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NOA

Mock Exam

Name: Shahvir Qazi

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IR-2

Ans. Qno. 4

## IMF INTERVENTIONS

### Introduction

It has been decades since IMF has been continuously practicing its financial interventionism upon developing countries. It, along with the World Bank, has led a paradigm shift in the global economy. Since the 60s till the present, Pakistan has engaged in over 26 IMF short-term and long-term loan programs. IMF-led interventions and subsequent technical assistance in formulating policies has had both positive and negative impacts upon the world's economic arteries. Throughout the years IMF loans have been primarily criticized over the US-influenced conditions it presents to countries on the brink of bankruptcy.

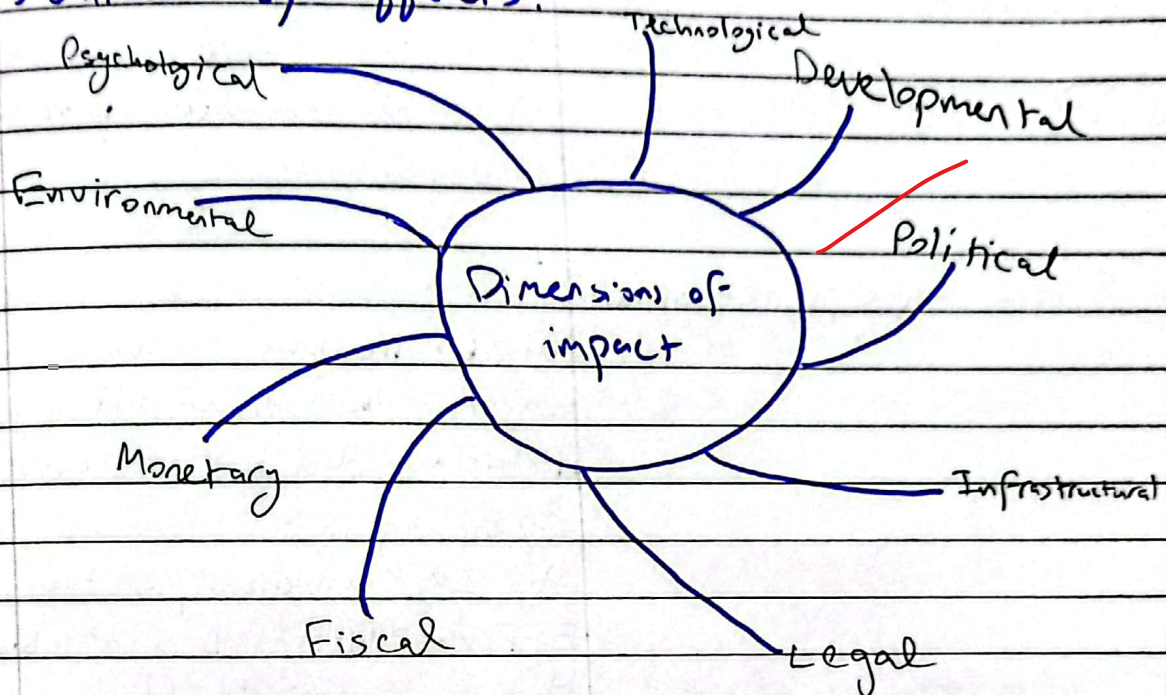
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# IMF Loans Impact

## i) Nature of effects:



## ii) Effects on developing Nations:

### Kind of Policy Given

### Impacts

1- Taxation policies based on more extraction and less expansion

Pressurizes the already-burdened low earning salaried class, especially prevalent in Pakistan.

2- Subsidy cuts

Tax amnesties carry huge significance in developing economies. This policy has the dual impact of saving the government money but it proves quite unpopular among the people.

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| 3. Fiscal and monetary policies hyper-focused on revenue generation | High inflation rates and cuts in certain sectors in terms of government spending severely affects the human development socio-economically.   |
| 4. Social safety net expansion                                      | These IMF policies have positive benefits in human capital development. Although Pakistan did not increase spending in BISP as per the IMF conditions for the EFF of 7 billion USD in 2024 but this was waived off. |

