

# Part-II

## (Subjective)

Q#2:

### Introduction:

Pakistan's economic predicament can be attributed to several factors. These factors produce economic challenges for Pakistan including inflation, debt, unemployment, low FDI, tax evasion, brain drain and much more.

With a pragmatic approach, these factors can be addressed and Pakistan can find its path towards prosperity. These include Green

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energy, regional cooperation, Educational Reforms, Political Stability and lastly accountability and transparency mechanisms

## A) Economic Challenges faced by Pakistan:

### 1) Inflation:

#### a) Inflation and Industrial Shutdown:

With soaring electricity and commodity prices, industries (Such as textile industries in Faisalabad) have closed. Higher production costs minimise the profits hence forcing the owners to shut down the factories and industries.

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b) Inflation, industrial shut-down and negative Balance of payment (BOP) crises:

Closure of industries leads to reduction in domestic production of goods thus increasing demand-supply gap. To fill this gap, governments have to ~~export~~ <sup>import</sup> more which exceeds its exports causing both a negative BOP and trade imbalance.

Use marker for references

2) Debt and interest based loans:

a) IMF loans and Pakis

- tan: Add proper source against your stats

The recent Stand By loan is the latest of the 23 IMF loans of Pakistan. With already slow economic growth, Pakis tan finds it difficult to repay

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previous loans. The Stringent SAP's also increase inflation and bring austerity measures further exacerbating the situation.

### 2) Pakistan and China

debt issues: Use elaborate and specific headings

Pakistan owes China \$124.5 Billion in debt which further adds to its economic challenges.

Major portion of Pakistan's GDP (74.8%) goes in debt servicing leaving very little to spend on economic growth and industries.

### 3) Unemployment and Youth bulge:

a) Unemployment and Brain Drain:

According to Pakistan Economic Survey 2023-2024, 4.51 million

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people are unemployed of which 11.1% is youth. The survey also states that there is a 119% increase in Brain drain since 2023. 53,000 accountants, 62,000 engineers and 24,000 doctors have moved abroad.

b) Impact of unemployment and brain drain on

Economy:

This exodus of skilled workforce is further putting pressure on government. The government has to hire foreign engineers for projects like PEC and Rikodi. Apart from that, this also wastes the education expenditure of government on students graduated from government universities.

#### 4) Low FDI and diminishing foreign reserves (Bankruptcy):

##### a) Political Instability and FDI:

Events like the ~~May 9~~ riots in 2023 and changing political environment have discouraged Foreign direct investment (FDI) in Pakistan.

##### b) Security Issues (terrorism) and Low FDI:

The government's installation of Firewall and internet disruptions caused ~~2.3~~<sup>1.3</sup> Billion PKR according to Pakistan Business Council (PBC).

Apart from that terrorist attack by TTP, such as that on ~~Port~~ Gwadar Port Complex had also deterred investment in Pakistan.

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## 5) Tax Evasion and Corruptions:

### a) Tax evasion and GDP Loss:

According to Startup Pakistan, the tobacco industry in Pakistan evades 3 Billion tax revenue, which is equal to one installment of 2023-2024 IMF Stand By loan.

### b) Corruption and Loss of dollars:

Cases like Dubai leaks and Panama leaks show how corruption causes direct loss to economy by money laundering etc.

## B) Recommendations to over-come economic challenges in Pak:

1) Transition to Green Energy to boost industries and balance BOP crises:

Pakistan is a major importer of coal, oil and gas. With the war in Ukraine and Gaza, global fuel prices have soared to unprecedented levels. Pakistan should shift to green and renewable energy sources like Solar, Hydro, nuclear and Wind. This will lower the fuel and production costs of industries, filling the supply demand gap and increasing exports while simultaneously decreasing imports balancing BOP crises and trade imbalance.

Keep the description of a single heading brief. 5-8 lines are enough

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## 2) Regional Cooperations:

### a) Joining Regional Economic Blocs: "BRICS"

Pakistan can use diplomatic support of its allies like China, Russia and Saudi Arabia to put diplomatic pressure on India. Joining BRICS would open Pakistan to regional trade. Pakistan can also act as a conduit between various regional partners like China-India, Russia-India, generating transit fee and diversifying its economy.

## 3) Educational Reforms:

### a) Skill based Education:

Instead of bookish knowledge, students should be given skill based education. Internship

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- ips and vocational training should become a part of each semester. Side skills such as graphic designing, Drop-shipping, Google-Ad-Management should be included in all university courses like MBBS, BDS Engineering, Arts.

3) Political Stability for increased FDI and stable economic plan / development:

a) Political Reforms for Economic progress:

Inclusion of minority, women and youth should be encouraged for the gender-sensitive and responsive policies and reforms. The youngest PM of Thailand Paetongtarn Shinawatra is an evidence of the capability of youth to lead nations.

