

Current Affairs Mock

~ (Question No. 7) ~

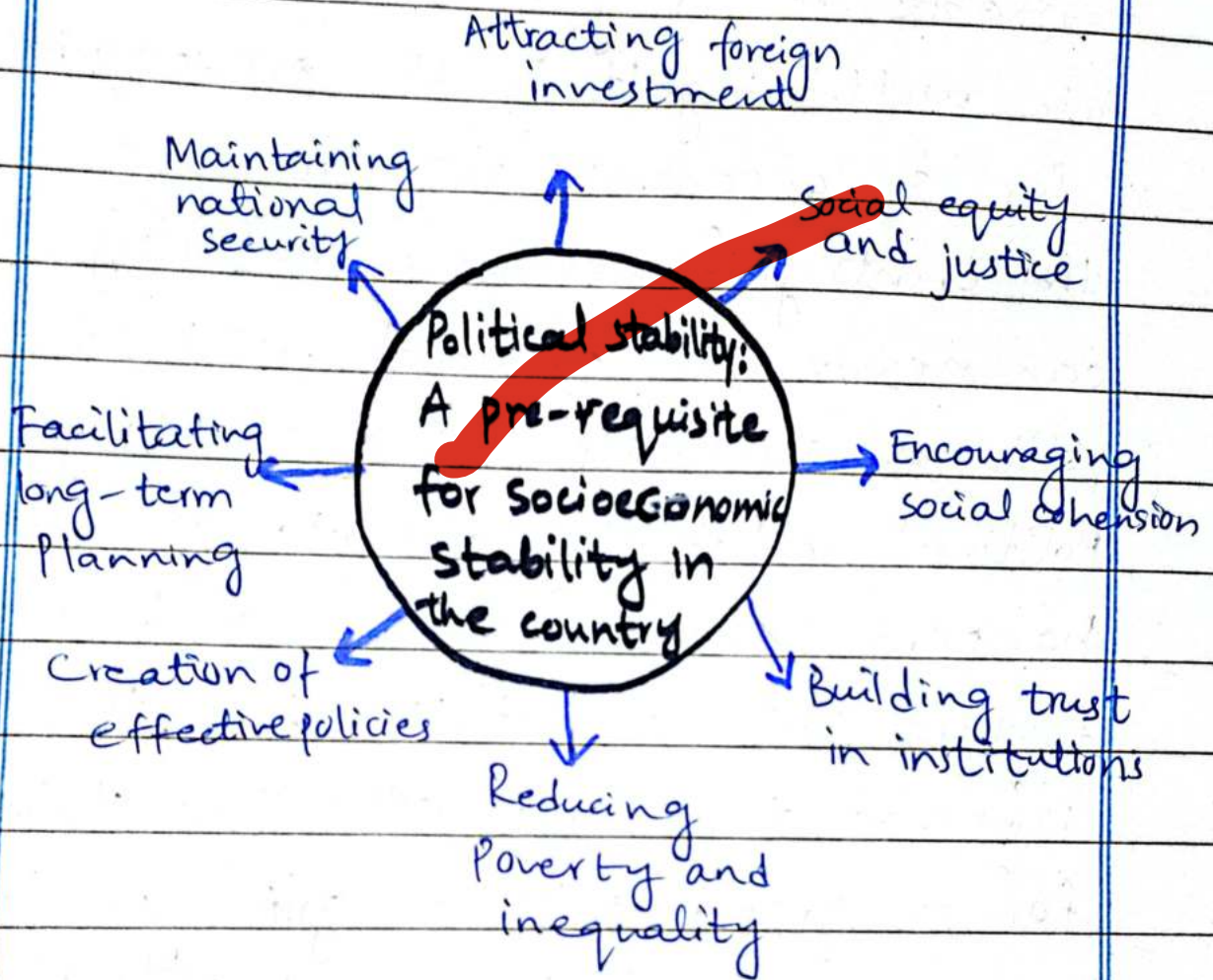
1. Introduction:

Political stability is indispensable for any nation's socio-economic well-being. It is the pre-requisite for socioeconomic stability in the country. Socioeconomic stability can never be ensured without political stability in the country. Political instability disrupts governance, hampers economic growth, and fosters social unrest. Therefore, there is a need to ensure effective strategy for a grand political dialogue involving all factions and stakeholders in order to put the country on the right track.

“Political institutions are a superstructure resting on an economic foundation.”

[Vladimir Lenin]

2. Political stability as a pre-requisite for socio-economic stability in the country



3. A strategy for grand political dialogue in order to put the country on the right track

To achieve political stability and ensure a successful socio-economic trajectory, a strategy for a grand political dialogue is necessary.

