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Topic No: 02

Can Pakistan achieve Economic Stability without foreign loans?

Outline:

Despite Pressing challenges of external fixes to domestic economic issues, Pakistan's economic Sovereignty hinges on export diversification, equitable use of natural resources, human capital development, agricultural transformation, lucrative tourism industry, energy security, and completion of China-Pakistan Economic corridor, thus necessitating the paramount importance of Social, Political, and ~~Security~~ stability.

Stamina?

1. Introduction

2. Contextualizing Pakistan's Economic instability caused by Foreign loans

3. Highlight Sustainable Pathways to achieve Economic Stability without Foreign loans

3.1. Pakistan requires a national vision to ensure Policy continuity

Case Study: Maleeha Lodhi's "Pakistan in Search of Stability"

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3.2 Economic Stability can be achieved by shunning the reliance on miracle or quick fixes

case Study: Ahasan Iqbal's views

3.3. Ensuring export-led growth paves way for exconomic boom

case Study: Vietnam's taxtile export

3.4 Expansion of tax net amplifies economic prosperity

case Study: PBS report (2024-2025)

3.5. Investment in human capital plays vital role in economic progress

case Study: WB report on Youth (2024)

3.6. Effecient use of natural resources elevates economic Stature

case Study: Pak-US $500m mineral deal

3.7. Agricultural transformation widens economic growth

case Study: China's agricultural revolution

3.8. Attracting foreign direct investment bolsters financial stability

case Study: Gawadar Port and Dubai's interest

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3.9. Promotion of lucrative tourism industry helps economy to flourish
case Study: Central Asian Republics' tourism diplomacy

3.10. Empowerment of women speeds up national economic growth
case Study: Bangladesh's women workforce

4. Challenges causing economic dependency

4.1. lack of accountability and transparency
case Study: Panama case

4.2. Fiscal deficit and meager tax collection
case Study: Pakistan Economy Survey(2024)

4.3. Circular debt and balance of payment crisis

4.5. Short term Policies and reliance on miracle fixes

5. Counterargument: Factors that highlight the importance of foreign loan
(a) 26th IMF program shows significance for short term stability amid chaos
(b) Chinese, Middle East, and US aid to combat climate change.

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5. Conclusion

Since inception, Pakistan has consistently been confronting a formidable challenge of economic dependency on external forces. This has massively conctracted fiscal space, causing perpetual economic boom and bust cycle. It is surprising to note that Pakistan has secured twenty five IMF loan programs, which depicts vulnerability of the economic uncertainty. It has become surmountable to avert this dependency. However, by promoting a national economic plan and ensuring policy consistency, Pakistan can achieve economic stability. Consequently, dependency on foreign aid can be brought down. Similarly, Pakistan's economic prosperity also stands on the agricultural transformation, which creates space for export diversification and help state to invest in human capital. As a result, economic sustainability thrives under the shadow of efficient governance structure. Despite pressing challenges of external fixes, Pakistan's economic sovereignty can be ensured by diversifying exports, promoting efficient use of natural resources, and strealining a long-term economic plan

Stance?

Pakistan has long been dependent on miracle fixes. It has always trapped in a vicious cycle of short-term, quick fixes. Such a negligence has hampered long-term remedies to the domestic economic fragility. First, Pakistan adopted agricultural revolution, telecom boom, and crypto hype. Later, It Started prioritizing technological integration. Now, reliance on the Artificial Intelligence Sector and rare earth elements delineade Pakistan's lack of interest in long-term Stability. Therefore, It is imperative for pakistan to Seek Permenent Solution to end vicious cycle of foreign aid. Ahsan Iqbal-a revered politician opines that Pakistan plays on temporary grounds without any Sustainable, long-term economic Policy to freed herself from the trap of aids and loans from external forces. It Clearly manifests that Pakistan must identify the loopholes in current economic structure and devise an inclusive economic framework that must be a self-reliant system.

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