

Q No 2

EXPASIVE electricity is major hurdle
In economic growth of the country.
Critically evaluate the statement and
Give recommendation.

1. Electricity, Fuel of world,

Electricity is one of the major fuels of the world. Without energy, it is not possible to develop for any state in this industrial world. Electricity is the oxygen for the economic bodies of the states.

Significance of Electricity in Pakistan - is prerequisite to the economic development.

Pakistan is an ill-fated state which is currently growing in the quagmire of the energy crisis. Load-shedding leads to the pain of industries and brings havoc of economic crisis in the Pakistan. According to the statement of an

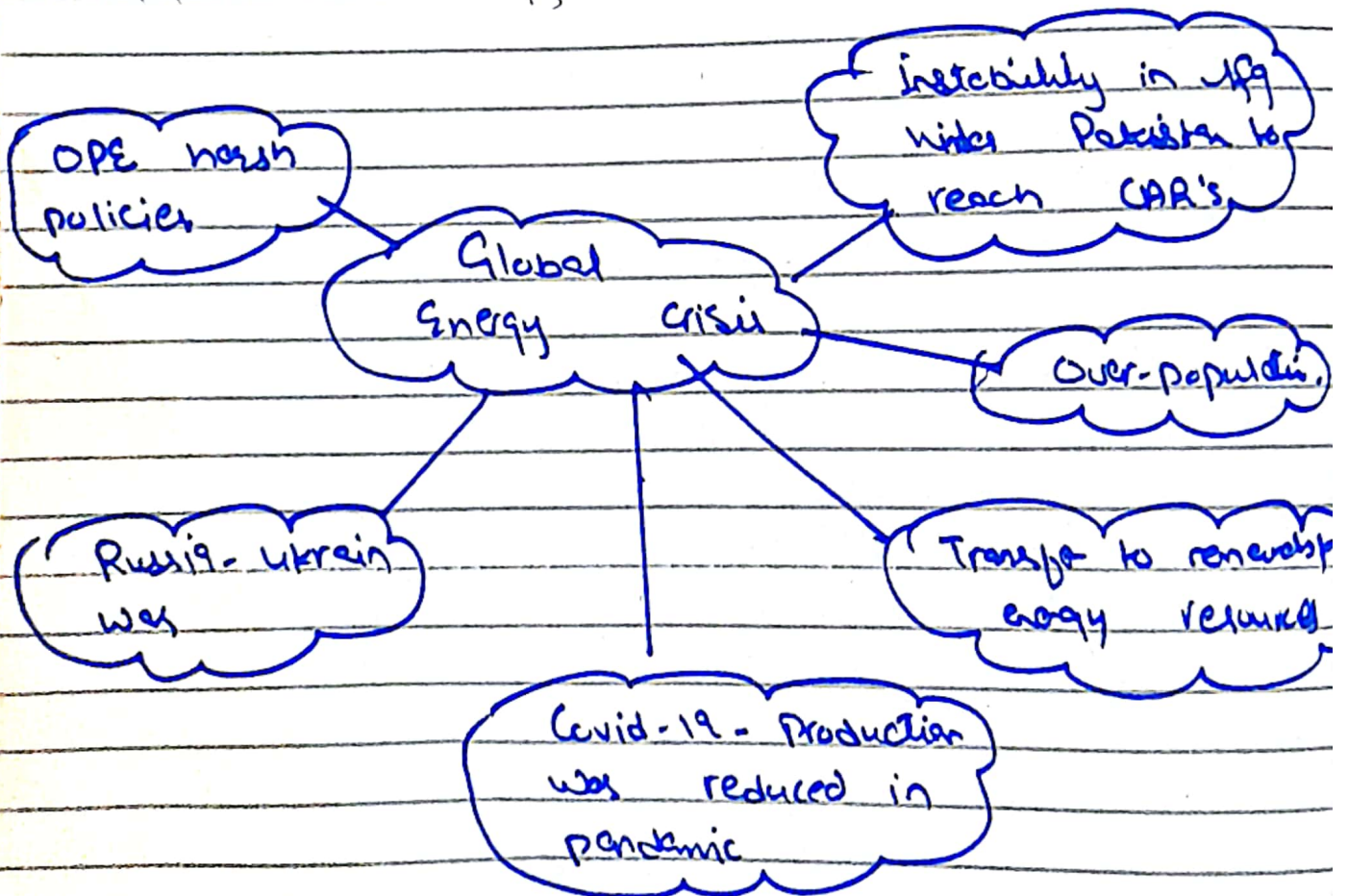
official of government, Pakistan may well
drawn in the deluge of
the darkness due to shortage
of electricity.

3. Expensive Electricity leads to energy shortage in Pakistan

Pakistan currently
is going through the havoc
of economic crisis. It has
to import hydro-carbon which
contributes 60% in energy
generation in Pakistan. Reserves
are depleting with rocket
speed. It may break
backbone of the economic
health of Pakistan. Pakistan
cannot afford expensive electricity
in these bleak economic
crisis. Global energy crisis and
climate change are adding
fuel to fire. All these
may return in the form
of acute electricity shortage
which hinders economy to grow.