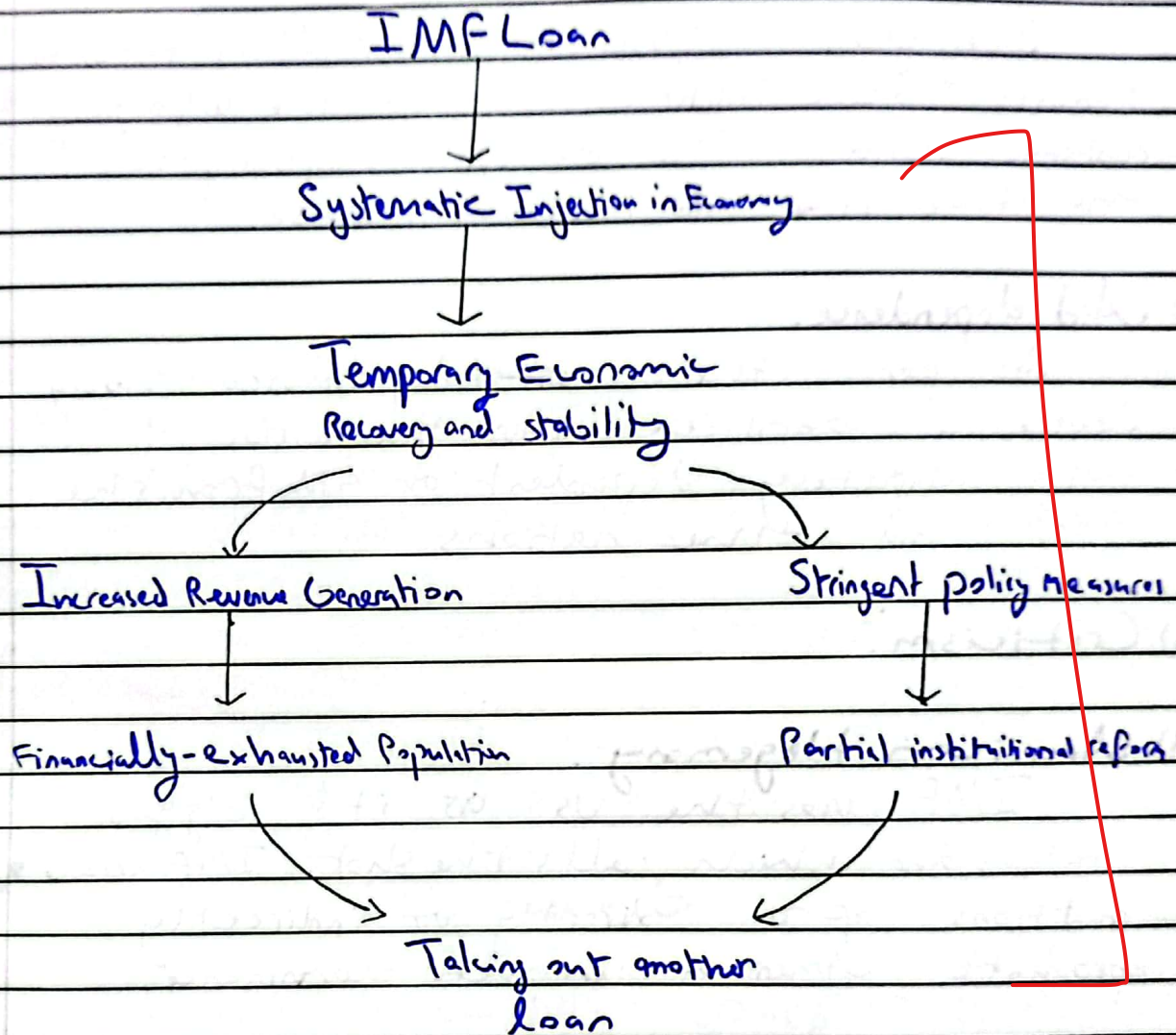
### iii) Net impact on Pakistan:

Overall these programs have saved Pakistan's economy but have mostly failed in implementing the necessary institutional reforms. This has led to Pakistan being stuck in a cycle of aid-addiction instead of being able to establish independent-aid-non-reliant functionality.

Promotion of  
Economic Recovery of IMF  
Loans



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## Risks and Criticisms

i) Risks of IMFLow acceptance.

1) Riots and Protests:

There is a real risk of the affected population going out on the streets and rioting against all the harsh IMF-imposed conditions that drain them of their money.

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## 2) Brain Drain.

Every year close to a million Pakistani students leave Pakistan due to the unforgiving economic climate. Other developing countries face the same issue and it can increase.

## 3) Aid-dependence.

As per the ~~inter~~dependence theory, developing countries run the risk of being completely dependent on aid from the IMF and other nations.

