

# Mock 5 : P.A

## Q # 8

Q.8 Non-traditional security threats and conflicts in Pakistan are increasingly internationalized with the involvement of regional and global powers. Discuss

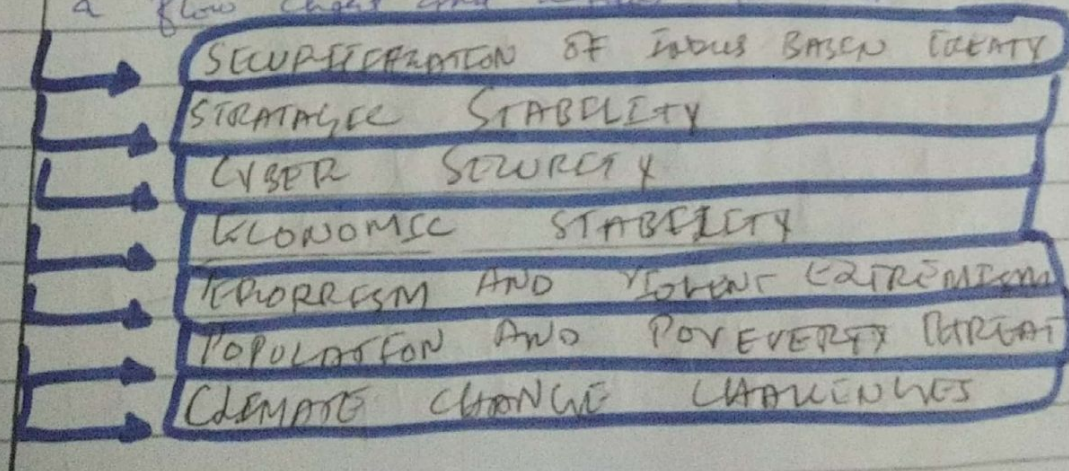
Answer

### INTRODUCTION

In the heart of South Asia, Pakistan finds itself in the midst of a complex web of non-traditional security threats and conflicts. Yet, what sets this nation apart is the ever-growing internationalization of these challenges, as regional and global powers step onto this intricate stage.

From cybersecurity battles in the digital realm to the delicate dance of diplomacy in addressing water scarcity and climate change, Pakistan's security landscape has evolved into a captivating arena where the world's interest intersect.

Let's delve deeper into this dynamic fusion of local issue and global players, where non-traditional security threats merge into a compelling narrative of Pakistan's security through a flow chart and details followed-





Before going into depths of Non traditional security threats and conflict. It is crucial to have a look through Quaid's lens in matter -

**Quaid-i-Azam Muhammad Ali Jinnah**, once said; "The weak and defenceless, in this imperfect world, invite aggression from others. While tactics and strategies are devised to effectively handle visualized threats and an undesirable situation, efforts are also made simultaneously to inculcate a sense of security among the citizens

### Non-Traditional Security Threats:

Non-traditional security threats come from the war against terrorism, economic and political instability, poverty, illiteracy, corruption, population bomb and environmental degradation - few of them are discussed here.

### ① Securitization of Indus Basin

**Treaty:** By all means, the ongoing Indian infringements of the Indus Water Treaty (IWT) pose a great threat to the people of Pakistan and its economy as India has been illegally using the waters of our western rivers by building dams on the illegally Indian occupied Jammu & Kashmir. Indus water is a bloodline of Pakistan's economy.

Undeniable, today, Pakistan is also lagging in sustainable development goals

for human security in the domains of health, nutrition, water availability and hygiene. Water is a useful tool for energy production to deal with the energy crisis.

**② Strategic Stability:** The most haunting issue for regional peace is none but the strategic stability that is time and again challenged by India's anti peace nuclear doctrine and moves. By any strategic accounts, The Balokot and Shortkot events - taking place in Feb, 2019 and March, 2020 - hold enough reasons the Modi's policies pose great danger to peace in the region.

To counter the threat posed from Indian aggression, the only viable and sustainable nuclear security alternative for Pakistan is to uncompromisingly maintain its policy of full spectrum deterrence (FSD). Pakistan Energy Commission and Strategic Plans Division (SPD) must be credited for making it most secure and safe nuclear state in the region.

**③ Cyber Security:** Today, Cyber space has become a rising challenge to the nations in 21st Century in which the threat of data stealth has become the most pertinent security challenge. All the while, cyber space has also been used and introduced in military doctrine since cyber warfare is an



extremely effective and inexpensive tool which has replaced soldiers and fleets with few strokes of keys, still equally capable of bringing widespread and wide-ranging destruction upon the enemy.

Many countries have adopted it as a principal weapon against their adversaries. Pakistan too, is extremely vulnerable to cyber attacks especially by our arch-rival India embarking on a hybrid war against Pakistan. Pakistan must advance its cyber security mechanisms accordingly.

**⑤ Economic Stability:** Currently put, Pakistan's foreign exchange reserves have dwindled to precarious levels and stood at just over \$3 billion, hardly enough to meet with the brewing challenges. Inflation has also skyrocketed to 31.5%. According to officials, food and fuel prices have soared beyond the means of many Pakistanis.

Arguably, decades of financial mismanagement, corruption and political instability remain the most driving causes of the current economic crisis. Moreover, a global energy crisis and last year's devastating floods across the country have worsened the crisis — Intentionally depending our survival on IMF deal.

### ⑤ Terrorism and Violent extremism:

For years and years, Pakistan is confronted with the menace of extremism, radicalization and violent behaviour via Non State Actors. It is important to note that Pakistan has been a victim of cross-border terrorism emanating from Afghanistan. And that has really shaped Pakistan threat perception and also got it to devise strategies that helps to combat this threat.

Pakistan is constantly facing the challenging issues to address. But the effort to confront radicalism and violent extremism cannot accomplish unless supported by the multiple dynamic strategies. Radicalism is intertwined with other social dynamics, and thus a reductionist approach fails to address this issue. The current intermittent terrorist attacks in KP and the Balochistan provinces indicate an alarming situation for our security establishment.

### ⑥ Population & Poverty threat:

Pakistan is the world's 5th most populous country. Out of the total population 29.5% live below the poverty line. However, on the flip side, Pakistani culture encourages women to have large families instead of small ones due to the country's scarcity of resources.

This increasing population is not only a burden on the small number of resources, but also endangering the future generation.



We need to be vigilant of the impending food crisis, which has been dented down because of the ongoing war in Ukraine between the Western powers and Russia.

### (3) The Climate change challenges:

Pakistan has been consistently ranked among the top 10 most vulnerable countries among the climate risk index, with 10,000 fatalities due to climate-related disasters and financial losses amounting to about \$4 billion from 173 extreme weather events.

Though Pakistan is signatory to international commitments on climate change, such as the 1992 Kyoto Protocol and the 2015 Paris Agreement, Indian CO<sub>2</sub> emission poses great threat to our regional climate causing speedy melting of the Himalayan ice heavy glaciers, and torrential rains resulting in heavy floods in Pakistan during the monsoon seasons.

Pakistan must contact the related donor agencies in order to address the future floods rehabilitation challenges.

**Conclusion:** To conclude, our Civil Government and military establishment need to make policies that could comprehensively address both the conventional and non-conventional security challenges faced by the Govt and the people of Pakistan.

Q#5

Pakistan's energy crisis is the manifestation of weak political will and governance. Elaborate

### Introduction

The rise in global oil prices, devaluation of the Pakistani rupee, and the domestic crisis propelling towards energy <sup>crisis</sup> in Pakistan, the energy crisis isn't just about flickering lights and stifling heat; it's a stark reminder of a much deeper issue — a crisis of leadership and governance. The nation's energy woes are a glaring manifestation of weak political will and the serious effects of misgovernance. While the sun blazes overhead, Pakistan finds itself in the shadow of its own potential as its leaders grapple with a problem they have been unable to fully illuminate.

