

Pakistan Affairs

Question-1

How can Pakistan reform its tax system to increase revenue collection, reduce reliance on external borrowing and create a more equitable economic environment?

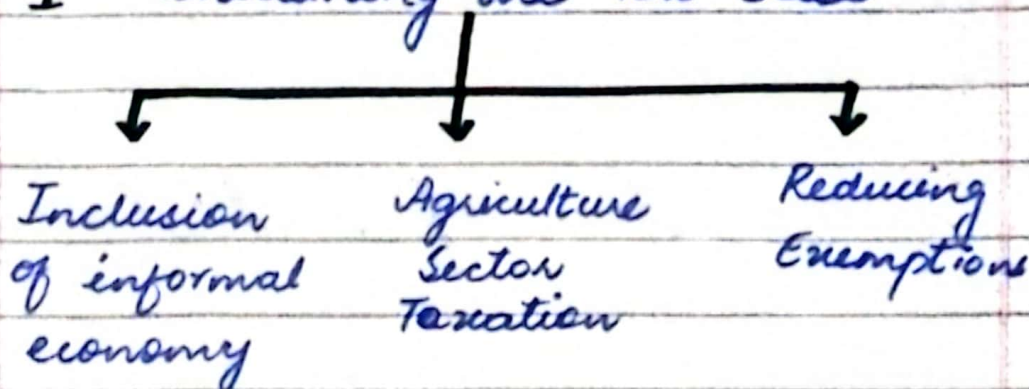
Tax System of Pakistan:

Tax system of Pakistan has detrimental impacts on average citizens and creating growing distrust between the government and the populace. Despite of many policies and reforms made for the current taxation system, the government failed to achieve the goal of tax revenue mentioned in the budget. This is because of the non-fulfilling policies and unfair system of taxation. There is a need for reforms that overall change the system that can expand the tax revenue

fairly and equitably.

Strategies to make effective reforms in tax system of Pakistan

1- Broadening the Tax Base

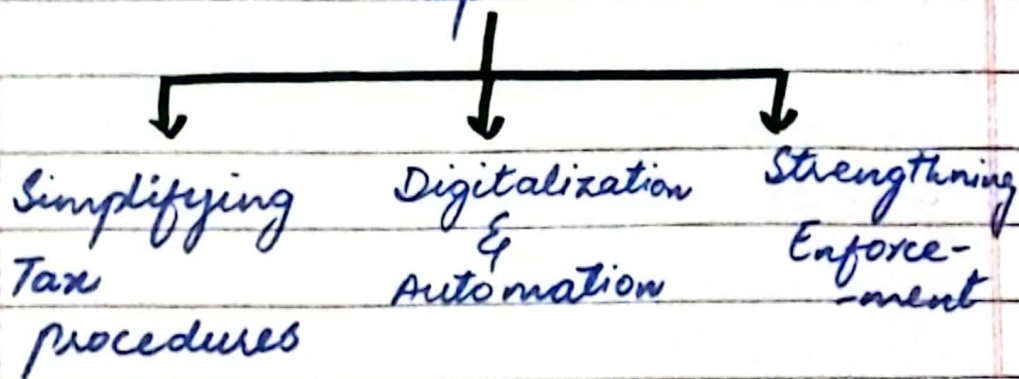


i- Including sectors like retailers, non-registered business, other informal economy sectors in tax system, can broad the tax revenue.

ii- Introduce equitable tax policies for the large-scale agriculture sector, as it has larger portion untaxed.

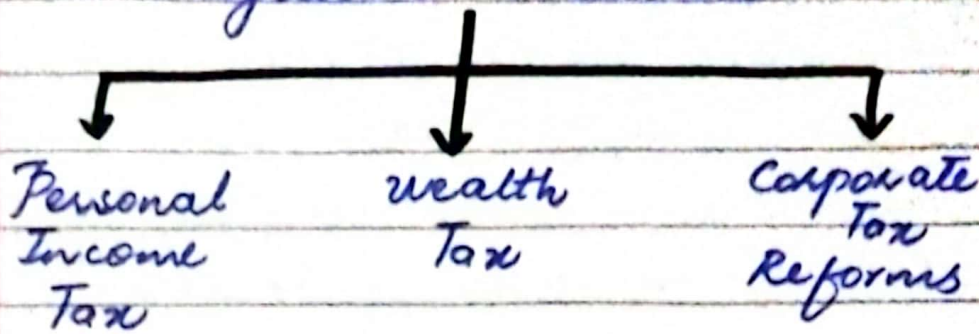
iii- Minimize ^{tax} exemptions and concessions for a certain group or industry to promote equitable tax system and each department should contribute fairly.

