

Areej Farooq

Batch 53

LMS ID 33581

MOCK EXAM 4

Current Affairs

SUBJECTIVE PART PART - II

Q No 2

Taiwan is a potential conflict between China and USA. Critically evaluate the reasons and why and how the two countries must avoid the conflict.

I. Introduction:

Taiwan is self-governed and democratic and is claimed by the China that it is breakaway province. It is part of china. As Taiwan is the country in which chip is made and China wants to become powerful through China Taiwan. But on the other hand US did not want Taiwan to be part of China. That's why US is trying to strengthen its relation with Taiwan and opposing any forceful

reunification. There is increasing tensions including many factors such as Military, political and economic factors that increases the risk of conflict.

II. Reasons for Potential Conflict:

There are many reasons for the potential conflict between US and China, are discussed below;

A. Geopolitical Importance of Taiwan:

One of the reason of potential conflict between China and US is geopolitical importance of Taiwan. As Taiwan is situated in the South China Sea and it is vital region for trade and military positioning. Secondly, control over sea lanes as this will allow China greater influence over crucial maritime sea.

B. Economic Value:

Another major reason is economic value. As Taiwan is semiconductor industry and it is very critical for global tech supply chain. Secondly, US heavily relies on Taiwan's Technology and would oppose Chinese control over it. Therefore, economic value is also a reason for potential conflict.

C. Ideological Differences:

Ideological differences is also one of the major reason of conflicts. Firstly,

Taiwan has democratic government and US is also democratic. On the other hand China support single-party rule. Here is the ideological contradiction of potential conflicts. Secondly, US wants to prevent China's regional dominance and promote democratic values. Therefore, ideological differences and US policy of containment is also reason for potential conflict.

D. Military Escalations:

Firstly, there is a arms race in Indo-Pacific by the US and China. Both the countries have increased military presence and alliances in the region. Secondly, US arms sales to Taiwan provoke China, which sees these as hostile acts but there is benefit for US behind this. Therefore, military escalations is also major reasons for potential conflicts.

III. Why Avoid Conflict?

Both US and China should avoid conflict due to regional stability, Humanitarian concerns, Global economic implications and Risk of Nuclear Escalation.

A. Regional Stability:

China and US should avoid

conflict due to regional stability. Firstly, this conflict threat to East Asian peace as it will not remain between two countries it will escalate further. Secondly, global markets especially in Asia, would suffer severe disruption.

B. Humanitarian Concerns:

Conflict should be avoided due to humanitarian concerns. Because it could lead to significant civilian casualties and the refugee crisis. Therefore, the conflict should be avoided due to humanitarian concerns, as it may lead to innocent civilian casualties.

C. Global Economic Implications

Conflict will not remain between two to three countries it would have global economic implication. Firstly, As Taiwan is semiconductor industry, so conflict would disrupt supply chains of semiconductors and electronic industries. Secondly, US, China and other nations face trade and high inflation. Therefore, it should be avoided.

D. Risk of Nuclear Escalation:

One of the most dangerous reason that conflict should be avoided because both China and US are highly advanced countries in nuclear proliferation

If the war started ^{this} military conflict could risk nuclear escalation with catastrophic global impacts.

IV. How China and the US Can Avoid Conflict

China and US can avoid conflict through diplomatic engagement, military de-escalation, economic cooperation and support for "One China" policy with conditions. Discussed below in detail.

A. Diplomatic Engagement:

Firstly, there is a need of bilateral talks between both the countries US, China and also Taiwan. Dialogue can help in miscommunication and address the issues. Secondly, International Institutions such as United Nations could engage to de-escalate tension.

B. Military De-escalation:

Firstly, reduction of military exercises could build trust. Secondly, Negotiations on arms sales to Taiwan could limit proactive act. Because these are reason for provoking China. Therefore, military de-escalation is necessary for reducing ^{conflict} military tension.

C. Economic Cooperation:

First of all economic cooperation

steps should be carried out. Through trade agreements that strengthen the economic ties and reduces the incentive for conflict. Secondly, investment in shared industries like clean energy could foster interdependence.

D. Support for "One China" Policy with Conditions:

Firstly, Taiwan's status should be recognised by China like "one country and two system" framework could ensure Taiwan's autonomy. Secondly, US maintain strategic ambiguity while reducing direct interference in Taiwan.

V. Conclusion:

To prevent ^{conflict} escalation between two global powers would have far reaching consequences for Taiwan, the region and the world. Both US and China have much to gain from diplomatic efforts over military actions. Lastly, while tension remains high, coordinated international efforts and policies can help for maintaining peace in the Taiwan.