### Backdrop of Pakistan's Energy Crisis :-

World is facing a shortage of energy and it has sent shock waves of energy from Europe to Asia. And Pakistan's energy industry is no exception is in crisis, due to lack of energy output to keep up with the country's rising demands during the past few decades.

Pakistan is now reliant on important energy resources like gas and oil.

In this regard the Asian Development Bank published a white paper in 2015 claiming that Pakistan is an energy insecure country.



The crisis is likely to worsen due to the Middle Eastern countries, which serve as the major source of imports, being severely impacted by the strain that Europe is experiencing as a result of fuel and gas shortfalls. The current bleak situation shows that the power shortfall at the moment is about 7,500 megawatts which subsequently results in 10-18 hours of loadshedding.

This means the current supply is about 18,000 MW and required supply is:  
25,000 - 25,500 MW.

Furthermore, Pakistan's energy cost doubled in the last 9 months; it now stands at 15 billion USD.

## Reasons for the looming Energy Crisis in Pakistan

### ① The conflict between Ukraine and Russia:

The conflict between Ukraine and Russia has caused fuel prices to soar, endangering the supply chain and making it challenging for Pakistan to support the effective operation of its power plants. Long-term LNG suppliers canceled several shipments scheduled for delivery over the last few months, further tightening supplies which has directly resulted in complications for Pakistan.



## ② Cost of producing and supplying electricity.

Despite the high cost to end-users, the cost of producing and supplying electricity in Pakistan is even higher for three reasons.

First, a significant portion of electricity is generated using imported fuel, making it vulnerable to global oil price shocks and the Pakistan exchange rate.

Second, a high percentage of electricity is lost, stolen or not paid for.

Third, a substantial component is due to capacity investment, irrespective of how much electricity they produce.



**Energy Crisis is the manifestation of weak political will and misgovernance.**

The ever changing leadership and political turmoil and an unwillingness to address the problem and devise a solution have further aggravated the energy crisis in Pakistan.

Governments, political parties and other interest groups continue to interfere with business decisions like employing and disconnecting default customers. In the meantime, the utility firms disavow all liability and accuse the management authorities of wrongdoing.

### **a) Absence of Coordination,**

There is an absence of coordination that prevents the implementation of any kind of comprehensive or integrated energy policy that may support Pakistan's struggling economy and energy industry.

Moreover, at a staggering 2.5 trillion Pakistani rupees, the circular debt is 10% more than it was in the previous fiscal year. By 2025, it is anticipated to reach 4 trillion Pakistani rupees, according to studies reportedly, Rs. 1.5 trillion is owed by Sui Southern Gas Company Ltd (SSGC) and Sui Northern Gas Pipelines Ltd (SNGPL) to the oil & Gas Development Company.

(PPL) - the mainstay of oil and gas exploration and production in Pakistan. This low-cost domestic energy source costs less than half as much as imported LNG, which Pakistan is using more of.

Hence, due to severe financial load, this is putting on our meager foreign exchange reserves, OGDCL, and PPL are unable to expand into new markets since their revenue is caught in a vicious circle of debt. The lack of new investment in exploratory initiatives in the aftermath of declining oil and gas reserves is concerning and does not bode well for the nation.

### **Impact of Energy Crisis on Pakistan**

#### **a- The Industrial Sector Crisis.**

The industrial sector has also been severely damaged by the energy crisis.

The manufacturing processes of several major and small-scale industries have been stifled by it. Due to continuous energy constraints, the supply of gas and electricity to the industry was shut off. Moreover, Pakistan is experiencing a severe economic crisis, with energy impacts being hampered by rampant inflation, a depreciating rupee, and shrinking foreign exchange reserves.



## b. Pakistan's important textile sector:

Textile are the industry most impacted. According to government statistics, the home sector's demand for energy has increased this season as a result of the heatwave, resulting in a shortage of almost 7,000 megawatts - or one-fifth of Pakistan's generation capacity - on several days this month.

Pakistan's important textile sector, which sells everything from denim to bed linen to markets in the US and Europe and makes up 60% of the nation's exports, has been negatively impacted by the electricity deficit. According to Oasin Malik, vice president of the chamber of commerce in Sialkot, "the textile sector is in a situation of emergency."

### Way forward -

Pakistan, like China and Japan, also generates its power from imported fossil fuels out of which 48% is natural gas and 33% oil. A massive drive of transformation into alternative and renewable energy from conventional energy production methods by the year 2030 is underway.

The national policies have been approved and now implementation has started. Denmark is the one of the unique countries that have taken help to a highly ambitious target of shifting to 100% renewable energy resources by the year 2050.

So, in these fast-changing global energy trends, there are numerous opportunities for Pakistan to find a solution to its energy crisis.

Following are the recommendations for adopting practical ways toward renewable energy in Pakistan.

### ① Research and Development

First of all, like other states, Pakistan needs to impose proper rules and to regulate the operating hours of industries.

Robust implementation mechanisms should be considered at the local changes. Pakistan needs to combine all the energy-related institutions' needs under a single ministry, which will create efficiency in the dysfunctional energy sector and the whole sector will be streamlined.

### ② Entrepreneurial Solutions

For Pakistan's energy sector to be supported, it requires reliable funding and tax reforms. Then Pakistani entrepreneurs have a golden chance to come up with clever ideas to tackle the energy insecurity problems of Pakistan. They should mobilize land, labor and capital based on the research by policy experts to invest in the manufacturing of green technologies that will be used locally as well as internationally.



### ③ Investing in Renewable Energy Industry

It is a high chance for local and overseas investors to invest in Pakistan's renewable energy program for which the government of Pakistan has given an Alternative and Renewable Energy Policy in 2019. The document is the updated version of the PEP policy for Development of Power Generation with Hydro, importing clean coal, which is frequently less expensive than imported oil and gas, will allow Pakistan to diversify its energy mix.

### ④ Public - Private Partnership

The Public Sector of Pakistan must take renewable energy a priority. The government of Pakistan should collaborate with countries like China that are technologically advanced to improve bilateral relationships with them. Another solution would be for the government to subsidize the renewable energy industry and promote public-private cooperation to bring Pakistan out of the energy crisis.



## Conclusion

Due to dynamics of the global economy, it may seem that in the near future, Pakistan will not experience a drop in the energy issue. However, it is the responsibility of the political leaders and the stakeholders of Pakistan to minimize its energy crisis and find a solution to it. It's important to keep in mind that being optimistic will help manage any degree of crisis - We should do what's in our control to strengthen the country on all fronts -



Q.2: CPEC has been underway for a decade. Critically evaluate its ambitions and realities.

Introduction:

## CPEC: And its Ten Years

China-Pakistan Economic Corridor (CPEC) with the completion of 10 yrs of ~~has~~ reached a milestone in building connections and prosperity, bringing significant changes in both China and Pakistan.

**First**, it must be highlighted that CPEC is a part of a greater Belt and Road Initiative (BRI) that started its journey in 2013. The primary objective of this project is to promote some common interests of both countries with mutual consultations. This has resulted in the initiation of some major development projects that have contributed to the development in this region.

**Second**, given this background, there is little doubt that people of Pakistan are enjoying CPEC's fruits though it is premature to claim that in the coming decades successive governments in Pakistan will be able to maintain the peace and production of CPEC projects across the country.

