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Test: Pakistan Affairs

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Test-2

Q2: Elite Capture in developing economy hinders development, and perpetuating inequality. Elucidate

Introduction

Developing economy needs utilization of resources with equality for the sake of development. However, if the small amount of resources are held by majority, and large number of people are deprived of economic benefits, it creates chaos and hinders development. In Pakistan, elite Capture, that is, small number of people control large amount of resources and gain economic benefits, is very popular. The latest IIT diagnostic report of 2025 has clearly defined the role of elite in Pakistan's deteriorating economy. Hence, elite capture needs

to be addressed for the sake of equal economic benefits and development of Pakistan.

Elite Capture

"Small number of People holding large number of resources"

"Few people hold major portion of land or economic benefits"

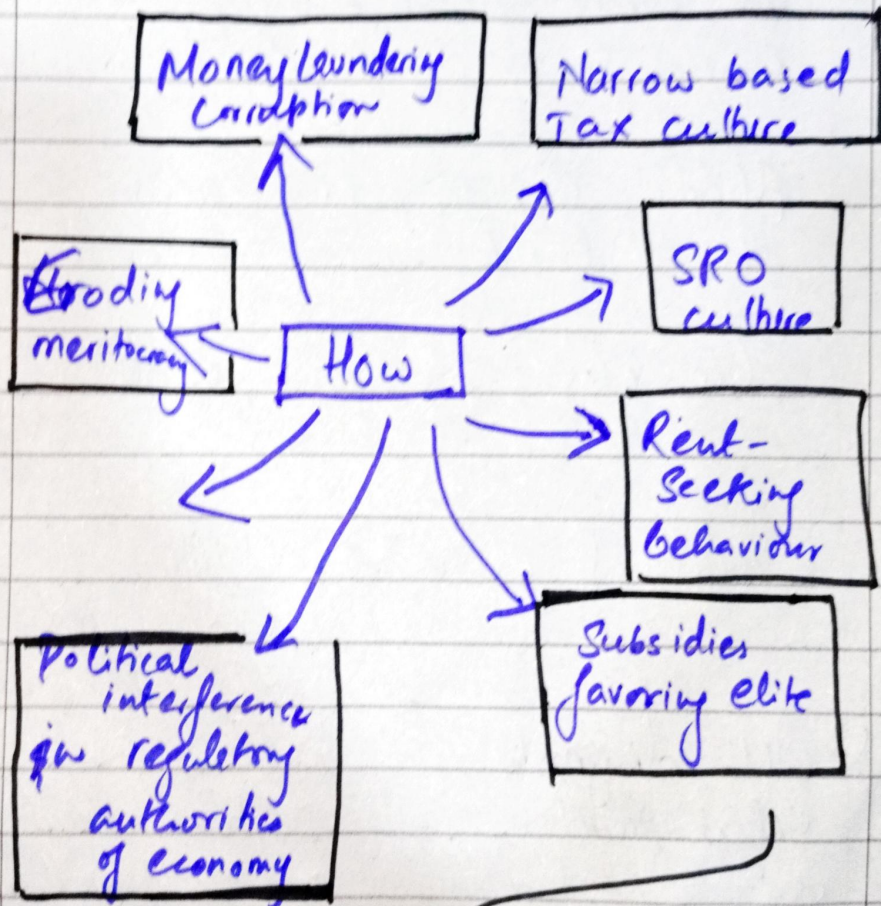
Latest IMF Diagnostic report has highlighted the strong elite capture in Pakistan 2025 Report.

Large portion of economic gains are experienced by few people, but, ultimately creates inequality.

Elite Capture in

developing economy hinders

development



All these reasons
are ways that facilitate elite
and make them capture the economy.

- 1) Elite Capture — Tax evasion, Tax avoidance and SRO culture leads to economic failures or stagnation.

The elite in Pakistan face no strong accountability. They evade or avoid tax.

