

Pak Affairs

QNo7 IMF programs in Pakistan have played vital role in stabilizing Pakistan's economy in so many times in the need of financial distress. However, their effectiveness and long-term benefits have been debated. Below ^{are the} arguments of the effectiveness of IMF programs and suggestions for minimizing the dependency on IMF.

Effectiveness of IMF Programs

Stabilization of the Economy:

Short-term Stability: IMF programs often provide immediate financial assistance, protecting countries from defaulting on their debts. For Pakistan it is a temporary relief to stabilize the foreign exchange reserves and support for the balance of payments.

Restoration of investor Confidence:

IMF programs can restore investor confidence by signaling that a country is taking steps to address its economic issues.

Implementation of Reforms: Structural Adjustments: IMF

Programs typically come with conditionalities and require state to implement reforms. These may include fiscal austerity, reduction of subsidies, and measures to bring revenue.

Mixed Success: There are some reforms have led to improved fiscal discipline and growth, others have been criticized for increasing social inequality and reducing public spending on essential services.

Debt Management:

Debt Servicing: IMF loans often

help countries manage their debt obligations but they can also lead to increased debt in long run if structural issues are not addressed.

Debt Cycle: Countries like Pakistan

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usually find themselves in a cycle of remaining because of persistent economic vulnerabilities leading to repeated IMF interventions.

Steps to reduce dependency on IMF Programs

Diversification of the Economy Industrial and Agricultural

Development: By strengthening key sectors such as agriculture and manufacturing can reduce reliance on imports and boost exports, improving the trade balance. Similarly government should make such policy for foreign investors that attract FDI into the country.

Technology and Innovation:

Investing in technology and innovation can create new economic opportunities and increase productivity. A country cannot achieve innovation and technology without

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without foreign investors. To attract foreign investors government must remain its GDP on 5% and provide security and political stability in the country to attract FDI in the country.

2. Strengthening Domestic Revenue Generation:

Tax Reforms: Implementing comprehensive tax reforms to increase tax base and improve tax collecting efficiency. Strengthening government revenue. Research government tax brought tax reforms. It is a good thing. Specifically the capital sales tax and usara were being used for both. Government increases tax burden on salaried class but AI's government also should increase tax on capital class too. Because this class is not give its due tax in the economy of Pakistan.

Reducing Informal Economy Undocumented economy.

In Pakistan half of the economy is informal. It means this economy is not paying tax. This must bring under tax net by documenting this economy this can bring under tax.

Control Corruption: Corruption

is bone of contention in the economy of Pakistan. FBR is tax collection institution in Pakistan, which is always found in corruption scandals. To control this, First of government should bring digitalization in FBR. Secondly the salary packages of FBR employees must increase. In addition the culprit of corruption must punish through law.

Human Capital Development:

Education and Skills Training.

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Unfortunately education system of Pakistan do not enhance skill in a student after doing matric or inter a student do not know what to do and do not have any skills. This is because of our education system. So government should invest in vocational training to improve skills and make the economy more competitive.

Ques: The economy of Pakistan is facing financial crisis is facing multiple deeprooted issues and multiple food shortages. Following are the some of prominent causes and suggestion to tackle this challenge.

Causes of Pakistan's Economic and Financial Crisis:

High Government Debt:

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Chronic Budget Deficits:

Persistent budget deficits have led to an accumulation of public debt. Dependence on external borrowing heavily reliance on external loans & financial deficits and development projects.

Energy Crisis: One of the first &

issues. This is because of insufficient energy infrastructure such outdated. This causes impact frequent power outages and line losses. Electricity bill is also one of the major issue in power sector. High energy costs because of imported fuel and energy leading to increased production costs and inflation.

Wide Spread Inflation:

disruption in supply chains causing shortages and price increases. Depreciation of currency of Pakistan currency causes the resources the cost of imported

Structural Economics Issues:

limited tax base and poor tax collection leads to insufficient government revenue. Corruption in FBR is also an issue. High informal economy is also one of the major reasons. Side by side trade deficits due to reliance on imports and limited export.

