

question

The economic challenges of Pakistan are challenges of political economy or the issues are deeprooted in structural flaws in our economy. Take a side and suggest policy measures to address these issues.?

## Question No 3

### Introduction

Since its independence, Pakistan has never witnessed economic stability. Although, there have some time periods where country witnessed stable economy; however, the said stability remained temporary.

Pakistan currently faces numerous economic issues including low economic growth, rising inflation, fiscal imbalance and external dependence. Although the political instability is also a reason behind these chronic economic problem, but actual cause of continuously facing these problems stem from structural flaws. In this regard, Pakistan's economic challenges are primarily the result of deeprooted structural problems that have persisted for decades, limiting the productivity, competitiveness and fiscal sustainability.

leave a line space b/w headings for neatness.

### Understanding the Concept of Structural flaws:-

Structural flaws refers to long term weaknesses embedded in economy's composition and institution. Following are the main flaws that are hurdles in between economic prosperity of Pakistan-

### 1- Narrow tax base

All the developed economies in the world have strong tax collection on which the development depends -

However, Pakistan's tax base is too weak and narrow, which only collects taxes from salaried citizens but unable to do the same with elite class.

### 2- Unproductive agriculture and Stagnant Industry

Pakistan's economy is heavily dependant on its

agricultural production - However, current status of

said department is that it can't even full fill the

needs of country itself - Moreover, industry sector

in Pakistan is either too weak or non-existent leading

to little exports and huge imports for the country.

### 3- Chronic Power Shortage

Pakistan has faced the energy crisis for

decades due to which both the agricultural

and industrial sectors are unable to operate

properly - Pakistan has added 8000 megawatts

to its grid under CPEC projects, but still

it faces electricity shortage in its cities

and villages - Moreover, high cost of electricity

restricts the industrial sector to operate

freely and benefit the country's economy.

#### 4- Dependence on imports - fiscal deficits

Pakistan largely depends on imports of basic necessities and other goods from foreign countries. For example, regardless of being an agricultural country it imports sugar. Similarly, household items, groceries and other daily life items are imported causing huge fiscal deficit.

#### 5- Poor human development

Pakistan is ranked 168<sup>th</sup> out of 193 countries on human development index. Due to uneducated and unskilled youth, it has to bear more burden. Furthermore, lack of employment opportunities leads to brain drain which is another factor that restricts its economic growth.

#### 6- Technological backwardness

Pakistan also faces the technological backwardness. In the rural and backward areas of the country, there is no internet facility, which restricts its youth from online learning opportunities. Government offices still use old style working procedure, that is not only time consuming but also flawed. In this regard, Pakistan is unable to benefit from technological evolution and is still living in the stone age.

## Causes of How structural flaws lead to economic instability

### I- Fiscal weakness

The fiscal deficits forces the country to borrow more from foreign countries or international organizations causing debt trap which is difficult to leave and remain economically dependent.

minimum description under a heading should be 5 lines.

### II- Energy inefficiency

Energy shortage leads to high production costs. The local industries can't compete with the exported products both in quality and price ending putting an end to industrial growth.

### III) Low productivity

Due to the low productivity, Pakistan faces problems like unemployment and increase in poverty.

As per the data of Pakistan Bureau of Statistics, more than 42% of Pakistan's population live below the line of poverty, meaning that they can't afford daily bread and butter.

### Political economy as Secondary factor

While Political economy aggravates the problems, but still it is not the root cause.

Pakistan does not have stable governments having 2/3 majority and complete independence of policy making. However

2- they remained inefficient in solving economic problems of Pakistan. Rather, structural flaws forced them to obtain & more loans to run the economy. In this regard, it is evident that without addressing the base structure, political stability cannot ensure growth by itself.

## Policy measures to correct structural flaws

### I- Fiscal Reforms

Pakistan should construct policies and their effective implementation to broaden its tax base by bringing the elite sector into the net. In this context, it is essential to simplify tax system to make uneducated population of Pakistan understand the tax filing and improve FBR's capacity. Moreover, tax payer should be given subsidies to encourage informal sectors.

### II- Industrial and Export reforms

Pakistan has to invest in its industrial growth by providing subsidized power, good working environment and skilled labour. Moreover, country should focus on its exports by diversifying ~~the~~ it to engineering goods, IT and better textile products. Moreover, the country needs to invest in small and medium enterprises to modify its industry.

### 3- Agricultural transformation

Agricultural sector of Pakistan faces the back lash due to poor irrigation system and poor quality of seeds which is ~~leading~~ making lands go barren. In this regard, ~~country~~ should address this issue by construction of ~~dams~~ to end water scarcity and Provision of better seeds for more production of crops -

use more specific and self explanatory headings.