R-Improving Tax Compliance



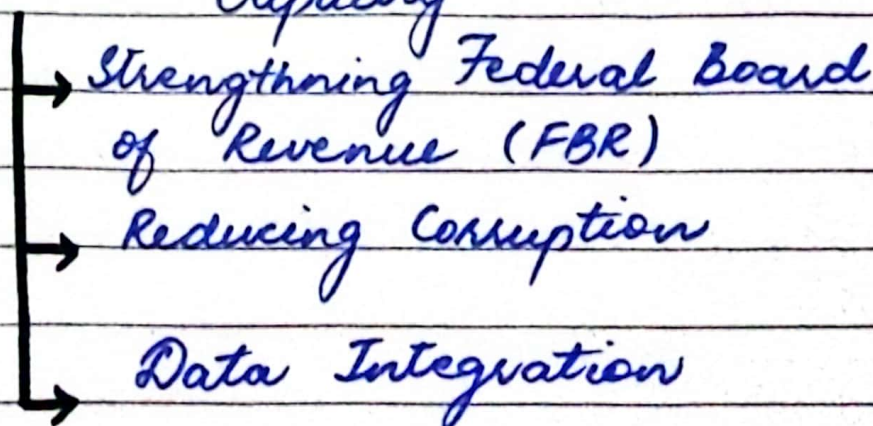
These three factors can contribute to enhance the tax collection by investing in better technology, training for tax officials, and stricter enforcement of tax laws. This will help improve compliance and reduce tax evasion, and thus, can also make easier for individuals or businessman to pay their taxes.

3- Progressive Taxation



Increase progressivity by ensuring that higher income brackets pay proportionally higher rates of tax as compared to the lower-income groups. Implement taxes on high-value assets such as real-estate, luxury goods to reduce income and wealth inequality. Moreover, to lower corporate tax rate to encourage compliance and increase revenue.

4- Enhancing Institutional Capacity



By Investing in training, technology and transparency, tax systems can be improve. Introduce oversight mechanism to curb corruption within tax collection agencies. With the help of national database, identify the potential taxpayers by analyzing economic activity and lifestyle indicators.

5- Public Awareness

And Trust

→ Transparency in Tax Spending shows how the tax revenues are being utilized for public services.

→ Education campaign for raising awareness about paying tax and how these taxes pay role in national development.

→ Feedback mechanism can give sense of ownership by engaging

citizens and business man in policymaking processes.

6-Tax Policy Adjustments

Value -
Added
Tax (VAT)

Reduce
Indirect
Taxes

Remove
Non-filers
Category

Taxation system should ensures that VAT system is efficient and broad-based with minimal exemptions to maximize its contribution. Also Reduce reliance on the indirect taxes such as sales tax, and increase direct tax to increase the revenue. Moreover, abolish the non-filers policy to ensure the fair share of everyone in tax.