Political and Economic Instability

Frequent political changes affect the confidence of investors and it seriously affect FDI. Corruption and governance issues is other main issues which hampers in economic development.

Steps to Counter the Crisis:

Fiscal Reforms:

Government must implement comprehensive tax reforms to widen the tax reforms and should improve tax collection efficiency by digitizing the FBR system.

Government must reduce losses
caused by adopting austerity
measures.

Energy Sector Reforms:

Government should increase investment
in energy infrastructure. To convert
imported coal plants into local
coals and up grading transmission
lines. This can be done through
CPEC. Provinces should collaborate
to reduce lines of electricity
theft with line centers. Subsidies
should also reduce.

Inflation Control: Monetary policy

must implement to control inflation
supply chain management to reduce
disruptions and to ensure steady
supply of essential goods.

Economic Reforms: The informal

economy must formalize to
increase tax revenues and also
boost exports.

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Political and Governance Reforms

Enhance capacity and independence of key institutions to improve governance and policy. Corruption must be curbed by digitalizing key institutions and providing the culprit of corruption. Political stability must bring in the country to increase confidence of investors.

Q8: Population Growth and Global Warming:

Increased Energy Demand:

Fossil fuel consumption as the population grows. It increases demand of energy to most ways to obtain power. Fossil fuel. It which emits greenhouse gases. More people use more industrialisation and transportation which heavily rely on fossil fuels.

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More over Urbanization and
rise of land increases the
overall population. For
this deforestation is done for
agriculture and development of
new cities. Deforestation
releases carbon ~~to~~ ~~the~~ atmosphere
which increases amount of carbon
in atmosphere. Increased consumption
and waste is because of the
and of the growing population.
More people generate more
waste, including agricultural waste
and hills, and water bodies.

Per capita emissions

Significant different between
developed and developing countries.

A small increase in population
in a high-emission country can
have a more substantial
impact than a large increase
in a low-emission country.
Life style and consumption

Patterns of individuals play a crucial role. Higher populations tend to have higher rates per capita consumption and energy use.

The impact of population

growth can be offset when the demand is met with renewable energy rather than fossil fuels. Efficiency in energy can reduce foot print of a given population. Climate effective policies such as carbon pricing encourages regulation and incentives for clean energy can help mitigate the impact of population growth. Technological development can also lead to reduce emissions. Education and family planning can slow population growth rate and will reduce global warming in the world.

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Q16: Political stability is very crucial factor for any ~~country~~ ^{country} and ~~same~~ ^{same} goes for Pakistan economic growth and development. The country's history has been marked by periods of political instability, which have impeded its ability to acquire sustainable economic growth and development.

Political instability in Pakistan was led to:

- ① Lack of continuity in economic policies.
- ② Uncertainty and unpredictability for investors.
- ③ Inefficient decision making process.
- ④ Corruption and mismanagement of resources.
- ⑤ Limited access to international markets and aid.
- ⑥ Brain drain and talent flight.
- ⑦ Reduced economic ^{activity} and growth _(GDP).

8) Increased Poverty and inequality.

Reasons of Political Instability

- 1) Weak democratic institutions.
- 2) Military interventions in politics
- 3) Ethnic and Sectarian tensions
- 4) Religious extremism
- 5) Political Polarisation and Fragmentation
- 6) Corruption and nepotism.
- 7) Ethnolinguistic diversity and geographical dynamics.

Suggestions for Political Stability:

- 1) Strengthen democratic institutions
- 2) Promote the rule of law and good governance.
- 3) Address ethnic and sectarian tensions.
- 4) Combat religious extremism
- 5) Foster political consensus and dialogue.
- 6) Reduce corruption and nepotism

① Improve relations with neighbouring countries.

If these political suggestions fully implemented then Pakistan will gain economic stability, attract investments and the Pakistan will be on the path of prosperity.