### 4- Energy sector reforms

Pakistan has to shift from non renewable energy sources to green revolution - ~~the~~ ~~country~~ can provide subsidies on solar panels to encourage its citizens towards solar electricity. Moreover, the ~~cost~~ of electricity ~~in~~ in rural areas and big cities should be monitored and these ~~intended~~ should face the law to end power shortage.

### 5- Human Capital and innovation

Pakistan should invest in educational sector and vocational training of youth. Skilled youth can utilize online learning platforms and generate their own small and medium enterprises. ~~the~~ This step of ~~policy~~ will

automatically decrease the unemployment rate and poverty; benefitting country's overall economy.

## 6- Institutional and market reforms

Pakistan should examine the underlying challenges that its market faces and reform the same accordingly. In doing so, country's has to shift towards digitalization - following the footsteps of developed economies. This process will increase the transparency and productivity, leading towards local production, stable stock exchange, enhanced trade and safe environment for foreign direct investment.

## Conclusion

improve the references and the paper presentation part.

Keeping above in view, it is evident that Pakistan economic problems are deep rooted in structural flaws. However, Political instability further exaggerates the already existing problems. Nevertheless, country can improve its economic growth by effective policy making duly addressing the root of the issues and effective implementation of policy framework.

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### Question

Analyse the trajectory of Pakistan Afghanistan relations in the post 2021 period of current resume in Afghanistan. How have border security refugee issues and regional re alignments influenced bilateral ties.

### Question No 4

attempt and upload a single qs for evaluation at a time.

#### Introduction

After 20 years of War on terror, US and NATO decided to withdraw from Afghanistan in August 2021.

The trained and equipped Afghan military couldn't resist against Taliban takeover and surrendered.

This led to return of Taliban in Afghanistan.

Pakistan on the other hand, having religious, ethnic and cultural commonalities tried to have good relations with newly formed government and it also mediated negotiation among them (US & Taliban). However, current relations have been tensed due to cross border terrorism through Afghanistan.

#### Historical background

During the Afghan jihad against Soviet invasion, Pakistan provided support to the jihadists by providing training and war equipment. Pakistan also recognized the Taliban government in the late 20<sup>th</sup> century and had good relations with Afghanistan. However, during the US War on Terror, Pakistan aligned with US against Taliban terrorism. This led to tensions and anger between relations of Pakistan and Taliban. On the other hand, US also blaming

Pakistan of Playing a dual game - This simply means that Pakistan faced huge loss by becoming US Partner in WoT as it was seen as an enemy by Afghan Taliban - However, Pakistan always supported Afghan Taliban and was internally against the US Occupation -

## Pakistan - Afghanistan relations after August-2021

Pakistan mediated the negotiations between TTA and US in order to provide passage to US - willing to withdraw from Afghanistan -

Moreover, Pakistan also ~~admitted~~ admitted the Taliban takeover on Afghanistan due to the bad relations with puppet government of Ashraf Ghani. However, Pakistan refrained from formal diplomatic recognition of Taliban government. Moreover, Pakistan did supported Afghans by providing Aid during earth quake disaster and had many interaction with Afghan regime. However these relations were badly affected by ideological brotherhood of TTA and TTP-allowing TTP to conduct terrorism in Pakistan without any resistance.

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Following are the reasons behind tensed relationship of Pakistan with Afghanistan.

1- Afghanistan used as launching pad by TTP.

Pakistan has witnessed ~~reval~~ in ~~its~~ military and increased in terrorist activities after Taliban took over.

TTP has been using Afghanistan as a launching pad to conduct attack on Pakistan military and civilians.

Moreover, BLA and other terrorists groups are also using Afghan territory to operate inside Pakistan. In this context, Afghanistan has become safe haven for terrorists.

2- No action against terrorist organizations by Afghan new government.

Taliban government has ideological brotherhood with TTP and are afraid of IS-K, due to which

they don't conduct any operation against them, neither do they restrict ~~from~~ them cross border

terrorism in Pakistan. Moreover, Afghan Taliban

deny the presence of such organizations regardless of the evidence shown by Pakistan. This

hypocrisy of Afghan Taliban has led to

take Pakistan to take strict action against

these terrorist groups inside Afghanistan.

### 3- Refugee and humanitarian Issues

Pakistan has hosted 1.7 million registered Afghan refugees and millions of other unregistered migrants. These illegal migrants are involved in terrorist activities inside Pakistan. Moreover, Pakistan's fragile economy does not allow it to further keep these migrant/ refugees in Pakistan.

Due to which Pakistan government decided to send back these illegal migrant with immediate effect. However, Kabul whose also suffering from economic problems simply considered this step as an act of aggression from Pakistan. Pakistan, who has history long history of hosting highest number of Afghan refugees, now don't get any appreciation for its efforts. Rather, Afghan government started building flawed narrative that Pakistan has been treating Afghan refugees badly.

