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## Section II :

### Subjective

Q#2:

#### •) Introduction:

Pakistan has faced soaring debt obligations since its first loan from the IMF. From inflation to shut down of local industries, IMF loans have done more harm than good. The only benefit these loans have vicurred to Pakistan's economy ~~is~~ is "aversion of bankruptcy", and that too, for temporarily. In the long term, Pakistan has always grappled with challenge of bankruptcy again and again.

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## A) Effectiveness of IMF Programmes:

As mentioned before, IMF Loans have done more harm than good to Pakistan. One striking example is the 2022-2023 loan which has caused havoc in the country.

## 1) Repercussions of 2022-2023 IMF Loan:

Whereas the IMF loan did avert the looming spectre of bankruptcy, it has caused civil-unrest and political instability in the state of Pakistan, stagnating economic growth.

## 2) SAP's and their repercussions for Pakistan's economy:

1) Devaluation and inflation:  
The condition to devalue Paki

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-stani "rupee" in order to support free trade has caused soaring inflation. Prices of basic commodities have doubled and millions are pushed below the poverty line.

a) Inflation and Energy prices:

Electricity tariffs have spiked in the wake of inflation and SAP's causing many people in 2023 to take their own lives.

Apart from that, crucial industries like cotton and textile have shut down causing a blow to the economy.

b) Inflation and food insecurity:

Amid rising tensions of Russia-Ukraine conflict and rising international food prices, inflation has worsened the scenario.

Soaring wheat prices and

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poverty have made cost of living much higher. Due to higher cost of living, new businesses are seldom opened.

(c) Inflation and subsequent civil unrest:

The SAP induced inflation and its economic repercussion have caused protests, strikes and other civil-unrest like situations. This has deterred Foreign Direct Investment (FDI) further slowing the growth of economy.

2) SAPs and Interest Rates:

a) Interest Rates and vicious cycle of debt:

With soaring inflation, reduced FDI and poverty, the economy

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is unable to ~~rep~~ repay debt on time. This leads on a chain reaction of interest and debt.

### b) Interest Rates and the high cost of doing Business:

Along with stringent taxation and higher interest rates are causing shutdown of local businesses, MNC's and deterring the possibility of FDI. The subsequent boycott following Israel-Palestine conflict along with taxes and interest rates is causing many MNC's like KFC and Mc, Donald's to either shut down or fire employees causing further unemployment.

## B) Ways to Lessen Dependency on IMF:

### 1) Broaden tax Base:

#### a) Taxation of Social Media influencers:

Social Media influencers like Ducky Bhai, Mooroo and Syed Muzammil Ahmad should be charged /taxed on their youtube income worth millions.

#### b) Taxation of online businesses:

Big clothing, makeup and other brands using social media platforms like Instagram and facebook should be brought under the tax net.

Apart from that, Daraz and other online stores should also be taxed

## 2) Improve Accountability Mechanisms ~~is~~ and Institutions:

a) Strengthen anti-corruption institutions:

Reforms in NAB and FIA should be initiated in order to investigate high profile corruption cases like the Dubai leaks

b) Empower judiciary:

Efforts for the protection and independence of judiciary and judges should be made the top priority. Cases like the "letter by 8 judges to CJP-Qazi Faiz Esa" should be dealt with strict scrutiny and seriousness.

b) c) Free and fair elections :

Reforms in ECP (Election Commission of Pakistan) are a must to ensure free and fair elections. This would in turn ensure political stability and economic growth.

3) Transition to Green Energy and reduced reliance on coal imports:

a) Solarisation of public sector:

Initiatives like the World Bank-Sindh collab on solarisation should be promoted.

b) Enhanced Security for timely completion of CPEC Renewable Energy projects:  
CPEC hydropower projects in



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Kashmir and Gwadar/Balochistan can enhance green energy production and avert the expensive fossil fuel import diminishing the negative BOP crises.

4) Improvement in Technology and Education System Reforms:

a) Initiatives for free wifi and technical skill development:

Vocational training and free training programmes like Hasham Sarwar's fiverr and upwork training should be supported by the government

b) Skill based Education:

Reforms in curriculums of school as well as incorporation

companies like tobacco

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of AI and machine learning in schools. Behan Allahwal: incorporation of skill based education in schools boosts the skills of children and promotes foreign remittance averting "Bankruptcy".

### Conclusion:

Though IMF loans have done more harm than good, efficient use of these loans in areas like education, green energy, technology and skill development can yield long term results while simultaneously averting the need for another IMF loan and Bankruptcy.