## ii) Criticism.

### 1) American Hegemony.

IMF has the US as its biggest stakeholder which calls the shots. IMF loan conditions often directly or indirectly promote American unipolar dominance.

### 2) Aid Addiction.

As per the world systems theory, countries especially in the global south are unable to escape western economic imperialism and therefore don't upgrade in terms of their manufacturing abilities.

### 3) Periphery of the Periphery economies.

Developing countries and including Pakistan, have stayed as periphery of the

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periphery economies for the longest time. These IFIs run from the global north, deliberately hold down developing economies from expanding from a certain point.

### Conclusion.

Ultimately the IMF allows for sinking economies to be saved but at the same time it maintains the status quo. This can be improved via multilateral projects such as BRT. IMF loans and technical assistance in the short term is beneficial but in the long term it raises doubts.

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## TRUMP'S 20-POINT PEACE AGENDA

### Introduction.

The middle-east is drastically shifting into a new direction. This colossal change is being driven by Trump's vision of what a tranquil and harmonious middle-east looks like. The issue in this is the fact that Trump's plan very ambiguously presents a possibility of a two-state solution.

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It may allow for peace and stability but will be under the stringent surveillance and draconian control of the US and Israel. This may most likely systematically marginalize the Palestinians. Pakistan has already contributed to the 20-point plan and can make further policy-level recommendations but it cannot directly participate in the ISF.

### Net impact of Peace Plan

#### 1) Gunboat Diplomacy.

The Palestinians are having to choose this option, for which they were coerced into through Israel's war, as there is no other option that guarantees survival.

#### 2) Security Dilemma.

Though peace may usher in but the Palestinians will always have to live in fear as Israel will keep strengthening its military superiority. On the other hand they will possess no defensive capabilities of their own.

#### 3) Ambiguity in the Peace Plan.

The deliberate ambiguity of a two-state solution has been left in Trump's peace agenda. This lessens the chances of the Palestinians gaining autonomy.

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#### 4) Dependence Structure.

The peace plan has been designed in a way that ~~Palestinians~~ will always remain dependent on Israel as per dependence theory.

#### 5) Absence of- addressing Israeli war crimes.

No - where is it mentioned in the ~~peace~~ plan that Israelis, who committed ~~war~~ crimes in the name of Israel's offensive realism, will be prosecuted for the act against humanity they perpetrated in the war.

#### 6) Foreign involvement.

The ~~palestinians~~ will have to do everything as per Trump's and Israel's directives. They will have to choose a governance structure that will be ~~vetted~~ by Israel, according to a ~~BBC~~ report.

#### 7) Scholasticide and complete infrastructural decimation.

Palestine's scholars and graduates are very few in number as most have been killed. Any infrastructure they had for growth, such as universities, has been destroyed. This along with Hamas being disarmed leaves a power vacuum. This will be filled by ~~Israel~~ and will allow them to corner ~~Israel~~ <sup>Palestine</sup> and run their state.

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## Marginalization of Palestinians

Chronic and eventual marginalization of the Palestinians will occur in a multitude of imperialistic ways.

Cause	Effect
1- <del>Years</del> of Palestinian infrastructure will take place	- Systemic encroachment and settlement of Israelis will occur as did with West Bank.
2- Israel-Favoured governance structure to be made	- Allow the emergence of Israeli policies of oppression to take place in Palestine.
3- International stabilization force will be a police force, not for the defence of Palestinians	Netanyahu in early December, 2025, threatened to "do what's necessary" and may launch another grand offensive any time.
4- <del>Repeated</del> violations of ceasefire by Israel.	This is setting a precedence for future Israeli attacks.
5- American-backing and continued support of Israel	This will pave way for an apartheid-like rule in Gaza and Israeli totalitarianism will be at its apex.

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## Pakistan Policy Outlook

### i) Non-participation in ISF.

This move will allow Pakistan to maintain its balancing act when it comes to the US and China. Deploying in the ISF will mean that Pakistan may have to get involved in a wider middle-eastern conflict which is something Pakistan is not ready for.

### ii) Policy recommendations to the Peace Plan:

Pakistan can contribute to the peace plan via constructive policy output in the peace plan.

### iii) Liberal Approach.

Pakistan needs to enact a liberal approach in the issue by promoting dialogue and use international institutions such as the UN to voice its concerns and recommendations.

### Conclusion.

The Israel-Palestine issue has its roots in history which shows how sophisticated this issue is. Therefore it requires a delicate and nuanced approach to carefully dissect and address the socio-political complexities engulfed at the heart of the issue.