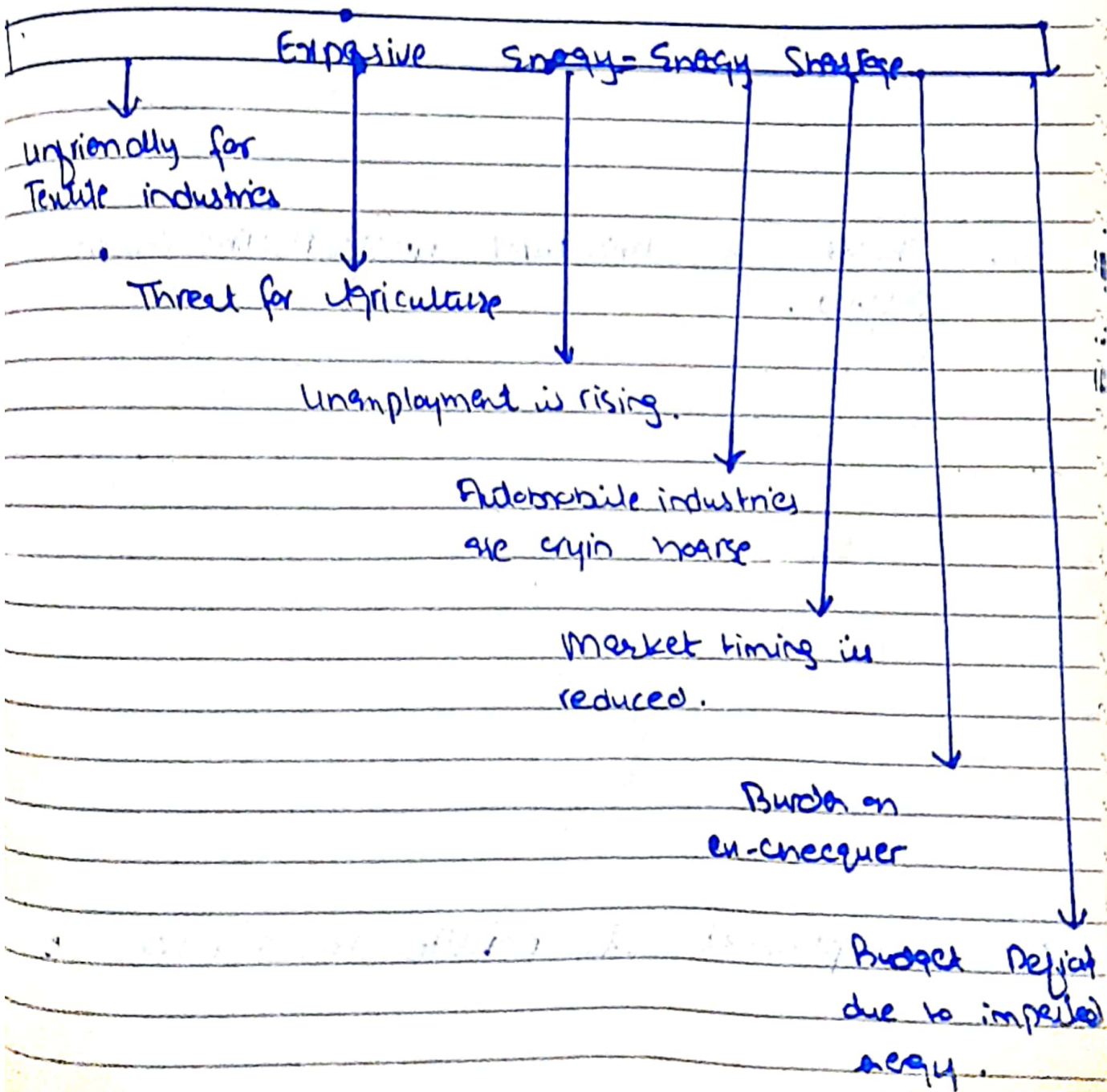
4. Causes of Excessive Energy

World has been plunged in the swamp of energy crisis. The demand of energy is not directly fulfilled. High demand with low supply has pushed the way in energy crisis.



Expensive Energy in Pakistan is road to economic crisis.

at global level due to high demand and low supply is creating economic crisis in Pakistan



a. Expensive Energy - Perils for Textile industries

Electricity is the fuel for textile industries. Due to energy shortage and expensive energy supply, almost one hundred and fifty industries have closed in Pakistan according to a statement issued by the Pakistan Mill association in 2022. Industrial famine leads to economic crisis.

b. Threats to Agricultural Sector Decline in money Inflow.

Pakistan is an agricultural economy. Pakistan exports many of its agricultural products like wheat, rice, cotton, etc. But owing to expensive energy, Pakistan is not able to purchase it from global market. Shortage of energy has hindered agricultural growth. Now, instead of being an agricultural economy, Pakistan is importing food items which has slowed down economic growth.

c. Unemployment is a perils to economic growth

Industrial famine

has resulted in layoffs. Almost 48000 employees has lost their jobs due to shutting down the textile industries. The people, who belong to the agricultural field, are suffering with unemployment. Almost 36% people of Pakistan are employed in agricultural sector. Due to expensive energy, the huge section of population is left unemployed.

1. Automobile famine is fueling the fire

Due to energy crisis, which is caused by expensive energy amidst the economic crisis in Pakistan, multiple automobile industries has shut their operation in Pakistan. For example Suzuki, Toyota and some companies of KIA has shut their operation in Pakistan in 2022. This leads to automobile famine and rise in unemployment.

