

# Will Pakistan's Economy always Remain Fragile?

good

## \* Outline

1: Introduction.

keep practising

2: Thesis Statement

3: Will Pakistan's economy <sup>thesis??</sup> always remain fragile?

4: Pakistan's economy <sup>will</sup> remain fragile in future too, Reasons:

a: Instability in Political System is root cause of poor economy

~~b: Aid based Economy is reason of fragile economy~~

c: Pakistan involve in debt trap

d: Absence of knowledge economy

e: Poor management and policies of government effects economy

f: Negligible productivity of Pakistan in terms of exports

~~g: Climate change hit Pakistan's economy~~



h: International development and instabilities effect Pakistan economy

5: Will Pakistan's economy stable in future?

a: Role of blue economy help Pakistan's economy

b: Development of Gwader or CPEC could prosper economy

6: Chances of Pakistan's economy remains ~~fragile~~

7: Why Pakistan's economy cannot stable in upcoming years?

a: Circular and other debt trap

b: Fight of political parties

c: Government's corruption

d: Informal economy

8: Conclusion:

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Pakistan since inception has been fighting to stabilize its economy. It has noted that Pakistan faces difficult situation after every five to eight years. Experts or Authors say that it has written in the destiny of Pakistan; that Pakistan always face difficulties in terms of economy, wars, climate change but it has been resilient state. Since the independence of Pakistan, Pakistan could not stabilize its economy due to many reasons and stand with its dwindling economy. Will Pakistan's economy always remains fragile? This is not easy to say "yes" but the fact is Pakistan is developing country and there is no such prediction for which accordingly it could be developed in upcoming years, There are multiple factors which describe the fragile economy of Pakistan. Pakistan has always been dependent upon other's economic structure and foreign aid due to which its economy is fragile. Pakistan<sup>2</sup> has always been from of



instability political situation which effects economy at large scale level. Pakistan has inappropriate structure of management and policies regarding finance system, storage system which effects economy of Pakistan. Pakistan <sup>has been</sup> hit by climate change after every five to ten years, because of which Pakistan cannot maintain its economy structure. Last but not least, Pakistan has always been affected by other countries war due to which Pakistan face dilemma in terms of economy and political instability. On the other hand, question arises, will Pakistan's economy ~~can~~ stable in future; Pakistan has potential to stabilize its economy but only in that case when Pakistan rely upon itself rather than aid based economy. Pakistan is blessed with natural mineral resources along with warm water access. Pakistan can lead towards achievements by working on CPEC agreements. Pakistan's



economy can be flourished if Pakistan could take advantage of blue economy. But how it could be possible. Pakistan always consider itself as an agriculture country while developed country has become industrial country. Pakistan do not use modernized equipment or unable to understand digitalized economy system. Pakistan foreign policy has always been geostrategic rather than geoeconomic. That is why; Pakistan economy always remain fragile and in future it could be if Pakistan could not modify its policies or strategies; it will always stands with dwindling economy.

Will Pakistan's economy always remain fragile, there are many causes which describe that Pakistan economy <sup>will</sup> remain fragile but there are some points which advocates that Pakistan's economy can be flourished if Pakistan changes its policies.

Now, there are some indicators which describe why and how



Pakistan's economy always remains fragile because since the inception of Pakistan, Pakistan <sup>has</sup> always been struggling to stabilize its political system but unfortunately due to bad political system, every government has its own economic model which topples down previous government economic model and that is why, Pakistan has its no authentic structure of economy. Resultantly, Pakistan economy is facing serious and critical problems due to which economy remains fragile.

Moreover, Pakistan has always been dependent upon aid based economy. Due to aid based economy, Pakistan <sup>has</sup> been indulging in debt traps which outcomes become Pakistan weak in terms of economy because Pakistan dependent on IMF (International Monetary fund bank) and this bank gives loan with conditions which rise inflation in country. That is why, Pakistan's economy <sup>will</sup> remain fragile in upcoming years.



Similarly, Pakistan's policy and management structure does not grant permission to strengthen Pakistan economy because poor management structure could not able to stand the economy, Pakistan is not growing in terms of technology, industry which lead towards poor economy. Pakistan has been indulged in trade deficit, circular debt, balance of payment crisis due to which economy is going down years to years. There are apprehensions that in upcoming years inflation rate will increase which is now twenty five percent. Due to poor policies and management in terms of tax collection, Pakistan has been facing serious impacts such as unemployment, corruption, tax evasion and ultimately poor and bad economy system.

In addition too, Pakistan has never been concentrated on knowledge economy system. Outdated <sup>Education</sup> economy system reflect Pakistan badly because



people have no idea of modernized equipments and information technology due to which there is no productivity in Pakistan. Twenty first century where developed countries are progressing in race of artificial intelligence field, Pakistan is struggling with agricultural economy system. Pakistan has no such commodity in which comparison Pakistan can become a competitor in terms of trade with other countries. Pakistan has no such patent in return Pakistan can do trade and save its foreign reserves. Pakistan trade deficit increasing day by day because of negligible exports and high amount of imports. That is why, Pakistan will remain economically fragile in upcoming years.

Secondly, Pakistan is that country which has always been hit by climate change. Due to climate change flooding effect the economy, Flood affects agriculture system, life of



people, businesses, and in return ultimately, "flood occurs" it effects economy of Pakistan. Inflation occurs and it will very difficult situation for Pakistan to rehabilitate businesses, buildings and economic structure.

This is why, Pakistan cannot flourish its economy because Pakistan has no proper dam system to store water in case of flood occurrence.

In the light of all these factors, international development also has been the issue of Pakistan's economy.

Recent Russia Ukraine war <sup>has</sup> changed the economic system of world.

Due to Russia Ukraine war, food prices increase because Pakistan imports eighty - ninety percent <sup>wheat</sup> from Russia Ukraine combine. Secondly, Russia stopped Europe's oil due to which economic recession occurs in worldwide and ultimately, it impact over Pakistan's economy.

Corresponding, after 2016 Pakistan currency has been devaluing because



dollar is increasing, Federal reserve bank of US increase interest rate due to which dollars increase drastically, and ultimately Pakistan foreign reserve exchange depreciate. This trickle down the economy of Pakistan.

In Contrast, there are school of thought which states that Pakistan economy could be strengthen but question is how, there are multiple factors. According to Arto Leinon he stated in book called "Pakistan is a hard country", Pakistan is a resilient state. Pakistan's has enough potential to flourish its economy. Pakistan is blessed with various resources.

First, Pakistan should concentrate its blue economy. According to United Nation law of seas, Pakistan can access two hundred nautical miles over its coastal areas and under the coastal belt Pakistan can become a larger producer.



of farming of dona fish which is the most consuming fish in the world exclusively in "Europe", but the need is modernized equipment to <sup>catch</sup> take the fish. In this way, and by promoting CPEC which <sup>will</sup> progress Gwadar seaport can help out the Pakistan's economy.

Second, even Pakistan has no enough productivity yet Pakistan is full of talent youth. Pakistan or government of Pakistan should increase the productivity of "software nomads" by giving the structure or installing the software houses at tremendous amount. Software house <sup>park</sup> installation at different places can take out the Pakistan from economical crisis.

Moreover, political stability is very mandatory for Pakistan's economy and effective management system. In recent years, Pakistan is at front where economy stability is very mandatory.