

## Section-B

### Q #4

#### 1) Introduction

The creation of International Financial Institutions (IFIs) to promote global economic growth and development is now becoming nuanced. As these IFIs are now becoming a tool of developed world to coerce developing countries.

Though, these IFIs have promoted global development but they have also been instrumental in advancing International rule based order highly skewed in the favour of developed nations. As exploitation of global south has now become "imminent" in the face of debt which it owes to such IFIs.

## 2-IMF condition to hinder Growth

### 2.1- IMF Policy of free trade

IMF, a bretton wood institution was established after WWII, by the USA with the aim of establishing a us led world order. USA propogated the idea of free trade globally and made it a conditionality for developing countries to open their economy with the liberalization of economy USA transported its version of democracy and states which failed to do so were penalized economically and militarily for instance, SEATO, CENTO are example of that

### 2.2- Policy of free exchange rate

The main rationale of policy of free floating exchange rate is to take away the state monetary policy control over its economy. As when state loses the monetary policy control then the local currency is at the helm of external exogenous factor. For instance,

in 2023 when SBP was given free autonomy. The Rupee has dipped to 308/1\$ in 2023.

### 2.3 - Lower fiscal investment

IMF dictates nation in their economic policy formulation and give one shoe fit for all advice i.e. to lower fiscal investment. Consequently it lead to lower growth, high unemployment

The 2<sup>nd</sup> tranche of IMF to Pakistan has put the growth rate at 0.2% as per Economic Survey 2022-23.

Moreover, it reduces investment in social services network.

### 2.4 - Devaluation of Rupee/Currency.

IMF provide same prescription to all nation i.e. to devalue their respective currency against dollar.

This lead to dollar shortage in that country and lead to <sup>high</sup> demand of dollar. Moreover, for Pakistan

this has led to high debt accumulation as devaluation has increased public debt by 3 trillion rupees this year.

## 2.5- Levy taxes on Petroleum Product

Another IMF condition is to levy taxes on energy sector and in particular petroleum product.

As increase in petrol prices lead to inflation. For instance, in Pakistan petrol is selling at a price of 300Rs in 2023 while in April 2022 it was 150. This has led to SPI 44% and CPI 30%. This disproportionate levy of taxes increases inflation to an unsustainable level.

## 3- How developed world use IMF as a tool to dictate developing countries.

### 3.1 - Voting power an unequal board

The decision to provide aid or grant is done through share of voting i.e. A state which give more share to IMF has a more manuver to make decision in its favour. So, for any state if it want to get IMF deal it must have good relation with USA who is a major share voter in IMF.

### 3.2 - Structural Adjustment Program SAP

IMF follow USA dogmatic policy of free trade, deregulation, liberalization, devaluation, privatization etc. In its disguise it directly shape state political policies.

### 3.3 - Loss of Sovereignty

IMF has certain conditionalities which make a state compromise

On its sovereignty. For instance, recent report of IMF asking defence expenditure budget and Pakistan nuclear reserve shows that it is compromising Pakistan sovereignty.

### 34 Debt trap:

IMF has a debt trap policy. i.e. Pakistan has went to IMF 22 times since its inception and every time it goes the economic situation deteriorate. For instance, As per Economic Affairs division Report 2022-23 Pakistan has an external debt of \$88.8 B. This shows the extent of debt Pakistan is trapped in.

### 35- Lack of Accountability

IMF board is unaccountable from the dogmatic policy it follows. As developed states have economic viability and tools to maneuver

the existing rules. But the same case is not true for developing countries. As IMF has never given explanation of why its policies have failed for Argentina, Pakistan etc.

### 3.5 - Dependency theory

As per dependency and world system theory the core or developed world has disproportionately exploited the periphery or developing world. By opening their economies it argues that state vulnerable segment have become obsolete as it could not compete with the finished good of developed world. Thus, a cycle of impoverishment and <sup>high</sup> T. Current account deficit start for a peripheral state.

