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Topic: Does foreign aid help to achieve economic stability?

Outline:

1- Introduction:

Thesis Statement:

Foreign aid is often seen as a catalyst for economic stability. However, its effectiveness can not be idealised due to concerns like ^{accumulating} ~~aid~~ dependency, ^{on aids} unsustainable debt accumulation and massive corruption.

2- **Brief insight of ^{importance of} ~~importance of~~ foreign aid for the developing countries.**

3- **Foreign aid does not help to achieve economic stability. (Thesis)**

(a)- Economic dependencies of developing economies are increasing on global north.

(Reliance on US aid, leading to dependency, Report by Zaidi, 2005).

(b)- Pathetic public service delivery because of mismanagement of resources.

(High levels of corruption undermine aid effectiveness, Transparency International Pakistan).

(c)- Erosion of public trust because of pervasive corruption.

(2005 earthquake aid mismanagement in Pakistan).

(d)- Accumulation of ~~an~~ unsustainable debt because of excessive foreign aid.

(John Perkins, "Confessions of an Economic Hit Man")

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(e) - Foreign aid does not help because of political instability and ~~weak~~ inconsistent economic policies.
(Incomplete projects of CPEC).

4- ~~Does~~ foreign aid ~~really~~ help to achieve economic stability. (Anti-thesis)

(a) - Provide immediate relief during crisis and pandemic.
(Pandemic like Covid-19).

(b) - Grant technical assistance for economic reforms.
(Privatisation of ineffective State owned enterprises).

(c) - Foreign aid helps in the development of infrastructure and economic growth.
(China's Belt and Road Initiative (BRI)).

(d) - Foreign aid helps in achieving financial stability.
(Jeffrey Sachs, "The End of Poverty")

(e) - Regional trade facilities and market access become easy because of foreign aid.
(African Union's Agenda 2063).

5- Surely, Economic growth does not achieve with the help of fine foreign aids. (Synthesis)

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(a) - Working towards self reliance and no foreign dole out.

(b) - Encouraging wealth creation by establishing local industries.

(c) - Granting ease of doing business and security to investors.

(d) - Promoting local industries to attract domestic investors who park their capital abroad.

Discuss broader role of institutions

(e) - Empowering Election Commission for ensuring democratic practices and transparency within political parties.

6- Conclusion:

Introductory Paragraph:

Any country that has ~~been~~ remained a loyal customer of foreign aids cannot be described as one that is in good health, so foreign aid could be a saviour for such developing economies to achieve the economic harmony.

~~Notably~~, foreign aid is often seen as a catalyst for economic stability. However, its effectiveness cannot be

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overwhelming

idealised due to concerns like ^{overwhelming} dependency on aids, unsustainable debt accumulation and massive corruption. Ironically, in many developing countries, foreign aid could not be utilized in a fruitful way due to mismanagement of resources and poor public service delivery. As a result, this creates horizontal and vertical disparities. Furthermore, political instability and corruption are the leading factors towards the erosion of public trust regarding the institution's deliverance capabilities.

However, there is a belief among masses that foreign aid helps in achieving economic stability. Many believe that foreign aids not only provide immediate relief during crisis but also grant a technical assistance for major economic reforms. In their view, from infrastructure development to regional trade facilities, foreign aid is a better catalyst for economic harmony. Notwithstanding

this effectiveness of foreign aid, it is wise to say that economic stability can better achieve through working towards self reliance. By establishing local industries and ensuring the ease of doing business ~~for~~ ^{to} the domestic

investors ~~are~~ categorized as positive (can be) tools to achieve economic stability instead of reliance on foreign dole outs.