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## PAK-KSA DEFENCE PACT

### Introduction.

The defence pact between Pakistan and KSA is hailed as a great milestone in their bilateral relations. This landmark deal will strategically be advantageous to Pakistan in terms of its political and economic long-term effects. It has set a precedent and a standard of modern day defence pacts. This will alter regional dynamics by warding off any hostility towards KSA and any other countries who sign with Pakistan. It also signals a step rightward towards intended US-Israeli expansionism eastward. This move boosts Pakistan's credibility further and can be a tool encompassing soft power in our foreign policy.

### Regional influence on the Middle-East

#### ↳ Extension of Nuclear umbrella to KSA:

This factor alone will work as deterrence credibility for any power looking to intervene in KSA.



## 2. Discouragement to Israel:

This pact ensures that Israel will not treat KSA like Qatar. Pakistan's security apparatus, combined with KSA imported superior military tech, creates a lethal combination, against which Israel can't fully compete.

## 3. Encouragement to Gulf Nations.

This pact allows other nations to seek similar defence arrangements with Pakistan to protect themselves against Israel and non-state actors.

## 4. Emboldening of KSA.

KSA through this bolstered defence arrangement can now further its influence in the middle east and in GSA on the basis that Pakistan honours this pact on the foundation of "Pacta Sunt Servanda".

## 5. Countering Iran:

Iran may be in the face of a security dilemma as KSA now has state-of-the-art military technology and a solid defensive arrangement.

## 6. Proxy wars:

KSA is now able to put more effort and resources to waging proxy wars, such as in Yemen, instead of fearing retaliation.



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## Broader Implications

### i) Heightened Credibility.

This pact gives Pakistan increased credibility in all areas in the international stage. This allows for relative ease in establishing Pakistan's global image.

### ii) Soft Power.

Pakistan Through this pact and with KSA's help can project greater soft power and enhance its global presence.

### iii) Betterment of Relations with KSA's allies.

Pakistan can reap extract great benefit from this arrangement by extending relations with KSA's allies.

### iv) Closeness with US.

This serves as a prime opportunity to heal relations with the US through KSA's influence, especially since KSA this year pledged to invest 1 trillion dollars in the US.

### v) Greater Leveraging Power.

In multilateral forums, Pakistan has now been granted a boost in negotiating power in international forums.

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## Conclusion.

Pakistan has overall achieved success in a lot of geopolitical spheres. If relations remain stable and through balancing Pakistan's ties with Iran as well, it can get further progress. The net impact of this deal far outweigh the net loss.

## Ans. Qn. 8

### BRICS AND SCO EXPANSION AND CHALLENGE

#### Introduction:

~~Pakistan~~ The world is witnessing a remarkable shift to multipolarity in a steady manner through BRICS and SCO. Both organizations have ushered in a new form of multilateralism which rivels the US and the EU. This latest development is being led by China which is already engaged in a fierce trade war with the US. The US is now competing on multiple fronts and may be losing its grip upon its unipolar hegemony in the global order.



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## Expansion and Success

### BRICS

1. It has recently brought in USA as a new member.

2. It is on way to introduce its own currency to be used throughout BRICS+ nations.

3. Its upcoming BRICS bank will rival IMF's economic imperialism.

### SCO

- It has also added new members

- It is bringing in new policies for the further cohesion of existing states.

- It provides with loans and development projects for its members to promote the growth of the global South, independent of the global North.

## Old vs New Multilateralism

### OLD

1. UN would be the only multilateral body to dominate world politics.

### NEW

- SCO and BRICS have emerged as rivals of UN to make way for new changes

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| 2. Veto System of UN would put most issues in deadlock or in limbo                 | - BRIC and SCO have institutional mechanisms to allow for resolution of problems.         |
| 3 Global North dominated world order and multilateral institutions.                | The Global South has now taken to the stage to challenge conventional geopolitical norms. |
| 4. Many multilateral decisions would exclude the voices of less-developed nations. | SCO and BRICS+ allow for developing and other nations to take part as well.               |

### American Hegemonic Regime under Threat

The American hegemony is under severe threat as China is rising and as per the principle of Thucydides trap, make reign as the champion who overcame America as the new global leader. China and with BRICS and SCO leading the way, the global north is at risk of being outwitted and out-performed in every manner.

### Conclusion

Times are changing and the global order is about to be replaced.

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