2. Expensive Energy burdenize the exchequer.

Expensive energy is a burden on exchequer Pakistan.

impact to of its energy. Due
to high prices, burden will
be put on ex-checker. Money
outflow will increase which
bring havoc of economic fall
down.

b. Budget Deficit - Emergence of economic crisis
When many out-flow
rises, but growth of state
halts owing to expensive energy
this leads to budget deficit.
Increase in budget deficit rise
economic state of the Pakistan
as define in Pakistan beyond
the crisis.

**g. Marketing timing has been reduced. Economic
growth is halted.**

Government of
Pakistan has reduced the market
timing to save energy. New
market has to be closed at
8 PM. This would bring
havoc to economy of
state.

Policy of ~~Recommendation~~ to mitigate ~~curse~~ energy shortage which is result of expensive energy.

to take some steps on immediate basis to ensure the fuel of economy. To contain expensive energy, Pakistan can follow the following steps:



a. Diversifying Energy basis

Pakistan should diversify its energy basis in this multipolar world. It should establish good relations with all energy Super Powers like Iran, CAR'S, OPEC, GCC States.

b. Investment in renewable energy resources. Investment in future

More investment in renewable energy resources will help to mitigate its dependency on expensive imported energy. There is more potential to generate wind energy from coastal area and solar energy in Balochistan.

c. Investment friendly environment

Pakistan should encourage states to invest in energy sector of Pakistan. It should ensure the security. Recently, a foreign company has announced to generate energy from solid waste in Lahore. Such agreements should be encouraged.

Stability in Afghanistan is stability in Pakistan

Pakistan should try to bring stability in Afghanistan to reach to CARs which are very rich states. It should either talk with Taliban or ask SCO to pressurize Taliban to bring stability in Afghanistan.

Agreements with Kremlin for energy on discount

Pakistan should join hands with Kremlin to import gas on discount as India and China are doing.

Security of CPSC. Security of Pakistan's energy supply.

Pakistan should resume military operations to curb rising terrorism. This terrorism hinders development of CPSC which have potential to remove the curse of energy shortage from Pakistan.

Repairing and construction of small and large DAM's

Reconstruction and repairing of DAM's is need of time. It will not only

help to fulfill the energy demand at local level, but also help the Pakistan to manage the heavy monsoon. It will increase water storage capacity of Pakistan which will help to generate the energy at local level and bring economic prosperity.

Continuity of Energy Policies

Pakistan should form the long term policies short term policies may bring benefits but these benefits will be at the cost of long term development. So continuity of policies related to the energy crisis should be encouraged.

7. Conclusion.

Pakistan is going through energy crisis, owing to local based policies and global energy recession. This has increased energy demand but supply

is not balanced with demand. This
has led to the expensive energy.
Pakistan is not able to purchase
expensive energy to light it up.
This has brought darkness in
every sector of Pakistan. Pakistan
is burning in the fire of
economic crisis which is fueled by
expensive imported energy. There is
acute need of time to mitigate
the perils of expensive energy
in order to ensure economic stability.
otherwise, another Sri Lanka may
be emerged on the map of
world.

Qno 4

China and US rivalry is increasingly being
into Middle East. Critically evaluate
reasons and its implications.

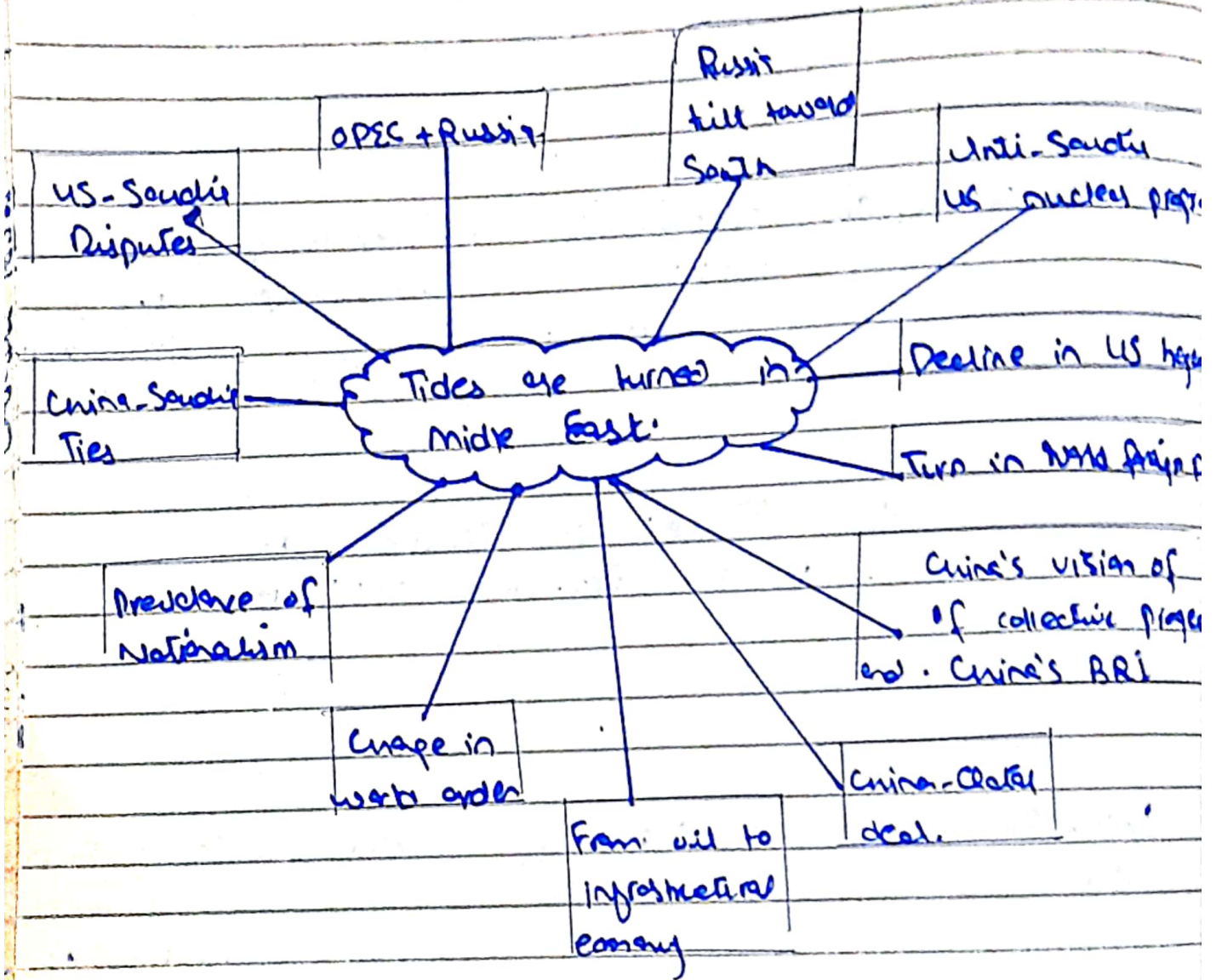
Introduction US-China rivalry has altered into Middle East.

