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Topic: Current Affairs.

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SUBJECTIVE PART II

Q 32

Gaza human crisis has become a classic example of war crimes by Israel but the champions of Human rights is silent. Found out the reasons and explain how it would affect us relations with the muslim world.

Ans:

In Gaza humanitarian crisis is on its peak it is became a unique example of war crimes performed by Israeli soldiers. Israeli soldiers are destroying the medical equipments and investigating medical staff on gunpoint and binding and blind folding peoples and taking them to the unknown locations. It was blamed that Hamas base is that hospital. which is a big lie. There is no evidence to claim that attack on hospital prohibited by international humanitarian law. When attack was announced on the Hospital all the countries UN officials and global aid and human rights organizations slammed the action. Both UN's relief chief Martin Griffiths and head of WHO Tedros Adhanom said "Hospitals are not battlegrounds" and the protection of newborns, patients, medical staff and all civilians must be on priority. A global criticism opened on international level the white house denied it and gave Israel a green light for the military aid. A day earlier US administration spokesperson claimed that Al-Shifa is hospital is the place where Hamas is planning and

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attacking Israel. But he has no evidence to prove his stance. subsequently president Joe Biden defended the raid despite global pressure and without any proof.

The raid on Al-Shifa hospital took place in the sixth week of Israel's war on Gaza which has left over 11,500 Palestinians dead, including 4,600 childrens, over 1.5 million people have been forcibly displaced. Despite the growing global outrage for a ceasefire. consistently four attempts were failed for ceasefire in Gaza in United Nations Security Council. A draft was moved by Malta calling for urgent humanitarian pause in Gaza for sufficient days to allow access for UN agencies. it was adopted by 12 votes of 15 member security council. The United States and United Kingdom Abstain. Russia also abstain as it did not provide for a ceasefire. The Israeli ambassador to UN declared the resolution meaningless. The Palestinian envoy expressed his disappointment by stressing that it was need for a ceasefire. The international community is failed to defend Gaza. However french president and Canadian prime minister call to Israel to end the killing of women childrens and babies in the Gaza strip. But again US defended Israel. with the sentiments of Israel inflamed by non stop

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bloodshed in Gaza. Muslim public across the world were not surprised by the western media's biased coverage as there was nothing new. Their deep disappointment lay with Arab governments who, beyond issuing condemnation acted as a little more than spectators to genocide and epic humanitarian catastrophe. Despite a huge genocide in Gaza human rights champions are silent.

Reasons of silence from some Human rights champions:

Humanitarian champions are silent on huge genocide in Gaza because of the following circumstances. Reasons.

- (1) Geopolitical alliances.
- (2) Complexity of the conflict
- (3) Lobbying and influence
- (4) Fears of escalation
- (5) Internal priorities.
- (6) National interest

(7) Geopolitical alliances: Some countries along with international organization may have strategic alliance or geopolitical interest that influence their response. The United States is a great nation and being a super power country supporting Israel in every situation because the Israel is very important for USA geopolitically. It is an ally of United States in the middle east region shaping the law

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and order of middle eastern countries.

(*) Complexity of the conflict: The Israel-Palestine conflict is multifaceted. With both sides claiming historical rights and grievances. During this tough situation efforts to find a balanced stance can be challenging for international bodies and governments.

(*) Lobbying and influence:

There are powerful lobbying groups and influential voices that are seated behind the mirror and are strong enough to shape the international opinions according to their interest no matter how much distraction would be faced from it. Sometimes they lead to muted responses and biased narratives.

(*) Fear of Escalation: The Hamas-Israel conflict is changed into a major war. dynamic. in present world ^{most} ~~every~~ countries are nuclear powered. A cold war is already going between United States Russia and China. During this alarming situation a small step is enough to Escalate the war and the beginning of world war III.

(*) Internal Priorities: Domestic issues and internal politics of a country often dictate the foreign policy of a country. which may divert the attention from international human rights crisis.

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Impacts on US Relations with the muslim world:

① public opinion and sentiments in the muslim majority countries are strongly supporting Palestine and the rights of the peoples of Palestine. Many protests are going inside various muslim countries in support of Palestine. Failure to address their concerns can strain diplomatic relations and fuel anti-american sentiments.

