

CSS Mock 2026

Qno:7

① Introduction :

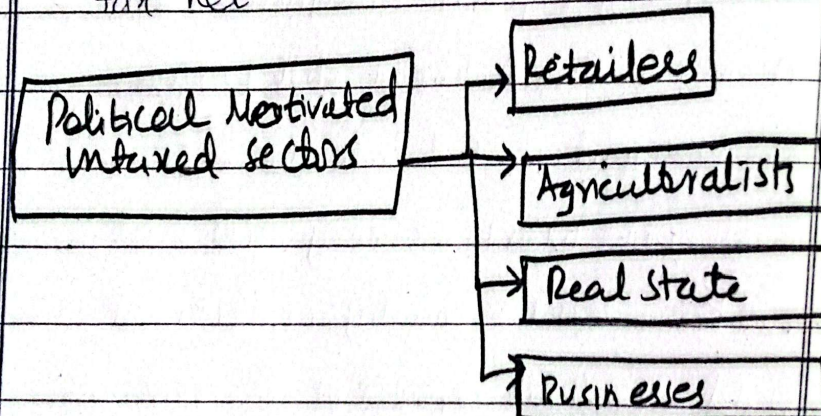
Pakistan's economy has been faltering from one crisis to other. It heavily relies on bailouts and rollovers from friendly countries. Pakistan's import-led growth is focused on stabilization rather than economic revival.

The policy confusion throughout the history of this Pakistan still lingers on to haunt it till date. The cosmetic and quick-fixes to economy will not work unless the country undertakes bold structural reforms in its economic landscape. The internal economic indicators need to be improved to see the trickle down effects on the ordinary citizens of Pakistan.

⑤ Broad-Based Structural Reforms

(1) Widen the Tax Net Instead of Deepening it

The economists have been calling for widening the tax net, instead of deepening it. Instead of heavily relying on the salaried class, the government needs to bring the untaxed and under-taxed sectors under the tax net.



(2) Reduce Non-Development Expenditure

The government has been heavily relying on external and internal

debt to spend on various projects.
However, most of the money goes to
fund non-developmental infrastructure
projects. Most of the politicians
use loans and debt rollovers to
patronage their constituents for
gaining political capital.

"The politics and economy
in Pakistan are interlinked
in an unholy nexus." — Muna Khan

(3) Government Interference in Markets

Historically, the government of Pakistan
has played an overbearing role in
economic markets. The government bodies
have tampered with market prices to
control inflation. However, this has
done more harm than good to the
investors, particularly. Thus, the
economic markets should be allowed to
set prices naturally on supply-demand
basis.

"The role of government in market should be that of a regulator, not controlling it" — Khuram Abbas.

(4) Control Macroeconomic Indicators

The government has always tried to control the macroeconomic indicators, leaving macroeconomic indicators behind. The interest rates, market prices, and fiscal or monetary policies have been improving without any trickle down effect on the ordinary consumers.

"Pakistan applies 18% General Sales Tax on packaged milk, ^{is} the highest globally" — Zeeshan Gul.

(5) Political Motivated Subsidies

Despite the unstable and fragile economic outlook, the country has been providing

1/1/20

Subsidies worth trillions to powerful quarters of the country. Tax exemptions, too, are provided to those who hardly need it the most. The economic elites have been the immediate beneficiaries in all cases.

⑥ Stagnant Private Investment

The government has been unable to rightly incentivize the private sector to improve the economic indicators of the country. Both local and foreign private firms are discouraged to work in Pakistan, preventing investment of all kinds.

"At 13% of GDP, investment is the lowest among regional peers." — Aneel Salman.

(7) Privatize Loss Making SOEs

The loss-making state-owned enterprises are a huge burden on the exchequer and taxpayers. Millions of worth subsidies and tax exemptions are given to them without any return in investment. The state keeps on patronizing them out of political expediency.

“The biggest loss during FY24 was reported by NHA (National Highway Authority)” — Business Recorder

(8) Import-led Growth

The export base has remained low throughout. Exports have fallen drastically in recent years due to low investment by both local and foreign creditors. Our country relies heavily on luxurious imports rather than high-value exports.

"Exports have decreased from 16% to 8% in just a decade." — PIDE.

(9) Energy Sector's Circular Debt

Without electricity, no firm can work in a country. The closure of Carcem and Ubes is a stark example of Pakistan's chronic energy issues.

The accumulating circular debt year after year now runs in billions.

"The country has accumulated 2.7 trillion rupees." — IMF.

