

QUESTION # 4

ANSWER

INTRODUCTION:

Saudi Arabia and Iran are bitter rivals of each other. These two countries have many contrasting characteristics. Saudi has Sunni dominant ideology while Iran has Shia dominant ideology. Saudi is pro-west while Iran is against west. However, forgetting all the difference and previous adversary, both countries mediated the ties and ^{made} many agreement for fostering the relationship. This detente would have implications on the conflicts of region. Both of these countries ^{were} ~~are~~ supporting opposite parties in different conflict in region. There are higher chances of reaching syrian conflict to resolution. In addition to that Yemen conflict would also likely to resolve. Iraqi conflicts would be mediated in the days to come. Sectarian killing would be reduced. In addition to all this, this would have implication on Pakistan also. Sectarian killing would be reduced. Foreign policy confusion would be removed. Iran-Pakistan gas pipeline would

be revived and many other projects in Pakistan would likely to start.

FLEETING GLIMPSE OF RAPPROCHMENT:

The credit of rapprochement surely goes to Chinese diplomacy. Last year, Foreign Minister of both countries met and made 4 agreements which are harbinger of rapprochement. These agreements include start of diplomatic relationship, commencement of trade between both countries, start of investment in each other and lifting of visa restriction.

POSITIVE IMPLICATIONS ON THE CONFLICTS IN THE MIDDLE EAST:

Middle East has ^{been} ~~become~~ the arena of conflicts ^{since} ~~for~~ last decades. The two major parties that ~~are~~ were fanning the flame was Saudi Arabia and Iran. This warming of ties between two countries would lead to resolution of conflict.

(i) SYRIAN CONFLICT:

Syrian conflict is one of the major conflict of Middle East.

Syria is the country who sect is Shia but the public is Sunni. In addition to regional power plagued in conflict, international actors are also involved in the conflict - Saudi and US do not like Assad's government. They are trying to abdicating Assad from throne. Both of them are supporting AL-Nusra and RSF to overthrow Assad and liberate Syria. They are supporting through military assistance, financial assistance and other. They called them Freedom Fighters.

On the contrary, Iran and Russia have predication toward Assad government. They are using Hezbollah to counter AL-Nusra and RSF. They are providing it ammunition, financial assistance and other. They called it a Freedom Fighter.

Saudi want to remove Assad because in his presence the influence of Tehran on Damascus is immense. Iran is also supplying aid to Hezbollah through Syria. Hezbollah is Iran's proxy which is fulfilling its multiple purpose like fighting against Israel and other.

(i) TURNING OF TABLES AFTER NEGOTIATIONS:

It can be said that situation will going to reverse after the detente. Saudi Arabia has agreed to recognize Assad's government. It also called Assad and gave him standing ovation. Assad ^{has} also attended recent Co. DIL conference. Saudi Arabia ^{has} also asserted that it ~~will~~ would to bring Assad and others on table. Saudi ^{has} halted its support to Al-Nusra and RIF. Iran has urged to halt its assistance to Hezbollah for fighting in Syria. They also said that Hezbollah would return to Lebanon.

(ii) YEMEN CONFLICT:

Yemen conflict is another conflict that has been ~~pro~~ on focus for some years. The situation in Yemen is opposite to that of Syria. In Yemen, Saudi Arabia supports Hadi government. However, Iran has contrasting stance on it. It supports Houthi Rebels to overthrow Hadi government. Saudi Arabia has hired ~~RIF~~ ASF from Sudan for fighting with Houthi's. Both are supporting their parties with all means.

(a) IMPORTANCE OF YEMEN FOR SAUDIA ARABIA:

Yemen has immense importance for Saudi Arabia - Yemen is the country that share its border with both Saudi Arabia and ~~Iran~~ Iran. The presence of Iran in Yemen would likely to instigate Shia population of Saudi Arabia against monarchy. In addition to that, 70% of Saudi's trade passes through Strait of Aden, which would be vulnerable if Iran had succeeded in its motives.