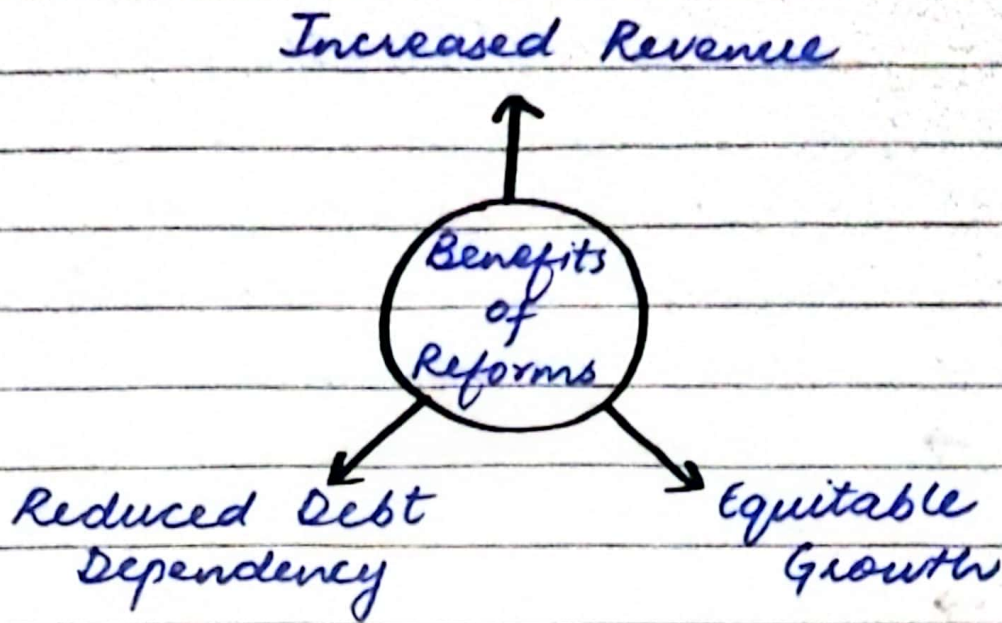
Thus, these policy adjustments can contribute majorly to reform tax system.

7- Reduce Government Expenditures

Implement significant cuts in wasteful government expenditure.

This includes reducing

- unnecessary administrative costs.
- cutting down on non-essential projects.
- Promoting efficient use of resources.



Conclusion :

With following effective tax reforms Pakistan can increase its tax revenue, but, this requires strong political will, institutional support, and public trust. But, overall, keeping in view the following reforms and strict enforcement of tax law can promote the environment of fair tax-paying and enhance sustainability and equitable economic society.

Question - 3

How can Pakistan address the growing disparity between water availability in urban and rural areas, ensuring equitable distribution of water resources and mitigating social and economic inequalities caused by water shortages?

Introduction :

Pakistan is facing scarcity of water leading to the major issues. Water shortage is the major cause of growing disparity between rural and urban areas, and also leading to the economic inequalities. Here is the need for the strategies which can address these issues and provide an equitable way for water usage. So, Pakistan requires a multifaceted approach that can mitigate the emerging challenge of disparity. Following are some ways how Pakistan can work towards

equitable distribution of water resources.

1- Strengthen Water Governance

a- Policy Framework:

There should be a develop and implementable, comprehensive national water policy framework that prioritize equitable distribution of water resources.