(10) No Home-Grown Economic Policy

To fix the economy, the country has relied on foreign countries as a savior. However, the country needs to build a strong, robust home-grown economic policy to shun dependence on foreign-backed

policy choices:

"IMF has always imposed a 'borrow-and-spend model' on Pakistan, instead of a self-reliant reform approach?" — IPRJ.

Conclusion

Thus, it could be concluded in the end that Pakistan's economic landscape has remained fragile and unstable. The import-led growth, narrow export base, and foreign-backed, context-insensitive economic models are some of the structural issues that need to be fixed in Pakistan. Only this can save Pakistan from this low-investments low-growth, and high-debt equilibrium trap. The country can be its own saviour by undergoing bold economic reforms across all sectors.

1/1/25

Qn: 8 US has imposed double tariffs on India. Briefly evaluate its economic and geopolitical implications on regional and global power politics.

ANSWER

(i) Introduction :

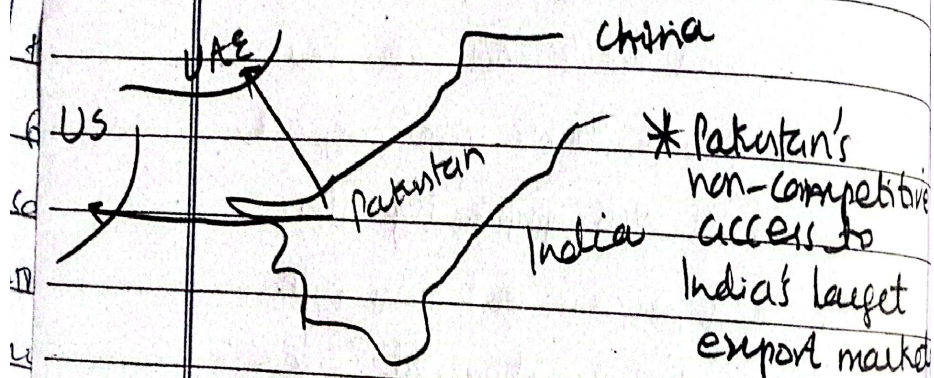
India as 'South Asian hegemon' has often touted itself as an emerging Middle power with immense bargaining power in geopolitical and geo-economic landscape. However, recently, the US has imposed double tariffs on it (now 50%) due to its double balancing act with Russia. It will significantly alter the balance of power in not only South Asia but the international world. Since India has often allied with the US to counter China, the implications of this new global order will reach beyond the South Asia region.

② Regional Implications

(a) Economic Implications

(P) Access to Previous Indian Markets

With a double tax on Indian products, now Pakistan and other regional players have the access to economic markets once reigned by India. USA and UAE have been the largest export destination of India.



(ii) Improve IT Exports

India has been exporting its IT products and services to earn billions in GDP. However, with

new huge tax on Indian products, Pakistan and Bangladesh along with other regional players, have the opportunity to step up their IT products export to improve their GDP.

"India has been exporting IT products and services, earning \$173.2 bn?" — The Times of India.

(1) Lower Oil Prices

Now that India cannot buy Russian oil in cheaper prices, the oil price may come down. This will benefit the regional players as they now do not need to buy expensive Russian oil with increased demand across the world.

"Russian oil price may see a steep decrease?" — The Guardian

(b) Geopolitical Implications

(i) Deter India's Orwellian Ambitions

India wanted to develop its own geopolitical clout by its 'Look East' policy. Its authoritarian tendencies have been greatly deterred now. The US seems to be distant from India due to its buying of Russian oil.

"India's hegemonic designs in South Asia need to be checked upon." — ISS

(ii) Pak-US Improved Ties

With India being sidelined, the once transactional ties of US and Pakistan are growing into a strategic bilateral relationship. US wants to invest in Pakistan's mineral, energy, and digital assets.

11/08

"US wants to improve bilateral ties beyond contestation?" — JD Vance

(9ii) Re-Hyphination of Indo-Pak

India wanted to be as a parallel global player like China. However, the imposition of double tax on India has again dehyphinated it with Pakistan. It cannot wish away this new geopolitical reality.

(2) Global Implications

(a) Economic Implications

(i) Open Market Access

Because of its huge population, India is one of the top 10 economies of the world. With increased tax on Indian products, the market access globally would be open and

less competitive for other global players to take its place. The developing countries could seize this opportunity to improve their narrow export base.

(ii) Increased Economic Clout of Global South

With initial hegemony of India in the global economy, the developing countries of the Global South have a unique opportunity to improve their economic landscape through export-led growth. Bangladesh, for instance,

"Bangladesh could take India's place in the new goeconomic reality." — BBC.

could face less competition in garments and leather exports.