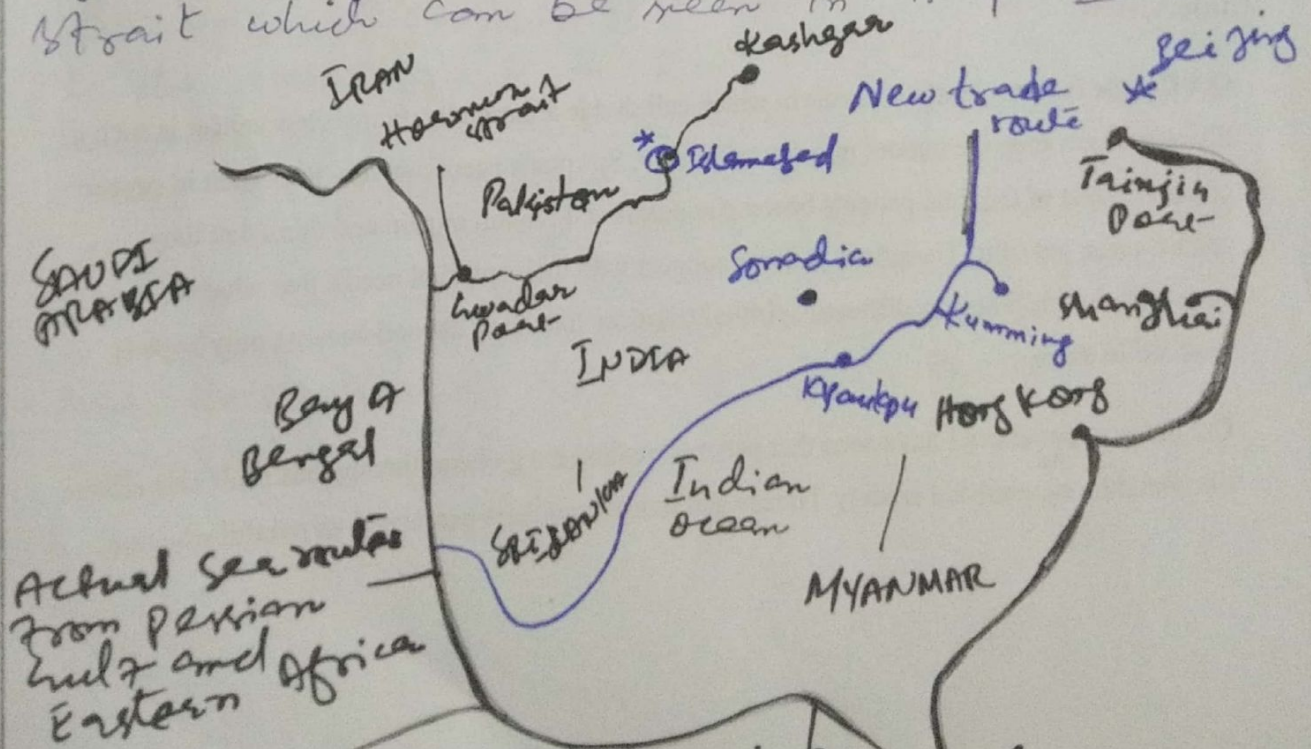


# Geo- SIGNIFICANCE OF CPEC

## Strategic Importance:

Being the China - Pakistan Economic Corridor (CPEC) is an important part of China's big plan called the Belt and Road Initiative (BRI). The BRI aims to connect China with other regions in the world, improving trade and connections. Pakistan and its contribution towards this project be a significant partner in this initiative. The CPEC allows China to use Pakistan's ports as a crucial link to reach markets around the world. Normally, China's trade passes through a place the Malacca Strait, which can have problems like being blocked or not safe to trade with other nations.

But now with CPEC, China can reach the Middle East and Indian Ocean more conveniently, reducing its dependence on the Malacca Strait which can be seen in map below:



Currently, China imports 80% of oil through the Strait of Malacca



# Origin of CPEC between both countries (China and Pakistan)

The governments of both China and Pakistan worked hard to strengthen their ties which has been good for both countries. China and Pakistan have often repeated the hyperbole of their friendship by terming it higher than 'Himalayas and deeper than the oceans'. The idea was proposed by the Chinese Premier Ji Kejiang in May 2013 when the PPP was in power - They signed 21 agreements to start projects that would improve their connection and economic cooperation.

This formal agreement of CPEC was signed on July 5, 2013, while the PML(N) was in power. But before CPEC there was little solid evidence to substantiate such claims. After 10 years of CPEC, the proof of this is visible -

## Time Line

10 years  
CHINA PAKISTAN  
ECONOMIC  
CORRIDOR

SPANNING  
3,000 Kilometers

KASHI  
CHINA

2013

The CPEC was launched to promote connectivity

2015

China and Pakistan agreed to form a 1+1' cooperation structure with the CPEC at the Centre and the Gwadar Port, energy, transportation, infrastructure and industrial cooperation being the 4 key areas.

GWADAR PORT  
PAKISTAN



## (i) Infrastructure Development

The China-Pakistan Economic Corridor (CPEC) is a big project with different phases from 2015 to 2030. It focuses on building infrastructure and developing things to connect the region better and create investment opportunities. There have been 12 meetings where both China and Pakistan discuss the progress of CPEC projects. They made a long-term plan for CPEC from 2017 to 2030, which will work together with Pakistan's Vision 2025 and China's plans. It has been approved by both governments.

This plan includes short-term, medium term and long-term initiatives and projects to be done by 2020, 2025, and 2030 respectively. This infrastructure development will create benefits for nations of regional connectivity which can be studied below.

### Benefits of CPEC

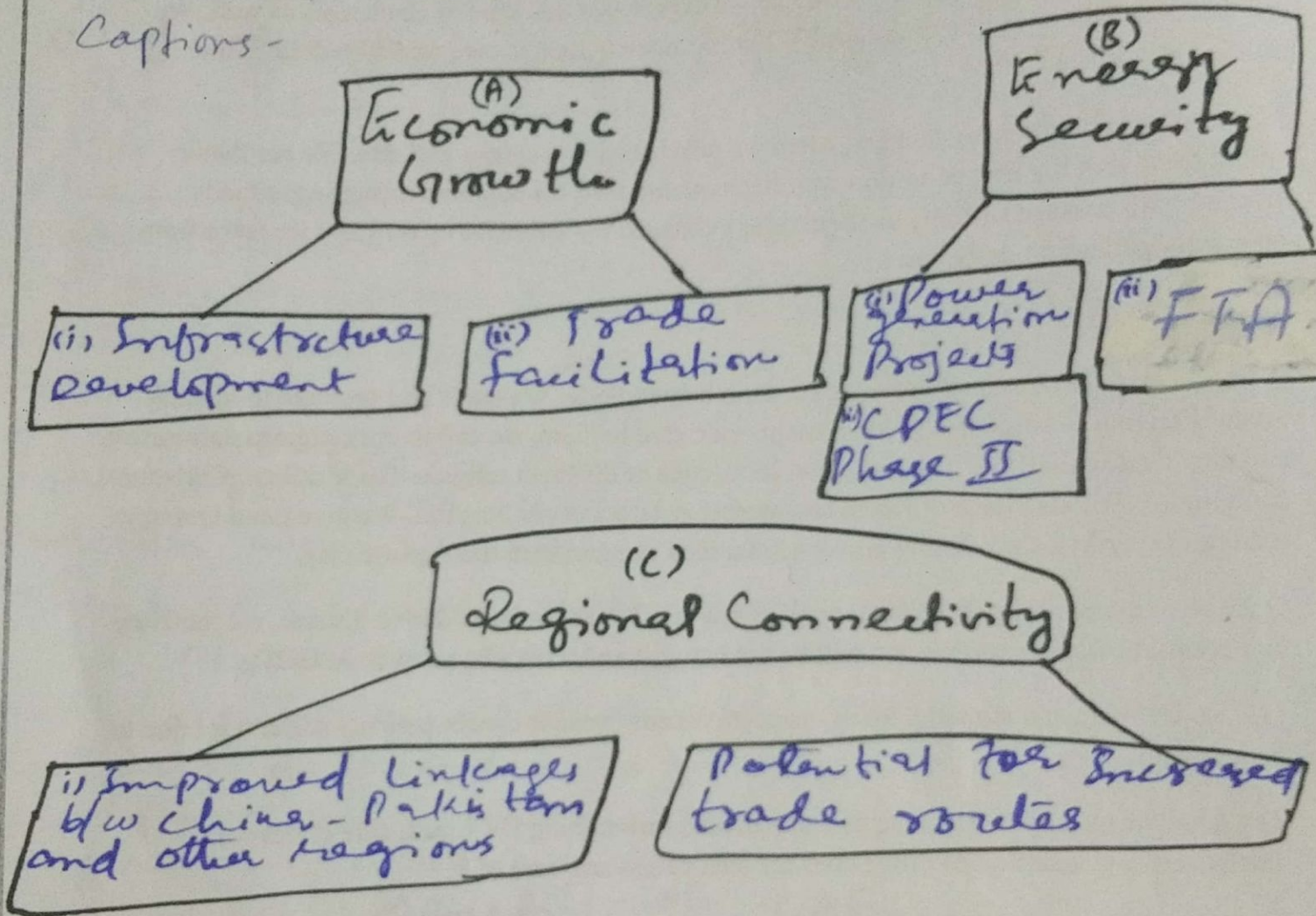
The benefits of CPEC will also reach other countries like Iran, Afghanistan, and the Central Asian Republics. Both Pakistan and China made sure that CPEC projects is flexible and can change over time. They need to work together with all involved parties to make it successful by 2030.

