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ENGLISH ESSAY TEST - 3

CAN PAKISTAN ACHIEVE ECONOMIC STABILITY
WITHOUT FOREIGN LOANS

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The state of Pakistan ~~Pakin~~ 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 dependency ^e have 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 easily meet 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. Subsequently if the right measures are adopted, *inter alia*, reforms in taxation, exports and policies, then 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 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 indigenous 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 self-sufficiency and economic 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 partners. Consequently solving not only its energy deficiency problem but also earning hefty foreign reserves. A report published by the ECO in 2023, titled 'Pakistan

as a gateway', highlighted that the country's geo-economic potential is well over a \$1 billion per annum, if utilised adequately. Hence, the country's strategic geo-economic positioning can adequately help in achieving ~~at~~ 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 ~~mr~~ worth of mineral reserves. Hence, they 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 it can keep it afloat. 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 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 satisfied. 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.

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