Q No 4

The turnaround of Pakistan's economy is not possible without comprehensive structural reforms in industry,

agriculture, IT, power sector and
system of Pakistan. Elaborate the
statement.

I. Introduction:

Pakistan's economy is facing many substantial challenges, including high inflation, trade deficits, and insufficient growth. For sustainable economic recovery Pakistan needs to adopt structural reforms across critical sectors, including industry sector, agriculture sector, IT sector, power sector and taxation. Addressing inefficiencies in these areas can enhance productivity, attract investment and foster long-term growth. Without these measures/reforms the turnaround of Pakistan's economy is impossible.

II. Structural Reforms in Industry:

Current Issues: Pakistan's industrial sector is hindered by outdated technology, low productivity and insufficient export competitiveness. There is a problem of less-valued manufacturing and reliance on few export items such as textiles and limit growth potential.

Reforms Measures Needed:

- (i) Technological Upgradations: Investment in modern machinery and automation to increase productivity.

(ii) Diversification of Exports: Encouraging industries beyond textiles, such as pharmaceuticals and engineering goods, to diversify export baskets.

(iii) Promotion of Small and Medium Enterprises (SMEs): Facilitating access to finance and technology for SMEs can broaden the industrial base and create jobs.

III. Key Structural Reforms in Agriculture:

Current Issues: Agriculture, employing a significant portion of workforce, suffers from low yields, inefficient water usage, and outdated farming techniques. Climate change further threatens crop productivity.

Reforms Measures Needed:

(i) Modern Farming Techniques: Introducing precision agriculture and mechanization to improve productivity and reduce waste.

(ii) Efficient Water Management: Addressing water scarcity through drip irrigation, rainwater harvesting, and equitable water distribution.

(iii) Focus on high value crops: Shifting towards high-value crops like fruits, vegetables and organic products to increase export revenue and reduce dependency on traditional

Crops like wheat and cotton.

IV. Structural Reforms in the

IT Sector:

Current Issues: Despite potential, Pakistan's IT sector is under developed due to inadequate infrastructure, skill shortages and limited support for startups.

Reforms Needed:

i) Skill Development: Investing in IT education and training programs to address the digital skill gap.

ii) Encouraging Startups: Creating a supportive environment for tech startups, including access to funding, mentorship and reduced regulatory burdens.

iii) Promoting Exports in IT Services: Expanding IT exports by promoting Pakistan as an outsourcing destination, improving digital infrastructure and establishing trade links with tech-advanced nations.

V. Structural Reforms in the Power Sector:

Current Issues: Pakistan's power sector suffers from high transmission and distribution losses, an unreliable energy supply, and a

large circular debt. The sector's inefficiencies deter foreign investment and slow industrial growth.

Reform Measures Needed:

i) Investment in Renewable Energy: Transitioning towards renewables, such as solar and wind, can reduce reliance on expensive fossil fuels and decrease power costs.

ii) Reducing Line Losses: Modernizing the grid, reducing electricity theft, and improving management can lower transmission and distribution losses.

iii) Revising Tariffs and Subsidies: Implementing targeted subsidies for the poor while reducing unsustainable subsidies can improve financial health and promote fair competition.

VI. Structural Reforms in the Tax System:

Current Issues: Pakistan has a narrow tax base, low tax compliance, and a high dependency on indirect taxes. This over-reliance burdens the lower and middle-income groups while leaving wealthier segments under-taxed.

Reform Measures Needed:

i) Broadening the Tax Base: Including sectors and groups that currently,

avoid taxes, such as informal businesses and agricultural income, can create a more equitable system.

iii) Enhancing Tax Administration: Digitalization of tax collection and improving transparency to curb tax evasion and encourage compliance.

iv) Shifting from Indirect to Direct Taxes: Reducing dependency on indirect taxes, such as sales tax, which disproportionately affects lower income citizens, and moving towards progressive income and wealth taxes.

VII. Conclusion:

To pen off, structural reforms across industry, agriculture, IT, power and the tax system are critical to revitalizing Pakistan's economy. Each sector's issues

interconnect affecting productivity, employment and public revenue.

By addressing these structural weaknesses, Pakistan can foster sustainable economic growth, reduce its trade deficit and attract foreign investment. Therefore, the foundation of Pakistan economy lies in comprehensive structural

reforms in Industry, Agriculture, IT,
power and Tax system of Pakistan.