For this, Pakistan needs to focus on transparency, security, local workforce skills, cooperation with industries, making it easy to do business, technology transfer, strong government institutions, trade and investment promotion.



# Ambitions of CPEC

Ambitions of CPEC can be understood through flow chart below, and details can be studied later on under following Captions -





### ii) Trade Facilitation:

The China-Pakistan Economic Corridor (CPEC) aims to enhance trade facilitation through the development of modern infrastructure, transportation networks, and energy projects. By creating efficient road, rail and port connections between China's western regions and Pakistan's Gwadar Port, CPEC reduces transportation costs and time, making trade between the two countries more accessible and cost-effective. Additionally, the Corridor's energy projects help address Pakistan's energy shortage, promoting industrial growth and trade capacity overall. CPEC seeks to improve connectivity and reduce trade barriers to promote economic cooperation and development.

### i) Power generation Projects: **B-Energy Security and regional Connectivity:**

The CPEC Phase-2 consists of high-quality development initiatives. The launch of CPEC has marked a new phase in Pakistan-China relations by placing economic cooperation and connectivity at the centre of bilateral agenda. Being the flagship project of Belt and Road Initiative (BRI), it aims to enhance connectivity and trade linkages between Pakistan, China and the region through roads, rail, fibre optic, energy pipelines, and Special Economic Zones.

**As a living example;** Sino-Pakistan Friendship CPEC play its vital role in new and re-developing seaport, airport, hospital school and communication in Gwadar area to overcome energy crises, energy production projects like coal, wind, hydropower and solar power will complete and the improvement in road and highways along with railways and Aviation connectivity-

Interview # 1  
Cancer is  
car



## (ii) Free Trade Agreement (FTA):

The Second Phase of the Free Trade Agreement (FTA) between Pakistan and China was signed during a visit by Chinese Prime Minister Wen Jiabao.

As a result, Pakistan's export to China has increased. China is Pakistan's largest trading partner and Pakistan has the distinction of being China's largest trading partner in South Asia except India. Therefore, irrespective of political government in country the relations between the Pakistan and China continue to expand and deepen due to mutual interest of these countries along with trust, respect and dignity.

The Pakistani people consider China 'All weather friends and hence can rely upon in all circumstances. That's why despite the negative propaganda from some countries, these countries both not but pursue friendly and cooperative relations between China and Pakistan.

The most notable example of economic cooperation is the CPEC

For example: In 2002, the volume of bilateral trade between Pakistan and China was only US 1.3 billion, but in 2018 it reached US 12.7 billion -



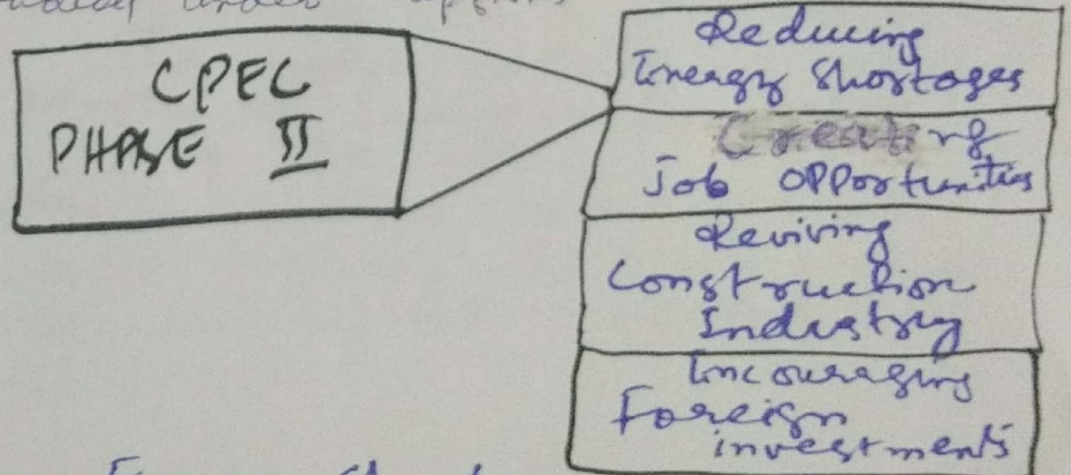
## iii) CPEC PHASE II — An all-encompassing strategy for enhancing socio-economic progress.

The CPEC project is now in its 2nd phase. This phase aims to help Pakistan develop in new ways, such as improving agriculture, expanding the tourism industry, and providing better technical education as well as health facilities. China - Pakistan will also work together in agriculture and industry to combat the effects of climate change. This phase will also focus on reducing poverty because of economic crisis in the country, which seems with a lot of debt and rising inflation in current time. Thus

The second phase seems hopeful for ordinary people if the government can play well and prioritize the welfare of the public.

### Essence of CPEC PHASE II:

CPEC Phase II involves following benefits which can be studied under captions below.



### (a) Reducing Energy Shortages:

The CPEC project is very important not only for China's development but also for Pakistan's growth and connections with other regions. It will help Pakistan deal with its energy shortages, which have been holding back its economy. The project includes building different types of power plants like coal-fired, hydroelectric, and wind farms, which will add a lot of electricity to Pakistan's power grid.



## b) Creating Job Opportunities:

The CPEC project will create many job opportunities for young people in Pakistan. They are building special economic zones along the CPEC route to attract foreign investment, bring in new technology and create jobs. They expect to make more than 2 million job opportunities for young Pakistanis by the year 2030.

## (c) Reviving Construction Industry:

The CPEC project has already started to make a positive impact on Pakistan's economy. It has helped revive the construction industry, which was not doing well for some time. The building of roads, railways and pipelines has provided work for many local workers.

