

SUBJECTIVE PART — PART-II

2. How do you see the chances of success of US-Russia negotiations on Ukraine? Critically evaluate the hurdles and give practical recommendations to end the dangerous war.
3. How do you see the future nuclear politics in the Middle East after US and Israel attack on Iranian nuclear sites?
4. How do you see the water politics in the region after India's decision to move out of Indus Water Treaty and China's decision to build the world largest dam on Barhamaputra River?
5. Pakistan is repeatedly hit by devastating floods. Critically evaluate its reasons and recommend policy options for the nation to follow.
6. How do you see the challenges and opportunities for China in the Trade tariffs imposed by US on both adversaries and allies?
7. The economic revival of Pakistan would be an elusive dream until extensive structural reforms are not introduced. Explain.
8. US has imposed double tariffs on India. Critically evaluate its economic and geopolitical implications on regional and global power politics.



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QUESTION: 7
ANSWER:

INTRODUCTION:

Pakistan is facing economic crisis since its inception. There is a dire need of reforms to revamp the economy of Pakistan. These reforms include increase in tax collection, diversification of export products and destination. In addition, increase in agriculture and industrial productivity. Moreover, privatization of state own Enterprises and reduction of dependency on foreign loans. These reforms will turn-around the economy of Pakistan otherwise the economic revival would be an elusive dream.

Over View of Pakistan
Economic Crisis:

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Pakistan is in the throes of economic crisis. It is due to short-sighted policies of governments. As a result, the country has never seen a sustainable economic growth. Akbar Zaidi in his book, "The Problem with Pakistan Economy" has pointed out several problems in the policies of governments.

Inevitability of Structural Economic Reforms for Economic Revival in Pakistan:

① Increase in tax collection through automation and documentation of informal economy;

Pak tax collection is meagre in the region. As per the Economic Survey of Pak, "Pak collects 9% of tax to GDP ratio". Thus,

tax collection should be automated through trade and trace system and point scoring method. Moreover, we should document the informal economy to bring it under tax net. Thus, increase tax collection will improve revenue generation of Pakistan and reduce budget deficit.

② Diversification of export products and destination:

Pak should exports IT products other than textile. Moreover, it should explore new markets like Central Asia, Africa and South East Asia besides trade with EU & the US. As per the Economist, the global share of machinery is 12% and electronic product is 17% in global exports.

③ Transition to Green energy:

Pakistan should transition to green energy to reduce heavy import bills of hydrocarbons. For example, Pak should produce electricity from solar and hydal resources.

④ Industrial reforms to increase exports:

Pakistan should upgrade its industrial machinery. Similarly, Pak should solarize its industries to reduce cost of industrial products. As a result, our export products will be globally competitive.

⑤ Agriculture reforms to increase food security and exports:

Pak should use drip and sprinkle irrigation

system to reduce intake of water through irrigation. Moreover, Pak should use scientific seeds to increase yield. This will improve food security and agriculture exports.

⑥ Privatization of State own Enterprises:

State own enterprises loss 400bn rupees annually. It should be privatized to reduce losses and increase revenue generation through tax collection. Muslim Commercial bank & K-electric are successful and generate revenue after privatization.

⑦ Reduce Circular debt:

The circular debt of Pakistan has reached 150bn. It should be reduced by preventing electricity theft, reduce

line losses etc.

CONCLUSION:

Deep structural reforms are inevitable for economic revival of Pak. These reforms include increase in exports, monetary, industrial and agricultural reforms and privatization of industries.
