

# Subjective Part

## PART - II

### Question no: 2

#### Introduction:

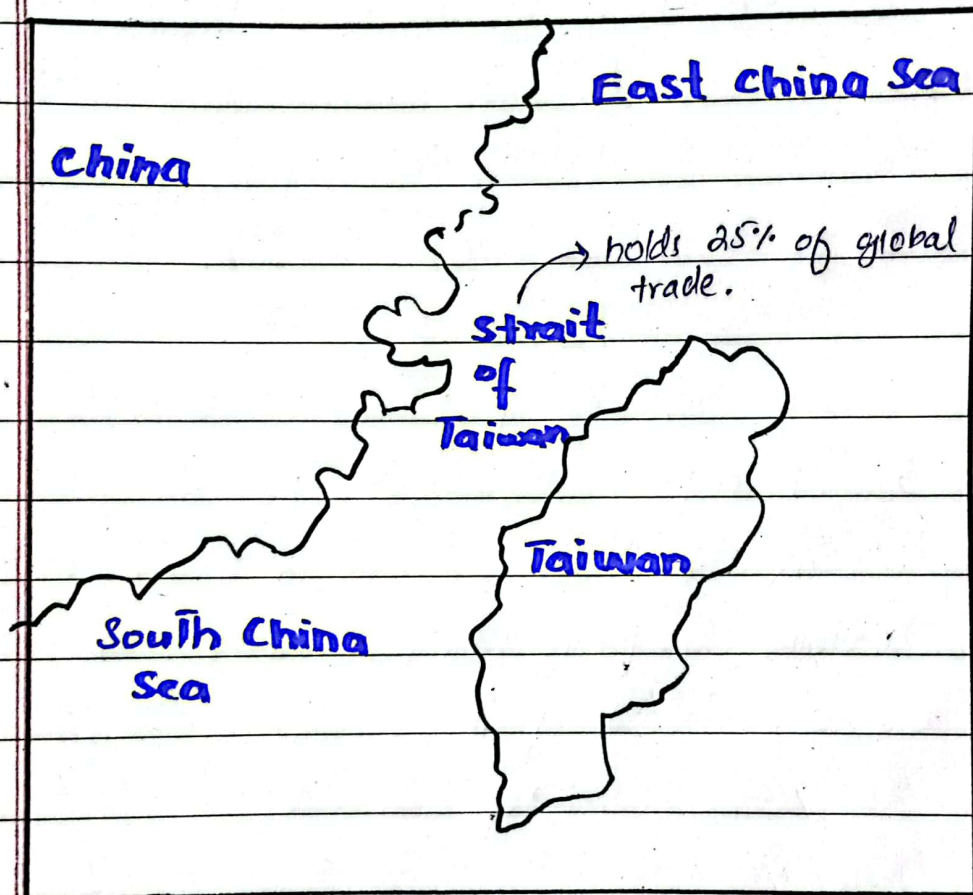
The Taiwan issue is a significant point of conflict between China and the United States. As China considers Taiwan part of its territory and considers any move towards the independence of Taiwan as a threat to its sovereignty. US on the other hand, maintains a policy of "strategic ambiguity", support for Taiwan's defense. Both nations have strong strategic and economic interests tied to Taiwan. However, this conflict carry severe consequences, not only for China or U.S but for the whole world.

#### Reasons behind the conflict:-

##### Historical claim and sovereignty:

China considers Taiwan a part of its

territory, under its "one china" principle. On the other hand U.S has the policy of 'strategic ambiguity', where it neither fully endorses Taiwan's independence nor china's sovereignty over Taiwan.



### Strategic importance of Taiwan:

- Taiwan holds critical position in The Asia-Pacific region.
- It is a major hub for global technology, especially in semiconductor

manufacturing.

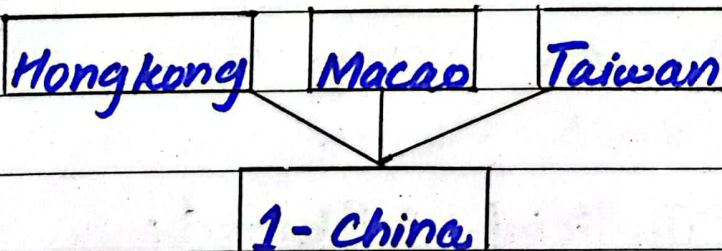
- 8<sup>th</sup> biggest trading partner of china.

- US exports 8 bln \$ arms to Taiwan.

- In 2021 European Union's 60% trade of appliances and machinery with Taiwan.

### 1 - China - two system policy:

According to China's policy of '1-china-two system', Hongkong, Macao and Taiwan are the parts of china's territory, but they have the right to have their separate governments.



### Why (and) US and china must avoid the conflict:

#### I. Economic independence:

Both the countries are economically interdependent. A conflict over Taiwan would disturb global

markets, affects supply chain or trade, and can also lead to a global economic downturn.

## II. Global Security Concerns:

military conflict over Taiwan could escalate into a larger regional conflict which can lead to war.

As both nations possess nuclear military capabilities.