② ET can also provide a way for the muslim world to reunite and make their own bloc in the world which will be anti-american and Israeli and will be capable to shape the geopolitics of the world and it is possible to completely change the map of the world.

③ us and muslim world relations are going down day by day. muslim countries are boycotting Israeli products which is a great economical loss to Israel major multinational companies (Israeli) are fall to the ground due to muslim countries boycotts. major deals that were signed before and like petrodollar agreement between USA and Saudi Arabia are ended. Saudi Arabia refused to renew the agreement which will badly affect the dollar dominance in South Asia, ~~Central~~ Central Asia and middle East and will hit the United States

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Economy to the ground.

Although the silence or selective response to the Gaza crisis by certain champions of human rights reflects a complex interplay of geopolitical, strategic, and internal political factors. This can have significant implications for US relations with the Muslim world, affecting perceptions of fairness, consistency in foreign policy and diplomatic credibility. Addressing these issues requires careful consideration of humanitarian concerns alongside broader geopolitical realities and diplomatic involvements.

Q:5: There are two options with the state to increase tax collection: one, install business would result in more taxes. It would also help grow the economy. Second, increase the tax ratio in order to meet the expenditures. But it would hit the business and growth badly. The government of Pakistan has opted for the latter option.

Critically evaluate the budget of Pakistan in the light of above statement.

Ans: Installing more business can stimulate the economical growth create jobs and eventually lead to increase tax revenues. This approach however requires more time and investment before yielding significant tax revenues. By increasing the tax ratio raising taxes can provide immediate revenue to meet

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The budgetary needs. However this approach can affect business growth, reduce investment and ultimately shrink the tax base. In short term it can solve ~~near~~ ~~revenue~~ revenue shortfall but may lead to long term economic stagnation.

Evaluation of Pakistan's Budget 2024-25:-

The Budget of Pakistan for the year 2024-25 was presented by Finance Minister Muhammad Aunzeb. The budget is totally of Rs. 18.9 trillion. 3.6% of GDP growth is targeted in the 2024-25 budget. The tax revenue is targeted 13 trillion Rupees ~~for~~ Federal board of revenue which is 40% more than the previous year 2023-24 budget. Similarly Non-tax Revenue target is of Rupees 3.5 trillion which is easy for government as compared to tax revenue. Budget 2024-25 the deficit is projected at 6.9% of GDP.

Expenditure Breakdown:- The total expenditures estimated in the budget 2024-25 is 18.9 trillion rupees. Current expenditure of Government is proposed at Rs 17,203 bn. The debt servicing is the biggest expense of the budget 2024-25 which is 9.8 trillion Rupees only. Secondly the second biggest expense is ~~but~~ defence expenditures which is Rupees 2,122 billion. which is increased 17.6% as compared to last year budget. That is maintained the defence spending at 1.71% of GDP.

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Projected deficit of Budget 2024-25 is 6.9% of GDP, reflecting the gap between revenue and expenditure.

Revenue Generation strategies:

Total revenue budgeted is at Rupees 17,815 billion and the net revenue after provincial transfer is Rs 10,377 billion. Furthermore the FBR (Federal board of revenue) tax collection target is set at Rs 12,970 billion that which is 38% increased as compared to 2023-24 budget, highlighting the focus on enhancing tax revenue. Rs 30 billion is expected from privatization of state owned enterprises. Petroleum levy is increased by Rs 20 per liter on petrol and diesel and Rs 25 on kerosene, light diesel, high octane and E-10 gasoline to raise additional revenues. In the ongoing fiscal year, the government collected Rs 960 billion from the petroleum levy, surpassing the original target of Rs 869 bn. The budget for the upcoming fiscal year projects an additional Rs 321 bn in collections.

IMF Guidelines and Economic Alignment:

The Budget of Pakistan for the fiscal year 2024-25 is crafted to align with IMF requirements secured from nine-month IMF programme in June 2023. The budget emphasizes on fiscal consolidation.

