

PK4

## Q.1 PAKISTAN'S Inefficient Economic System.

"Pakistan's Economic system can make it world's 6<sup>th</sup> largest country in terms of economy, if it make some structural Reforms. "

Goldman & Kaven Dally in  
"The Path to 2075"

Pakistan's economic system is marred with inefficient policies and poor enforcement of laws. Despite having capability of exploiting natural resources, Pakistan is unable to bring reforms. Pakistan can bring reforms which could help it increase revenue collection, reduce dependency on external borrowing and create a more equitable economic environment.



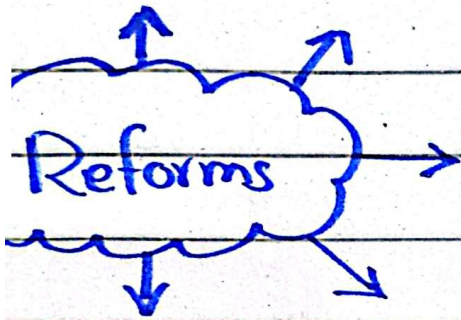
# REFORMS Promoting Pakistan's Economic system.

Increasing Vocational Institutes

Tax implementation on elites and feudals

Strengthening Women

Reducing tax on poor



Documentation of undocumented sellings

Check and Balance on tax system

Proper Allocation of funds to produce/generate factories output.

Ensuring tax implementation

Reducing tax on Remittances

Proper collection of taxes

Increasing tax from 95% to 18% as GSTs

Public Privatization of SOEs



# 1) Reforms In Tax System To Increase Revenue.

i) Tax implementation on elite class and landlords.

“The feudal system of Pakistan has empowered elites to manipulate the policies, bring stifling reforms and exploit resources.”

Dr. Ishaqat Hussain  
in “Governing the Ungovernable”

ii) Ensuring and Policizing the sellings of in black and white form to collect tax of all sale and purchase.

“60% of sellings are unregistered in Pakistan.” World Bank Report



iii) Reducing Tax on remittances received from Pakistani foreigners to ensure more input of money transfers

"Pakistan receives \$27 Billion in terms of remittances, which could increase by decreasing tax. So, people will send money more frequently."

iv) Privatization of State owned enterprises to apply tax and get benefited.

"Privatization of Railways, Airlines and other companies to apply taxes by government"

Ex- PM of UK

Margaret Thatcher

~~Mrs Thatcher~~

"Rationalizing the Expenditure Policy"



v) Increasing tax from 9.5% to 18% per Hundred Rupees.

“Pakistan collects 9.5% / 100 Rs instead of 18% / 100 Rs, this could increase tax by proper Policization.”

Dr. Ishrat Hussain.

vi) Constructing factories and Industries from budget and applying tax on factories and on selling products

“\$598 million allocated to Benazir income support Program and only 0.3% to education”

Pakistan's Budgetary allocation.

Creating factories from few millions, hiring employees will increase manufacturing thus ultimately increasing taxes on factories



products and employee's salaries.

vii) Increasing number of Vocational training Centers to produce skillful people and generating tone from their skills.

"Germany after clearing 10<sup>th</sup> standard exams, ask students for further education or skillful training 60% of students select skillful training, 40% of proceeding education. Germany is World's 6<sup>th</sup> biggest Economy."

Germany Case Study

viii) Reducing Government expenses through proper reforms.



"France 'Tightening the Belt' Policy", reduces government spendings to increase economy through investing in education".

47% on debt clearing  
20% (from 27%) to government spendings  
33% (increasing from 26%) to education.

## ii) Reduce Alliance on External Borrowing.

i) Strengthening and educating women to step-in in Economy production.

"Bangladesh case study of Home-based textile industry"

"Empower Women"

IMF suggestion



ii) Increasing agricultural production by reducing price of fertilizers to increase import and decrease export

" 33% fiscal deficit from importing 63% and exporting 30% . . . "

PTDE Report 2024.

" Despite wheat producers, Pakistan is purchasing wheat from Ukraine. "

### 3) Ensuring Equitable Economic Environment

i) Auditing the collection system from Elites and feudals.

ii) Collecting tax from Industries and factories.



iii) Increasing Tax on Rich and  
reducing on Poor

iv) Reforming Rental Power cuts policies

“Changing fixed-price bills policy to use-and-pay policy to ensure valid bills collection with tax.”

Case study of Pakistani Celebrity

“Neelum Munir” paid Rs 27000/- of 1 month of locked house from months.

v) Providing Small Subsidies so people can use money in other ways to generate livelihood and pay tax.

