English Essay Test # 3 — Aroosa-002

Can Pakistan Achieve Economic Stability Without Foreign Loans?

Outline

1) Introduction

While foreign loans have helped Pakistan to achieve short-term economic stability, the country can achieve economic stability without foreign loans by shifting towards digitalization, promoting political stability, utilizing the youth bulge, diversifying the exports, and curbing corruption.

2) Glancing over Pakistan's history of foreign loans for achieving economic stability

– 25 loans from the IMF

3) Factors through which Pakistan can achieve economic stability without foreign loans

3.1) Shifting towards digitalization

Evidence: Pakistan will make $1.81 trillion by 2030 through digitalization, Pakistan Economic Survey 2024-25.

3.2) Utilizing the potentional of youth bulge
Evidence: Pakistan's youth makes about 65 per cent of the country's population

3.3) Working on human development
Evidence: NAVTTC and Prime Minister Youth Programme working on human development through vocational and technical trainings

3.4) Making education system effective
Evidence: Increase education budget to 4 per cent of GDP as per UNICEF global standard.

3.5) Promoting political stability
Evidence: "Political stability is panacea to all the vows of a nation," Kofi Annan

3.6) Diversifying the exports
Evidence: Pakistan signed around 189 international agreements in 2024-25 in which mostly are dealing with trade, National Assembly.

3.7) Curbing the menance of corruption
Evidence: Pakistan ranks 135th out of 180 countries in corruption, Corruption Perception Index.

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3.8) Overcoming the governance crisis

Evidence: "The World Bank governance indicators can help Pakistan overcome its governance crisis," Ishrat Hussain

3.9) Innovating industrial and agricultural sectors

Evidence: Integration of AI-driven technologies in key sectors can bring innovation.

4) On what grounds critics claim that Pakistan can not achieve economic growth without foreign loans

4.1) Counter argument #1: Foreign loans are important for financing developmental projects and infrastructure in Pakistan.

→ Refutation: In Pakistan, foreign loans are used for debt servicing not developmental projects that bring economic stability

4.2) Counter argument #2: Pakistan can not function without foreign loans because they are important for balance of payement crisis.

→ Refutation: Balance of payement crisis arises due to trade defict, which can be overcomed by filling trade gaps.

5) Conclusion

The Essay

Economic stability is a bedrock for overall development of a nation. Verily, countries like, the US and China, have became world leaders due to economic stability. Likewise, Pakistan is also pursuing to achieve economic stability. For which, the country usually goes for foreign loans. Although foreign loans have helped Pakistan to achieve short-term eonomic stability, the country can achieve it by diversifying its exports, shifting towards digitalization, promoting political stability, and working on human development. Another factors like curbing corruption, fixing governance crisis, and utilizing the youth bulge can help Pakistan to achieve economic stability without foreign loans. Nevertheless, some critics are of the view that Pakistan can not achieve economic stability without foreign loans because of importance of foreign loans for developmental projects and recurring balance of payement crisis. Having said that, foreign loans have nothing to do with these factors. These issues can be fixed by other ways as foreign loans will compel Pakistan to dance on the tune of other nations. To conclude, Pakistan can achieve economic stability without foreign loans by paying heed to various factors, ultimately advancing the country on the path of long-term sustainable economic stability.

To begin with, there are various factors through which Pakistan can achieve economic stability without foreign loans. First, the country is required to shift towards digitalization as it is the pertinent demand of the modern world. Through digitalization, the country can boost its economic growth, helping it in economic stability. For example, according to Pakistan Economic Survey 2024-25, "Pakistan has potential of generating $1.81 trillions by 2030 through digitalization." Fortunately, the report shows a bright picture of the country's future in digitalization, which will ultimately add in the country's economic growth. Hence, by shifting towards digitalization, Pakistan can ensure economic stability without considering the option of foreign loans.

Going down the ladder, another factor through which Pakistan can achieve economic stability without foreign loans is leveraging the potentials of its huge youth bulge. As per recent concensus report, "65 per cent of population in

Pakistan is between 25-30 years." This huge population of the country can be used to add to economy by providing them various skills and making them tech savvy, tapping the huge potential of the youth. In this way, Pakistan can achieve economic stability without foreign loans.

However, some critics are of the view that foreign loans are important for Pakistan's economic stability. It is because the country takes foreign loans to invest that money on developmental projects and infrastructure, which are essential tenets for economic stability. No doubt, foreign loans play significant role in developmental project, but in Pakistan's case, these loans are mostly used for debt servicing and payment of old loans. This, ultimately, brings more economic instability in the country instead of stability. Thus, the role of foreign loans is undeniable in developmental projects, but for Pakistan, they do not work, as a result, the country goes for other factors to achieve economic stability without foreign loans.

To cap it all, economic stability is the very essence of a country's development. And Pakistan usually goes for foreign loans to achieve its dream of economic stability. While foreign loans have assisted Pakistan in achieving short-term stability, the country can achieve its economic stability without foreign loans by considering factors, like utilizing the youth bulge, promoting political stability, making education system robust, and curbing corruption. Notwithstanding, some skeptics hold opposite view and claim that the country can not achieve economic stability without foreign loans as they help in recurring balance of payment crisis and development projects. Nevertheless, these issues can be tackled by addressing their root cause like filling trade gaps without the need of foreign loans. All in all, the country can definitely achieve economic stability without foreign loans through considering various pragmatic factors of stability.