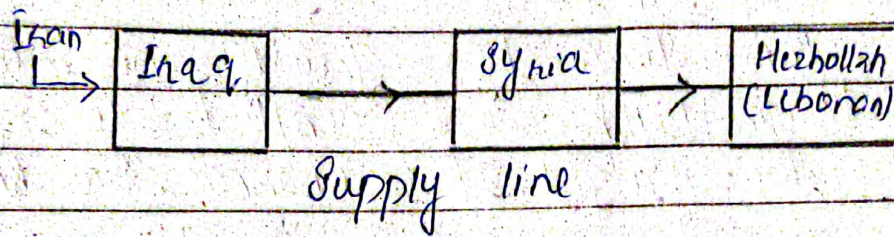
(b) SCENARIO AFTER DEAL BETWEEN IRAN AND SAUDIA ARABIA

The conflicts of Yemen ~~has~~ is likely to resolve after the deal. There are high chance of deal between Saudi government and Houthi Rebels. Houthi Rebels have also extended the cease fire which is the indication of warming of ties between two factions.

(3) THE SITUATION IN IRAQ

The government of Colonel Qaddafi

was toppled down by US. Qaddafi had fought decade long war with Iran. However, the ruler succeeding Qaddafi was pro-Iran. Iraq is the country that has common border with Iran and Saudi Arabia. More the pressure of Iran in Iraq, more will be danger for Saudi Arabia. Iraq is also the country that gives ^{ground} access to Iran through which Iran strengthen its supply line.



There are greater chances of amicitiation of ties between Saudi Arabia and Iraq after the rapprochement.

IMPLICATIONS ON PAKISTAN:

Pakistan is the country that is likely to be affected by the deal between Iran and Saudi Arabia.

- (i) Reduction in Sectarian Killing:
Saudi Arabia and Iran have opposite religions

ideologies. Saudi Arabia supported Afghanistan during its fight against Russia - Both of the country support and make effort to promulgate their sects - Wahabi Islam is supported by Saudi Arabia and Shia doctrine of Islam is supported by Iran - Madrasah is supported by Saudi Arabia and Imam Bnagh by Iran - They also urge the religious scholars to make sectarian hate speech and they provide sectarian hate literature -

This thing has greatly increased sectarian killing and conflicts in Pakistan - Gilgat, Para Channar, Karachi, Bannu and many other cities were hotspots of these issue - As both the countries have warmed ties - Sectarian killing is likely to ~~increase~~ decrease

(ii) Removal of Confusion in Foreign Policy :

(a) Importance of Iran :

Pakistan is surrounded by neighbours with which it has strained relations - India is bitter rival of Pakistan - Pakistan has security issues from Afghanistan - Therefore, Pakistan cannot afford another hostile neighbour -

(ii) Importance of Saudia

Saudia is also a very important country for Pakistan. It has supported Pakistan during hard time. It has also give \$2bn recently which helped Pakistan to avoid default. Large number of Pakistanis are working in Saudia Arabia who sends remittances to Pakistan. Therefore, strengthening relationship with Saudia by mending ties with Iran is detrimental to Pakistan's economy.

(c) SITUATION AFTER DEAL:

The mending of ties between the two has opened many paths for Pakistan. Pakistan can keep its relation with both of the country at good terms.

(iii) Iran-Pakistan Pipeline:

Iran-Pakistan gas line pipeline is projected to gas which supply 775 mcf of gas to Pakistan. This can address gas shortage of Pakistan. However, due to lack of financial resources Pakistan was unable to complete the construction. Now, Pakistan can find an investor from Middle East for financing the project. Prior to deal, many of investor were reluctant to invest because of the

Inclusion of Iran. This deal can bring potential investor to this project.

CONCLUSION:

In a nutshell, the deal between two countries has implication on the region and Pakistan. It can be starting point of ~~the~~ revived of unity among muslim countries. Many problems that muslims are facing are likely to resolve. This unity can bring restore glory of muslim world.

QUESTION 6

ANSWER

1) INTRODUCTION:

Afghanistan and Pakistan are neighbouring countries. Both are muslim countries and have many things in common. Pakistan has always provided assistance to Afghanistan during crisis and war. Both of them share long borders. When US fled from Afghanistan, the then PM Imran Khan said that they finally got liberty from shackles of slavery. Pakistan was happy on the Afghan's victory. However, the ~~reaction~~ ^{happiness} was short lived. Soon after, Afghan takeover, terrorism in Pakistan was surged to unprecedented level. PM Karzai criticized Afghan government for providing sanctuaries to militants. Pakistan became fed up of this attack and announced the expulsion of illegal Afghans. This shows shift of policy of Pakistan toward Afghanistan. Afghanistan's official gave harsh reaction on Pakistan's policy. This resulted into halting of trade between two. Afghans are likely to adopt a escalate-de escalate policy for pushing Pakistan to revise its

decisions. There are also speculations that India's intervention in Afghanistan would likely to increase after Pakistan's back out. Hence, Pakistan and Afghanistan relation are on the verge of deterioration.