## (d) Encouraging Foreign Investment:

The project has also encouraged more foreign investment in Pakistan, which was low compared to other developing countries. For China, the CPEC project is a great chance to expand its trade and investment in South Asia, the Middle East, and Central Asia. At the same time, it gives Pakistan the much needed foreign investment and helps build infrastructure. This CPEC project is an important part of China's Belt and Road Initiative (BRI), which aims to promote economic cooperation and connections among countries in Asia, Africa, and Europe.



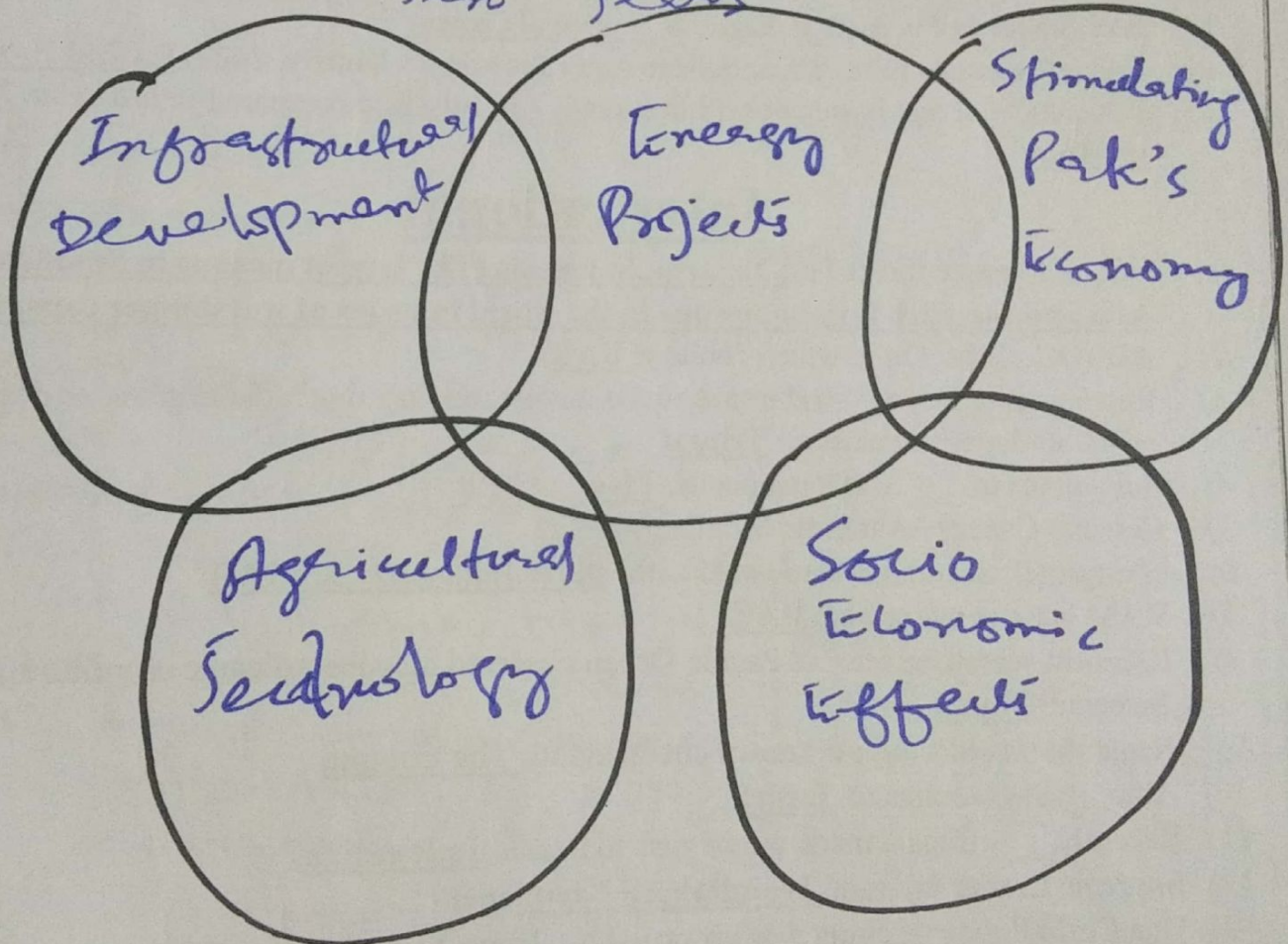
# Realities of CPEC over 10 years:

① CPEC and Politico-Economy  
Instability in Pakistan  
Leading to Security Concerns

②

## DECADE OF CPEC

Projects completed over the last  
Ten years





# ① CPEC and Politico-Economy Instability in Pakistan — Security Concerns:

## a) Delay in Construction of II Phase:

China-Pakistan Economic Corridor (CPEC) is being impacted by political unrest.

As Beijing closely watches the developments in Pakistan, and this is becoming cause of halt in construction of 2nd phase of the \$62 billion CPEC project. Up to 19 companies had expressed their interest in building 2nd phase of CPEC.

But with the political uncertainty, these companies has not gone ahead with projects.

## b) Political Insecurity leads to Projects' instability:

Pakistan's Political Insecurity sparked concern from China. Over the past few years, China has spent <sup>more</sup> than US\$25 billion of investments in the CPEC. Earlier this year, Pakistan signed a new agreement with China with the aim to kick off the 2nd phase of CPEC. Sectors including textile, agriculture, pharmaceutical, information technologies, automobile industry, footwear, furniture were stated to be the focus under CPEC phase 2.

Setting up of a petrochemical complex at Gawadar was one of the key projects. All 19 Chinese companies were ready to invest billion of dollars in the identified sectors, but have shelved their plans due to the political insecurity in the country.



Despite political insecurity and delays in the project of China - Pakistan Economic Corridor (CPEC), significant projects seemed completed over the last 10 years. Let's now discuss their building connections and prosperity in the country Pakistan.

## ② DECADE OF CPEC: PROJECTS — COMPLETED OVER THE LAST 10 YEARS.

### (i) Infrastructural Development:

Over the past ten years, the China - Pakistan Economic Corridor (CPEC) has become a very important project for building infrastructure. It connects China's western areas to the Arabian Sea through Pakistan, which is a crucial link between the two countries.

This big project started in 2013 and has brought about significant changes in both China and Pakistan. It has the potential to boost the economy, improve connections between regions, and raise living standards in the area. This infrastructural development can be seen through the diagram below:

INFRASTRUCTURE	PROJECTS
<u>Transportation Infrastructure</u> → Roads → Highways → Railways → and aviation links	<u>GWAOAR</u> → Post → Airport → and Schools

This CPEC Project aims to connect Gwadar Port in Pakistan's Balochistan province to China's northwestern region of Xinjiang through a network of highways, railways, and pipelines.

It's not just about building infrastructure but also about creating a strong economy.



relationship between China and Pakistan. CPEC is an essential part of China's Belt and Road Initiative (BRI), which is a huge project to improve infrastructure and trade, helping China's economy grow and increasing its influence in the world. Hence this project gives China a shorter route to the Arabian Sea, avoiding the busy and important Malacca Strait.

ii) Energy Projects:

Over the past ten years, the CPEC project has made significant progress, focusing on building infrastructure and energy projects. It has helped Pakistan deal with its ongoing energy shortages by adding more than 6,000 megawatts of electricity to the national grid. This has reduced power outages and boosted economic activities in the country.

ENERGY SECTOR	
→ Cold, wind hydro and solar power projects	→ Power supply (6,000 MW) Capacity

iii) Stimulating Pak's economy:

The CPEC project has also helped Pakistan develop its 'Blue Economy' by working on the Gwadar port, which will be an important trade route to China and other countries. CPEC has played a crucial role in connecting rural and urban areas in Pakistan and improving connections with other regions.

