Topic :- Foreign Aid : Road to stability or Recipe for Disaster ?

A. Introduction

B. Foreign Aid is a Recipe for Disaster

1. Over-reliance on foreign aid;
   a. Pakistan's recurrent IMF bailouts
2. Debt burden on nations;
   a. $280.7 billion debt on Pakistan
3. Debt servicing exacerbating instability;
   a. 40% of Pakistan's fiscal budget goes in debt servicing.
4. Sovereignty compromise;
   a. Following IMF conditionalities
5. Affect on foreign policy;
   a. Foreign policy is dependent on the lending nation's conditionalities.
6. Short term solution;
   a. Generating "quick-money mentality"
7. Killing of innovation;
   a. Pakistan's less than 1% share in global innovations.
8. Inflation in country;
   a. 2022-2023 crisis of economy and its consequences in Pakistan
9. International image distortion;
   a. Passport value of Pakistan vs.

Japan.

C. Counter-Narrative : Foreign Aid is a Road to stability

1. Foreign aid is helpful in boosting economic conditions.

Rebuttal :- Historically, most of the countries have failed to get economic stability by foreign aids.

2. By political will, the road to stability with the help of foreign aid, is achievable

Rebuttal :- Existence of corruption is a great hinderance to stability.

D. Conclusion.

The EssAY

"You give a man a fish and feed him for a day, or you teach a man to fish, and you feed him for a lifetime" is an old proverb that highlights the importence of self-motivated struggle for self sufficiency. Similarly, Foreign aid is like a fish that is served to a nation one time and for next day, it is again looking for another fish - a foreign aid. History of full of examples of nations who have been trapped into debt burden by a pleasing picture of foreign aid. Pakistan, Bangladesh and many African countries are today's examples. Foreign aid is the malady which weakens the nations from grass-roots levels very strategically. By making them dependent on foreign conditionalities, it not only overrides the sovereignty of a nation but also creates tough and miserable situation for the citizens. It is a new form of colonialism in guise of aid, from which benefit goes to the lending organisation or country, instead of benifitting the nation who gets the aid. Therefore, one can say that foreign aid is a recipe for disaster whose consequences are longterm and nations have to get rid of them by wise decisions timely.

One of the major aspects which reveal how a foreign aid is harmful for nations is the over-reliance on foreign aid. Foreign aid, which is often seen as easy solution to the economic problems of a country, is the force that drives nations towards disasters. Instead of doing structural reforms in the country, governments seek aid from foreign powers which creat a vicious cycle of dependency. Some populist governments, to seek popularity among public also And it an easy option. This recurring action tends to over-reliance on foreign aid. Pakistan's recurrent IMF bailouts 2018, and 2023 and even prior to them is example of how foreign aids tend to make countries overly rely on them.

Moreover, repetitive aid and loans from other organisations or countries create a debt burden on nations. Currently, the debt burden on Pakistan is $280.7 billion, more than 70% of its GDP. This highlights that how repetitive foreign aids trape a country into a net of debt burden. Debt burden on a country is not only an economic issue but it propagates into a social and ethical problems through various means. Because debt burden on a country leads to harsh economic conditions in a country, exacerbating poverty, it further gives rise to social evils like theft, money laundering, and extortion. Therefore, instead of bringing stability, foreign aid is catastrophic for nations.

Debt servicing, a consequence of foreign aid and loans is another factor which defines how a foreign aid is disastrous instead of being helpful. Because of high interest rates on loans given, the amount to be repaid is multiplied. This amount is nearly impossible for poor nations to pay in a short period of time. Hence, the more time passes, the more amount of money is to be paid which creates a vicious cycle of debt burden and debt servicing. A significant percentage of fiscal budget of a country goes to debt servicing, preventing the government to spend that money on developmental or educational programs. For example, 40% of fiscal budget of Pakistan goes in debt servicing, limiting the government from spending the money on development or infrastructure. Hence, foreign aid is undoubtedly a recipe for disaster.

Additionally, foreign aid not only increase debt burden and debt servicing but also leads to compromising sovereignty. When a country seeks aid from foreign powers, they agree on giving aid on some tough conditions. In this way, the sovereignty and integrity of a country is often compromised, because internal policies are designed by few foreign powers. Policing by external ~~away~~ powers may not align with internal issues, thus instead of lessening the problems, they tend to enhance the issues. This further leads to instability in a country. Pakistan has to comply with the IMF conditionalities, despite being unfavourable to the nation's environment is a living example, that how foreign policy is compromised by foreign aid. Economic security is the muscle behind a diplomat's hand shake but weak economy tends to turn that hand shake into dependency, limiting stability and perpetuating disaster.

