Indian Economy · GS - III

Long-term economic growth projections often overlook structural weaknesses such as fiscal instability, debt dependence and institutional constraints. Examine the key determinants of sustainable economic growth with reference to Pakistan's development ambitions.

EXAM YEAR	PAPER	SUBJECT
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MARKS	WORD LIMIT
10	~150 words

Answer Hint

GDP growth, fiscal deficit, public debt, external vulnerability, productivity, human capital, structural reforms, political stability, export diversification, investment climate.

Model Answer

Introduction

Long-term economic projections indicate potential economic capacity, but achieving sustained growth requires macroeconomic stability and structural transformation.

Key Determinants of Growth

Sustainable growth depends on investment, productivity, skilled human capital, infrastructure and technological advancement. Export diversification and industrial development strengthen foreign exchange earnings and reduce external vulnerability.

Challenges in Pakistan's Context

Pakistan faces concerns relating to public debt, fiscal deficits, external financing dependence, political instability and a narrow export base. High debt-servicing obligations reduce fiscal space for development expenditure. Energy-sector inefficiencies and weak tax mobilisation further constrain economic performance.

Reform Priorities

Pakistan needs broad-based tax reforms, improved public-sector efficiency, investment in education and infrastructure, export diversification and stronger institutional stability. Greater participation of women in the workforce and technological innovation can improve productivity.

Conclusion

A country's global economic ranking is not determined by projections alone. Sustainable growth requires macroeconomic discipline, institutional credibility and inclusive structural reforms.

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