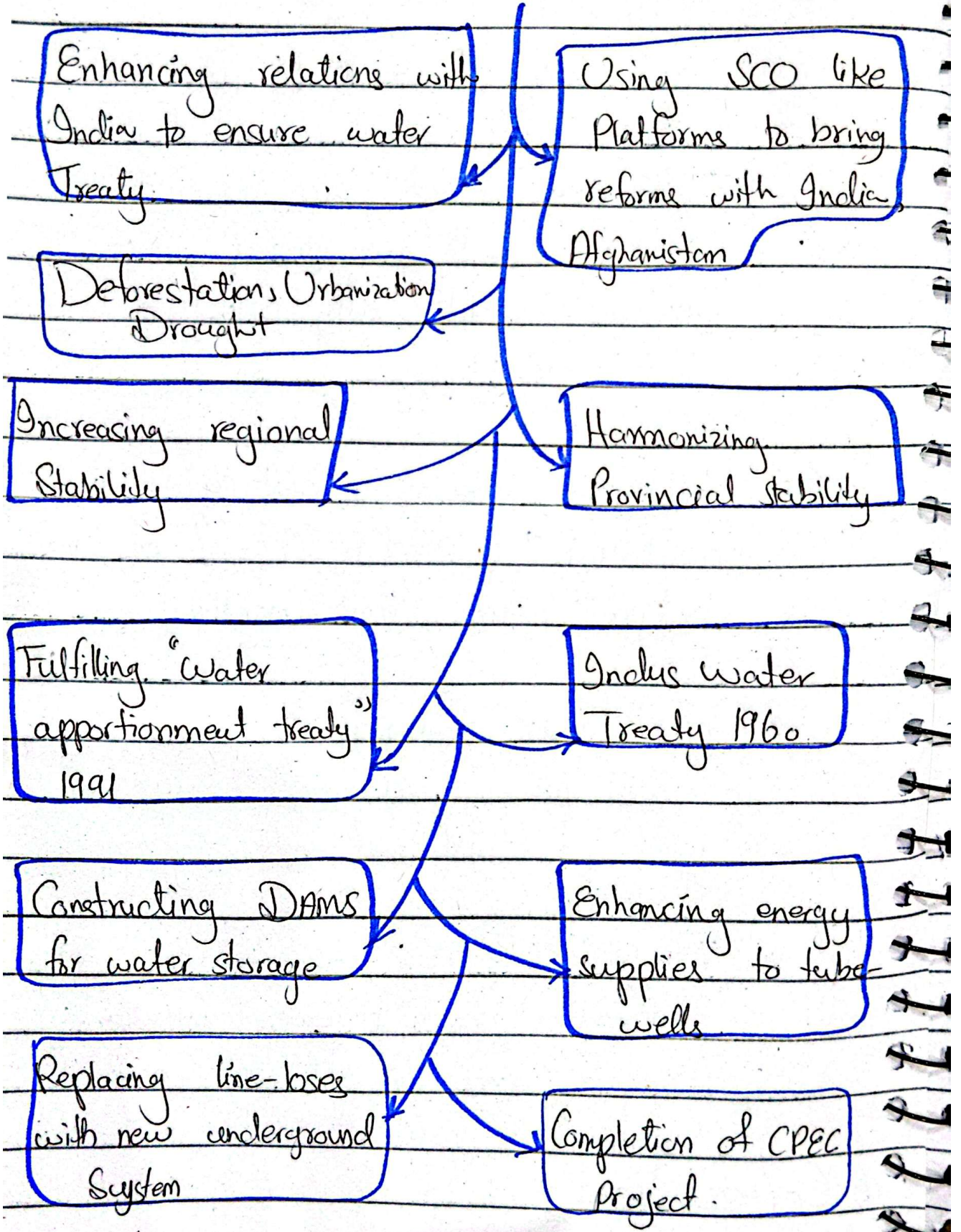
“IMF's condition of removing subsidies has increased inflation, causing poor to get more poorer, earning no livelihood, hence no tax.”

4) CONCLUSION



Q3

Pakistan addressing growing disparity of water resources availability.





i) Using SCO and World Bank for increasing bilateral relations with India and Afghanistan.

ii) Constructing Dam on Hari River or Salma river of Afghanistan to provide water to 25 million Pakistanis which would increase to 33 million by 2035.

b) Prohibiting India to generate DAMs on

Chenab → Salal Dam

Chenab → Rawalkot Dam

Chenab → Rattle Dam

c) Discourage India to Construct Krishanganga DAM on Neelum-Jhelum River where Pakistan was a had to Construct DAM.

→ Krishanganga DAM will reduce water supply to river by 13%, reducing 10% energy generation



ii) Ensuring India fulfills Indus water treaty terms to supply water without inhibiting flow or consciously increasing flow during rain or flood

iii) Increasing forestation for water storage in Urban and Rural areas

"Billion trees Program"

iv) Providing Services to rural areas to keep them from Urbanization and causing drought from deforestation

"South Africa suffering extreme water shortage due to drought and deforestation"

Forestation in rural areas bring positive climate changes, increasing rainfall thus contributing to water supply.



v) Increasing Political Stability to bring reforms collectively for the provision of water

vi) Harmonizing Provincial rivalry to friendship in supplying proper water.

"Conflict of KPK on Diamer Bhasha DAM,  
Sindh's lack of confidence on Punjab for curtailing fresh water,  
Punjab's affirmation for using more water by contributing 60% to GDP."

vii) Fulfillment of "Water Apportionment Treaty" 1991 to provide equitable water to urban and rural areas

37% to Punjab

37% to Sindh

12% to Balochistan

14% to KPK



viii) "Indus Water Treaty" 1960 with India to fulfill terms and enhancing relation to keep water supply

ix) Constructing Dams to store water and supply energy

Indus water flow 145 MAF

Pakistan's storage capacity 14 MAF only  
Wastage of huge water quantity

x) Water Supply management

KPIR Says Pakistan receives 145 MAF water, But due to insufficient management, loses more than 87 MAF and only 50 MAF is supplied

xi) CPEC Project Completion to increase water & Energy supplies, increasing water to rural and urban areas.



## Conclusion:

“The 21<sup>st</sup> Century  
Politics will revolve  
around water.”

Alfred