Q#5

### Introduction:

The impeded economic growth of Pakistan can be attributed to debt, ~~economic~~ energy crises and inflation. These crises, in turn, can be attributed to several factors including corruption, tax evasion, expensive fuel imports, Electricity theft and IMF programmes.

### A) Causes of Government debt, Energy Crises and Inflation in a protracted Economy:

#### 1) Causes of Government debt:

##### a) Political Instability:

The imbalanced civil-military

relations and change of regimes since inception has prevented the implementation of a single Economic Plan. Political Polarization and change of economic plans have caused uneven economic growth and GDP deterring foreign direct investment.

b) Terrorism in the wake of hostile neighbours and loss of FDI:

a) Separatist/proxy elements fueled by India:

Funding of Baloch insurgents by Indian adversaries have delayed the completion of Gwadar port and CPEC projects.

b) TLP and Afghan soil:

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Tehreek-e-Taliban Pakistan using Afghan soil with the support of TTP is causing havoc in Pakistan. Deteriorating security conditions and targeting of foreign workers and tourists have deterred FDI and foreign remittance, depleting foreign reserves.

3) Climate change induced catastrophes and economic repercussions:

a) Climate change, floods and loss of lives, <sup>Livestock</sup> ~~and~~ and agricultural produce.

Not only has this caused food insecurity, but also a negative BOP crises in the wake up of expensive food imports amid Russia-Ukraine tensions.

b) Climate change, heat waves and loss of working hours: Women, men and children working in agricultural fields, Brick kilns (Jacobabad) face serious health challenges, like heat strokes while working. This has caused a decline in agricultural and Brick, cement and other goods production halting exports. and causing decline in foreign reserves while simultaneously increasing exports.

#### d) Failed Education System:

a) Population bulge and unskilled youth:

Increased resource competition and lack of employment of youth both nationally and

internationally is only draining Pakistan's resources and increasing the debt in the wake of imports to fulfill the growing population's needs.

~~(BoP Measures)~~

## 2) Causes of Energy Crises:

a) Heavy reliance on Non-Renewable Energy and negative BOP:

Amid the escalating Russia-Ukraine tensions and soaring fuel prices, the burden on Pakistan's energy sector has increased manifold.

b) Electricity theft and line losses:

The menace of electricity theft and line losses causes

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circular debt, which makes electricity prices more expensive while also prompting load-shedding. This causes economic loss in IT sector, Stock exchange, online businesses and shut down of local industries.

### c) Causes of Inflation:

a) Loans seeking to fulfill energy imports and avert Bankruptcy:

The Stringent IMF SAP's cause devaluation, deregulation to promote free trade. This doubles the price of everything causing inflation and poverty.

b) Shutdown of local industries amid inflation and import of expensive goods:



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Expensive food, fuel and basic commodities in the wake of demand and supply gap created by diminished local production causes further inflation. International conflicts and losses due to climate change (livestock, agricultural loss) further exacerbate the menace of inflation.

B) Measures to address this challenge:

1) Measures to Reduce Government Debts

a) Broaden tax base and increase accountability mechanisms:

1) Taxation of social media influencers and companies like Tobacco is

important to replenish foreign treasury. Big farmers and owners of rice and sugar mills should also be taxed accordingly.

b) Enhanced Security to counter terrorism and ensure speedy completion of CPEC:

\*) Platform like SCO and SAARC's organ RAI can be employed to counter the challenges of terrorism and bolster regional security

\*) Regional level dialogues with mediators:

China can exert significant diplomatic pressure on Afghanistan to counter TLP since it has invested millions in Afghanistan.

## 2) Measures to address Energy Crises:

a) Improvement in grid structures to avoid line losses and detect electrical theft:

- **AI** based systems can be installed in grids to ensure detection of line losses and theft.

- Copper wiring of transmission lines can significantly reduce line losses than Aluminium wires.

## b) Transition to Green Energy:

a) Solarisation of public sector to avoid energy crises and payments of public sector. This would significantly reduce budget of government.

b) Wind, nuclear and hydropower can be maximised to satiate the growing energy demands as well as avert negative BoP from fuel imports. Carbon crediting due to reduced carbon emissions can also be leveraged to generate economic growth.

3) Measures to counter inflation:

a) Early warning systems and climate policies:

o) AI based detection and early warning systems can be used to tackle the losses caused by floods. Dams and Barrages can also be constructed.

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b) Improved methods of agriculture:

Precision farming and drip irrigation can be used to increase agricultural produce while using resources like water and fertilizers efficiently. This would lower the food cost and bring down inflation.

b) Efficient Resource allocation of IMF Loans:

a) IMF Loans should be directed at skill building, vocational training and green energy:

This would build a skilled workforce, generate remittance and avert heavy reliance on expensive fuel imports. Since inflation and debt both depend on the prices of

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fuel, transition to green energy using IMF loans would avert both these challenges.