Middle class $\Rightarrow$ pay taxes
Salaried people $\Rightarrow$ pay taxes

Elite class $\Rightarrow$ Avoid, evade taxes

Industrial elite $\Rightarrow$ Statutory
Regulatory Order.

IMF diagnostic
Report says Pakistan
to end SRO
culture for
the economic
benefits ??

Make rich
people avoid
or pardon their
taxes on goods
and benefits.

- 2- Elite Capture hinders economic development as they seek rent-seeking behaviour, erode meritocracy and interfere politically.

IMF diagnostic report mentioned strong elite hold on politics.

Elite interference in politics and turning the tables in their favor generates inequality.

80% of the jobs in industries are based on favoritism of elites. Meritocracy has eroded in Pakistan — IMF Report.

Elite Capture in Pakistan favours the people that benefit them. They gain benefits by destroying merits and talents. Ultimately, this gives birth to inequality in nation.

3- Subsidies favoring rich and loose hand on money laundering and corruption are all evidence of elite capture which is hindering economic development.

"50 Billion of subsidies given by Pakistan has favored the large agriculture owners. It has never favored the small farmers" - IMF Report 2025

This generates inequality
 ↳ Unequal development

The loose hands on money laundering as rent-seeking behaviour leads to exploitation of regulatory authorities. This consequently make elite get more powerful.



IMF Report has clearly mentioned that unequal development is seen in Pakistan. It has given ways to address the economic crisis by asking Pakistan to have strong measures against elite capture.

Elite Capture $\Rightarrow$ Stop / harm Economy
as it favors only rich and not poor.

Conclusion:

To avoid inequality and stagnation in economy, Pakistan needs to address elite capture. The hold on large resource by small number of people create inflation and economic crisis. Hence, Pakistan needs to end SKO culture, provide wide-based taxes and promote meritocracy.

Q.1: Elucidate ideology of Pakistan. What were the reasons which contributed for the development of two nation - theory. Discuss in light of sayings....

Introduction.

The ideology of Pakistan was constructed on the basis of religion and culture. Different language, living and practices made muslims have ideology of Muslim nation which gave birth to Two nation theory in Indian sub continent. and, ultimately, Pakistan. The discrimination and conflicted ideas with Hindus made Muslims realize the concept of two nation theory. For 1837 rule of congress consolidated the idea irrevocably. This ultimately led to formation of Pakistan.

Ideology of Pakistan.

Pakistan came into existence on the religion, cultural and civilization bases. The main reason for Pakistan's existence was its Ideology which incorporated the idea of Islam and Islamic living.

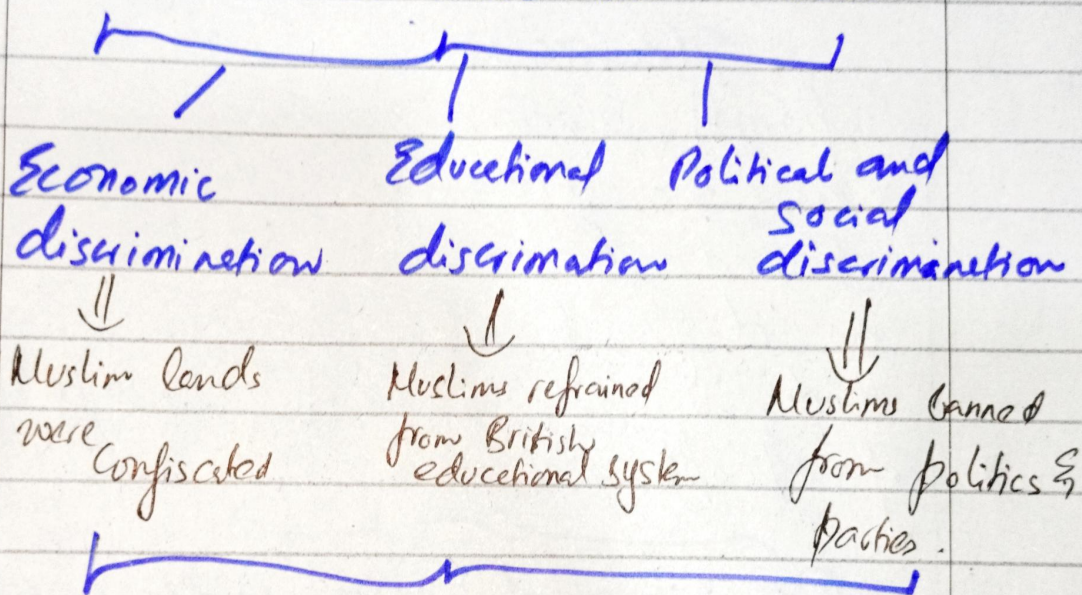
The Islamic civilization and culture made Muslims suffer with Hindu ideology. This conflict gave the idea of Two nation. Hence, ^{Muslim} Pakistan demanded the separate nation for its peaceful living.

