

# Essay

Topic: Pakistan's economic future: Can the country achieve sustainable

## Outline

### (1) Introduction

(a) Thesis Statement:

Pakistan is facing economic problems since its inception. Many believe that it cannot survive without foreign support. Pakistan can survive without external support and build an self-sustainable economy. If it utilizes economic resources correctly.

(2) How Pakistan is facing economic issues

(3) Why Pakistan can achieve sustainable economic growth. (Thesis)

(a) Pakistan has an important geo-strategic location

(b) Pakistan has abundant natural resources

(c) Agriculture land with irrigation network

(d) High number of youth in population

(e) Infrastructure which can support economy.

(4) Why Pakistan can not achieve self-sustainable economy (Anti-Thesis)

(a) Persistent mismanagement of natural



### Resources

- (b) Poor law and order in country
  - (c) Continuous political instability
  - (d) Poor judicial system
  - (e) High external debt
- (5) How Pakistan's economy is moving towards self-sustainability. (Synthesis)
- (a) Improved Law and order
  - (b) Better resource management through SIFC
  - (c) Judicial system revamped after 26 ammendment
  - (d) Mature democracy resulted in improving political stability
  - (e) Economic road map built to reduce external debt.

### (6) Conclusion



In the book, Why Nations Fail, it was pointed that U.S.A and Mexico, both have same geo-stragic location and same natural resources. U.S.A has successfully transformed itself as global super power, while Mexico is struggling to develop itself. The primary reason why Mexico is struggling is poor governance, because of it, it lags behind it's neighbours. In the same way Pakistan, China and India, gained independence in same time period and are neighbours. India and China are global super economic powers, while Pakistan is struggling. Pakistan is facing economic economic problems since it's inception. Many believe that Pakistan cannot survive without foreign aid. Pakistan can survive without external support and build a self-sustainable economy. If it utilizes it's economic resources correctly.

Pakistan can achieve sustainable economic growth, since it has an important geo-stragic location, abundant natural resources and robustic young population. However the reason it is struggling is that has poor governance, missmanagement of it's resources and Law and order issues. However the goverment is taking concrete measures such as



Revamping judiciary through 26 ammendment, and managing resources through SIFC. Therefore by taking measures to solve economic problems, Pakistan is on a path of building an economic self-sustainability.

Pakistan since its birth is facing economic issues. Pakistan has gone to I.M.F for 24 times just to get economic bail-out. Pakistan has structural economic issues such as balance of payment issues, fiscal deficit and low tax to gdp ratio. Furthermore external factors such as export tariff, Afghanistan war on terrorism has further exacerbated economic strain on Pakistan.

Pakistan despite facing economic issues can struggle and make its economy self-sustainable. Pakistan can make its economy self-sustainable, since it located in an important place in South-Asia. The geo-stragic location makes Pakistan's place unique.

Pakistan has direct access to Indo-Pacific Ocean, similarly it also has direct access to China and by making a corridor through



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Afghanistan, Pakistan can connect to Central Asia. As per World Economic Forum in 2023, 60% of global trade passed through Indo-Pacific region. Pakistan can act as a bridge between the middle-east and central Asia, and let their trade through Pakistan. This will greatly boost up economy of Pakistan. Therefore geographic location of Pakistan can give its economy great boost.

Another way through which Pakistan can achieve sustainable economic growth is exporting its natural minerals. Pakistan has abundant natural minerals, which globally have great demand such as copper, marble. As per report of Survey of Pakistan of 2023, Pakistan has huge reserves of iron ore, copper, chromite and coal. These minerals value are estimated to be around 6 trillion dollars. Therefore Pakistan can export its natural resources and restructure its economy in a sustainable way.

Like wise Pakistan also has high number of fertile agriculture land which it can utilize for its economy. As per Food Agriculture organization of U.N, Pakistan's total agriculture land is 30.8 million



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hectares. On contrary Ukraine's agriculture land is 70 million hectares and it greatly contributes to their economy. As per world bank Ukraine in 2020, exported agriculture products worth 68 billion. Pakistan also has potential to export its agriculture, if it improves its agriculture production. Hence forth can utilize its agriculture land to make its economy sustainable.

Another reason why Pakistan's economy can achieve self sustainability, is due to its youth. Pakistan has high number of youth in its population. As per population census of 2022, 60% of Pakistan's population is below age of 35. Therefore the high number of population can contribute to economic sustainability. The youth can learn skills and through those skill, earn foreign exchange for Pakistan. As per State bank of Pakistan in the year 2023, Pakistan's I.T Sector earned 2.29 billion as foreign remittance. Therefore by teaching skills to majority of population, Pakistan can greatly earn and contribute greatly to its economy.

Lastly another reason why Pakistan's economy can achieve self-sustainability is that it had adequate infrastructure.



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Pakistan has wide range of road networks from motorways to highways. Pakistan also has effective railway network. By utilizing the infrastructure Pakistan can promote trade with its neighbours which can result in increase of economic activity. The European Union, is based on the concept of developing infrastructure and increasing connectivity to boost trade. Therefore Pakistan can develop on South-Asia economic pact and use its infrastructure to develop its economy.

Pakistan might have all the ingredients to fix and boost up its economy, however there many other problems which affect and hamper the development of economy.

