~ country's foreign reserves has been depleted to only \$6.9 billion, barely able to pay for the imports of next month (Forex Reserves, State Bank of Pakistan, Dec-2022).

With so many issues, the economy pundits have announced the future default for the country.

~~Mitigating the~~

Nat to downplay the recent crisis, the hopes of a better future always exceed the amount of despair, and one solid reason behind this is the substance in the past. Pakistan is a nation that has faced the situations worse than this. It has survived four wars, breakage of 1971, the war against USSR in Afghanistan and war on Terror by the United States as a frontline nation. The past sheds light on a future that is better, or at least able to sustain.

Another hope that exists for the economy of Pakistan is the development being carried out in Asia.

The region is going to be the economic hub of the world.

The economic growth of countries like China, Japan, India and other Asian countries. In fact, by 2050, almost 44% of global GDP will be contributed by Asia alone (forecast by Water House Corporation, 2017). With this rise in the regional economic power, the country's economy will also be headed towards uprise.

An economy-centric policy followed by the country also promises the change. As in the past, country's focus was always on security. However, currently Pakistan is shifting its focus from being geostrategic to a geo-economic nation. If the due focus is ensured to the economy of the country, the results in turn will be the betterment of the economy.

Pakistan's Self-reliance in basic needs is also a reason why the country would survive. Any nation that has its basic needs of food and clothing fulfilled locally, always survive. For the sake of comparison, Sri Lanka which has defaulted in the year 2022, is going to be analyzed.

Top 10 ~~export~~ imports of the country are all food and clothing items. This points towards the fact that country relies greatly on imports for basic needs. On contrary, Pakistan's top 10 ~~export~~ imports only have two of basic necessities. In fact, Pakistan exports the food and clothing items (Pakistan Economic Survey, Ministry of Finance, 2022). This leads us to the conclusion that the country is self-reliant in basic necessities.

What keeps the country's hopes alive is the emergence of youth in the country. Pakistan is

one of the very few nations which is blessed with ~~the~~ more than half of its population constituting youth. 63% of the population of Pakistan consists of the people aged between 15-30 years. This youth bulge premises potential for change for the country's current economic situations.

As much as there are hopes in this regard, there are also some counter-arguments that point towards falling economy; chief one of which is the economic struggles of the past. Although the country has survived this long, yet the survival is filled with wounds, breakages, and struggles. Pakistan's economy has always depended on foreign assistances in form of aids and loans, rather than relying on itself or exploring

Self-dependence. This is evident from the US-pleasing strategies, which is the biggest "donor" of the country. Hence, the country has struggled more with the economy rather than elevating it.

It is argued that the Asian glory of the future, which is considered as the important support for Pakistan, is actually dangerous. The reason is that this glory would raise the level of Indian hegemony in the region. India is that neighbor of the country which, if empowered, would leave no stone unturned only to pull Pakistan down.

The symptoms are already showing when Indian officials started making offensive statements about the country's territorial integrity, pointing towards the possible invasion of Gilgit-Baltistan and Azad Kashmir (Indian Defense Minister, Shaurya Diras Celebration, Oct-2022).

1 Another reason that is argued about the possible decline of the economy is the inability of the ruling class to truly focus on economy. Although the promises are always made, they are never fulfilled. In fact, the politicians always talk about the economy as the core issue to ensure vote-bank but never retain that attention for longer periods. There could not be any good example except for the today's time. Country is facing multiple crises, yet the political class is focused only on the power games, resulting in the political crisis of today. Hence, the due focus on the economy has never been given.

What makes the economic situation even worse is a never-ending Balance of Payment crisis (BoP).

A balance of payment crisis occurs where the country's imports exceed the country's exports in such a way that country is no longer able to pay for the foreign products. Pakistan's Bop has always been crisis-hit. In the year 2022, it is almost \$38 billion (Pakistan's Economic Survey, Ministry of Finance, 2022) In this way, the country, although self-reliant in basic needs, is never able to balance out the export to import ratio.

~~The~~ With such conditions, even the country's youth-bulge becomes a curse rather than a blessing with increased problems of unemployment and poverty. As the youth grows-up in the current situation, they would face extreme conditions of unemployment. Upon unemployment, they ~~will~~ will

face poverty as a result. In fact, the current unemployment ratio of the country is thought to be around 25% and is expected to even increase further provided the economic situation are continued. Hence, youth bulge which is considered an asset would turn into a liability.

Considering the arguments on both the premises, again, the hopes overcome despair, mainly because of the development of the country. Although the country has had a tragic past and realistically a tragic present, too, but the growth that was made in those years is unbeatable. The economy of Pakistan is improved a lot compared to the past. In fact, the GDP growth, which was only 1.3% in the year 1950, currently stands at 5.9% (75 years

of Pakistan Economic Journey,
Finance Division, 2022). This growth
screens that despite worst
scenarios, ~~the~~ the country has
managed to not only sustain
but also, grow!

As far as the ~~country's~~
country's hopes with Asian being
are concerned, these are not all
wrong. Although, India will gain
considerable economic superiority
over Pakistan but she will not be
the hegemon of the region. This
is because China, a strategic
partner and all-weather friend of
Pakistan, is going to be the
economic hegemon of not only
the region but the whole world.
With the fastest growing economy
at a rate of over 10% and
secondly only to the US, China
will soon surpass the latter
in the economic race. This will
also make the country less-

dependant on Western nations.

All of these factors, combined,

would ~~clear~~ ^{clear} the country's

reservations about the Indian rise,

countering it with Chinese glory.

Talking country's focus

on the economy, that too sounds

a genuine one in the form

of a National Security Policy

(2022-2026). In fact, it is the

first time the country has

"institutionalized the economic

promises" by politicians. The

policy considers "comprehensive

security" rather than traditional

security, keeping the economy as

the most important factor for

the "National Security" (National

Security Policy (2022-2026), Govt.

of Pakistan, 2022). Hence, the

focus of the government seems

to be genuinely shifting to

economy.

The economic strategies being followed by the government consist of import-cutting policies which will balance out the export-to-import ratio. The finance ministry seems to be struggling to cut various unnecessary imports in order to create a balance of payment.

The finance minister told the nation to cut-down the consumption of tea by reducing "do do piyaliaan" to "ek ek piyaali" (one cup rather than two). Although it sounds funny but the country is the biggest importer of tea with around \$ 700 million annual consumption on tea imports (Asian Development Bank, 2022). Hence, the reduction in imports is surely going to balance out the crisis a little bit.

The growing youth-burge, with proper direction, is

a blessing for the nation and not a liability. Although the poverty and unemployment will enhance and the earlier situations will be tough for the nation, still the education and training is going to make them not only sustain themselves but also bring the economic revolution in the country. In fact, this has been done to some extent.

Literacy rate of the state is currently over 60%. Comparing to a 16% literacy rate of 1950s. Moreover, the presence of 230 universities also promise the technical education and training of the youth. Hence, the youth of today is a directed youth that is going to revolutionize the nation with a few efforts.

Summing up the discussion, the country's ^{economy} has possibility of both; to loose out and to win it but the possibility of winning

stands out. The country has endured too much and still keeps going on. The regional hegemony has shifted but still there is hope in the form of the trustworthy friends. The institutionalization of the economic promises, the shift to being "Geo-economic" nation, and the directed and educated youth bulge screams to the future glory of the economy as the sun is just about to come-out from the darkest of the nights.