Muslim Living, Islam, culture, language and practices were different from Hindus $\Rightarrow$ leading to Two-nation theory.

Pakistan came into existence due to ideology of Religion and culture.

Reasons - Two Nation Theory

Post 1857 Independence war
muslims were marginalized
and blamed more than Hindus



Sir Syed Ahmed Khan
realized the discrimination
and started Aligarh Movement

"Muslims and Hindus are
two different civilizations"

Said by Sir Syed.

Sir Syed Ahmed brought the
Idea of Two nation theory

- Sir Agha Khan III led the Simla deputation and met viceroy Lord Morley.

Convinced him about Separate
Electrates

Separate Electrates concept was the one that fully secured the idea of Muslims as different identity from Hindus in the heart of majority of people.

Provision of separate electates in 1909 Morley Minto reforms Consolidated the idea of Two-nation.

"Muslims and Hindus are distinct identities with distinct civilizations" — Said by Morley.

- 1927 - Nehru Report confirmed that Muslims were not part of Hindus

Jinnah voice of Two nation
Gradually took a revolution

- 1935 - Act and 1937 elections were remarkable change

Swiftly leading to Two Nation

Under congress rule Muslims suffered

7/6/1935 → congress

10/9/1932 → Muslim League

All discrimination consolidated the idea of Two-Nation.

- Echo of Bande - Mataram
- Congress flag promotion
- Warda Scheme
- Tilak Strategy
- Vidya Mandir Strategy
- Absorbing Muslims to Hindu Culture

- o 1930 - Allama Iqbal address at Lahore made highlights as Iqbal said:

"Muslim and Hindus can never be a single nation"

"Muslims and Hindus can never live under one rule, they need two nations"

"Muslims culture, language and living have always conflicted the Hindus living standards. They are different and need different nations"

Iqbal clearly asked for Two nations in his speech.

Later, Chaudry Rehmat Ali in 1933 published Pamphlet "Now or Never"

gave a name Pakistan for Muslim Nation.

- 1839 - Resign of Ministries and Day of Deliverance

Muslims relieved from Hindus rule — it was celebrated.

- 1946 — Elections and Direct Action day was final stroke

Quaid-Azam said:

"No one can stop Muslims from having separate identity"

Muslim League won majority of seats and demanded separate land.

- 1947 — 14 Aug → Two Nation Theory was practically implemented.

Two Nation Theory

Sir Syed Ahmad Khan introduced it

Consolidified by Separate Electorate
demanded by Agha Khan III.

Favored by Ali Brothers

Jeal speech
and poems escalated the feelings
and perspective

Ch. Rehmat
gave it name 'Pakistan'

Quaid-e Azam
played politically
and gave Two nation
theory a real image
in form of Pakistan.

Conclusion:

Allama Iqbal, Quaid Azam and Sir Syed Ahmad Khan are key leaders who supported the idea of two nations. They gave practical reality to this theory and made Pakistan as a separate Homeland for Muslims.
