

Q No 2 Taiwan issue is a central point of tension between China and the United States. Its strategic importance, historical context, and implications for regional security. Following is the critical examination of the main reasons for this conflict.

## Reasons for Conflict

### 1- Strategic and Ideological Importance:

China's perspective is that Taiwan is seen as a breakaway province.

The reunification is integral to national identity and sovereignty.

The Chinese government considers it a core interest and has

shown its intention to unify Taiwan with the mainland. If

it is necessary by force. On the

other side US perspective has maintained a policy of strategic ambiguity.

Recognizing the "One China" principle.

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Policy, but supporting Taiwan's democratic system and right to self defence. Recently US announced \$567 aids for Taiwan which is the largest package till to date. In addition, there are least amount of people who want reunification with China, but majority of the want sovereign state. Some people want to be neutral on this regard.

## ② Military Considerations:

China's Peoples Liberation Army (PLA) has been enhancing its capabilities, mostly in naval and missile domains to project across the Taiwan Strait. Recently, China's Military drill spread by involving Taiwan is a clear message to US and Taiwan. On other hand, US military presence in the region with Japan, South Korea, etc.

### ③ Economic Implications:

Semiconductor industry is crucial to the global economy. The island is home to semi-conductor Manufacturing Company (TSMC), a leading and best chip maker, which has avoid effect on tech to automotive industries. This conflict could lead to economic crisis for both China and US, which will disturb global supply chains and will rise economic instability in case of a war.

### ④ Geopolitical Influence and power:

China Believe that for regional dominance to control over Taiwan is most vital. Mostly South China Sea and East China Sea. Most likely Strait of Malaka. Similarly for US supporting Taiwan is in broader strategic interest of US in

(17)

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Containing China's influence and for  
free and open Pacific. If US  
loses Taiwan then it will lose its  
interest in the region also.

Why an How China and the  
US must avoid Conflict:

① Avoiding Global Economic  
Instability: Military conflict can  
lead to economic disruption around  
the globe. Taiwan's role in technology is  
also important. By recognizing  
the mutual economic dependence  
both states must prioritize  
dialogue and economic cooperation.

② Regional and global Security:

Escalating conflict could lead  
to a broader and global war.  
To prevent it China and US  
should commit confidence  
building measures and open  
military to military communication  
to avoid miscalculation  
in the region.

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### ③ Promoting Diplomatic Engagement

Regular diplomatic engagement can help manage tensions by addressing grievances directly and avoiding misunderstandings. Bilateral, Summit or forums like ASEAN can be useful for both.

### ④ Supporting Peaceful States Quo

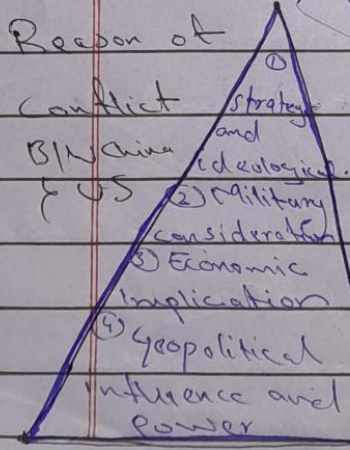
Both states can work for peaceful states quo that respects Taiwan's current autonomy without forcing a solution, while avoiding such activities which escalate tensions like military activity near Taiwan Strait.

### ⑤ Creating a Framework for Economic Interdependence:

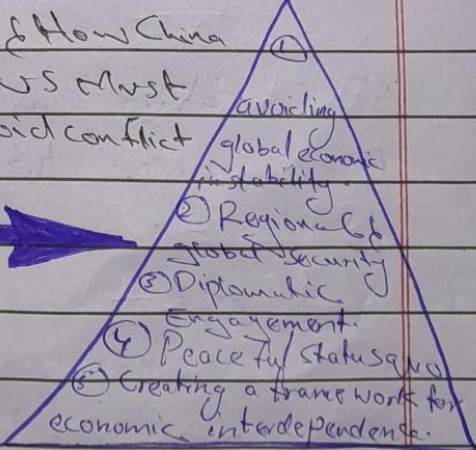
Both states ~~should~~ can manage trade and joint economic projects by avoiding sanctions on each other. A trilateral frame

work promoting economic cooperation particularly in technology and supply chain.