INVESTMENT PLANNED	GDP GROWTH
→ FY 2015 - FY 2030: \$ 62 billion	Expected GDP growth rate by 2030: 7.5% → Annual economic growth rate expected till 2030: 2 to 2.5%



## iv) Agricultural Technology:

The special economic zones (SEZs) along the CPEC route have attracted investments from Chinese companies, creating new job opportunities and bringing in technology and skills. This has also helped Pakistan diversify its exports, including products like sesame seeds, seafood and rice. China has shared advanced agricultural technology with Pakistan, like drip irrigation systems and pest-control techniques which have improved crop yields and reduced water waste, leading to more agricultural production and income - this brought modern farming techniques in the country -

### PRECISION AGRICULTURE

- Scientific understanding of the land
- Providing soil sampling data
- Monitoring the health of farms
- Yield monitoring and forecasting -

## v) Socio-economic Effects:

### a) local employment and opportunities -

CPEC has been a great help for Pakistan in dealing with its problems of poverty, unemployment, and inequality. This project has created more than 100,000 job opportunities for young people and provided training and skills development for many workers. It has also improved Pakistan's healthcare and education system by building hospitals, schools and vocational training centers.

### Jobs Created by 2022

- 236k
- Jobs for Pakistani workers: 155k
- Indirect jobs: 200k
- ILO job estimates: 400k



Improved

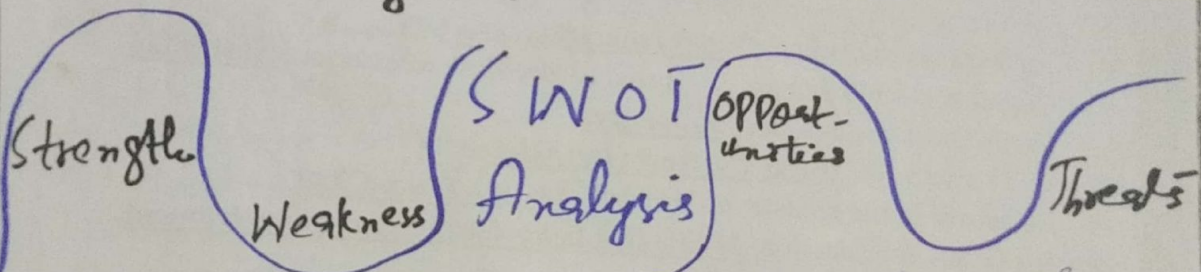
## b) Pakistan's Environmental Challenges

CPEC has also addressed Pak's environmental challenges like climate change, water scarcity and environmental damage. It introduced renewable energy technologies like wind and solar power, which reduced the country's dependence on fossil fuels. The project improved Pakistan and China's water management by building dams, reservoirs, and irrigation networks.

### GREEN ENERGY

Wind and solar power projects  
(300 megawatts each)  
The Karot Hydropower project  
(3.2 billion kWh of clean  
energy annually,  
Reduces CO<sub>2</sub> emissions by 3.5 million tons

## Representing SWOT Analysis of CPEC and China's expanding influence in the region:-



Discussing below the SWOT analysis of the China-Pakistan Economic Corridor under following captions-

### STRENGTHS:-

1. Strategic Connectivity  
CPEC enhances China's connectivity with the Arabian Sea, providing an alternative route to the Strait of Malacca and ensuring secure trade routes.



## 2. Infrastructure Development

CPEC investments contribute to building crucial infrastructure in Pakistan, potentially boosting economic growth and development.

## 3. Energy Security

CPEC includes energy projects that address China's energy needs and reduce its dependence on external energy sources.

## 4. Geostategic Leverage

China's expanding influence through CPEC strengthens its geopolitical leverage and presence in the region, challenging the influence of other powers.

## Weaknesses:

### 1. Security Concerns

The route passes through areas of security of infrastructure and investments due to regional conflicts.

### 2. Debt Sustainability

High project costs and debt obligations could lead to debt-related vulnerabilities for Pakistan, potentially affecting its economic sovereignty.

### 3. Regional Rivalries

China's influence could exacerbate tensions between India and Pakistan, leading to regional instability and conflicts.



#### 4- Local Resistance

In some cases, local communities may resist projects due to concerns about displacement, environmental impacts, and lack of benefits.

#### OPPORTUNITIES:

##### 1- Economic Growth

CPEC has the potential to stimulate economic growth in Pakistan through increased trade, investment, and job creation.

##### 2- Regional Connectivity

CPEC could serve as a catalyst for improved regional connectivity, promoting trade and cooperation among South Asian countries.

##### 3- Infrastructure Investment

China's influence could attract additional infrastructure investments from other countries interested in participating in regional development.

##### 4- Diversification of Trade Routes

China's expanded influence diversifies its trade routes and reduces its vulnerability to disruptions in existing routes.

#### Threats:

##### 1- Security Instability

Regional conflicts and security concerns could threaten the security of CPEC infrastructure operations.



## 2- Political Backlash

China's expanding influence could lead to political backlash from other major powers, potentially resulting in the diplomatic tensions -

## 3- Debt Traps

Pakistan's debt obligations to China could become unsustainable, leading to economic and political challenges that affect both countries -

## 4. Local Unrest

Protests and local unrest over issues like land acquisition, environmental impact, and benefits distribution could disrupt project implementation -

## Conclusion:

China is no doubt a reliable friend of Pakistan. It has always respected Pakistan's sovereignty and supporting us at international forums. China invested billions in our economy when no other country was willing to do so. So far 28 projects worth \$18.8bn have been completed other schemes worth \$34bn are under different phases of execution or at various stages of planning. The bond between Pakistan and China is very strong and has overcome many challenges. The China-Pakistan Economic Corridor is the star project of Belt and Road Initiative and has brought many benefits to both countries and the region. As they celebrate the 10th anniversary of CPEC, they should remember its successes and look forward to a hopeful future through continued cooperation, partnership, and mutual respect to achieve greater progress and prosperity -



## Question #

Pakistan is experiencing trifecta of Challenges: Political Unrest, Economic Crisis and tough Foreign Policy Choice, elaborate.

Answer:

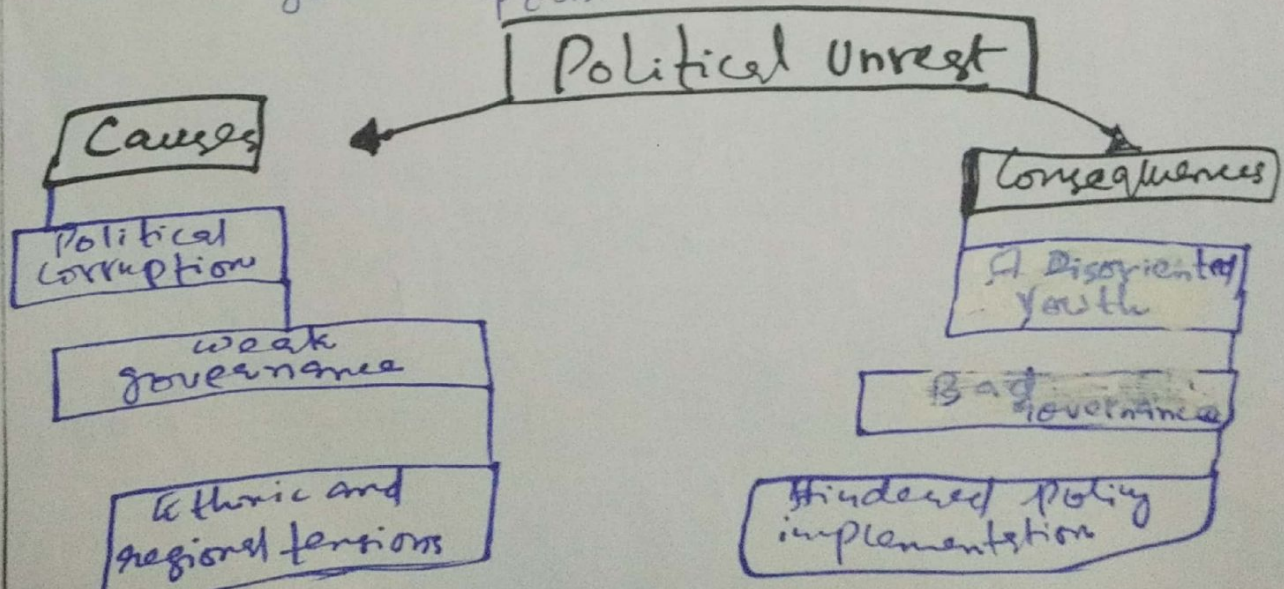
### INTRODUCTION

In the heart of South Asia, Pakistan stands at a crossroads, facing not one, not two, but a trifecta of formidable challenges that have captured the world's attention.

