14/11/25. M. Awais

Mock Test Series CSS 2026
English Essay Test - 3

Can Pakistan Achieve Economic Stability Without Foreign Loans

Outline

(I) Introduction

(II) Structural interlink between Pakistan's economic stability and foreign loans

(III) Pakistan has all the necessary prerequisites for achieving self-suficient economic stability

(A) Strategic geo-economic positioning
(B) Large mineral reserves
(C) Bulging youth
(D) Vast domestic market
(E) Untapped tourism potential
(F) IT and freelancing boom

(IV) Why achieving economic stability without Foreign loans is difficult for Pakistan

(A) Aid-dependent growth model
(B) International neo-liberal economic policies
(C) Recurrent political instability

(V) How Pakistan can overcome foreign loan dependency

(A) Remodelling the taxation system
(B) Enhancing export quality and base
(C) Long-term policy structuring

(VI) Conclusion

The state of Pakistan is akin to an addict who is perpetually in search of his next hit. Hooked on the deeply intoxicating effects of foreign loans, it is only occupied with the idea of immediate relief — with utter disregard for any long-term repercussions. Owing to this myopic approach, Pakistan has been the IMF's most repeated client. Practically, the country is mired in a cycle of loans and borrowed growth, effectively losing the strength to stand on its own feet. Consequently, Pakistan's economic stability and foreign loan dependenc~~y~~e ~~have~~ has become deeply intertwined. However, despite this deep interlink, Pakistan can well-enough achieve economic stability without the use of any foreign loans. The country possess all the necessary prerequisites to achieving this goal, despite the embedded structural hurdles. Blessed with vast mineral resources, a bulging youthful population, large domestic market, geo-economic positioning, tourism potential and a growing IT industry, Pakistan ~~can~~ ~~has~~ ~~the~~ easily meets the criteria for a stable and flourishing economy. The problem, however, essentially lies in its aid-dependent growth model, recurrent political instability, and the international neo-liberal economic policies that the state employs. Subsequentelly if the right measures are adopted, inter alia, reforms in taxation, exports and policies, than Pakistan can truly and effectively achieve economic stability — without utilising foreign loans. 215 words

Achieving such a feat, however, first requires a thorough understanding of the structural interlink between Pakistan's economic stability and the foreign loans it acquires. Deeply embedded within Pakistan's economic model, foreign loans are the flowing fiscal lifeline — helping ~~of the~~ ~~country~~. ~~in keeping~~ the country stay afloat. Concurrently, Pakistan is in the midst of its 26th IMF program and 4th tranche. Predating to the country's inception, Pakistan has mostly never remained outside the ambit of an aid program. However, this is also precisely why the country has not been able to develop an indigenious economic base. Consequently, loans have only contributed to Pakistan's stagnation.

Despite this stagnation, as a result of prolonged loan programs, Pakistan still possess the necessary prerequisites for achieving sulf-sufficiency and econonomic stability.

Pakistan's strategic geo-economic positioning is among such blessings which can help it achieve stability. Located in between the South Asian ~~and~~ Central Asian ~~region~~, and Middle Eastern region, Pakistan has the unparalleled potential to become a gateway corridor. It can serve as both an access route, and an energy corridor for potential partness, Consequently solving not only its energy defficiency problem but also earning hefty foreign reserves. A report published by the ECO in 2023, ~~hight~~ titled 'Pakistan

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as a gateway', highlighted that the country's geo-economic potential is well-over a $1 billion per anum, if utilised adequately. Hence, the country's strategic geo-economic positioning can adequately help it in achieving ~~it~~ economic stability.

Pakistan's strategic positioning is complemented by its vast mineral reserves. The country ~~has upwards~~ is rich in both critical and rare earth minerals. ~~Pa~~ Subsequently, its mineral blessings have gained even more prominence in the midst of the great power rivalry between China and USA. The US meteorological reserves data highlights that Pakistan has upwards of $1 trillion ~~###~~ worth of mineral reserves. Hence, these can play a vital role in helping Pakistan achieve economic stability.

In essence, despite Pakistan's precarious economic situation and its high dependency on foreign loans, the country possess all the necessary prerequisites that I can help it lift off. Pakistan can effectively achieve economic stability without relying on foreign loans—provided it takes the necessary steps that are hindering its independence. By utilising its indigenous ~~st~~ mineral reserves, vast domestic market, tourism potential, IT boom, in addition to leveraging its bulging youth and geo-economic location, the country can experience an unprecedented growth. However, the structural limitations that are now interlinked with its economic structure must be ratified. Provided the right measures are taken they can be resolved, subsequently pushing Pakistan into realising its true potential as a global power in its own right.