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Subject: English Essay

Q.No 04

Topic: Pakistan Economic Future: Can the Country Achieve Sustainable Growth?

Outline

A) Introduction

Thesis Statement:

The economic future of Pakistan could be secure and a sustainable growth is achievable; if prevailing economic conditions are wisely handled.

B) Prevailing Economic Conditions

C) How a sustainable economic growth can be achieved in the future?

a) Bring political stability

b) Ensure the writ of the state to sustain peace and security

c) Utilize renewable energy resources to handle energy crisis.

d) Shift economy towards export base

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- e) Tax reforms are the need of the hour.
- f) Enhance budget spending on education and human development.
- g) Women should be empowered to add their potential
- h) To persuade the international community about the detrimental impacts of climate change.

D) Some prominent challenges, which restrained the country from the sustainable economic growth.

- a) Elite class conflict
- b) Terrorism, chaos and turmoil in the country
- c) The dilemma of energy crisis
- d) Import based economy
- e) Elite class negative influence on tax reforms

E) What the Country has done to achieve sustainable economic growth in the future?

- a) Dialogue between government and opposition to bring political stability
- b) Istikhkame-pakistan and other intelligence based operation to eradicate terrorism and radicalism.
- c) The instalation of renewable projects
- d) pakistan initiative on the Special facilitative investment program
- e) Women empowerment through BISP

F) Conclusion

After the division of United India, only 750mn share were given to Pakistan out of 70bn economic resources. Pakistan was unable to meet its requirement on that fund. But with the passage of time the country recovered it self and gained economic sustainable growth in the 1960s. Similarly the prevailed economic crisis can be converted into an economic opportunity; if the elite class resolve their mutual conflict with mutual consultation. The issues of terrorism, extremism and radicalism to be eradicate to encourage foreign direct investment (FDI), address energy crisis to gain export base economy. Moreover, budget spending should be increase on education and human development as done by Singapore to gain sustainable economic growth. Bring tax reforms and persuade the international community to contribute in the loss and damage fund to rebuild the infrastructure damaged by the climate change. However, some critics argue that; these are utopic suggestions for the sustainable economic growth; the political instability, energy crisis and tax reforms are restrained by the elite class in the country in one way or another. It is true, but to bring sustainable economic growth it is a gradual process.

and the country has taken some practical initiative such as; political dialogue started between the opposition and government to bring political, economic and energy stability. Moreover intelligence based Operation are conducted to eliminate terrorism and anti state elements to encourage FDI. Moreover, BISP is contributing in the women empowerment and Pakistan is receiving loss and damage fund to improve its infrastructure. Overall, a sustainable economic growth is achievable in the future to deal all the causes of economic deterioration with the iron hand.

Prevailing economic conditions of Pakistan does not show a good picture of the economy. Due to political polarization and terrorism is in the peak. According to ministry of defence, 300 terrorists and 3 suicide attacks happened in the last year. Moreover, State Owned Enterprises (SOEs) especially Energy sector is in Crisis with Rs. 2.7 trillion circular debt. Furthermore, Pakistan spends 4 pc in the human development of its budget. Trade deficit is noted \$ 24 bn in the current fiscal year. These facts show the grim picture of the economy of Pakistan. But, it cannot be considered that Pakistan can never gain an sustainable economic growth. Pakistan can achieve the sustainable economic growth by following these steps.

The first and foremost, to bring political stability to gain sustainable economic growth. After a successful no confidence motion in April, 2021 political polarization reached to its peak. But recently, a dialogue is held between the government and opposition mediated by the speaker of national assembly. Which is a positive signal about the sustainable economic growth to shift the priorities of government from political victimization to economic development.

Moreover, a sustainable economic growth can be achieved to eradicate terrorism, extremism and radicalism from the country. Due to the

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to the anti-state actors FDI cannot come to the country. According to ISPR report, 2024 that 60,000 intelligence based operations are conducted throughout the country to eliminate terrorism, extremism and anti state actors from the country. All of these operations encouraged the FD investors in general and chines in special to invest in the country. Moreover, Pakistan^{is} emphasized diplomatic negotiation with Afghanistan to stop using its soil against Pakistan. All of these steps suggests, that the future of economy of Pakistan will gain sustainable economic growth.