### Conclusion:

With efficient resource allocation and climate policies, the government can avert its debt, energy and inflation crises while preventing civil-unrest and political instability.

Q#6:

### Introduction:

For a conducive environment for economic and social growth, political stability is a vital pre-requisite. Without a stable political environment, terrorism, civil unrest and tensions find their respective breeding grounds. As a

result, economic, industrial, agricultural and societal growth are halted blocking a state's road to growth.

A similar situation breeds in Pakistan.

(A) How ~~Political~~ instability fosters ~~terrorist~~ groups:)

A) How Political Instability halts growth:

1) Political Instability and Economic Recession:

a) Change of governments and ~~was~~ changing economic plans:

with each regime bringing its own economic plan, political polarization causes uneven GDP growth. This in turn

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causes loss of foreign investment and FDI.

b) Civil unrest and loss of tourists and remittance  
With a country riddled in political and civil unrest, no tourist would want to take a risk and come here. This causes billions of losses to tourism industries as well as government.

c) Corruption and lack of accountability:

Political instability caused by corruption and lack of accountability destroys a state's international reputation and slows economic growth in terms of trade and tourism.



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## 2) Political Instability and Diminishing Security:

a) Breeding ground for  
terrorist groups: an  
unstable environment:

With so much instability  
and chaos, terrorists find  
their best breeding grounds.  
Apart from conducting terrori-  
-st activities in the guise of  
civilians under protest, they also  
recruit individuals who are  
unemployed and full of  
resentment against the  
government.

b) No stable Security Plan:

To counter security threats  
- both traditional and non-  
- traditional, a consistent  
Security plan is needed

which is changed with every government or at least delayed during political instability.

b) Threat to Women Empowerment and Education and gender inequality

a) Terrorist attacks on schools

with civilians and military mixed in conflicts, terrorists attack schools for girls pushing women education backwards.

b) No new laws and policies to address women empowerment challenges:

In 2023, 63000 GBV cases were reported in Pakistan.

With changing governments, these challenges remain

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unaddressed exacerbating violence, illiteracy and women / gender inequality.

## Recommendations to Counter political Instability:

### 1) Free and fair Elections:

a) Institutions such as ECP (Election Commission Pakistan) should undergo radical reforms in order to ensure free and transparent elections.

b) Ensuring judicial Independence:

Upholding and protecting judges and their independence is vital to ensure free and fair decisions regarding elections and electoral procedures as well as politicians.

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2) Bolstering regional

a) Security and ties:

This would bring security and generate livelihoods for millions in the wake of flourishing tourism and FDI. This would counter economic tensions and ensure trust in government fostering political stability.

Fighting

3) Social Media warfare:  
misinformation

a) Government should ensure skill development of civilians so they can identify and interpret misinformation. Social media pages spreading false and triggering news should be shut down and civilians should be

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encouraged to rely on authentic news only. Youtube, facebook and Twitter can be used to spread awareness about misinformation campaigns.

### Conclusions:

While political instability persists in Pakistan, it is not irreversible. Efficient policies and civil-military cooperation can curb political dissent. Economic reforms and fight against misinformation can diffuse tensions and restore civilian trust in government paving the road to political stability.

Q49

### Introduction:

With growing population and growing demands for energy, food, housing, transport and basic commodities, fuel consumption has also increased.

### Population Growth as a contributor to Global Warming in the context of fossil fuel consumption:

A) Why growing population needs more fuel?

1) Increased demands for:

a) Residence demands:

Deforestation and rapid urbanization for housing of growing population leads to increased coal and fossil fuel consumption. More Bricks, cement and wood is needed for the buildings and furniture exacerbating industrial production, fossil consumption and global warming

2) Globalization and Mass consumerism:

a) More products for the growing needs such as phone cases, mobile phones and their subsequent transport cause increased fossil consumption.

3) More need for transport and vehicles: Factories and companies produce more vehicles and this counteracts to cater the need for transport.

4) Increased food production: Food production necessitates fertilizers and pesticide production leading to higher fossil consumption.

### Recommendations:

1) Population Control Measures.

This includes 'One child policy, taxation and affordability and accessibility of contraceptives.



Apart from that, family planning programmes and education campaigns can also play a crucial role.

2) Transition to Green Energy:

Solar, hydropower and wind energy can be used instead of fossil fuels. Public transport can be made efficient to avoid growing private vehicle ownership.

Conclusion:

Though the menace of over-population is threatening to climate change, measures taken on time can avert the catastrophe.