### 4- Economic and Trade relations

Bilateral trade has declined due to the cross border terrorism. Moreover, Afghan has become hurdle in the CASA-1000 project.

Passing through Wakhan corridor. Afghanistan is largely dependant on Pakistan due to its land locked geography and Pakistan has always give it a support for trade in using Pakistan's territory. However, due to the ~~xxx~~ increase in terrorist activities using Afghan territory, Pakistan ~~is~~ has decreased its trade relation with Afghanistan.

#### 4- Impact on CPEC

Terrorist organization like BLA and BLF have started targeting CPEC infrastructure and Chinese nationals, slowing down the developments. Moreover, Pakistan has raised this issue with China ~~and~~ to put diplomatic pressure on Afghanistan. However, Afghanistan has not yet shown any improvement in the matter; neither ~~it~~ has taken any action against terrorists.

#### 5- Recent Pak-Afghan war

~~Pakistan~~ Pakistan after following all diplomatic way to force Afghanistan in order to take action against terrorist organizations, has started targeting terrorists inside Afghanistan. ~~But~~ However, recent visit of Ameer Mulla in Afghan Foreign Minister to India allowed Afghanistan to

attack on Pakistan Army martyring 22 soldiers. Due to which, Pakistan directly attacked Afghan Taliban posts and TTP. Pakistan captured almost 19 Afghan posts giving clear message to them that either stop or face the military.

#### 6- Agreement b/w Pakistan and Afghanistan

Due to the ceasefire requests by Afghan government, Pakistan agreed to long term agreement which was mediated by Turkey and Qatar and was signed in Doha. Pakistan also made it clear that Afghanistan should stop cross border terrorism otherwise agreement can't be long lasting.

#### 7- Options with Pakistan

Pakistan can put pressure on Afghanistan by sending back the refugees, which ~~has~~ it has already started.

However, any option lies with ~~Pakistan~~ state is that it can show the evidence to UN, International organizations and regional countries i.e. China and Russia to put diplomatic pressure on Afghan government in order to conduct reasonable action against all the terrorist organization operating in their territory.

#### 8- Conclusion.

Regardless of having religious & cultural ~~and~~, commonalities and Pakistan's continuous support to Afghanistan rather Political or economic

Pak - Afghan relations remains tensed - Pakistan has been witnessing revival in terrorism affecting its economy. ~~Due~~ Due to which, it has no other option, ~~and~~ instead to take military actions and put diplomatic pressure on Afghanistan. However, it is necessary that Pakistan do it intelligently as it can't afford 2 war fronts <sup>at both</sup> with eastern and western borders.

Question  
Assess the changing dynamics of Pakistan US relations in the context of strategic re alignments and global power shifts after new governments in both the countries. do you think the nature of relationship is strategic partnership or a transactional cooperation. Discuss?

## Question No 5

### Introduction

The United States of America has remained the most important Strategic Partner of Pakistan since its independence. However, said Partnership is too complex with many ups and downs while being the partners in war against Soviet Union and War on terror, Pakistan also has witnessed sanctions on it by US. Nevertheless, the recent strategic realignment and global power shifts are demonstrating another strong Partnership between the both countries. It is pertinent to highlight that this recent engagement is no more a transactional cooperation, rather it's a strategic Partnership based on common interests, economic development and geo political Political importance of Pakistan in the world.

### Historical Background

Pakistan chose US over USSR during the Cold War and signed SEATO and CENTO agreements to become a strong military Power. Initial Partnership did helped Pakistan due to the investment by US and West through World Bank & leading to decade of development

Moreover, Pakistan even made Soviet Union its enemy specially ~~the~~ after the incident i.e. US Spy Aircraft which took off from Peshawar Airbase spying over Soviet territory was shot down by Russia - Moreover, Pakistan became a mediator b/w US and China relations allowing US Foreign Minister Henry Kissinger to engage with China against USSR -

However, during the 1971 war and fall of Dhaka, Soviet gave full diplomatic and military support to the India; whereas, Pakistan remained helpless with no support from US - This made it clear for Pakistan that US is not a reliable partner -

2nd engagement during Afghan Jihad -:

USSR invasion of Afghanistan threatened Pakistan of its next target. Similarly, US seeking revenge for its loss in Vietnam war also wanted to counter the Soviet Union - Having a common enemy and threat, Pakistan realigned with US against Soviet in Afghanistan - However, ~~just~~ after defeating and disintegrating the Soviet Union, US again left Pakistan alone - Furthermore, it also imposed sanctions on Pakistan due to nuclear experiment; which was completely

in retaliation to Indian experiments earlier-

3rd engagement during War on Terror :-

After the 9/11 <sup>terror</sup> attacks on US, it declared ~~as~~ all out war against terrorism in Afghanistan - Pakistan was also forced to be its Partner and a front line state for US to provide military ~~base~~ and ~~pathway~~ to ~~the~~ NATO Supply - Although, the two of course remained Partner for first 7 to 8 years; however, a drone attack of US on Pakistan where many soldiers were martyred made Pakistan to cut itself from US Partnership.