In addition to it, Pakistan should utilized renewable energy resources to gain sustainable economic growth in the future. According to the Water and Power Development Authority, 2023 that 60 pc electricity in Pakistan is generated through oil. That is imported by Pakistan through expensive prices and caused current account deficit, in 2022 Pakistan was at the brink of default. So, if the policy makers ensure to utilized the renewable energy resources instead of non-renewable energy resources than a sustain economic growth is achievable.

If once, the energy crisis resolve

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in the country than Pakistan could ~~achieve~~ export base economy. Due to energy costs and low quality products of Pakistan the trade deficit remains \$ 24 bn in the current fiscal year (State Bank of Pakistan). A sustainable economic growth in the future is achievable, if the policy makers start industrial and education link to enhance the potential of skill labours. Reduce industrial tax from 32 pc to 17 pc as done by India and Singapore; 17 pc and one pc respectively. This step will encourage the industrialists to construct various industries in the country. As a result, the country will be shift from Import to export base economy and a sustainable economic growth will be achieved.

Similarly, ^{to achieve} sustainable economic growth tax reforms are the need of the hour. The policy makers exempted the elite class from taxes in one way ~~or~~ another and given them subsidies. According to the Economic Survey of Pakistan, 2023-24 that the agriculture sector contribute 42 pc in the GDP but given only \$ 3 bn in the tax despite various reforms. Moreover there are 35-40 pc economy of Pakistan is informal. In the current FY, the country received \$ 17 bn remittances, while it has

the +ve potential of \$ 6 bn, if illegal remittances are curbed. So, to achieve sustainable economic growth the country should ensure constructive tax reforms to bring the elite class and agriculture sector into tax and to curb illegal remittances.

Moreover, a sustainable economic growth can be achieved, if the policy maker increase spend on the education and human development. According to International Economic Forum, 2024 that Pakistan spends only 4 pc on human development out of which 1.7 pc on education of its budget. According to the international recommendation for sustainable economic growth a country should spend at least 6 pc of its budget. Increasing spend on the education and human development can increase the potential of its citizens to contribute to enhance the country resources. In Pakistan 64 pc population is comprising of youth, who has the potential to contribute to achieve a sustainable economic growth in the future if manage properly.

To achieve a sustainable economic growth in the future is possible, if the women in the country are empowered. According to Amnesty International, 2023

that the women population in Pakistan is 49 pc and only 21 pc women contribute in the international economy. Furthermore, 2.5 mn girls in Pakistan in the age of work cannot contribute to ameliorate the economy of the country. So, Pakistan should adopt the Bangladeshi women empowerment model where 37 pc women are contributing to enhance the economy of their country. So, a sustainable economic growth is achievable in the future, if the women are empowered.

To handle the devastating impacts of climate change can assist to achieve a sustainable economic growth in the future. According to World Economic Forum, 2023 that Pakistan contribute less than 1 pc in Green House Gas Emission and comes into the top ten most vulnerable countries from climate change. According to the Asian Development Bank, 2022 that Pakistan loss \$ 3bn annually due to climate change. So, climate change is one of the main factors to attenuate the economic growth of the country. So, if it is handled wisely through international dialogue, shifting to green and environment friendly energy can reduce the economic impacts on Pakistan and a sustainable economic growth can be achieved.

However, the above suggestions can contribute to gain sustainable economic growth in the country. But some practical critics argue that, the implementation of these reforms are difficult and the country still faces the below issues.

The first and foremost political instability is maintained in the country throughout its history. Four times martial laws are imposed which provided an opportunity to military dictators directly ruled 35 years in the country. All of the state institutions are used for political victimization. Inheritance politics further deteriorated the political situation. Rigging in election to bring favorite party into the power. As a result, mass congregation, protest and rallies badly impacts the reputation and economy of the country. As a result, sustainable economic growth is impossible in the future.