2) TERRORIST ATTACK ON PAKISTAN:

According to reports, terrorist attack in Pakistan has increased over 60% in Pakistan after the Taliban take-over. Some of very harsh accident occurred recently. Chitral incursion is one of them. Skirmishes at Torkham border is also on increasing trend.

3) PM KAKAR BLISTERING CRITIQUE ON AFGHAN'S GOVERNMENT:

On Nov 2023, PM Kakar delivered blistering critique on Afghan's government. ~~They~~ He repeatedly said that since the arrival of Taliban government in Afghanistan, the terrorist attack in Pakistan has increased greatly. Around 2500 people has lost their lives. Many times there are clear evidences that Afghan government is involved in attacks.

4) AFGHAN'S EXPULSION DECISION OF PAKISTAN:

PM's speech comes at the time when Pakistan's official announced the decision of expulsion of illegal Afghans residing in Pakistan. According to UNHCR, there are around 9.3 million illegal ~~afghans~~ afghans residing in Pakistan. The reason for which Pakistan has taken this decision is the inclusion of Afghans in attack on Pakistan. Policy analyst Huma Bageer favoured the decision by saying that a Karachi-Quetta-Kabul nexus is operating in Pakistan for instigating attack on Pakistan.

5) SHIFT IN FOREIGN POLICY OF PAKISTAN:

Pakistan ~~was~~ ^{is} the country that had ~~always~~ ^{always} supported ~~Pakistan's~~ Afghanistan's cause. It has supported Afghanistan during its war against Russia. It has sent Mujahaddin for assisting Afghanistan. Pakistan also resides large number of Afghani migrants. Moreover, Pakistan ^{has} showed delightness during Afghans' victory against ~~the~~ US. However, it seems that things are now turning their course. Pakistan has decided to expel illegal Afghans.

It also exerting economic pressure on Afghanistan. Pakistan has also refused to support Afghan's cause at international level.

9 AFGHAN'S OFFICIAL REACTION:

Afghan's official reaction was based on the criticism ~~on~~ on Pakistan. Hibatullah Akhbarzade said that he is worried about the cause of Afghans at border. Afghan PM said that this act of Pakistan is unislamic. The defence minister said that Pakistan would ~~be~~ reap what it is sowing. The consequences would be adverse. Therefore, the reaction of Afghan officials ~~is~~ shows their resentment for Pakistan.

9 HALTING OF TRADE:

This deterioration in relationship would affect the trade relationship between two countries. Afghanistan has increased tax on Kinnows from ~~123%~~ Pakistan by 123%. Pakistan, on other hand, has also made the conditions of trade with Afghanistan strict. It has also imposed duty on various items from Afghans. This would further strain the relation between two

8) AFGHANS ESCALATE-DE-ESCALATE POLICY:

Afghan government is likely to adopt escalate-de-escalate policy toward Pakistan. This means that Afghans would cause surge in terrorism in Pakistan. They would start supporting TTP and may collaborate with other factions like Feroz Khan group, Tehreek Taliban Jihad. The sole reason for doing this is to force the government to revise its decision. Government is already facing multifolded crisis of political and financial nature. This could be the tactic of Afghan government in the coming days.

9) INDIA'S INTERVENTION IN AFGHANISTAN:

India and Afghanistan are maintaining good ties with each other. India has provided cash benefits to Afghanistan multiple times. It has also supplied wheat to Afghanistan. During corona, India supplied 500000 vaccines to Afghanistan. The Pakistan's decision of Afghan's expulsion may create vacuum which would be filled by

India - India can then use Afghan's soil freely for terrorist attack on Pakistan. Therefore, Pakistan's decision may give an edge to India.

10) CONCLUSION

Pakistan and Afghanistan relations are on the edge of deterioration. Afghanistan's support for TTP and Pakistan decision of Afghan's expulsion have strained the relations. However, it is the enemies of both country that would benefit from this deadlock. Therefore, both the countries should sit on table and make agreement by considering mutual interest of both.

