

Topic: Can Pakistan achieve economic stability without foreign loans?

Outline

1- Introduction

Thesis Statement: Although foreign loans bring short-term stability in the economy of Pakistan, it has long-term negative impacts which hinder sustainable economic development. Therefore, Pakistan should focus on comprehensive and long-term economic policies for economic stability.

2- History of foreign loans and in Pakistan and its consequences

3- How Pakistan can achieve economic stability without foreign loans (Thesis)

A- By making effective and efficient policies after parliamentary debate

B- Consistency and strict implementation of economic policy

C- Improving law and order sit-

uation to win the trust of investors

D- Political stability in the country to bring foreign direct investment

E- Focusing on enhancing exports of country

F- Promoting local industry to fulfill the needs of country

G- Investing in human development to produce efficient human capital

4- Importance of foreign loans for economic stability in Pakistan (Antithesis)

A- Solve balance of payment issue

B- Brings capital in the country

C- Military loans to strengthen the defense of Pakistan

D- Infrastructural development in the country

E- Loans for energy and other sectors' development

5- Why Pakistan should prioritize other methods rather than

foreign loans (Synthesis)

- A- Foreign loans for balancing the payment is short-term solution
- B- Conditions attached with the loans hampers sustainable economic growth
- C- Military loans resulted in more destruction than construction of Pakistan
- D- strengthening the hold of other countries in Pakistan on the name of infrastructural development
- E- Making habit of reliance on other countries to solve national problems

6- Conclusion

Essay

Economy has always remained vital for a nation's security and survival, but its importance has increased in the era of capitalism. Now many new methods have been introduced by the world powers to control the

weak and developing nations. One of these is loans. Although foreign loans bring short-term stability in an economy, it has long-term negative impacts, which hinder sustainable growth. Therefore, Pakistan should focus on alternative methods for its economic stability. The economic stability of Pakistan is possible by making comprehensive and long-term economic policies. Improvement in law and order situation and political stability is also required for implementation of these policies. There is also a need for focusing on enhancing exports, promoting local industry, and investing in human development for political economic stability of Pakistan. Some argue that foreign loans are helpful to solve balance of payment issue and capital inflow in Pakistan. They also claim that they are required for military, infrastructure, and energy sector development in Pakistan.

Although foreign loans are helpful in short-term, they have long-term repercussions such as strict conditions and socio-economic cost as Pakistan has paid debt to military loans. The footprints of lender states strengthen in the country compromising the sovereignty and addiction of borrowed money the lenders instead of focusing on earning are also the negative impacts of foreign loans.

Paragraph 1: History of foreign loans in Pakistan and its consequences

After the inception of Pakistan, the major challenge to Pakistan was managing the state affairs which was not possible without foreign aid. Thus, Pakistan was in need of lenders. Although Pakistan succeeded to get find lenders, but it had to align its foreign policy according to their policies. Resultantly, Pakistan joined SEATO and CENTO, and went to the western bloc

that in return left the country at the time of crisis. Other than that Pakistan joined hand with the NATO and US for foreign loans and had to pay its cost in terms of terrorism and unstable relations with Afghanistan.

Paragraph 2: Effective and Efficient policies after parliamentary debate ^{is} are helpful for economic stability

Pakistan can achieve economic stability by making effective and efficient economic policies after debate and consideration of parliament. Unfortunately, economic policies in Pakistan are not being made after careful consideration and discussion in the national assembly.

Economic policies ~~in~~ Pakistan are being made in isolation and all the stakeholders of the policy are not taken into confidence

(Akbar S. Zaidi, Issues in the Economy of Pakistan). Thus, if economic

policies are made after debate and careful consideration, Pakistan does not need to rely on foreign loans.

Paragraph 3: Consistency and strict implementation of economic policy

Along with effective ^{economic} policies, its consistency is also required to achieve economic stability in Pakistan. It is because a policy needs time to deliver. In Pakistan, economic policies have never remained consistent. Every coming government set aside the economic strategy of its predecessor and bring its own economic policy which is contradictory to ~~its~~ the previous government. According to Dr. Maleeha Lodhi, inconsistency in economic policies have deep impact on the economy of Pakistan (Pakistan Beyond Crisis State). Therefore, there is a dire need of consistency in economic policy for economic stability in Pakistan.