Secondly, terrorism, chaos and turmoil in the country are in peak, which resist to gain economic sustainable growth in the future. According to ISPR, 2024 1700 soldiers and officers are martyred. Claimed the year as a deadliest one of the decade. As a result, the

foreign direct investors are afraid to invest in the country. Moreover, \$ 3 bn infrastructure is damaged by the terrorists attacks which hinders the country from sustainable economic growth.

Thirdly, the energy crisis in the country restrained the economic growth in the country. According to Pakistan Economic Survey, 2023-24, that 60% electricity is generated from oil which are imported and caused the current account deficit. Moreover, the circular debt is Rs 2.7 trillion and expected to raise at half trillion in the current FY. Furthermore WAPDA is adding Rs. 600 mn loss annually in the country. Due to all of these factors, it seems difficult to gain economic sustainability in the future.

Pakistan cannot attain sustainable economic growth in the future due to the trade deficit. According to the State Bank of Pakistan, 2024 that in the last year Pakistan has seen \$ 24 bn trade deficit. The fundamental reasons behind it is the lack of qualified labours, energy crisis, less investment on human development and high taxes on the industrial sector restrained the trade deficit. These issues still persist, but the government is unable to

form policies for it. As a result, to gain economic growth seems utopic and an ideal one to expectations in the future.

Last, but not the least the influence of elite class on the policy formulation about tax reforms is the another reason behind economic crisis in the country. According to the State Bank of Pakistan, 2023 that only 15 to 20 pc in Pakistan pays direct tax. The remaining 40 pc people only pay indirect taxes. When the policy makers start reforms in the revenue generation. The powerful elites blackmail the government in one way or another and restrained them from constructive tax reforms. As a result, the sustainable economic growth in the future seems impossible.

Contrary to it, all of the prevailing issues in the economic sectors are present. But the government is struggling to fix these issues and gain the sustainable economic growth in the future. Some of the prominent steps to ameliorate the economy are given below.

Political stability is important to gain economic stability. Keeping this

point in view, government and opposition started mutual negotiations and consultation to cool down the conflict. In January, 2025 the Speaker of National Assembly announced mediation between the opposition and government. This step can be a positive for the improvement of the economy in the future. Because the government will shift, its focus from political victimization to economic development. So, this shows that in the future sustainable economic growth is possible.

Moreover, various operations are held in the previous years to bring peace and stability in the country. According to ministry of defence 60,000 intelligence based operations are conducted last year in which, 2341 terrorists are killed. Furthermore in Afghanistan a direct operation is conducted and attacked the terrorists to maintain law and order in the country. Peace, will ensure ensure an increase in the GDP. As a result, bringing peace will bring sustainable economic growth in the future.

Moreover, to overcome energy crises in the country to increase productivity. According to WAPDA, 2024 that there are 26 operational wind project, which generate

1,300 MW electricity. Moreover, 5 other projects are in constructing phase and will add 500 MW electricity to the national grid. This initiative will counter the energy crisis and imports of the oil. Moreover, Quid-e-Azam Solar project and likewise other renewable solar projects can contribute positively in the economy of the country in the future.

Similarly, Pakistan takes an initiative to facilitate special investment by the joint effort of establishment and government. According to the SBP, 2024 that from middle east \$100 bn investment is expected in mining, energy and infrastructure sectors. Furthermore, ~~CPEC~~ CPEC \$62 bn investment will take place until the end of 2027. So, all of these evidences suggest about a sustainable economic growth in the future.

last, but not the least; Pakistan has taken various initiative to empower women. Most important policy of government about women empowerment is the Benazir income support programme. Through which the women are financially assisted to fulfill their daily needs. Furthermore,

The women contribution to work will be increase from 21 pc. to 28 pc by the end of 2025. providing them ~~the~~ home based skills, which shows that in the future of Pakistan can achieve economic sustainability.

To conclude that, Pakistan can achieve economic growth in the future. To bring political stability a dialogue is started between the opposition and government. Furthermore, various operations are conducted to bring peace and security for FDI. A shift is seen from traditional ways of electricity generation to renewable energy generation to reduce the oil import. The budget increase on human development to 7 pc from 4 pc in last year. Moreover these steps are not enough the policy makers, should ensure to bring tax reforms, depoliticization of institution, justice and to ensure justice and rule of law in the country.

The end.