## Strategies to avoid Conflict:

### I. Arbitration:

According to the 'Article 33 of UN charter's paragraph 1, the conflict can be resolved through arbitration in which a third party is involved who makes binding decision based on legal principles.

### II. Judicial Settlement:

UN charter emphasizes judicial settlement as a peaceful means for resolving disputes that might engage global peace. It encourages disputing states to use judicial settlement among other methods to

prevent conflict escalation.

### III. Negotiation:

Unlike formal mechanisms like arbitration or judicial settlement, negotiation is typically more informal and flexible. It involves direct discussions between the parties involved, where they can present their interests, concerns, and potential solutions.

### IV. Economic Cooperation over Military Escalation:

Both nations could prioritize economic engagement over military posturing, like shared economic initiatives, technological cooperation, and mutually beneficial trade agreements, would provide incentives to avoid conflict.

### Conclusion:

The potential for conflict over Taiwan remains, the economic, human, and strategic costs of such a confrontation would be catastrophic for both China and US. By prioritizing diplomacy, establishing clear policies, and

fostering regional cooperation, both nations can take steps to prevent escalation and work towards a peaceful resolution in Taiwan.

### Question no: 3

#### Introduction:

The United States has long provided unconditional support for Israel, which has significant effects on its image in Arab countries. Many Arab countries view this support as biased, leading to resentment and distrust towards U.S. This situation creates opportunities for countries like China and Russia to increase their influence in Middle East. As these nations step into fill the gap left by U.S. policies, this leads to the power shift in region.

#### Effects of U.S. support on its image in Arab countries:-

##### 1. Perception of biasness:

The unwavering support of U.S. for Israel, particularly during conflict

with Palestinian groups, is often viewed as an endorsement of Israeli policies. This perception fosters resentment and distrust among Arab populations.

## II- Undermine credibility of Impartial broker:

The perceived favoritism of U.S. towards Israel undermines its credibility as an impartial broker, which can complicate its diplomatic initiatives in the region.

## III- Rise of Anti-American Sentiment:

This biasness also contributed to rise in anti-American sentiment across the Arab world. This can strain its relationship with Arab allies.

## Opportunities for China and Russia:

### I- Economic Partnerships:

China's Belt and Road Initiative (BRI) aims to enhance economic connectivity across the Middle East. By investing in infrastructure projects and trade partnerships, China is appealing

Arab countries in contrast to U.S. military support, which often comes with political strings attached.

## II. Diplomatic Engagement:

China and Russia presented themselves as neutral parties in the conflict. Their diplomatic engagements especially with Iran contrast sharply with U.S. stance, which allows them to build alliances that may undermine their interests.

## III. Support for Palestinian People:

China and Russia have publically expressed support for Palestinian rights. This can enhance their legitimacy among Arab populations further eroding U.S. influence.

## Conclusion:

U.S. support for Israel has significantly impacted its image in Arab countries, provoking distrust while limiting its effectiveness as a mediator in the 'Palestine - Israel' conflict. This dynamic creates opportunities for China and Russia



to penetrate in Middle East, positioning themselves as alternatives to U.S. influence. The U.S. must reconsider its approach to this conflict and engage with Arab countries more equitably to mitigate these consequences.

## Question no: 4.

### Introduction:

The turnaround of Pakistan's economy is highly dependent on comprehensive structural reforms across key sectors, including industry, agriculture, information technology, the power sector, and the tax system. Each of these sectors faces distinct challenges that hinder sustainable growth and development. Without strategic reforms, Pakistan's economic recovery and long-term stability remain unlikely.

### Reforms need in key sectors:-

#### (1) Industrial Sector reforms:

- Pakistan's industrial sector suffers from outdated technology,

inefficiency and low productivity, making it difficult to compete internationally. Modernize equipments, technology adoption, can help to improve this sector.

- Investment should be encouraged in industrial sector through introducing different policy measures which foster foreign investment.

### (iii) Agricultural Reforms:

- As raw agricultural products are often exported without further processing, which reduce the potential revenue. Investment in food processing industries should be encouraged to boost exports.

- Use of technology also should introduced in the agricultural sector, which will enhance productivity.

### (iii) Reforms in I.T Sector:

The IT sector has the potential to drive economic growth and generate foreign exchange. Expansion of internet access, improved digital infrastructure and investment in

tech education are vital to strengthen this sector.

#### (iv) Power Sector Reforms:

- By addressing circular Debt and inefficient policies, power sector issues can be address.
- The use of renewable energy sources can reduce dependency on expensive imported fuels and minimize the environmental impacts.

#### (v) Reforms in Tax System:

Reforms should be introduced to bring more businesses and individuals into the Tax net, which will reduce reliance on foreign loans and aids.

By simplifying Tax laws, enhancing transparency and introducing digital systems for tax collection can improve revenue generation.

#### Conclusion:

Without the structural reforms in these sectors, Pakistan's

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economy will struggle to achieve sustainable growth. By addressing inefficiencies in industry, modernizing agriculture, capitalizing IT sector, reforms for power sector and broadening and digitalized tax system economic turnaround would be lasting. These reforms can create a more improved standard of living for Pakistani citizens.