Facilitating US withdrawal from Afghanistan :-

Pakistan, regardless of its concerns facilitated US withdrawal from Afghanistan through becoming member of Doha agreement and allowing US cargo to land inside Pakistan for safe passage.

Complete separation during Biden's administration :-

US as usual, completely separated ~~from~~ itself from relationship with Pakistan. Moreover, they laid complete focus ~~over~~ on India by providing ~~weapons~~ and economic support; which was mainly ~~for~~ to counter the growing super power China who is ~~the~~ flexing its economic muscles -

## Recent engagements with US-:

After many years of separation, Pakistan and USA have realigned in the year 2025, mainly due to following reasons:-

### Pak-India Conflict of May 2025

India became a strong partner of US due to its growing economic power. It is prudent to mention that US and West considered India as a major counter to growing power of China. Due to which, India was provided complete military support and freedom to operate without any restriction -

However, during the May 2025 conflict between India and Pakistan, it was made clear to the world that India is not even a near to China because of its ~~loss~~ in its military power (due to its defeat from Pakistan, losing 5 jets and S400 defense system)

Moreover, it was also a surprise for a world to witness that Pakistan, who previously threatened India of nuclear attack has now developed strategic defence too -

It gave Pakistan huge importance in the region -

### Punitive Tariff on India:-

After witnessing the Indian defeat in war against

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Pakistan, US was no longer in a position to give free hand to India like it did previously i.e. India bought oil from ~~US~~ Russia at cheap price. Moreover, not accepted Trump's claim of ending India-Pakistan war made it even worst for India who faced 50% of total Tariff on its exports ~~by~~ to US -

### Successful trade deal with Pakistan :-

Pakistan on the other hand appreciated US President for ending the war and had successful trade deal with only 19% tariffs on its products -

This was simply a huge achievement ~~to~~ for Pakistan and can benefit its trade with US -

US interest in <sup>in</sup> mining sector for rare earth <sup>metals</sup> materials :-

US also showed its interest in mining sector in Pakistan - This was also an achievement for Pakistan to attract US investment and have ~~a~~ good relations with superpower of the world -

Multiple engagements between US President and Pakistani officials :-

Pakistan's Chief of Army Staff twice call on's

with US President along with PM meeting gave a clear message of realignment between two countries. Moreover, US President gave positive comments regarding Pakistan's current leadership and portrayed interest in further engagements to ~~so~~ pursue common interests.

Furthermore, Pakistan nominated Trump for Nobel Peace Prize; another strong diplomatic move to build strong partnership with US.

Strategic Partnership or transactional Cooperation:

History has proved that US is not a durable partner of Pakistan. Moreover, US engagement have remained conditional and cyclic due to which Pakistan still fears US behavioral changes and betrayal. However, it is essential to highlight that recent realignment is not more a transactional cooperation, rather its a strategic Partnership due to following reasons:

Pakistan no more relies on US for defence production:

Pakistan, with the help of all weather partner China has enhanced its self reliance in defence production - for example by manufacturing its own

HANGAR class S/Ms and JF-17 thunder fighter along with other project made it self reliant - US do not have any such advantage to use against Pakistan & direct it accordingly -

~~Pakistan's~~ growing military Power:

Pakistan has demonstrated/proved its military Power against India making itself an important country in the region with improvement in growth of its economy. These instances have forced US to remain a strategic

Partner of Pakistan -

Shift in Pakistan's foreign Policy from geo strategic to geo economic:

Pakistan has completed its focus in its new foreign Policy where it focuses more on economic Partnerships for its progress, rather than relying on military aid or choosing any Power - Moreover, this shift has made it clear for US that relationship with Pakistan is only based on trade, investment and co-development -

Geographical importance of Pakistan:

Despite US withdrawal from Afghanistan, US still consider it an important location due to China and Russia - Having long term Partner therein this region is dire need of US - Moreover,

Pakistan is also enriched with natural resources important for economic development of US and Pakistan.

Important OIC member :-

Pakistan due to its nuclear power, and strong military is the most important OIC member, specially after Pak-USA defence pact that US can't lose it again -

Pakistan-US trade deal :-

US has been forced to improve its economic growth due to growing power of China. In this regard, it has to become a trade partner of Pakistan because it is ~~for~~ betterment ~~for~~ of its economy.

Similarly, Pakistan's rare earth minerals like copper can enhance its productivity.

## Conclusion

Keeping above in view, it is evident that despite being ~~at~~ separated for many years, current relationship is a long term strategic partnership between US and Pakistan due to the Pakistan growing military power and its geographical importance specially during global power shifts in the world.