To conclude, Taiwan issue is a flashpoint with the potential for devastating consequences, not for China and US but for world. Diplomacy, economic cooperation and strategic patience are crucial for both sides. War will not benefit any party and nor it is long term interest. A peaceful approach could ensure stability in Asia-Pacific region for years to come.



Why & How China and US Must avoid conflict



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Q.3) The united states long standing, unconditional support for Israel has had significant repercussions for its image in Arab countries and has opened strategic opportunities for rivals like China and Russia to escalate their influence in the Middle East.

Effects on US Image in Arab Countries:

1) Perception of Bias and Loss of Credibility:

The unconditional support of US for Israel in current war in Gaza and Lebanon rise concern among Arab nations that US take neutrality. This perception undermines US ethical credibility and mediator in Middle East. Arab leaders and population US stance on human right war is hypocritical.

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as US is advocate of it.  
② Increased Anti-American  
Sentiment:

The US-Israel alliance has fueled anti-American sentiment across the world especially Arab world in particular intensifying conflict between Palestinians and Israeli. Arab citizens believe US policy support Israel security of the region, at the expense of peace and justice for Palestinians. It leads to sentiment of anger, protests, boycott against US products.

② Strained Relations with Key Arab Allies:

Some Arab governments in Gulf have warmed relations with Israel. Through Abraham Accords, US unlimited support with Israel strain relations with regional powers,



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Such → (KSA, Egypt, Jordan and Lebanon). Additionally public pressure on these governments to distance themselves from US.

#### ④ Impact on Counterterrorism Efforts:

US support for Israel can indirectly complicate its counterterrorism efforts in Middle East. Terrorists group often exploit anti-Israeli and US sentiments to recruit its members and justify their attacks.

#### Space for China and Russia to Penetrate the Middle East

##### ① China's Economic Diplomacy:

China has increasingly stepped into the void with a "no-strings attached" approach, promoting economic partnerships through its Belt and Road Initiative (BRI)

while refraining from taking  
 strong positions on political  
 conflicts including the Israeli-  
 Palestinian issue. This naturally  
 appeals to Arab countries,  
 who welcome Chinese  
 investment and trade without  
 the political pressures  
 often accompanying pressures  
 often accompanying US engagement.  
 China's expanding trade relationship  
 and infrastructure projects in Middle  
 East get leverage to increase its  
 influence.

② Russia's Military & Political  
 Roads:

Russia has leveraged in regional  
 conflict such as in Syria to  
 demonstrate its military  
 capabilities supporting regime  
 like Bashar al-Assad. Russia  
 flexible approach it engaged with  
 Iran & K.S.A both increase Russia

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influence and played balancing role in the region, filling gap left by US.

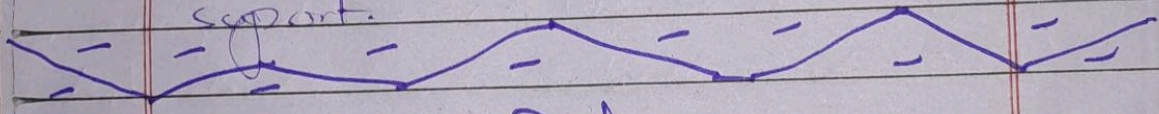
### ② Soft power and Strategic Alliance:

China and Russia utilize soft power strategies i.e. in education, exchanges, cultural diplomacy and media influence to improve its standing Arab countries. China has increased its media presence in Arab languages which will shape narrative.

### ③ The Diplomatic Appeal of Non-Interventionism:

China's principle of non-interference in domestic affairs, a key part of its foreign policy, resonates with Arab leaders who are wary of Western intervention. which allow China to engage diplomatically with these states.

The U.S.'s unconditional support for Israel has eroded its image in the Arab world, where its image in Arab world, where its credibility was a crucial factor. This paved way for China and Russia to strengthen their presence in the region, which offering economic partnership and military support.



Q.03 (a) Industrial Reforms:

• Enhancing Competitiveness:

Pakistan manufacturing sector is constrained by outdated technology, low productivity, and inefficiencies.

Modernizing this sector would increase exports, reduce reliance on imports and improve balance of payments stability.

• Focus on Value Addition:

Moving from raw material exports

(e.g. textiles) to high-value products is essential for economic growth. Pakistan's textile industry, for instance, contributes significantly to exports but lacks diversification and investment in advanced manufacturing.