CNI

(ii) Diminished Indian Role in WTO

The previous WTO were always skewed in favor of developed countries. Now, with the diminished geo-economic clout of India in WTO, the trade policies could evolve to be more mature and fairer. The smaller countries may get a novel chance to influence WTO rules in their favor.

"India as a middle power has been influencing WTO negatively." — Rejia Zakaria

(b) Geopolitical Implications

(i) Russia's Diminished Role

The Russia's role could be diminished after US imposition of taxes on countries trading with Russia. However, the Alaska summit of Trump and Putin says otherwise. Putin was not

in the mood to negotiate with Trump
with conditions imposed on him from the
latter. Thus, Russia could intact its
geopolitical significance.

"Trump wants to appear
as a deal maker
after the Alaska Summit?" — Dawn.

(PP) Deflection from Gaza War

The war has been sympathizing
with Ukraine over Russian aggression.
However, the war has deflected
the attention from the Gaza war
inflicted by Israel. So far, 60,000
civilians had been martyred (with
18,000 children in it). Thus, the
Alaska Summit need to be extended
to Gaza, too.

"Trump's peace-making overture
should not stop at Ukraine"

— Abbas Nasir

(iii) Balance of Power Shifted

The balance of power will likely get disrupted- with the Alaska summit, the Russian president, Putin might not be ready to make any compromises. Thus, Trump is likely to make a deal from the position of weakness. The shifting geopolitical winds are too unpredictable to be guessed about.

"The balance of power may force Trump to make a deal from a position of weakness."

(iv) Loss of Multipolarity

With this deal, the principles of multilateralism and multipolarity seem to be at stake. The developing countries cannot do a balancing act between the global superpowers. They may be forced to choose sides now.

Conclusion

Thus, it could be concluded in the end that with increased taxes on Indian product, the regional and global economic and political landscape would turn upside down. The hegemony of India would be diminished with increased opportunities for smaller, developing countries to assert their diplomatic standing. Thus, the Global South could seize this chance to improve its geo-economic and geopolitical clout.

Qno. 6

The China and US have been the two historical global power players on world stage. Their fierce competition over power, trade, and diplomacy have become more evident than ever. China believes in soft diplomatic and less vocal gestures. However, the US has been assertive in its political, economic, and diplomatic decision. Its aggressive stance to impose terms on both friends and enemies has harmed its international image. Now China aims to replace the Western led global order to pave a new route centred on soft power, not a show of hard power like the US. It will disbalance the power equation on both regional and international arena.

② Opportunities For China

(a) US Harmed International Image

The China has a novel chance to replace the western-led international order. The display of hard power by US has tilted the balance of power towards the east. China could emerge to replace the US.

"The Future belongs to the Asian economies." — The Diplomat

(b) Less competitive Economic Market

The world market is now open to China with less competition. The US has imposed higher taxes on both allies (Mexico, Canada) and enemies (China). Thus, China has a unique chance to

expand its export base higher than before.

"China could enter the global economic market without any competition." — The Guardian

(C) Decreased Role of India

The US had been using India to counter the China's rise. However, with the US imposition of 50% tariff on Indian things could replace Indian markets in the microelectronics and chips industry. China could benefit from the decreased geopolitical role of India.

"China could reclaim greater geopolitical role with India being sidelined." — SIPRI

(D) Europe Trade with China

With the political differences between the US and the Europe, the European countries could in retaliation, reconsider trading with China. As China has imposed 125% tariff on US products whereas the US has imposed 100% tariffs on the Chinese products, it could get the chance to widen its export base.

"China could change its European policy, irrespective of the US" — Al-Jazeera.