World is on the way to become multi-polar. The world shift in the world order has triggered the conflicts of world's biggest economies. World's leaders are at loggerhead. This rivalry now has been entered in the Middle East. Pivot of US towards USIA and China towards Middle East has turned the west and refined the foes and friends in global arena.

US-China are at loggerhead in Middle East Tsunami of factors

There are multiple reasons behind US-China's rivalry

On the land of middle east.



9. OPEC + Russia launch energy missile

In November, OPEC + Russia decided to reduce production of oil on the pretext to bring stability in oil prices amidst the global energy crisis owing to

Russia-Ukraine was and climate change.
This steps of G20 not strained
Relations of US-Middle East

US-Saudi Strained Relations - Vacuum for China

Vacuum has
been created for China to enter
into Middle East owing to strained
Saudi-US Relations.

Saudi-China Flood of Agreements

China-Saudi's
ties are closing with rocket
speed. Xi Jinping agreed on
34 agreements with Saudi Arab
during his December 2022 Riyadh
visit. These ties of China-Saudi
Saudi are triggering anger of
US towards Middle East.

Shift from oil based to Infrastructural based Economy

Middle East is
on the way to shift its economy
from oil to infrastructure base.
The interest of Middle East
to become part of BRI to
participate in world's race of

infrastructural development has raised the
conflicts of US-China in Middle East

1. Nationalism in Middle East

Middle Eastern states are now pursuing their national interest amidst the changing era due to climate change atrocities. The shift in Middle East's foreign policy is favored toward China. This has increased US-China rivalry in Middle East.

9. America's strained relations with Saudi in weaponization

America's recent nuclear and weapon plan for 2023 has increased disputes among America and Saudi which has hesitating on OPEC. US has decided to curtail weapon supply to Saudi for next year. This has created space for China to do weapon deals with middle East.

10. Saudi-China ties: Victory of Yuan.

Saudi Arab has showed intention to do trade of

act in Yuan which is great value
back to dollar in currency war.

US protectionism policies let China to find new markets

Protectionism policies of United States has turned the trade policies of China towards Middle East which is now not in good terms with United States since journalist Khashoggi's murder.