Pakistan does have adequate natural resources but the persistent miss-management of these resources does not let the economy grow. In the province of Balochistan, a foreign company tried to extract copper, however due to bureaucratic hurdles, the project got scandalised and eventually the matter reached Supreme-court, which decided the case against government. As a result Pakistan was imposed a penalty of 9 billion dollars. Therefore mishandling



of an important project has given impression to international investors that Pakistan is not a good place to invest. Similarly the government tried to extract coal from Thar, however the private sector who wanted to invest had to face serious harassment from government anti-corruption agencies. Therefore Pakistan has mis-handled its resources as a result no one wants to invest

Another issue which hampers Pakistan from achieving self-sustainable economy is poor law and order. Pakistan has to face effect from Afghanistan-Taliban war. As a result there are high number of terrorism cases in Pakistan. As per Institution of economy and peace, Pakistan's terrorism index was 7.92 out of 10, in 2022.

Therefore due to high number of terrorism many foreigners deter from investing in Pakistan. As per world economic forum Pakistan in 2022 received 1.3 billion dollars as foreign investment, while India had received more than 49 billion dollars in foreign investment. Hence forth terrorism deters foreign investment, which deters the economy from achieving self-sustainability.

Like wise another issue which hampers



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Pakistan's economy from achieving self-sustainability is poor judicial system. Pakistan's judicial system has failed to perform and often deters foreign investors. Ammensty International ranked Pakistan's judicial system at 164 out of 180 in 2023. Similarly as per Ministry of law and justice, Pakistan case was 8.6%, more than 2.17 million cases were pending before various courts.

Henceforth due to poor judicial performance many foreign investors shy away from investing in Pakistan. As they feel incase of a dispute, Pakistan's judicial system is going to take ages to resolve the issues.

Similarly another issue which hampers Pakistan from achieving self-sustainable economy is political instability. Pakistan is facing political issues, since its birth, it has weak democratic roots.

The economist intelligence index of 2023 placed Pakistan's democracy at 2.0 index terming it as fragil. Due to fragil democracy, Pakistan is facing political instability because of foreign investors are relectant to invest in Pakistan, as they feel with abrupt changes in goverment, economic policies will change. which is going



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to effect their business. In 2018, the government had announced a motor vehicle policy, aimed at investing investors in automobile sector. However the government was abruptly changed and the new government discarded the automobile policy. This had effected confidence of Pakistani investors. Henceforth political instability effects government policy, which shatters confidence of business investors.

Lastly the biggest issue of Pakistan in achieving self sustainability in economy is high external debt. Pakistan's continuous borrowing cycle has continued and as a result huge external debt has piled up. As per ministry of finance in 2024, Pakistan's external debt was 62,881 billion dollars. Due to high external debt many believe Pakistan can not pay back it's debt. As a result it can default at any time. Which can effect sovereignty of country.

In spite of shortcomings, Pakistan is progressing and moving towards self-sustainable economy. The government has taken measures to improve it's condition, so that the country can move towards self-sustainable economy.

The government of Pakistan has taken



Considerable efforts to reduce terrorism cases and improve law and order. Many kinetic operations have taken against terrorist sanctuaries. The Federal government launched operation Istahma-e-Pakistan, in which all terrorist organizations were to be targeted. Similarly the government has started to build capacity of law enforcement agencies to counter terrorism. Therefore rate of terrorist attacks has reduced and law and order has improved.

Another effort through which Pakistan's economy is moving towards self-sustainability is better resource management. Pakistan has taken various efforts to improve management of natural resources. Pakistan has created SIFC, through which it will manage and sell its natural mineral resources. Through SIFC, Pakistan aims to manage and sell its natural resources under one window. The government of Pakistan aims to bring 5 billion dollar investment through SIFC. Henceforth better management of resources can lead to self-sustainable economy.

Similarly in order to bring investments in countries, the government has revived judicial system of Pakistan. Through 26th amendment, the government of Pakistan has created separate constitutional courts.



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and made changes arbitration method. Many cases which are of political and constitutional in nature, will go to constitutional court. This will automatically reduce the load on ordinary courts. Similarly through arbitration method the government will first try to settle issue through a arbitrator instead of going to courts directly. This is going to solve problems quickly. Henceforth the efforts to improve judicial system is going to help build self-sustainable economy.

Likewise democracy in Pakistan is getting mature and stronger day by day. First time in 2012, a democrated elected government fulfilled its tenure, and so on 14 years have passed that in Pakistan democratic elected governments have fulfilled their tenures. Although there are many short comings in it but with passage of time, it will evolve.

Lastly the government of Pakistan has created a road map through which it aims to reduce its external debt. Through uraan the government of Pakistan aims to reduce external debt. As through the plan government aims to bring high investment through projecting Pakistan as investment safe



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heaven and utilizing talent of its youth.  
Through UBAan, the government aims to reduce imports and survive on its own resources.  
Through utilizing its saving, the government aims to return back external loan.

Henceforth Pakistan can achieve self-sustainable economy since it has potential and resources. However mismanagement and internal issues have plagued the country. However considerable efforts have been made to resolve these issues. Therefore Pakistan can achieve self-sustainable economy.