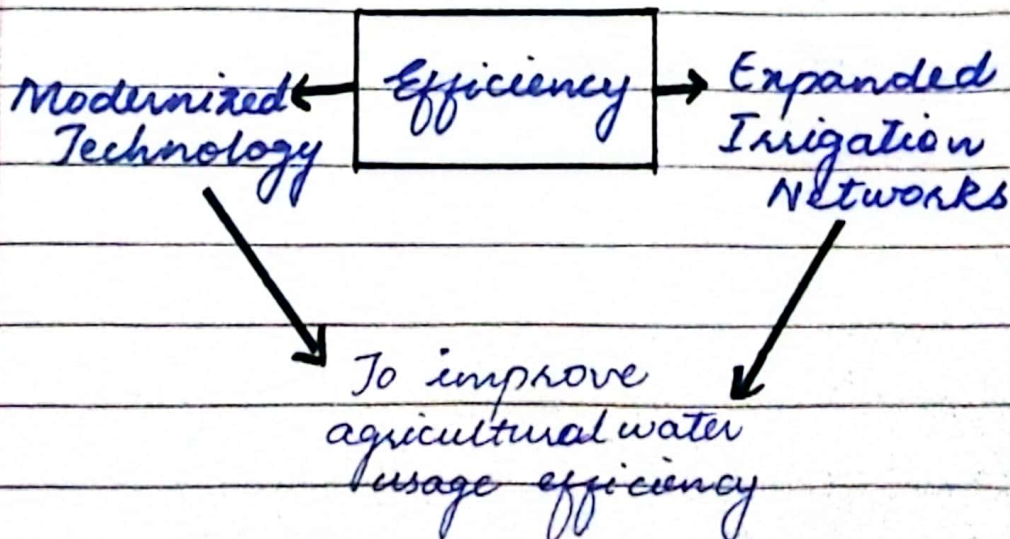
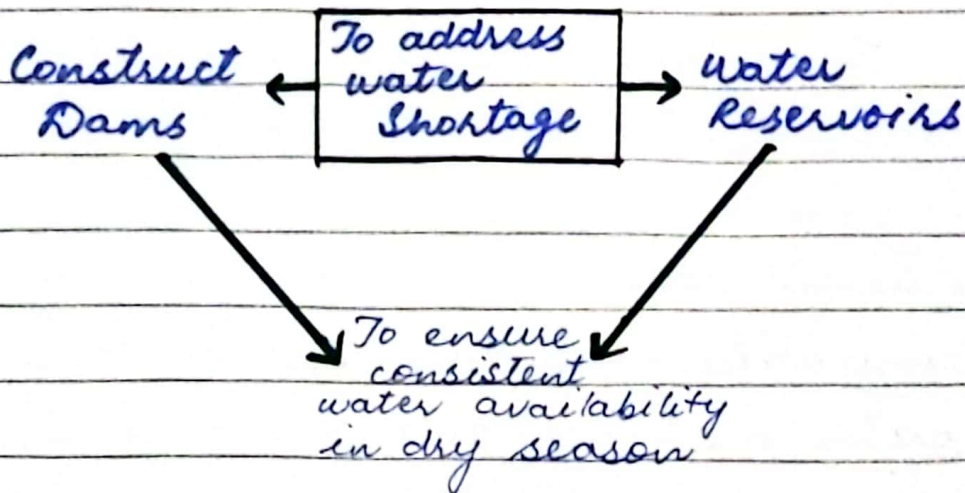
b- Empowerment of local government:

Local governments should be empowered to manage water resources, allowing for localized solutions to water distribution issues, as they would be more aware of the local areas' issues and resource needs.

C - Transparency in Water allocation

Establish clear guidelines for water allocation that balance urban demands with rural needs, so that water resources can distribute with transparency.

2 - Invest In Infrastructure



Urban-Rural
Pipelines

→ To transport surplus urban water to rural areas when needed

3- Improve Water Use Efficiency

Technology
Adoption

Awareness
Campaigns

Water
Auditing

Encouraging the use of water-efficient technologies like 'drip-irrigation' in agriculture, educate communities on water conservation practices and implement water metering and auditing to track and reduce inefficient use in both rural and urban areas.

4-Address Contamination And Quality Issues

- a → Water Treatment Plants to provide safe drinking, particularly in rural areas
- b → Monitor water quality to prevent health issues associated with contaminated water.

5- Adapt to Climate Change

a → Climate-resilient water Infrastructure

Climate-resilient water infrastructure mitigate the effects of erratic rainfall and raising temperature that may hampers in quality water and make its impure for domestic purpose.

6 → Drought Management Plans

There should be ways to address water shortages during drought conditions. Contingency plans should be created to meet demands of water in such circumstances.

6-Encourage Public-Private Partnership

Collaborate with private companies to invest in water infrastructure projects and innovative solutions for rural water access. For this purpose, waste water treatment plants in urban areas can recycle water that can be supplied again in both urban and rural areas.

7- Legal And Regulatory Measures

Right - Based Approach

→ Access to clean water is a fundamental human right.

↓
Ensure clean water supply for rural communities.

Water Theft And Misuse

→ Enforce laws to prevent water theft and misuse especially in urban areas.

Conclusion :

By adopting following measures, the growing disparity between rural and urban areas can be address, and also mitigate the inequality regarding water resource usage. Rights to use on water resources should

be equal, by reducing urban's over-consumption and unnecessary use of water can meet the needs in rural areas. Also, there is a need to control water in the agriculture sector by introducing latest technology. This would help to overcome the issue of water shortage disparity.