With political unrest stirring the nation, an economic crisis knocking at its doors, and complex foreign policy decisions looming on the horizon, Pakistan's journey through these tumultuous waters is nothing a short of a high-stakes, global spectacle.

As the world watches with bated breath, we embark on an exploration of these three intertwining tribulations, unraveling their intricate tapestry and seeking to understand the captivating drama unfolding in this vibrant nation.

Let's now have a deeper study on these Pakistan's triple Challenges in the form of Causes, effects, implications and consequences through a given flow chart under major captions-





## (A) Political Unrest:

### 1) Causes of Political Unrest

#### a) Political Corruption; failure of Political elites:

Transparency International report says Political Corruption has turned Political parties into dynastical, dictatorial and undemocratic structure. It is a complex issue often attributed to failure of Political elites with widespread bribery and kickbacks. Political elites in Pakistan have been accused of accepting bribes, for example, the Panama Papers leak in 2016 revealed offshore companies and assets held by several Pakistani politicians.

#### b) Lack of Accountability:

Pakistan has often struggled with holding corrupt politicians accountable. The National Reconciliation Ordinance (NRO) in 2007, which granted immunity to politicians and accused of corruption, is an other example of how Political elites have evaded consequences.

#### c) Misuse of Development Funds:

Political elites have accused of misusing development funds for personal gain. Reports of embezzlement and misappropriation of funds meant for public projects are common, diverting resources away from essential services.

#### d) Manipulation of Elections:

There have been allegations of election manipulation, vote rigging, and interference by Political elites. Such practices undermine the democratic process and the will of people.

#### e) Political Patronage Network:

Political elites often maintain patronage networks that promote loyalty over competence. This can result in appointments and promotions based on Political affiliations rather than merit, undermining governance.



## 2) Consistent Undermining of the Supreme Law: A Constitutional Crisis :-

a) Repeated Martial Law and Military Coups - Pakistan has a history of military coups and martial law, which are clear examples of politicians failing to uphold the Constitution. These actions such as General Ayub Khan's coup in 1958 and General Pervez Musharraf's coup in 1999, directly violated the constitutional order.

b) Frequent Amendments and Suspension of the Constitution -

Pakistan has seen frequent amendments to the Constitution, often driven by political interests. The suspension of the Constitution during periods of military rule, like the abrogation of the Constitution by General Musharraf in 2007, is evidence of political undermining the Supreme Law.

c) Erosion of Trust in Political Institutions - Surveys and polls indicating a decline in public trust in political institutions and politicians can serve as quantitative evidence of Constitutional Crisis. Showing citizens perceive politicians as undermining the Constitution.

d) A recent example suggest a consistent undermining of the Supreme Law -

The Constitution of any country is its Supreme Law, to be adhered to under all circumstances to ensure law and order through structural and legislative means. The opposition, through a vote of no confidence against Imran Khan by orchestrating defections through political manoeuvres akin to a loose trading strategy with 174 out of 242 seats in the National Assembly.

Although a democratic process, the Deputy speaker, Qasim Sui, dismissed the motion under Article I of the Constitution of Pakistan.



(loyalty to state and obedience to constitution and law).

A severe political vacuum was created that led to governmental chaos and weakening of democracy -

### 3) Ethnic and Regional Tensions

a) **Diverse Ethnic Composition** - Pakistan is a multi-ethnic country of multi-lingual groups, including Punjabis, Sindhis, Pashtuns, Balochs and Mohajirs among others. Ethnic and regional tensions have historical roots dating back to Pakistan's creation in 1947. This division of land and resources, as well as questions of identity, played role in early tensions -

b) **Distribution of Resources** - Disparities in the distribution of resources, including water, economic development, and political representation have fueled ethnic and regional tensions

c) **Provincial Autonomy** - Issues related to provincial autonomy and the central government's control over provinces have been contentious. Balochistan and Sindh, for instance have at times demanded greater autonomy and control over their resources -

d) **Elections and Ethnic Voting** - Ethnic voting patterns are prevalent in Pakistan, where voters support parties aligned with their ethnic or regional identity. This can lead to a fragmented political landscape.

e) **Interplay with National Politics** - Ethnic and regional tensions intersect with national politics, influencing policies, alliances, and government formations. These dynamics can sometimes lead to unstable coalitions at the national level.



## Consequences of Political Unrest

### ① A Disoriented Youth —

Political instability can indeed have significant consequences on youth. It can lead to a disoriented youth population due to factors such as lack of economic opportunities, disrupted education, and a sense of uncertainty about the future. This can result in social and economic challenges, increased unemployment, migration and a potential for involvement in unrest or extremism providing help for leaders.

**Example:** one example of youth expressing hatred towards the political system in Pakistan is the widespread use of social media platforms to voice their discontent. Young Pakistanis often use platforms like Twitter and Facebook to criticize politicians and overall political landscape. They may share memes, videos, and posts that reflect their frustration with corruption, nepotism and inefficiencies with system.

Additionally, youth led protests, such as the "Aardi March" in 2019 led by Pakistan Tehreek-e-Insaf (PTI) party, have demonstrated with the political dissatisfaction towards the political system in Pakistan.



## ② Issue-Less Politics and Bad Governance: Floods of 2022.

The flouting of opposition, easy defacement of governmental policies and lack of political will to invest in public health and development has led to bad governance.

**Example:** The most recent example is the state of one-third of Pakistan, drowning in floods, with villages rampant with disease and 33 million lives affected. Shaukat Sheerif's govt has reported a tentative loss of \$15 billion in infrastructural, agricultural, and economic damages. These floods not only are a result of climate change but also ill of poor planning of climate resilient infrastructure, weak implementation of an effective evacuation plan and a political culture with public interests on least priority.



## B) Economic Crisis

### 1. Factors Contributing to the Economic Crisis:

a. **DEBT BURDEN** — For the past 25 years, Pakistan has increased its debt at a rate of around every 5 years. The debt reached \$62.5 trillion by the end of the former Prime Minister Imran Khan administration in 2022, up from \$3.06 trillion at the start of the General Musharraf rule in 1999.

The economy grew by barely 3% year on average while the debt increased by almost 14% annually. This resulted in a debt load that was unmanageable. The \$5.2 trillion in debt servicing costs for the fiscal year 2022-23 exceed all federal government revenues combined. Among these factors that led Pakistan to current dire economic crisis, the two main causes were a rapidly rising subsidy bill for spiralling energy costs in 2008 and extremely low tax revenues, which combined to cause an increasingly large fiscal deficit.

b. **FISCAL DEFICIT** — Pakistan has a large current account deficit (CAD). The problem has persisted for several decades now.

