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Essay Paper Final

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Topic: Pakistan's Economic Future: Can the country achieve sustainable growth?

1- Introduction

Thesis Statement

2- Background of Economic Situation in Pakistan

a- Historical Perspective

b- Current Situation in Pakistan

3- Ways to Achieve Sustainable Growth

a- Political Stability leads to economic stability.

b- Sustainable policies are important to achieve economic growth

c- Policy reforms are much needed.

d- Decrease reliance on foreign debt

e- Promotion of business culture

f- Increase exports and reduce imports.

g- Increase revenue generation

h- Increase tax collection by broadening tax basis

i- Reduce illiteracy and

unemployment.

j- Invest in technology and modern education to cope up with the world.

4- Hurdles in Achieving Sustainable Growth in Pakistan

a- Government instability and focus on short term growth.

b- Increased reliance on foreign debt instead of revenue generation.

c- Illiteracy and unemployment leads to youth bulge and brain drain.

d- Lack of transparency and institutional weaknesses.

5- Conclusion

Can Pakistan achieve sustainable economic growth? This is the question that gained popularity these days due to economic situation in Pakistan. Pakistan is facing really bad economic situation these ^{about} day and everyone is worried "what will be economic situation in future? Can Pakistan really get out of this bad economy crisis? There are many factors that contributed towards this grave problem in Pakistan ranging from poor economic policies

to adverse effects of climate change and global warming. Currently, Pakistan is at the ladder of economic downturn but country can achieve sustainable growth by taking steps that ensures economic stability.

Pakistan since its inception faced economic challenges. Being an independent country having no industries, Pakistan is gripped ~~in~~ with economic crisis.

Along with that government instability and frequent military interventions enhanced the problem. Pakistan relies heavily on foreign debt - that always gave short term stability but have consequences in long run for Pakistan. Due to this Pakistan is still facing the issues of economic stability despite being independent since almost **78** years.

Although, Pakistan is facing really bad economic crisis these day, country can achieve sustainable growth by taking some important steps.

First of all, it is the need of the hour that country get political stability. Political stability is crucial for economic stability. Due to political instability and frequent government changes policies remained incompleated and adds in burden. Complete implementation of policies and ~~procedue~~ procedures can ensure economic stability.

Political stability is the pre-requisite for sustainable policies. One government make some policies and ~~da~~ when a new government came, it make its own new policies that results in policy incompleation. Full policy implementation is key to success. Without policy completion it is really difficult to have cost-benefit analysis and without that it is not possible to bring improvements in plan and procedures.

In addition to ^{sustainable} policies, policy reforms are very important. In Pakistan, mostly government focus on short term economic growth to gain support of

people. Due to this government ignore long-term growth and stability. This enhances the burden on Pakistan's economy.

Furthermore, in order to have short term economic stability, government often relies on foreign debt. Due to this foreign debt trap enhances ~~that~~ ^{which} is another potential constraint in Pakistan's economic growth. By focusing on reducing reliance on foreign debt and enhancing revenue generation can really help Pakistan to achieve sustainable growth.

However, to increase revenue generation, it is very important to promote business culture in Pakistan. Businesses are great source of revenue generation. Many big economies of world like **China**, gain economic growth by promoting business culture and industrial growth. Pakistan can also achieve sustainable growth by promoting business culture and giving loan schemes to SMEs (small and

medium enterprises. As these enterprises leads to job opportunities and adds in sustainable growth.

In addition to enhance business culture it is very important that Pakistan increase its exports based and discourage imports. Exports are very important for any country's economic growth. By promoting domestic products, Pakistan can reduce its imports. For example, our neighbor India promote its own products in country by emotional appeal like "Be Hindustani, Buy Hindustani". These kinds of policies changed the masses sentiments and promote domestic products over imported products.

However, country's economic growth is majorly dependent on revenue generation, it is very important for Pakistan increase its revenue generation. By enhancing revenue generation, Pakistan can get economic prosperity. Revenue generation is the alternative for Pakistan's over-reliance on foreign debt. A country can

never get its economic prosperity by only relying on foreign debt. By enhancing the sources of revenue generation, Pakistan can achieve sustainable growth in future.

Increase in tax collection is an important source of revenue generation. Pakistan's tax collection is very low. Many sectors are not included in tax bracket. It is very important at this time that Pakistan should focus on its tax reforms. It should add all sectors in tax bracket and also broaden tax base. Developed countries of the world take major taxes from their citizens and in return give them facilities. Pakistan's tax to GDP ratio is very low. Without taking tax it is not possible to have enough revenue generation that is crucial for country's progress.

In addition, it is need of the hour that Pakistan should focus on illiteracy and employment. These are the problems that

leads to youth bulge and brain drain. Pakistan is the home of 60% youth. If this youth will not get opportunity it will become burden on country. If Pakistan can use this youth by providing opportunities, this youth will change the future of Pakistan.

However, to get rid of illiteracy and unemployment, it is really important that Pakistan invest in modern technology and modern education. Without investing in technology and modern education, it is not possible for any state to get economic stability. In this world of technology, it is very important to have modern technology in major sectors of country to cope up with the world.

Pakistan, being an agriculture country, should adapt modern technology in its agriculture sector to enhance its efficiency and effectiveness. This will lead to economic stability of Pakistan.

Despite these solutions, there are some major hurdles that impede the economic stability of Pakistan.

Foremost, hurdle in the economic stability of Pakistan is government instability and its focus on short term economic growth.

Government often does not complete policies of previous government and focus on its own policies to have short term economic growth and stability. This increases the burden on Pakistan's weak economy. It has been seen that in developed countries, economic policies which are crucial for economic growth does not change whether government change or remain same. That is why developed countries are economically strong.

Another major hurdle that impede the economic growth of Pakistan is its over-reliance on short-term and long-term foreign debt instead of its focus on revenue generation. It is not possible for any state to get economic growth & stability by relying on foreign

debt. Countries have to focus on increasing revenue generation to decrease reliance on foreign debt and enhance economic growth.

Further more, illiteracy and unemployment is another potential hurdle in economic growth of Pakistan. Without achieving literacy, youth remain un-employed and become burden on country. Education plays a key role in any countries development. Without ~~the~~ achieving a balanced approach for education for masses it is not possible for any country to get stability on the basis of few ones.

Another potential hurdle is lack of transparency & institutional weakness. Many govt institution work half-heartedly and contribute very less to economic stability. As government institutions focus on attendance rather than performance, they only burdenize

Pakistan's economy.

Long story short, Pakistan is currently gripped in economic crisis but these economic crisis can be handled by taking necessary steps.

First of all, it is very important to have political stability, along with that policy reforms are necessary for Pakistan's economic growth.

Furthermore, by increasing export and reducing imports, along with that enhancing tax base to increase revenue generation, Pakistan can deal with its grave economic problems. However, there are some hurdles that impede economic stability of Pakistan like unemployment and illiteracy as well as lack of transparency and institutional weakness. ~~the~~ By addressing these problems it is possible to achieve sustainable growth.

Pakistan economic crisis are multifaced but a comprehensive and collective effort of all can bring Pakistan out of this crisis. InshaAllah.