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Changes in minimum wages and Government salaries: The proposed minimum wage is Rs 37,000 which is increased from last year Rs 31,000. The salaries of government servants from grades 1-16 is increased by 25%. Salaries for grades 17-22 increased by 20%. Pension for retired employees increased by 15%. No income tax for annual income upto Rs 600,000 yearly. Progressive tax rates from 15-45% for income above Rs 600,000.

Addressing inflation:

Government commitment to tackle inflation.

Inflation target set at 12% for the next fiscal year which is quite tough because current year inflation is around about 26%, 27%, 28%. Consumer price index at 11.8% in May 2024. FICR 18%. Sales tax are imposed on mobile phone upto \$500 value. Higher taxes are imposed on cigarette and vaping products.

Public sector development programme (PSDP) 40% increase to fund development projects.

Health insurance scheme for Journalist and media industry workers. Exemptions on customs duties for certain medical materials. Incentives for manufacturing solar panels and seafood processing. The public sector development programme allocation is of Rs 3792.2 bn for fiscal year 2025. Federal PSDP allocation of Rs 1696 bn.

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provincial PSDP allocation of Rs 2,045 bn. allocated to provinces.

Economic challenges and achievements

Foreign reserves depleted and rupee depreciation. Secured IMF programme to avoid economic collapse. Notable improvement is also seen in economic indicators.

Crackdowns are imposed on non-filers.

Sims and utility connections of non-filers would be blocked. They are Ban from exiting from Pakistan with certain exceptions.

penalties were imposed for incomplete tax return informations.

Tax Policy and Reforms.

→ Goal to widen the tax base

→ Documentation of the economy through digitisation.

→ progressive taxation regime for high earners

→ increase tax on non-filers to encourage compliance.

Energy and Privatization Reforms

→ zero rating of raw materials for solar panel manufacturing.

→ Emphasis on privatisation and regulatory reforms.

→ State to focus on essential public services.

Investment and economic output.

→ Need to boost investment, economic output, and exports.

→ Encouragement of both domestic and foreign investment.

→ Transition to a market driven economy.

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Defense expenditures:

Rs 2.12 trillion proposed for armed forces. Army getting 47.5%, Pakistan air force 21.3% and navy 10.8% and interservices organizations 20.3% of the allocation. Furthermore, major military acquisitions and funding for nuclear weapons and missile program are believed to be financed through separate channels, hidden under a classified budget line. The true extent of military spending therefore remains obscured. This significant boost in defense spending is the second-largest in six years just shy of the 18.7% hike granted by the PML-N government in the final year of its 2013-18 tenure. 30% increase from last year to cover growing fiscal needs.

Progressive tax:

Government sets challenging tax revenue target of Rs 13 tr. around 40% jump from ongoing year. GDP growth target set at 3.5%, inflation at 12%. Rs 5.545 tr collection targeted through income tax earnings. GST collection expected to be Rs 4.9 tr. Petroleum levy upped from 60 to 80 Rs. 25% rise proposed in salaries from Govt employees in grades 1-16 20% in grades 17-22. Pensions up 15%. Power subsidy to Aik increased to Rs 108 bn after unrest.

Conclusion and future outlook: Government always talk about patience and collective efforts

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for economic development. The need for a savings- and investment based economy and Anticipation of Adherence to fiscal austerity.

Q:6: Loadshedding and ballooning electricity prices badly hit the economy of Pakistan. critically evaluate the statement and give possible recommendations.

Ans:- Energy crisis became a major problem in Pakistan. ~~from~~ Loadshedding is increased more on rural areas than urban areas. More taxes are imposed on electricity during last year, and which badly hit the economy of Pakistan. With the passage of time the Government is imposing more and more taxes on the peoples. Electricity prices is increased from 6 PKR to 68 PKR including taxes. The billing policy is at the worst of all timing the bill for 99 units consumed is calculated on separate algorithm when the unit consumed unit ~~become~~ passes 100 the price is change when the consumed unit ~~pas~~ crosses 149 the ~~not~~ price increased when the consumed units ~~is~~ ~~is~~ 199 the bill is around 3-4 thousand Rs. when the consumed units cross 200 and become 201. The bill becomes Rs 8000