In 1958, Pakistan was mired in a never ending cycle of accumulating deficits in the balance of payments. Its foreign trade performance in 1953, 1954, and 1956 was satisfactory. Until the end of the fiscal year (FY) 1956-1957, the country's annual exports



were around \$161 million higher than its annual imports, resulting in a trade surplus. In FY 1973, Pakistan had a positive trade balance for the first time after 15 consecutive years of posting a deficit.

Since then, Pakistan has always had a current account deficit.

The current account deficit reached \$4,575 million in 1996. This was equivalent to 4.96% of the GDP. The current account surplus reached a high point in FY 2003 with. The situation was completely different in the fiscal year 2005: the current account was in a favourable position, even though the trade deficit had reached \$6,185 million. It is clear that Pakistan's increasing trade disparity is the biggest contributor to its current account deficit. In publication of the balance of payments data by the State Bank of Pakistan (SBP), it is revealed that the country had a \$17.41 billion CAD for the fiscal year 2021-22.

The imbalance has been attributed to the rising energy imports.



**C-High Inflation** — By June 2022 inflation was at an all-time high, along with rising food prices. Global financial conditions are tightening due to higher-than expected inflation, particularly in the US and the main European economies.

The latest interest rate increases in the US would reduce future revenue for developing countries outside of China by an estimated \$360 billion. Net capital flows to developing countries have also turned negative.

Since Pakistan is currently experiencing one of its most difficult balance of payments crises, the effects are likely to be severe. The rupee's depreciation has also been a major factor in Pak's rising prices.

The parity between the rupee and the dollar was about 125 to 1 in 2018 but reached 285 to 1 in Feb 2023, despite this price adjustment, imports exceeded exports by a wide margin, and the trade deficit increased.

With an annual growth rate of about 15%, the dollar's strength doubled in 5 years.



## 2. Implications of the Economic Crisis

The economic crisis in Pakistan has had several significant implications, which can further be studied under following captions-

### a. Decline in GDP Growth:

Pakistan's GDP growth rate had been slowing down, with the COVID-19 pandemic exacerbating the situation. In FY 2020, Pakistan's GDP growth was -0.4%, while in FY 2021, it stood at 3.94%, showing signs of recovery but still below potential.

### b. Inflationary Pressure:

High inflation rates were a persistent issue, with consumer prices rising significantly. In July 2021, the annual inflation rate was 9.3%, which eroded purchasing power and strained household budgets.

### c. Fiscal Deficit:

Pakistan faced challenges in managing its fiscal deficit. Government expenditure exceeded revenue, leading to budgetary shortfalls. In FY 2020, the fiscal deficit was around 8.1% of GDP.

### d. Exchange Rate Volatility:

The Pakistani Rupee (PKR) faced depreciation against the U.S. Dollar, which had implications for imports, inflation and external debt repayment. Exchange rate volatility was a concern.

### e. Unemployment and Poverty:

Economic crises often lead to higher unemployment rates and increased poverty. By the end of 2020, Pakistan's unemployment rate was around 5.7%, with the pandemic contributing to job losses.



### e. Investment climate:

The economic instability could deter foreign and domestic investment, hindering economic growth prospects.

### f. Social Services and Development:

Budget constraints resulting from the economic crisis could limit the government's ability to invest in education, healthcare and infrastructure development.

### g. IMF Bailout and Reforms:

To address these challenges, Pakistan entered into a new IMF program in 2019, which came with conditions for economic reforms, including fiscal consolidation and structural changes.

### h. Impact on Business and Industry:

Various industries, particularly export-oriented sectors, were affected by the economic downturn, which impacted their competitiveness in international markets.

## 3- Pakistan's tough Foreign Policy Choice and Challenges.

In 2022, Pakistan's foreign policy remained a complex and multifaceted issue that continued to face significant challenges from various quarters.

Throughout the year, the government of Pakistan engaged in both bilateral and multilateral diplomacy with members of the international community, striving to advance "its national interest and goals".



Despite several obstacles, Pakistan managed to secure many essential gains in its foreign policy endeavors. However, these successes were also offset by a range of losses as the country struggled to navigate the shifting currents of global affairs. These factors include domestic and international politics, economic conditions and geopolitical dynamics among others -

### Challenges in Pakistan's Foreign Policy:

a) Pakistan's economy and insecurity based issues — Pakistan is facing economic and security based insecurities, as the ouster of the government of PTI created political instability and a lack of investment in the economic realm. These internal factors affected the foreign policy of Pakistan.

b) Ceased military engagement — Regionally, the ceased military engagement of the US in Pakistan created spaces for instability, chaos and anarchy.

c) Taliban's government polarization —

The Taliban government is creating cleavage polarization, and volatility. That instability gave the pretext to Tehreek-i-Taliban (TTP), in Pakistan and slowly they are increasing their footholds through terrorist activities.



#### d) Political Issues on Eastern Side

On the Eastern side, Pakistan is concerned with the increased population of the Hinduistan narrative though it is not affecting Pakistan directly it is a threat. The Indian policies of exclusionism are creating issues for Indian Muslims and especially Kashmiri Muslims - One to the Principal Issue on Kashmir - Pakistan is unable to resume and restore its bilateral relations with India -

#### e) On the Southern side: Internal Chaotic situations

On the southern side, the internal chaotic situation of freedom of speech, and the rights of women in Iran is also a source of concern for Pakistan - The world is already disconnected from Iran over the issue of Iranian Nuclear Programme - It is now concerned about the violations of human rights in Iran. These instabilities in Iran could trigger a chain of events that could affect Pakistan, too -

#### f) Full implication of CPEC - Hurdle

Political instability and economic insecurity are also threat to the implementation of CPEC in its full essence. Nevertheless, China reaffirmed its commitments to Pakistan again and again but Pakistan needs to make its house in order -

Also In the recovery and reconstruction process of the flood-affected areas, there occurred a deep mistrust between the world community and Pakistan because of the Corruption Index, it is not considered a reliable country.



# Recommendations

① Pakistan needs to understand that foreign policy is a behavioral pattern that the states adopt to conduct their diplomatic relations with other states in global system.

This policy, which is designed and redesigned by a process consisting of various interrelated stages, is formulated based on various factors including the country's geographical location, its human resource, its economy and above all well-defined national interest.

② Pakistan needs to eliminate the element of conservatism from foreign policy. There is a dire need to open up and devise the contours of foreign policy according to the current international paradigm. It should adjust its diplomatic relationships solely based on its interests and shun the ideological rhetoric of religious affinity.

③ Pakistan needs to resume its relation with India, its irredentist stance over the Kashmir issue, which it has not resolved for over 75 years would not provide any benefits. There is a need to resume all kinds of diplomatic channels with India.

④ In the above given theoretical perspective Islamabad needs to design its foreign policy according to the changing regional and global dynamics. According to foreign policy experts Pakistan needs smart diplomacy to deal with India, Iran and Afghanistan as well as to cope with the current trouble in its relations with



## Conclusion

In conclusion, the trinity of challenges currently confronting Pakistan - Political unrest, economic crisis, and the intricacies of foreign policy choices - paints a complex portrait of a nation striving for stability and progress. These challenges are not isolated but deeply interconnected, where political instability can exacerbate economic woes and foreign policy choices can significantly impact both. However, Pakistan has shown resilience in the face of adversity throughout its history, and the path forward lies in comprehensive strategies that address these challenges holistically. By fostering political stability, implementing sound economic policies, and making informed foreign policy decisions, Pakistan can navigate this treacherous terrain towards a brighter and more prosperous future. The world watches closely as Pakistan grapples with these challenges, hoping to witness a nation's triumphant rise above adversity.