

## Outline

### Economic Crisis of Pakistan:

An issue of multifaceted factor

#### I. Introduction

##### Thesis Statement:

The economic crisis in Pakistan is a result of multiple interconnected factors including political instability, structural economic issues, external debt, energy crisis and governance challenges.

#### II. Political Instability and Governance Issue

(i) → Historical context of Political instability in Pakistan (weak political inst., martial laws, etc.)

(ii) → Policy inconsistency and corruption

(iii) → Impact on foreign investment

(iv) → Weak institutional framework and lack of effective governance (ie absence of local govt.).

#### III. Structural Economic Issues

(i) → High fiscal deficit and public debt burdens

(ii) → Low Tax to GDP ratio and dependence on indirect taxation

(iii) → informal economy and lack of industrial diversification.

#### IV. External Debt and Payment Crisis

(i) → dependence on foreign aid and IMF loans

(ii) → Trade deficit (limited export based and import based economy)

(iii) → devaluation of currency and inflationary pressures.

#### V. Severe Energy Crisis

(i) → dependence on imported fuels for energy

(ii) → Power shortage / load shedding and expensive energy affect industrial output.

(iii) → lack of investment in renewable energy and outdated infrastructure.

(iv) → policy mismanagement in energy sector (wrong subsidies etc)

## VI. Socio - Economic Factors.

- (i) → Rapid population growth (1.97%) and unemployment.  
(less focus on technical and skill based education causes unemployment)
- (ii) → Income inequality, widespread poverty and low human development indicator.

## → VII External Factors

- (i) → Global Economic Conditions impacting Pakistan.  
(international inflation, wars) (Geopolitical tensions and regional instability)
- (ii) → Impact of climate change, Natural disaster on Agriculture  
(floods, sudden rains and no rains in seasons)

## Conclusion