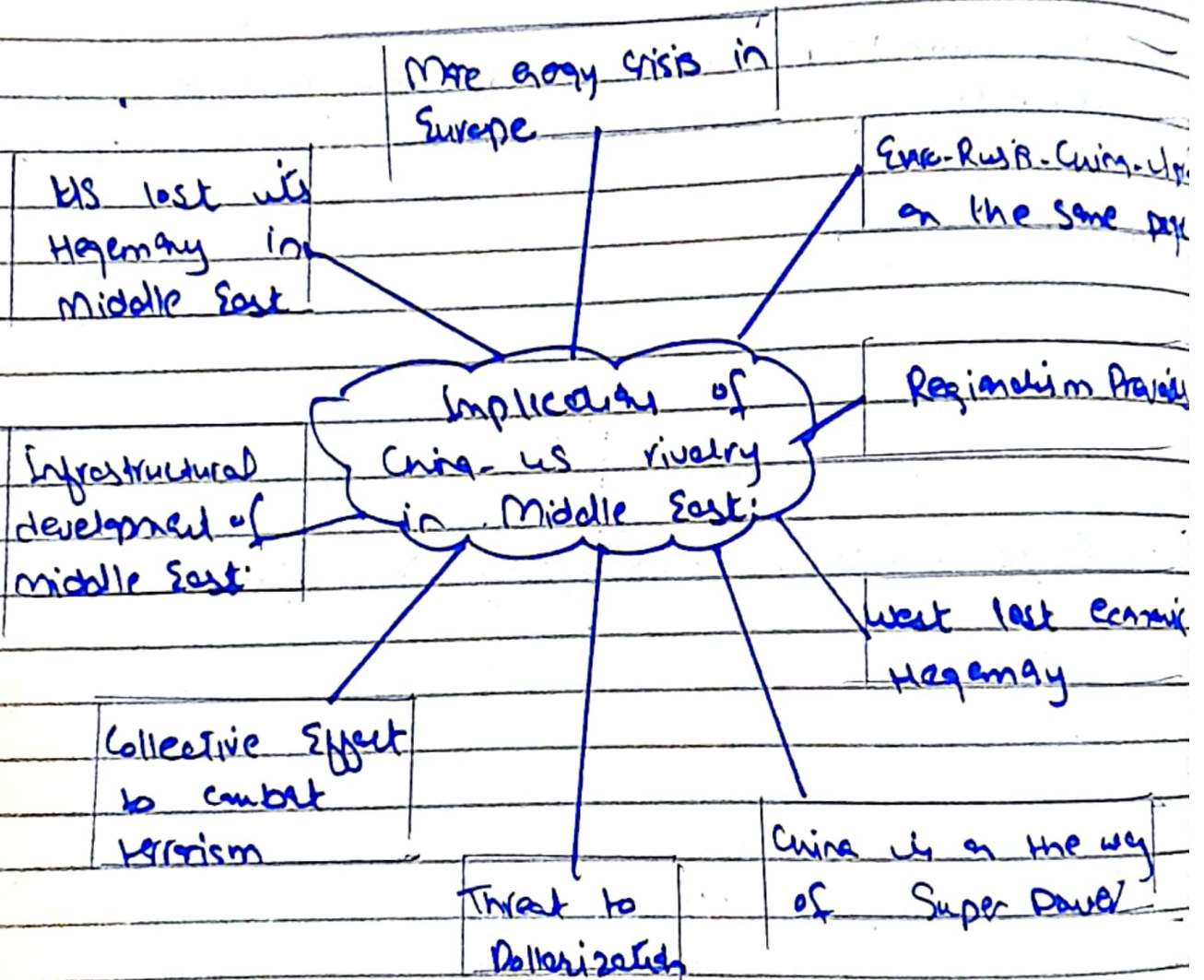
China - Qatar - New friends in Region.

China has done a gas deal worth of \$ 16 bn. These kind of involvement of China in Middle East may bring US and China a part of East other in Middle East.

Implications of US-China Rivalry in Middle East

US-China rivalry in Middle East may

Change course of relationships of Middle East:



a. Threat to Dollarization

US is losing its hegemony on OPEC. China is on the way to rule an oil realm. This will result

in victory of China in currency war.

China is going to rule realm of Energy.

China is strengthening its ties with Energy Super powers and controlling Energy resources. According to a movie, *Future Man*, One who control energy, Control future. So, China is on the way to Control the future.

West vs Rest.

US and Middle east are not on the same page due to Saudi-US strained relations. This may result in US loss of its hegemony in Asia.

US is blocked to enter into Asia.

Since 1990's, US and West is entering in Asia on pretext to kill the curse of terrorism from the region due to support of Saudi Arabia. US may be halted to enter into region now on the pretext of terrorism Saudi

and China, may either to curb the terrorism by common prosperity.

f. Tides are turning. Foes has become friends

has broken. Saudi is on the way to become part of SCO which will be a full step to US-Middle East relations. Alliances are

g. US is dependent so it is losing its hegemony

West is losing its hegemony in Middle East which have energy super. China is on the way to control energy realm.

h. BRI is going to defeat B3W

China victory in Middle East will result in success of BRI and failure of B3W.