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#### 4) Transparency and Accountability Mechanisms:

##### a) Taxation of Rich Vloggers / Youtubers:

A just taxation system is vital for economic growth. Youtubers and social media influencers like Dicky Bhai, Sishology and Razo Samo with income worth millions must be brought under the tax net to ensure tax equity and equality. This would also boost GDP growth.

##### b) Strict Action against Non-Filers:

Government initiatives like sim-closure of non-filers should be enforced more vigorously

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to ensure tax-evasion is ended.

## Q) Conclusion:

Concluding it all, Pakistan's economic challenges are not new, but since old ways won't open new doors, Pakistan should change its policies and methods to address these challenges. in  
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Q #5:

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# Pak-Afghan Relations:”

## Introduction:

Despite being Muslim brothers and sharing similar Islamic values, Pakistan and Afghanistan have been at crossroads since Pakistan's inception. Afghanistan's provision of safe havens to TTP Pakistan have stirred controversy regarding the relations between the two states. Pakistan's response of Deportation, closure of borders, Withdrawal of diplomatic support  
and on Afghans

, border attacks and the most recent Azm-e-Istehkam operation have further turned the relations sour.

A) Pakistan's predicament with Afghanistan largely in its own making:

1) 1893 Durand-Line and border clashes in 1947:

Afghan government's refusal to accept the Durand line and incursion of troops in the early stages of Pakistan's inception marked the beginning of Pak-Afghan predicament.

Afghanistan's non-recognition of Pakistan in UN also added to the existing tensions.

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2) 1979 - Mujahideen stance  
and post 9/11 anti-TTA  
Stance:

Pakistan's support to Afghanistan  
(Mujahideen) in 1979 and the  
withdrawal of support in 2001  
due to ~~global~~ pressure and  
tensions further exacerbated  
the tensions.

B) Pak-Afghan relations  
in the wake of Pakistan's  
Security efforts:

Despite Pakistan's insistence  
and multiple dialogue efforts  
, Afghanistan still provides safe  
havens to TTP which carries  
cross-border attacks using these  
safe havens. This has led Paki-  
-stan to take strict measures  
which have adversely affected  
the relations.

on Afghans

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1) Care taker P.M's decision to deport 10 million Afghans in 2023-2024:

PM Anwarul-Haq Kakar's decision to deport 10 million undocumented Afghans back came from a security and diplomatic angle. It was Pakistan's government's first step to pressure Afghan government to withdraw support to TTP. Although in vain, the deportation fueled resentment in the hearts of deported Afghans and the recipient government.

2: Pakistan's decision to close Pak-Afghan border's free passage:

This led to loss of trade (informal) betw

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the two neighbours, deteriorating their economic and diplomatic ties. Borders of utmost trade significance like Chaman were closed.

### 3) Withdrawal of diplomatic support at international flora:

After deportations and border closing, Pakistan withdrew its support to Afghanistan at international flora in November 2023. This was also intended to put diplomatic and international pressure on the already isolated Afghanistan which further deteriorated the relations.

### 4) Border attacks by Pakistan on Afghanistan's "Safe havens":

Pakistan's attack on Afghans

tan on 18<sup>th</sup> March 2024, killed 6 members of the notorious Hafiz Gul Bahadur group. This further led to resentment between the two neighbours with Afghanistan still adamant on its support to TTP.

5) Anti-terrorist operations: Pakistan's recent Azm-e-Tehrik operation is another effort to stem violence. This operation, though not yet, can have adverse consequences on Pak-Afghan relations if Afghanistan keeps harbouring terrorists.

Add more arguments. A 20 marks answer should have around 15 subheadings and be on 7-9 pages

### Conclusion:

Pakistan's predicament of Afghanistan stems from historical border and water issues, but

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with diplomacy and cooperation, relations can be re-stored to optimal level.

Q#6:

## "Evolution of Nationalism"

### Introduction:

With the decline of Mughal Empire, Muslim glory also came to an end. Petty divisions among Muslims on sects, practices and beliefs jeopardized their unity. With visionary leaders like Shah Wali-Ullah, Allama Iqbal, <sup>Six</sup> Syed Ahmed Khan and Qaid-e-Azam, Muslims overcame these divisions and

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Nationalism paved its way into Muslim Community.

## A) Evolution of Muslim

### Nationalism:

#### 1) Muslim Nationalism in Akbar's Era:

a) Akbar's inclusion of Hindu royals in court:

Akbar's Hindu marriages led to ingress of Hindus at high positions in Akbar's courts. This included Rajputs as well. They brought with themselves many customs and traditions which were merged with Akbar's customs.