- **SME Development:** Small and medium-sized enterprises (SMEs) are critical to employment and growth but face challenges in accessing finance and technology. Improvements in this sector increase industrial growth and create jobs.

## 2. Agricultural Reforms:

- **Boosting Productivity:** Agriculture is a significant part of Pakistan's economy but suffers from low productivity due to outdated practices, poor irrigation, and limited use of technology.

(15)

Reforms aimed using modern farming techniques i.e. drip irrigation, sprinkle, etc. Crop diversification which improve yields.

• Reducing Post-Harvest Losses:

A large portion of agriculture losses due to inadequate storage and transport. Developing these sectors reduce post-harvest losses.

• Shifting to High-Value Crops:

The focus is on traditional crops like wheat and rice which are water intensive. Need to shift to less water intensive crops like fruits, vegetables and cash crops which increase exports.

### ③ Information Technology (IT) Reforms

#### • Developing the Digital Economy:

Pakistan IT has shown strong growth potential, but it remains underutilized. With young population, IT needs training (skill gap) which drive to economic growth.

#### • Expanding IT exports:

Pakistan IT exports still modest as compare to its potential. IT innovation, encouraging foreign investment, and developing regulatory framework can attract global companies and clients to invest in Pakistan.

#### • Fostering E-Governance:

Digitizing public services can reduce corruption, increase transparency and improve efficiency.

### Power Sector Reforms:

#### Ensuring Affordable and Reliable

Energy. Pakistan energy crisis with frequent blackouts and high

electricity costs, severely affect industry and households. Reducing circular debt, improving the efficiency of energy production and expanding transmission infrastructure are vital for affordable and reliable power.

### • Promoting Renewable Energy:

Reliance on imported fuel for energy makes Pakistan vulnerable to price fluctuations. Need to invest in renewable energy such as solar and hydropower, which reduce cost of electricity.

### • Improving Governance in the Energy Sector:

Mismanagement, corruption and inefficiency within power companies contribute to the high cost of energy. Reforms aimed at accountability, transparency, and competitive pricing, which attract investors.



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## ⑤ Taxation System Reforms:

### • Expanding the Tax Base:

Pakistan's tax-to-GDP ratio remains low, largely due to a narrow tax base and widespread tax evasion. Broadening the tax base by bringing informal businesses into the formal economy is essential for increasing government revenue.

### • Simplifying Tax Compliance:

The current tax structure is complex and discourages compliance. Streamlining tax procedures, simplifying tax codes and using digital platforms for tax collection can make the system more user-friendly, reduce corruption, and improve compliance rates.

### • Reduce reliance on Indirect Taxes:

Pakistan heavily relies on indirect

taxes, which directly affect low income groups. A shift toward direct shift can reduce this.

Ques Major Takeaways for Pakistan

① Enhanced Diplomatic Standing:

Successfully hosting an SCO conference strengthens Pakistan diplomatic profile and allows it as active player in regional diplomacy. The conference offered Pakistan a chance to engage directly with major regional players and demonstrate its willingness to contribute constructively on shared regional issues, which counterbalances

Pakistan image as a country affected by internal challenges.

② Strengthened Ties with China and Pakistan:

This conference gives Pakistan

a chance to further strengthen  
 it ties with China and Russia.  
 Both countries show its interest  
 in expanding their economic and  
 security cooperation with Pakistan.

③ Focus on Counterterrorism and  
 regional Security.

Counterterrorism is a core agenda  
 within SCO, and Pakistan's active  
 participation reinforces its  
 commitment to fighting  
 extremism and maintaining regional  
 stability. Pakistan can seek closer  
 collaboration with SCO members.  
 For example, challenges with  
 Afghanistan on terrorism issue.

④ Platforms for economic

Integration: SCO emphasizes on  
 economic cooperation, trade and  
 connectivity across member states.  
 Pakistan can avail this chance

⑤ Opportunity to Address Kashmir

SCO provide a diplomatic platform

for to rise Kashmir issues  
Pakistan to stress for stable  
Afghanistan.

### Recommendations for Islamabad

- ① Pursue Economic Diplomacy within the SCO Framework
- ② Enhance Counterterrorism Cooperation and Border Security.
- ③ Promote Stability in Afghanistan as a regional Priority.
- ④ Foster Cultural and Academic Exchanges
- ⑤ Increase Engagement in Digital and Technology Sectors.