Furthermore, foreign aid is a short term solution for harsh economic conditions. Instead on focusing on long term solutions and structural reforms from grass-roots level, foreign aid is seen as an easy access by governments, so they tend to opt for it. It creates "easy money mentality" which might benefit for short term but in a long run, such policies are disastreous. For example, the Pakistani governments take loans to give subsidies for farmers. This is beneficial for agricultural sector in short term but structural upgradation, technological integration and farmer's education is more effective which is often ignored by government. This shows that how a foreign aid focuses on short term solutions, perhaps to gain popularity, instead for seeking solutions for a long run.

Another important aspect of disastrous nature of foreign aid is how it kills innovation among nations. Because foreign aid is easy-to-access solution and passive resolution, it kills innovation. As governments instead of actively involving youth in various sectors of technology and innovation, directly give access to ready-made solutions. This action of governments and other stakeholders is like a slow poison which kills the innovation of its people. This can be understood by the rich demography of Pakistan who has 60% of its youth below the age of 30 yet still contributes less than 1% to global innovations. Therefore, to foster innovation among youth government must do strategic policing on longterm goals like investing in education and R & D to overcome the catastrophic burden of foreign aids.

Furthermore, foreign aid leads to inflation in a country worsening the economic conditions of its people. Foreign aid often come with some foreign conditionalities, which operate on one-size-fits all approach ignoring the domestic issues. But the country has to comply with those unfriendly conditionalities in order to get access to aid. This affects the public as inflation rises and purchasing power of people becomes limited. when demand of products is reduced, industries are affected and reduce their manufaturing. Hence, it further perpetuates the harsh economic conditions. The 2022 - 2023 economic crisis of Pakistan was to be overcome by foreign aid but its consequences were inflexible that led to stunted economic growth and stagnation. Therefore, foreign aids weaken the public's economic conditions through measures like austerity, and thus are perishable for a state's stability.

At the end, repetitive seeking of foreign aids distorts the international image of a country. Because autonomy is reduced and sovereignty is compromised, nations dependent on foreign aid are not given a significant priority in global policing forums like WTO and WEF. As it is said, "Beggers cannot be choosers", nations who are unable to handle their domestic problems are considered incompetent to lead on global forums. The strength and respect of Pakistani passport holders and that of Japanese passport holders is live example of how dependence or independence on foreign aid makes or breaks the image of a country. Hence, dependence on foreign aid is undoubtedly a recipe for disaster.

However, critiques argue that if leveraged strategically and by wise planning, foreign aid is a roadmap towards stability.

Proponents of foreign aid as a path to stability argue that foreign aid can bring stability in a country. Through wise planning, structural reforms and easy economic conditions, it is possible to get stability. But the point is, history is full of examples where nations have been trapped in debt burden and debt servicing instead of getting stability. Countries like Pakistan, Bangladesh and India are grappled with debt burden but still facing significant poverty. Therefore, historical and contemporary examples are enough to take lessons that foreign aids are not helpful rather are disastrous for nations.

Moreover, critiques of the idea that foreign aids are a recipe for disaster argue that blaming foreign aid is unjustified for instability. By leveraging the foreign aid through political will, national stability is not a distant dream. Opponents of the above idea argue that historically, countries with weak ~~ec~~ economy are suffuring from maladies like corruption, nepotism and unaccountabil There fore, expecting political will from a country that is already grappling with harshe economic conditions is like expecting the Sun to rise from West. The idea is true to great extent as countries with weak economy like Nigeria, and Pakistan are under pressure of immense corruption. There fore, foreign aid can never be advantageous for gaining stability, rather it is the calamity whose consequences a nation has to face for long term.

In conclusion, foreign aid is like the prepared meal served to a person, instead of teaching a person how to cook. Ready made meal served might be beneficial for a duration of time but its consequences are to be bore in a long run. Similarly, foreign aid focuses on short-termism giving abrupt benefits, but its disables a nation's creativity and innovation weakening it from with in. Repeated loans from foreign powers creates a vicious self-replicating ~~of~~ cycle of seeking foreign aid again and again. Such actions tend to grapple nations under public debt and debt servicing.

Not only this, but sovereignty of a country is also compromised which is an important element of nationhood. Because of the harsh conditions set by the foreign powers, it leads to inflation in the markets of the country perpetuating other social evils. Increase in social evils further distorts the country's international image which further affects the foreign policy wing of a country negatively. Critiques argue that by strategic planning and political will, national stability is achievable. However, historical lessons teach the other way - foreign aids have never been helpful. Hence, for countries to gain stability, they should focus on structural reforms, development and education instead of looking for foreign aids. By adapting above measures, gaining national stability is not a distant dream.