

Mock Exam Pak Affairs:

Qno 2:

1) Introduction:

Since its inception Pakistan's has been facing socio-economic turmoil.

According to the latest censuses of 2023, Pakistan has a population of 235 million, yet Pakistan has the highest inflation, highest poverty, lowest labour productivity and massive corruption in South Asia.

Moreover, the disrupted civil-military relationships along with rising wave of insurgency are acting as major economic challenges faced by

Pakistan. Pakistan needs to focus on institutional building, attracting foreign investment, restructuring current fiscal setup, agricultural reforms and export diversifications to deal with these economic challenges.

2) Economic Challenges faced by Pakistan:

Following are the major economic challenges faced by Pakistan in the current crisis-ridden decade.

a) Low labour productivity:

As already stated that Pakistan has a population of almost 235 million, yet she has the lowest labour productivity in whole of the south-asia. According to a report by Economic Transformation Database, Pakistan's average annual growth in labour productivity between 1990 and 2018 has been as low as 1.33%. This labour productivity is the measure of goods and service produced by workers in a given time. Compared to Bangladesh who has labour productivity of 3.8%, Pakistan has only 1.3%, a major challenge to economy.

b-) External debt servicing:

As the country is facing massive economic turmoil the policy makers have no option but to turn towards external sources for monetary support. But no lunch is free, this monetary support comes with interest. According to the State Bank of Pakistan as of 2024, Pakistan has external debt servicing burden of \$29 billion for the next 12 months. This excessive reliance on external partners has led Pakistan into a debt trap hindering economic growth of the country.

c-) Rampant corruption:

Massive corruption and dishonesty in almost all institutes of the country is another major hindrance in the economic progress of Pakistan. Pakistan is

facing this menace of corruption since ages. All the revenue and taxes collected from the crippling country comes into the hands of corrupt people. Corruption has become a fashion in the state. According to Corruption Perception Index by Transparency International, Pakistan has a score of 29 and ranks 133 out of 180 countries. Even if revenue is generated or debt are secured externally, yet they are slaughtered in the name of corruption. Thus, corruption is one of the major challenge faced by Pakistan in its economic growth.

d-) Poverty:

Pakistan is one of those countries of the world, where poverty is still high.

According to World Bank, 40 pc of Pakistanis are living below poverty line. The government has to allocate a major share of budget to this poor population of Pakistan. This leaves the state with a little budget to spend on infrastructure or industrial development that will lead to economic development. So, greater poverty means less industrial development and ultimately low economic growth.

e-) Unemployment:

Pakistan ~~is~~ has so much population yet too little slots to utilise this population. Ultimately this population is affecting the economy negatively in form of poverty and unemployment. According to a report by World Bank, 8% of Pakistanis are currently unemployed.

relying on state, in fact a burden on the economy of state. With this ratio of unemployment economic progress is not possible.

f) Disrupted civil-Military relationship:

Since independence Pakistan has faced disrupted relationship between military and civil institutes.

In seventy seven years of her age, this state has seen

four martial laws and decades of authoritarian rule. According to

Kenneth Arrow, the economic backwardness in the world can be explained by lack of mutual confidence.

But in Pakistan, frequent military takeovers shows that this

confidence is lacking. This lack of mutual trust and pragmatic

civil-military relationship is

a major hurdle faced in

the way of economic progress.

3) Strategies for Economic Growth:

Following are the strategies that can be adopted to stimulate the economic growth of Pakistan.

a-) Institutional building and alignment:

Pakistan needs to build its institutes and ~~align~~ align them all together, so that all can work in harmony to attain economic development. Smooth functioning of institutes and cooperation among them are a sure way to achieve a sustainable economic growth.

b-) Attracting foreign investment:

Attracting foreign investment should be the focus of government. As in the current situation this step can surely help in achieving stable economic

growth. As it is evident from the CPEC, that foreign direct investment can have a positive impact on economy and infrastructure development.

