**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. in

## 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 situation 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 prioritizes 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 relience on other countries ~~t~~ 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 those is loans. Although foreign loans bring short-term stability in an economy, it has long-term negative impacts, which hinders 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 those 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 stricts conditions and socio-economic cost as Pakistan has paid due to military loans. The footprints of lender states strengthen in the country compromizing the soveseignty and addiction of borrower 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 SENTO, ~~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 parliamentry debate ~~are~~ is 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.

13/30