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b) Akbar's Deen-e-Ilahi:

Incorporating customs and practices from various religions like Hinduism, Zoroastrianism and Buddhism, Akbar's Deen-e-Ilahi overshadowed Muslim culture, authenticity and uniqueness. Increased Hindu-Muslim mingling and sharing of traditions led to Muslim nationalism being withered away.

c) Shah-Waliullah's efforts to unite Muslims:

Shah-Waliullah wrote many books ~~and~~ sent letters ~~to~~ to bridge the Shia-Sunni divide. He also worked tirelessly to unite Muslims under the banner of Islam by translating Quran, writing famous books (51) like Hujjat

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Allah-ul-Baligha and Izalat  
Khafa - He was successful to  
some extent.

d) War of Independence of  
1857 and Muslim Unity:

In the aftermath of 1857  
war, Muslims suffered the  
most. The British blamed Mus-  
lims for the war and excluded  
them from important public  
offices and education. Hindus  
exploited the situation and  
quickly rose to power. The  
poor economic and social position  
of Muslims made them further  
weak and divided. This led to  
a loss of nationalism and  
Muslim pride (of the once Mugh-  
al era).

## B) "Growth of Muslim Nationalism in the light of role of Muslim leadership:"

1) Sir Syed Ahmad Khan and efforts to revive economic and social position of Muslims:

a) Sir Syed's Aligarh University:

Aligarh University played the role of a unifying platform for Muslim youth. Muslim students lived, dined and studied together in this university which fostered brotherhood. Similar beliefs, customs and traditions shared by these students aroused Muslim

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nationalism in them. Some of these students like Nawab wazir ul Mulk and Nawab Mohsin ul Mulq took lead in the independence movement.

2) Urdu-Hindi (1867) controversy and nationalism:

The insistence of Hindus to replace Urdu as the medium of communication was harshly dealt by Muslims. Leaders such as Allama Iqbal wrote books and poetries to defend Urdu. Urdu acted as a unifying force and aroused nationalism.

### 3) Allama Iqbal's Speeches and impact on Muslim's Nationalism:

Apart from his poetry, Iqbal's speeches also fueled nationalism in the Muslim community. His famous Allahabad Address and his suggestion of a separate North-Western Province for Muslims with Urdu as the language and Islam as the religion was of utmost importance in this regard.

### 4) Qaid's Speeches and impact on Nationalism:

His famous Presidential Address on 28<sup>th</sup> December 1943 to All India Muslim League is one example of Qaid's efforts to fuel nationalism.

Attempt these parts by giving subheadings

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5) Iqbal's two-nation theory:

After the Urdu-Hindi controversy, Iqbal presented his two nation theory where he called Muslims and Hindus as two separate nations with different culture, traditions and practices. This theory spread like wildfire and fueled nationalism.

Conclusion:

With the efforts of Muslim leaders, the State of Pakistan came into being. It was this feeling of nationalism that led to the creation of the impossible dream of Pakistan.

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Q# 8:

“Demographic Indicators

And Increasing

Fiscal and Social  
Demands”

Introduction:

The recent demographic indicators of Pakistan such as Unemployment, Youth Bulge, Overpopulation, Displacement and Homelessness, food insecurity, <sup>gender based violence</sup> highlight the increasing fiscal responsibility of government. The demands to mitigate these challenges show increased societal

expectations such as jobs, food security measures, Rehabilitation, law and Security.

## A) <sup>66</sup>Demographic

### Indicators

Showing increasing "fiscal Responsibility:-

1) Increasing Unemployment  
According to Pakistan (PES) Economic Survey, 4.5 million people are unemployed in Pakistan. This highlights the fiscal responsibility of creating employment opportunities.

2) Youth Bulge and Brain Drain:

According to PES,

11.1% youth (age 15-24) is unemployed. The same survey shows the exodus of 13.53 million skilled workforce abroad.

3) Over-population and economic challenges:

With a population of 23 crore and increasing birth rates, the costs of managing such a ballooning population adds to the fiscal responsibility.

4) Displacement and Homelessness:

The climate change and floods of 2022 have displaced millions of families internally. This also adds to the fiscal responsibility.

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5) Increase in Gender Based violence.

According to National Human Rights Commission, Pakistan reported 63000 GBV cases in the past 3 years (2020-2023). Constitution of 1973, Article 25 and 37 ensure eq. rule of law and state intervention for protection of women respectively. This requires financial resources and adds to the fiscal responsibility.

B) Demographic Indicators and Societal Expectations

The above mentioned demographic indicators entail societal expectations from the government including:

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1) Creation of jobs  
To combat unemployment, brain drain and overpopulation needs.

2) Law and Order =  
To combat GBV, brain drain and other security issues.

3) Rehabilitation efforts:  
To rehabilitate displaced climate victims and rural-urban migrants.

### Conclusion:

With pragmatic approach and efficient management of resources, Pakistan can fulfill both its fiscal responsibilities and societal expectations.