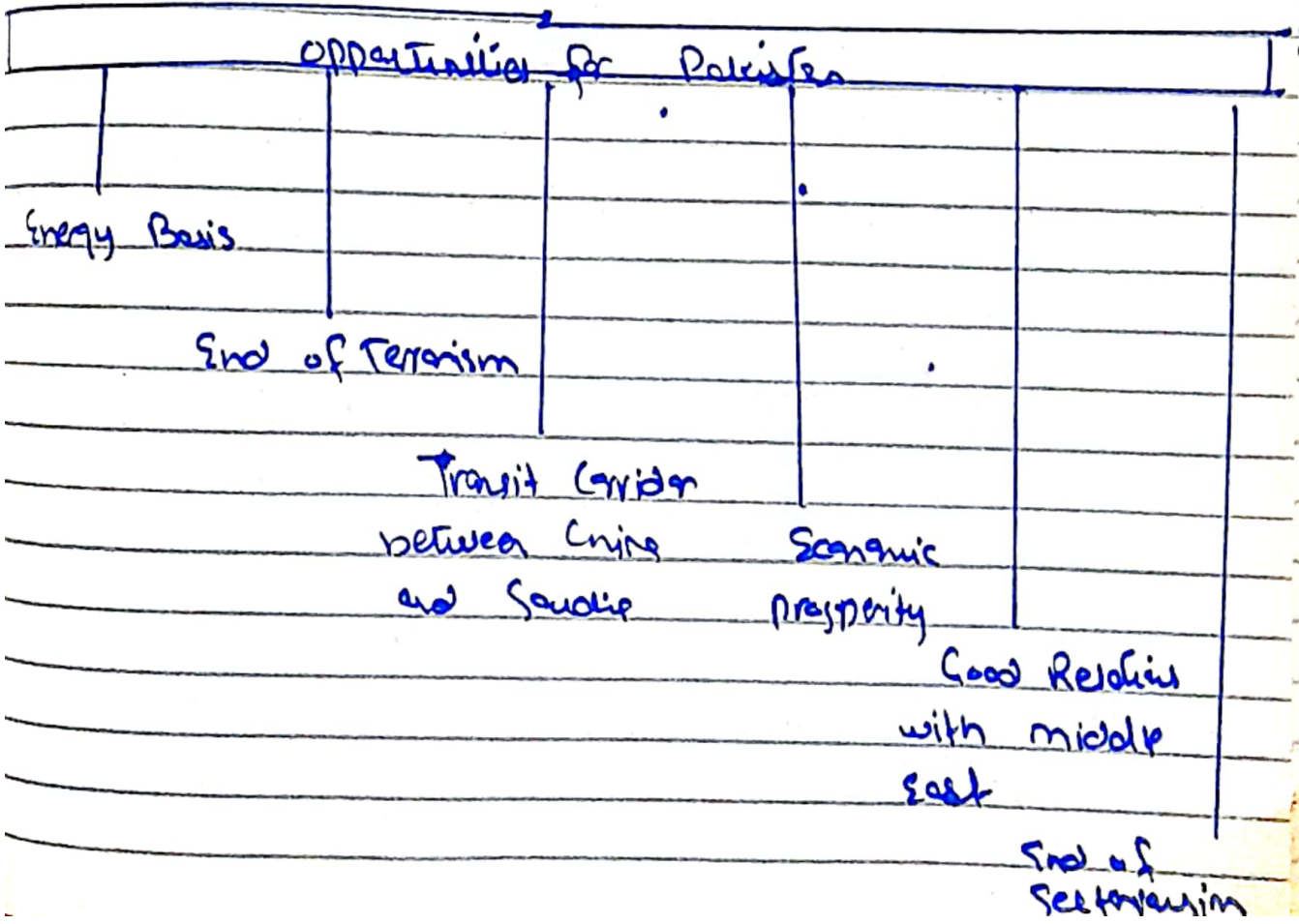
i. End of Sectarianism - End of Divide and Rule

between Saudi and Iran which China may mediate

will not their Sectarian conflicts. It will
 not US game to divide and Rule.
 It would result into west US
 Rest

Implications for Pakistan

East friendly relations may
 open the doors of
 opportunities for Pakistan. It
 will result into its socio-economic
 development.



6. Conclusion

US and China are at loggerhead in Middle East. Both the world's leaders are trying to stabilize their relations in Middle East. US-Saudi conflicts have turned the tide and foes have changed in friendly and vice versa. China is strengthening its position in middle East and is on the way to win currency way. It is proving itself De-Medici family of 21st century. China and Saudi close ties are depicting that US has lost its hegemony in this region.

Q No 3

Pakistan's Economy has increasingly got stuck in vicious cycle of loan. Critically evaluate reasons and policy recommendations.

1. Meaning Economy of Pakistan

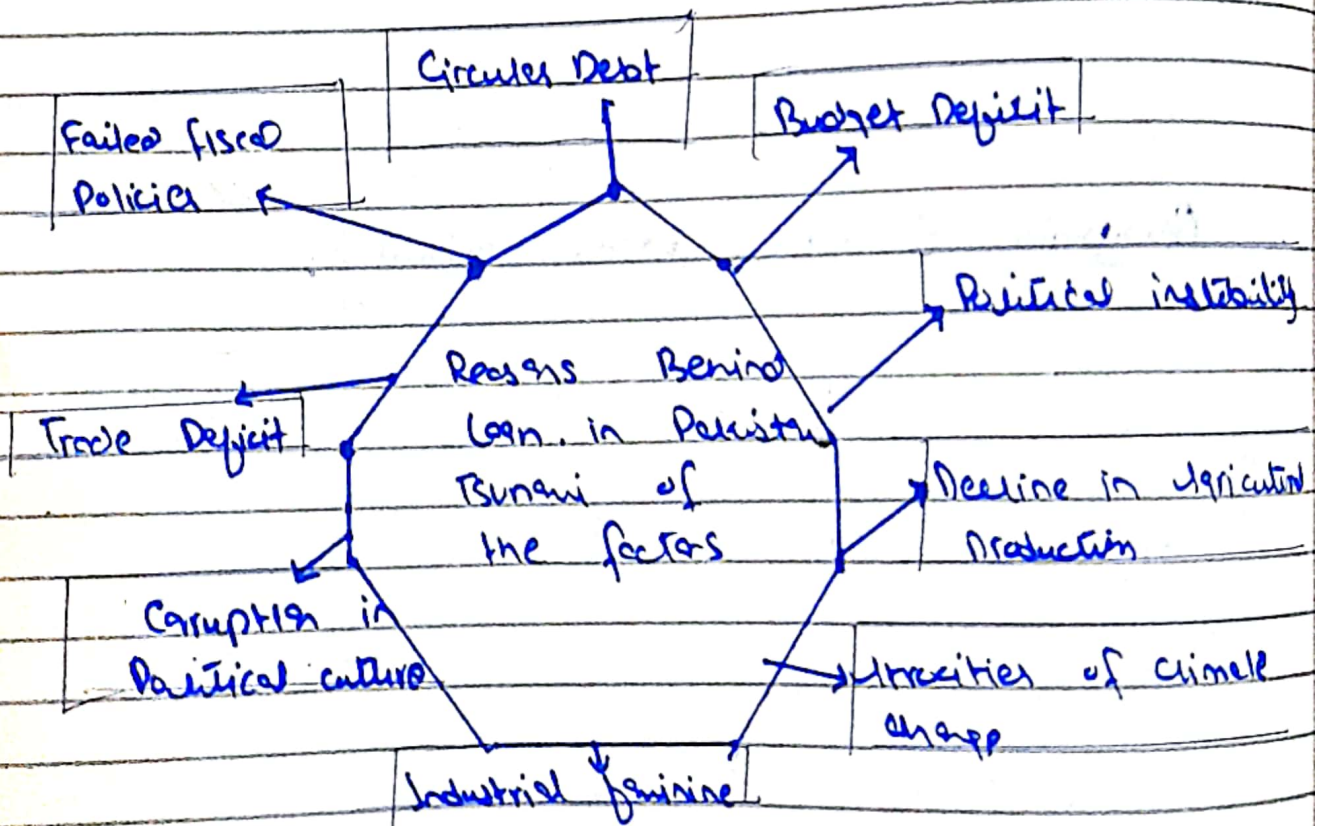
Pakistan is going through the economic crisis which are projecting threats to its survival. From industrial to domestic, every sphere is going through the havoc created by the economic crisis.