QUESTION 8:

ANSWER:

INTRODUCTION:

US economy was once considered as the most stable economy of the world. The size of the economy was about \$26 tr. It was largest exporter of software goods, defence and transport equipment. Although, US economy is still a ^{top} world ~~1~~ of world's economy. However, the crisis that it is facing is likely to reverse the things. US has a debt of over \$32 tr. It has taken it from multiple ~~resources~~. There are multiple causes of it. US has large budget deficit. It is due to high spending on war and conflict. It also spends a lot on ~~the~~ research and development, education and health. Other than that, it gives multiple packages to its state. Moreover, bond crisis and corona has further damaged the economy. Global recession was another blow to economy. Rise of developing country with a Chinese leadership has constricted market for US.

(1) DEBT ON US

US has take large debt. The amount of debt on US is \$32tn. It is about 133% of GDP. US has taken this loan from multiple sources. This include internal and external sources. Internal sources include local bank, businessman and corporate entities. External sources include China, IMF and World Bank. Annually, US takes \$1.3tn of loan. It has take highest amount of loan in 2009 which is \$1.9tn.

(2) BUDGET DEFICIT IN USA:

The revenue collection of US' government is meager. However, spending of US is enormous. This cause budget deficit. It around \$1.2tn of budget deficit. In order to balance this it takes debt. Following are the major heads on which US spends:

(i) WAR AND CONFLICT:

US spend great portion of budget on wars and conflicts. US defence budget is \$875bn. It spent \$6.2tn on war on terror from 2001-2021. It spent \$1tn on Iraq on terror recently. Also defence budget is

is \$1 tr - US supports 35% of it.
It also give multiple grants to different countries ~~for~~ as a war support - This include Ukraine and Israel.

(ii) Research and Development:

US ~~spends~~ spends around \$1 tr on R and D each year. This include ^{re}search and development on technology, science, physics and AI - It also spends about \$4.2 tr on health. This include funding on synthesis of vaccines, providing medical care to its citizens - spendings of US on education is also huge - It spends about \$1.5 tr on giving grants and scholarship to local and foreign students and for the construction of university.

(iii) Multiple Packages to States:

US has ~~rep~~ around 51 states - It gives them multiple packages - Recently, it have given \$500 mn to its state. The construction of wall ~~bet~~ of Mexico is primarily financed by US - It has given around \$90 mn

(3) BOND CRISES:

Bond is the type of investment made

by private people or any other people. People buy bonds from state bank - government then pay them annually. After the maturity of bond, government pay them their primary investment - US is the country that has good reputation in this regard. However, the problem arises when government has to return investment. This has already created problem for US.

(4) CORONA CRISIS:

Like any other country, Corona has damaged US economy also. Industrial sector suffered loss of \$600mn, transport sector suffered loss of \$300mn and tourism sector suffered loss of \$300mn - 27 million people become jobless.

(5) GLOBAL RECESSION OF 2007-2009:

Before the crisis, there was housing bubble in real estate sector. The prices of house was increased from their actual value. People bought lot of houses. However, global recession brought down the prices of houses. People bought the houses on loan. They have to return their houses to bank.

as a security. ~~World Bank~~ Bank started facing liquidity crisis. This effect spread horizontally and vertically and defaulted many institutions. Government then dole out some packages for reviving the stability of institutions.

(6) EMERGENCE OF DEVELOPING COUNTRIES: WIDENING TRADE DEFICIT

Developing countries are emerging with China as their leader. They are competing US' product in the market - This is because US product is expensive due to high labour cost, production cost and expensive labour - This cause surge in trade deficit - US has about \$675bn of trade deficit

EFFECT ON GLOBAL LEADERSHIP OF US:

This would effect global leadership of US in many ways.

1) RISING CHINA

China's currency and economy has grown by 20 times since 1990. China is the largest exporter to

to middle east and S. Africa - Chinese product are also cheaper than US because of low labour force, production cost and ~~low~~ cheap yuan.

① RISING NOTION OF PETRO DOLLAR TO PETRO YUAN:

Yuan is giving dents to dollar. Many countries are doing trade in Yuan - India and UAE oil trade, Russia and China oil trade occurred in Yuan. Other than that China has made agreement with Saudi Arabia and Iran for doing trade in Yuan.

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