C-) Agricultural reforms:

According to Ayesha Siddiqi, in her book, Military Inc, 11.5 million acres of agriculture land was controlled by military as of 2007. Being an agricultural country, Pakistan needs to focus on its comparative advantage in agriculture. The state should use this million acres of land to stimulate its economic growth by allotting this land to the 40% poor and 8% unemployed people of Pakistan. These people will produce agricultural products that state can use to increase its exports.

d) Pragmatic civil-military relationship:

To sustain economic growth Pakistan needs to have a pragmatic civil-military relationship.

The government should build a relationship based on mutual trust and confidence with military. This mutual trust will lead to smooth functioning of institutes and ultimately economic growth.

4-) Conclusion:

In a nutshell, the challenges faced by the economy of Pakistan like low labour productivity, debt financing, poverty corruption and unemployment are huge but ~~there~~ every dark cloud has a silver lining. The reforms like institutional building, Attracting foreign investment and civil military relationship building can

surely help Pakistan to sustain its economic development.

Q no 3:

1) Introduction:

In 2013, Chinese President Xi Jinping termed Pakistan as a country where both the Silk Road Economic Belt and 21st Century Maritime Silk Road meet, calling CPEC as a flagship project, and saying that it has potential for benefits for both the countries. Now as of 2024, the planning ministry of Pakistan and National Development and Reform Commission of China has introduced a working group of five new economic corridors. This illustrates that both China and Pakistan's vision about CPEC is more than just a infrastructure project. China an

emerging power wants to establish a system of collective security and cooperation to curb the hegemony of the US, while Pakistan wants to benefit from it in its energy, technology, infrastructure and economy sector. More precisely, it is a win-win game for both the countries and this makes the strategic diversification of CPEC beyond infrastructure projects.

2-) One plus four plan:

President Xi Jinping in his official article named "China-Pak dosti Zindabad" termed CPEC as "one plus four" project. In this "one plus four" plan of President Xi, economic corridor serves as centre while industrial cooperation, infrastructure, Gwadar port and energy sector serve as the four key areas. The present

Minister of Planning of Pakistan, Ahsan Iqbal now reiterated this plan and emphasised to link the SEZs in Pakistan to ~~one~~ one province in China. And, according to both the officials this will increase economic development in both countries.

2-) 5Es plan by Pakistan:

Pakistan wants to benefit maximum from this project. Also, according to the current economic conditions it is imperative for Pakistan to find ways to sustain its economic growth. According to Ahsan Iqbal, Pakistan wants to increase its exports, create energy, promote equity and environment friendly projects from this proposed '5Es' plan. China also wants to work on these sectors.

4-) Bilateral relations and regional cooperation:

Chinese President Xi, in an official report called Pakistan as "all weather friend" and Pakistan's Premier endorsed it saying that Pakistan wants to increase its economic potential with the help of China. Moreover, CPEC is not just a economic or infrastructure project it is a way to increase bilateral relations between ~~the~~ Pakistan and China bringing regional cooperation. Additionally, the plan to involve Afghanistan in this project implies both states vision implicitly to achieve peace in south asia.

5-) Economic Growth in South Asia:

With the involvement of Afghanistan in CPEC, both the countries are planning to increase ~~econom~~ collective

economic growth of south asia.

This will eventually lead to peace and stability in Afghanistan and Pakistan, resultantly fostering the collective economic stability and growth in South Asia.

6-) Alternate trade route for China:

China's trade depend on the traditional route of south China Sea passing through Strait of Malacca. As the US Navy is heavily deployed in the Seas, China wants to establish alternate trade route to bypass the traditional route, avoiding any conflict with the US.

In this way, China wants to establish its economic dominance over the US. This will further help China to catter the US hegemony globally.