2. Quagmire of Loan, Neo-colonialism

Economy of Pakistan is stagnating in the vicious orbit of loan. Loan is a curse of neo-colonialism and Pakistan is the victim of this curse. The loan is a parasite to the economy of Pakistan which is drawing it into the quagmire of crisis.

3. Reasons Behind the deluge of Loan in Pakistan

Pakistan is trapped in the swamp of Loan. Loan has become a curse to the health of Pakistan's economy. Pakistan is plunged in the crisis due to the favours of loan. Major reasons behind the curse of loan to Pakistan's economy are as follow.



a. Failed fiscal Policies

in the vicious cycle of debt which is freezing the economy bitterly. The failed fiscal policies are one of major reasons behind CRRP of 1991 in Pakistan. It is stated in Pakistan Beyond the Crisis State by Majeed Lodi.

b. Political instability → Problem which took birth with Pakistan

Political instability is major reason behind the vicious cycle of 1991. Political instability does not let the economy to develop as has put the Pakistan in the swamp of loan as defined in The Future of Pakistan by Stephen P. Cohen.

c. Consequences of Climate changes

Pakistan has faced loss of \$ 30 billion due to the recent flood. 2010's flood caused loss of more than \$ 10 billion. The effects of

Climate change hindered its economy to
develop and it has to go
to the foreign institutes for
loan to run its economy

f Trade deficit and burden on Reserves

forced Pakistan to take more
loan to stabilize its economy.
Fiscal year 2020-2021 faced
the trade deficit of \$32
billion. This unbalanced flow of
money forced Pakistan to
go to take support of loan
to stand on its feet.

g Agricultural famine in Agricultural Based Economy

Pakistan is
agricultural based economy which
spend 0.18% of GDP in
agriculture. The production of
agriculture sector is reducing
rapidly. To fulfill its
food demands, it has to
import food which is result
of depletion of reserves. To
stabilize its reserve, Pakistan take
loan.

3. To pay back loan, take more loan, and thus a cycle continues

to in the ignorance of loan since its inception. This ignorance is getting more worse with passage of every year. To pay back loan, Pakistan takes more loan so that this back cycle continues.