Challenges to China

(i) Fading Relevance of Chinese Products

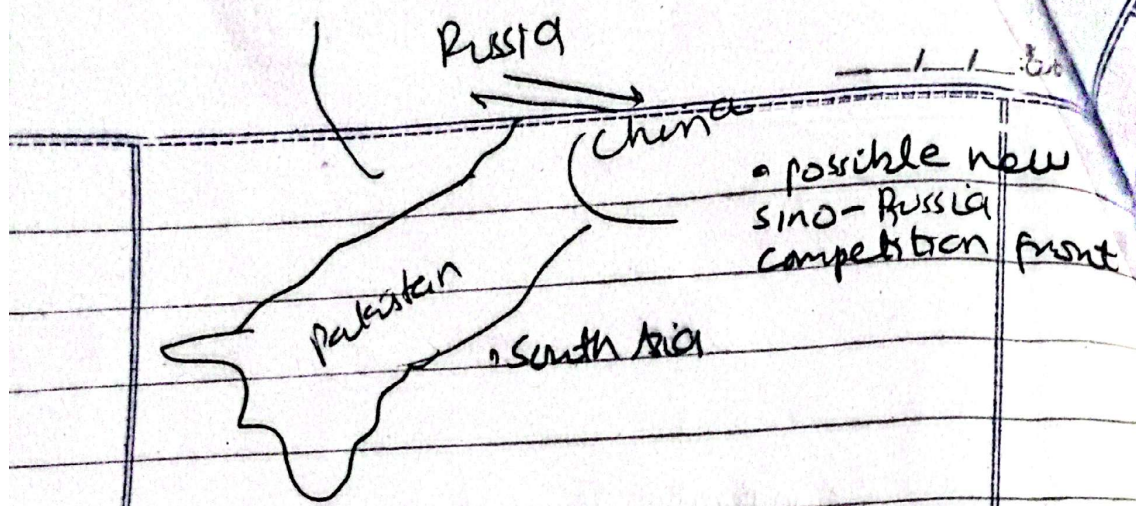
With the imposition of 100% tariffs on China, its products would face challenges in the foreign countries.

The export base of Chinese products could suffer drastically in the process.

(ii) Russia-China War

A new economic war could emerge between ~~China~~ and Russia.

As Russia with its increasing relevance post-Alaska summit with Trump, could envy the rise of China. It could seriously challenge China in both political and economic fronts.



ciii) Difficult to Replace Dollar Hegemony

The yuan cannot possibly replace the hegemony of the King dollars. The Western-led financial system is hard to dismantle. China may find it difficult to use the allies and enemies of the US. It could possibly face the dollar-led financial distributions.

"China could not replace the economic hegemony of the US; though it has replaced its political clout?" — Michael Kugelmann

Conclusion

Thus it could be concluded in the end that the increased taxes on both allies and enemies imposed by the US could bring both opportunities and challenges for China. China could increase its economic and political clout through its leverage, it cannot replace the dollar hegemony and align the Europe with it. Russia could possibly enter into an unspoken deal with China with replace the US dominance.

Ans.

① Introduction

Pakistan has faced fatal flash floods in 2021, 2022 and now in 2025. The devastating floods have impacted the lives and livelihoods of all provinces across the country. However, the government did not take any timely action to prevent floods. Even after the floods ravage whole villages, the mitigation efforts of government authorities has been nothing short of a managing a crisis instead of solving it altogether.

② Reasons of Floods

(i) Faulty Urban Development Model

The Urban development model in Pakistan is characterised with construction projects. More construction projects are linked with better infrastructure. However, there has never been the case.

"The successive construction projects need river banks exposure the faulty development plan." — Naved Iftikhar.

(ii) No Vertical Development of Building

The cities are growing horizontally. However, the government is not overseeing the construction projects and infrastructure plans to encourage vertical development. All three provinces have seen unregulated horizontal growth of

cities.

"Except Karachi no city
has seen vertical
development of buildings" — Nuseer
Memon.

(iii) No Management of Dams

Pakistan has learnt to make new
dams. However, it has failed
miserably when it comes to
manage the water inside dams
to use meaningfully. With the
overflow of dams, it could
risk flooding of whole cities.

"Floods are man-made
disasters". — Archa Khan

(iv) Climate Change

With the rising effects of climate change, the extreme weather events (floods & heatwaves) are growing more in intensity as well as frequency. The climatic change effects could not be controlled artificially by any government.

"Climate change has made floods more frequent and drastic?" — WB Report

(v) Political Motivations

The infrastructure projects in particular constituencies are neglected as they do not have large voter base for politicians. However, in politically dominant areas like panchayats, politicians

overdevelop such regions to
gain political capital for
themselves. Such unregulated
overdevelopment of one region
disrupts the natural flow of water.

(VI) ~~Poor~~ ~~Sewage~~ Poor Wastewater Treatment

The waste water is not treated
properly in Pakistan. This
untreated wastewater then
gather to disrupt the natural
flow of water table and
underground water as well.

"Misgovernance related to
water has resulted in
fatal floods" — MET Department

(b) Policy Options

(a) Early Warning System

Develop the early warning systems systematically to block the floods in time. The weather forecasting should be improved.

(b) Improve Interprovincial Coordination

The provinces and centre should exchange weather information frequently to prevent floods. This could lead to improved mitigation practices.

(C) Improved early warning system

The country should improve its early warning system. It should work on its technology to forecast floods beforehand to reduce their intensity.

(D) Build small dams

Instead of building large-scale dams, build small dams to store rainwater and flood water to prevent further destruction of lives and livelihoods.