

DATE 11

# Economic Challenges In Pakistan

## Thesis Statement

The challenges to economy of Pakistan are multi faceted.

~~Present economy confronts~~ with multiple challenges ranging from fiscal imbalance, industrial and agricultural stagnation to

~~increasing unemployment and~~ Write proper subject plz  
~~Political instability. However, Imperial and comprehensive fiscal and monetary policies can overcome these persistent economic challenges.~~

### outline

#### 1) Introduction

#### 2) Economic challenges in Pakistan

##### a) Fiscal Imbalance

i) Narrow tax base

ii) High fiscal deficit

iii) Elite capture

##### b) Inflation and currency Depreciation

i) Persistent inflation

ii) Current account deficit

iii) Cost of Living Crisis

##### c) Debt Dependence

i) External Debt Burden

ii) Debt servicing

iii) Borrowing culture

##### d) Energy Crisis

i) Circular debt

ii) Import Dependence

iii) Inefficiency (And Reft)

Rising circular debt

## e) Industrial And Agricultural Stagnation

i) Low Industrial Growth

ii) Agricultural Crisis

iii) Import Reliance

Well organised and quite relevant

## f) Unemployment and Human Capital Deficit

i) High Youth Unemployment

ii) Unemployment

iii) Brain Drain

## g) Governance And Political Instability

i) Policy Discontinuity

ii) Corruption

Deep rooted corruption

iii) Inefficient Bureaucracy

## h) External Sector Weaknesses

i) Trade Deficit

ii) Export Bureaucracy

iii) Weak FDI inflow

## 3) Way Forward of Economic Challenges

## In Pakistan

## a) Fiscal Reforms

i) Broaden Tax Base

ii) Curb Tax Evasion

iii) Rationalize Expenditure

## b) Monetary and Inflation Control

i) Price Stabilization

ii) Reduce Circular Debt

iii) Current Account

## c) Industrial And Agricultural Growth

i) Industrialization Drive

ii) Agro-Modernization

iii) Export Diversification

## d) Energy Reform

- i) shift to Renewable Energy
- ii) Reduce Lime Loss and Theft
- iii) Local Resources Utilization

## e) Human Capital Development

- i) Education And Skill Training
- ii) Female workforce participation
- iii) Research and Development

## g) Governance And Institutional Reforms

- i) Strengthen Institutions
- ii) Curb Corruption
- iii) Policy Consistency

## h) Foreign Investment And Trade

- i) Ease of Doing Business
- ii) Regional Integration
- iii) Diaspora Investment

## i) Social Protection And Inclusivity

- i) Strengthen Safety Net
- ii) Reduce Income Inequality
- iii) Support Vulnerable Groups

## 4) Conclusion

National progress and development is directly linked with economic stability

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The economy plays a significant role in any nation's progress and its deterioration. Just as a stable economy is responsible for a country's progress, an unstable economy also contributes to its failures.

Despite depicting some growth, Pakistan's economy remains confronted with multiple challenges. However,

These challenges are not new. In fact, they have persisted since the country's inception, primarily due to repeated and inconsistent policy reforms. According to the International Monetary Fund (IMF), Pakistan's economy is ranked

as the 42nd largest by nominal GDP and the 125th largest by purchasing power parity, reflecting its potential despite persistent structural hurdles. At present, the economy of Pakistan is overwhelmed by various challenges ranging from fiscal imbalance, industrial and agricultural stagnation to increasing unemployment and political instability.

Nevertheless, comprehensive, empirical and persistent implementation of monetary and fiscal policies can help overcome these recurring economic crises.

Good plz write in proper subject