### 4 - Conclusion

In conclusion, it can be said that the developed world has used IMF as a tool to thwart economic growth and control in developing countries. Moreover, it uses IMF conditionalities as a message for all developing nations to fall in line with the USA led global order.

## Q#6

### 1- Introduction

Pakistan is going through a series of challenges on socio-political and economic front. But there <sup>recent</sup> lack of institutions and their transgression has led to precarious situation. As Pakistan has a long history of Judicial activism, which has directly and indirectly undermined the



executive role. But the current stand off has divided the trust and is deeping the institutional crisis.

## 2 - Historical Overview of Judicial review activism in Pakistan

The Article 187(3) gives the Chief Justice of Pakistan to take review on important cases. This discretionary power of CJP leads to what called 'Suomotto cases'. Moreover, successive CJP have used this article to encroach in the domain of executive. From 2008-2013, 2016-2018, <sup>Thus</sup> These Judicial review were extensively employed in Pakistan.

## 3 - Consequences and benefit of Judicial review in Pakistan

### 3.1 - Start of Judicial activism

The power of Judicial review

gave impetus to what is known as Judicial activism. This was compounded after the 2008 Lawyer movement which gave Judiciary high persona. Moreover, day to day encroachment by judiciary became the norm.

### 3.2 - Political cases piling up in Judiciary

This made judiciary highly politicized. As its judgements were been seen as politically inductive. Moreover, Judiciary took their focus away from civil cases to political cases. As it provide Judiciary the media limelight.

### 3.3 - Policy inconsistency

Judicial activism led to encroachment in policy domain. As judiciary started encroaching in administration affair. For instance,

in 2012, A chief Justice order the sugar prices to be below 60 Rupees. This open intervention in administration led to policy void. As multiple actors became involved in the process.

### 3.4 - Upholding fundamental rights

Judiciary ensured that the fundamental rights were upheld and no policy or law is being made in violation of constitution of Pakistan. For instance, Judiciary revoked the RUDA act which was against the environ of Ravi river.

### 3.5 - check on executive power

Another feature of judicial review is that it keeps the executive power in check. <sup>such that</sup> ~~Moreover~~ the executive does not go against the constitution as mandated to it.

## 4 - Rules in Practice & Procedure act 2023

### 4.1 - Suo moto curtailment

As per this act, CJP will not do Judicial review alone. But will take it <sup>with</sup> by the consultation of 2 other Senior puisne Judges of Supreme Court.

### 4.2 - Establishment of benches

As per act, the CJP will not discretionary Benches but in consultation of 2 most Senior Judges committee to make benches.

### 4.3 - Right to appeal

Similarly, the bill has given the right to appeal stand to the party concerned.

## 5 - Opportunities and challenges

### 5.1 - Policy consistency

It will lead to less judicial activism and will make the state legislature organ state

As executive will freely implement the policy.

### 5.2 - Devolution of Judicial Power

As it will lead to power decentralization and judiciary will be better equipped to present a united front.

### 5.3 - Political move

The outgoing govt. presented the cherished bill at a time of political uncertainty. Thus, reinforcing political divide between organs of state.

### 5.4 - Institutional divide

The bill has divided the Judiciary into camp politics, which is not favourable for Pakistan.

## 6 - Conclusion

To conclude, Judiciary plays a significant role in maintaining

and ensuring justice. But <sup>various</sup> the condition in Pakistan has led to Judicial inertia and the recent passage of bill is only adding to that.

Q#8

1- Introduction

2- Historical overview of 18 Amendment

3- Factors exacerbating anti centric feeling

3.1- Unequal NFC distribution

3.2- Ineffective devolution of subject to provinces.

3.3- Securitization of state

3.4 - Lack of development  
in peripheries.

3.5 - Failed / Myopic  
policy War on terror.

3.6 - Economic inequality  
and absence of  
social services  
net.

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3.7 - Dispute over  
natural resource  
management.

4 - How to resolve them.

4.1 - Province Pro NFC  
distribution

4.2 - Development in  
Peripheries.

4.3 - Local govt. effective

5 - conclusion