7-) Renewable Energy Production:

Another vision of this flagship project is to find alternate energy sources, more precisely, renewable energy sources. Both the countries share the vision to be less dependent on fossil fuels and hydrocarbons that are causing climate change and crisis. Moreover, for these resources both countries are dependent on Middle East and Russia to fulfill their demands. Under the 'BR 9' and 'CPEC' a vision of green and environment friendly energy is shared by the partners.

8-) Geo-political Goals of China:

After the World War II the US adopted the policy of collective economic growth by investing in other countries.

China is playing by the same book. China wants to enhance her influence in the South Asia, Central Asia and Europe through these projects under the umbrella of BRI and CPEC. In this way, China will increase its role in the decision making of these countries.

9) Conclusion:

The introduction of five new corridors in CPEC demonstrates that CPEC is far beyond just an infrastructural project.

No doubt, China is rolling out projects that are changing the dimension of CPEC day by day. But it was all along implicit from day one the strategy and politics of China behind this project.

Q no 5:

1) Introduction:

Since 1947, the Pak-Afghan relations has been strained. The Durand line has always been a bone of contention between two states, as Pakistan recognises it as her international border while Afghanistan denies it. With Soviet invasion and Pakistan's policy of Jihad on Afghan soil further ~~deteriorated~~ deteriorated the situation. And Pakistan alliance with the US on war of terror served as a final nail in the coffin. Now Pakistan is struggling hard to control insurgency and militancy in her soil by using coercive diplomacy towards Taliban regime in Afghanistan.

2-) Deportation of Afghan refugees:

In 2023, the care taker Government of Pakistan announced repatriation of all illegal foreigners citing security concerns. This decision was purportedly meant for Afghan refugees. The Government deported almost half a million Afghan refugees.

This decision was widely criticised by international community. Amnesty International even called this step as against "Human rights charter". Moreover, insurgency and militancy increased in the wake of this decision. Pakistan Government under the Premier Shahbaz Sharif extended the stay of refugees for one year to curb the pressure from Taliban regime and international institutes.

3-) Trade restriction between Afghanistan and Pakistan:

In order to exert pressure on the Taliban regime in Afghanistan, Pakistan temporarily suspended her trade with Afghanistan. According to the Ministry of Defence, Pakistan, the border between Afghanistan and Pakistan is porous and Afghan soil is ~~can~~ being used as a launch pad for attacks in Pakistan, so trade restrictions are imposed to curb this menace of terrorism. These restrictions were actually a way to coerce the Taliban to control the TTP now named as "Klawarij". To clarify the stance of Pakistan, Asif Dar said, "Make no mistake, Afghanistan has not been ignored by this Government."

4-) Operation Azme-i-Istekham:

In the wake of rising militancy and terrorism in Pakistan, The Government of Pakistan along with Armed forces of Pakistan launched an operation called

"Azme-i-Isteklam". According to the PM Pakistan, Shaukat Sharif

"This operation is not a full scale Military operation but intelligence based operation".

According to the BBC report, this operation was called on by the Chinese Government in the wake of attack on Chinese engineers. But the motive behind this was to assert Pakistan stance and coerce Taliban regime to effectively handle the militant groups causing bloodshed in Pakistan.

5-) One Document Regime:
Pakistan Government enforced one document regime at every border crossing with Afghanistan. This measure requires Afghan entering Pakistan to possess a valid passport and visa. This measure met with resistance from Taliban regime. But it has not prevented Pakistan from implementing it. This measure is used by Pakistan Government to curb the rising wave of terrorism on Pakistan's soil. According to the report by BBC, this measure will further strain the relations between Afghanistan and Pakistan, but Pakistan Government is implementing it slowly over the year as it is imperative for peace in Pakistan.

6-) Conclusion:

The rising menace of Militancy and terrorism in Pakistan has forced Pakistan Government to ~~also~~ adopt carrots or stick policy with Afghan Taliban.

According to the Pakistani Officials, Afghan soil is used a launch pad of terrorist attack on Pakistan and Pakistan is using coercive diplomacy to bring Afghan regime on negotiation table.