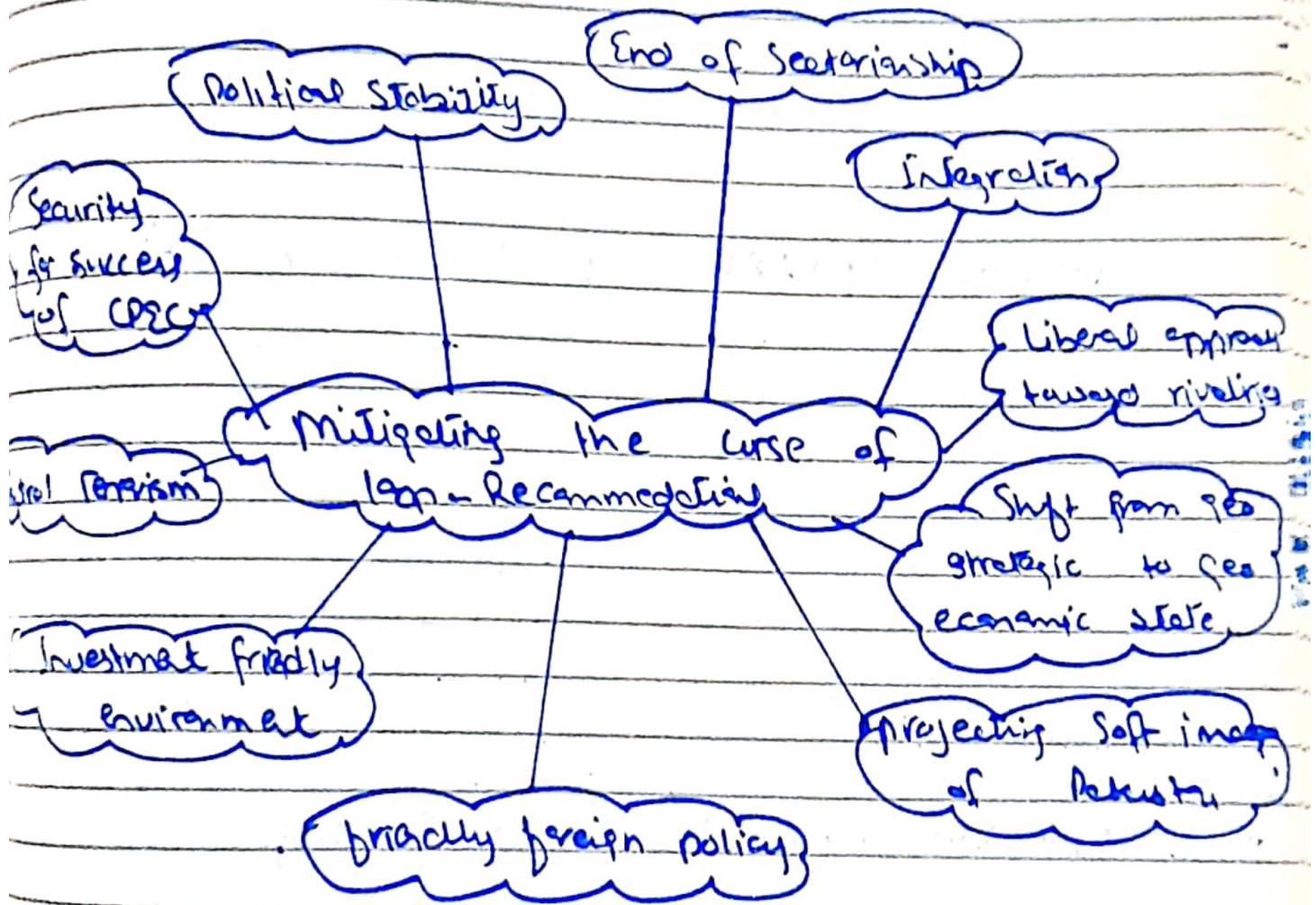
4. Policy recommendation to get out from Swamp of loan.

There are few important steps which can be helpful to get the Pakistan out from vicious cycle of loan.

5. Shift from geo-strategic to geo-economic

Pakistan is paying a heavy cost for being geo-strategic states since its inception. Now, there is need to shift its economy from geo-strategic to geo-economic for stability and development of state which will help to put out Pakistan from swamp of loan.

Mitigating the Curse of Loans



Control Terrorism - An existential threat to economy

Terrorism is an existential threat to economy. For development of country and to mitigate curse of loans terrorism should be crushed through military operations.

Security of State for Security of Economic Health

In order to attract FDI, Pakistan should still Security of FDI will boost economy to the possible help of Log.

Political Stability is Lifeline for Pakistan

Political stability is base of economic stability should be ensured for development of economy and for mitigation the danger of Log. as stated by Stephen P. Cohen in The Future of Pakistan.

Friendly Policy to boost Economy.

Pakistan should establish good relations with all the states to boost its economy. It is the principle of David-P-Clark, Peace within, Peace outside. Peace and friendly foreign policy can help to stabilize economy of Pakistan.

f. Investment in industrial sector

invest in its industrial sector to
change its destiny. Singapore invested
in its industrial sector at
the end of 20th century and now
is one of the developed states
of 21st century as stated
in The Economic Development
of Singapore by W. G. Huff.

f. Flourishing trade with regional powers.

establish good trade relations with
interregional and interregional states -
Economy of Pakistan can grow
if Pakistan pave its trade
relations with South Asian states
as stated by in Pakistan beyond
the crisis state.

h. End of Secterianism to Rise Sun of Development

Secterianism of
Pakistan hinders it to flourish. Set
in so protest are in vogue
due to sectarian conflicts. Pakistan
should from its policies away
for religious lines to develop
and to lessen the works of 1991.

Table 1

Cause, impacts, recommendations for laws

Cause	Impact	Recommendations
Sectarianism	protests	liberal approach to end sectarianism.
Terrorism	Security issues	Military operations
Political instability	Slow economic growth	Political stability
Misuse of intelligence	Polarization	Decide equally to all
Searching Borders	Security issues	Dialogue with neighbors
Trade Deficits	Burden on treasure	Industrialization
Religion based policies	No friendly relations like Israel.	Policy should be away from religion line.
Soft and 5 th generation war	Bad image of Pakistan and halt EPC	create soft image of Pakistan through peaceful policies.

Conclusion

Pakistan is plunged in the vicious cycle of loan. Its economy is bleeding since its inception. Loan is fueling the fire of economic crisis. Pakistan need to take loan every year from different source to stabilize its economy. The cycle of loan is getting worse is now creating unbridled economic crisis. This vicious cycle should be stopped for the economic growth of Pakistan in sustainable way. Government need to take some important steps on immediate basis to kill the parasite of loan from economic health; otherwise, richer Sri Lanka which been emerged in the South Asia.