Strategy for grand political dialogue for the progress of the country

- Establishing clear and shared goals
- Ensuring complete transparency
- Creating impartial and neutral platform
- Implementing agreed-upon actions
- Ensuring inclusivity of institutions
- Building cooperation and trust
- Developing practicable roadmap
- Identification and involvement of all political factions
- Prioritizing national interests
- Reinforcement of democratic principles
- Encourage citizen participation
- Focus on national issues
- Systemizing dialogue for long-term engagement
- Clarifying the scope and focus areas

(i) Establishing clear, shared goals for the dialogue process:

It is essential to set specific, measurable, and shared objectives for the dialogue. This helps all

parties stay focused and work towards common goals such as political reform, economic stability or social justice.

ii) Ensuring complete transparency in the dialogue process:

To ensure socio-economic, there is need to introduce transparency in the dialogue process. The dialogue must intentionally include all the stakeholders in dialogue process. All discussions, agreements and decisions must be openly shared with public.

iii) Creating an impartial, neutral platform for open dialogue:

A neutral, unbiased venue is crucial for creating an environment where all stakeholders can freely discuss issues without the fear of

being marginalized. This platform will help all the groups without the dominance of one particular party.

(iv) Implementing agreed-upon actions by all political groups:

Establishing a mechanism for monitoring the implementation of agreed-upon action is very crucial for political stability. There should be a proper mechanism to review the dialogue process based on emerging issues.

(v) Need to ensure inclusivity of all institutions in dialogue process:

The inclusivity of all institutions is necessary to make effective dialogue process. There is need to encourage participation by a broad swath of people in economic

activities.

"To ensure long-term prosperity, inclusivity of institutions is very necessary."

[Daron Acemoglu, Why Nations Fail, 2012]

(vi) Building cooperation and mutual trust between all political factions:

Cooperation and mutual trust is pivotal in any process. Lack of trust and absence of cooperation can never ensure the validity of dialogue process. All political factions must cooperate with each other to reach effective solutions. This will help to overcome the differences through constructive dialogue.

(vii) Developing practicable and

actionable roadmap for implementation:

The dialogue should result into practicable and actionable for implementation, rather being an agreement on paper. All political factions should take part by taking responsibilities on their part for socio-economic development of the country.

(viii) Identification and involvement of all relevant political stakeholders in dialogue process:

There is need to ensure that all relevant political stakeholders are involved in dialogue process. First of all, their identification is necessary that no faction is left from the involvement in dialogue process. Their involvement ensures a comprehensive representation

of the country's diverse perspective.

(ix) Prioritizing national interests over personal interest:

To make the political dialogue effective, all political parties and other marginalized groups should prioritize national interests over personal interests for socio-economic stability in the country.

(x) Reinforcement of democratic principles and strengthening institutions to uphold democracy in the country:

The dialogue must be designed to reinforce democratic principles and strengthen institutions in order to uphold democracy in the country. This also includes independence of judiciary, non-inter

ference of politics into judiciary,
rule of laws and electoral integ-
rity.

(xi) Encouraging citizen participation
and public involvement to build
trust:

The dialogue process should
involve citizen participation and
public involvement to ensure
legitimacy, making it effective.
It should also ensure that the
voices of the public should not be
ignored.

(xii) Focusing on national issues,
impacting citizens and social
fabric of the country:

The focus of dialogue process
should be on national issues like
illiteracy, unemployment, poverty,
crimes, and healthcare which have

severe impacts on the citizens.
The dialogue will seem to be successful if it properly addresses these issues.

(xiii) Systematizing dialogue to ensure long-term engagement:

Political dialogue should be institutionalized or systematized into the political system. It should ensure long-term engagement of political factions for national interests.

Long-term will ^{definitely} assure the socio-economic stability in the country.

(xiv) Clarifying the scope and focus areas of the dialogue to avoid ambiguity:

A focused dialogue is necessary to avoid any ambiguity. Clarity of scope and focus area will help in explaining the objective

of dialogue process. Clear topic such as national security and socio-economic policy should be prioritized to ensure the productivity of the dialogue.

4. Conclusion:

To sum up, political stability ensures socio-economic stability in the country. Achieving political stability and socio-economic development may appear daunting, but with a strategic framework of grand political dialogue, the process of fostering unity and growth becomes more attainable. The success of this dialogue process is based on the active participation of all stakeholders, working towards a common vision for the future of the country.

ee It always seems impossible
until it's done."

[Nelson Mandela]

1. Introduction:

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The China-Pakistan Economic Corridor (CPEC) is one of the most significant developments in recent time, not only for Pakistan, but for the region as a whole. Phase 2 of CPEC, which officially started in 2020, has faced many challenges, which have resulted in the slowdown of the project. To unlock CPEC's full potential, both countries must address the obstacles and ensure the successful execution of Phase 2.

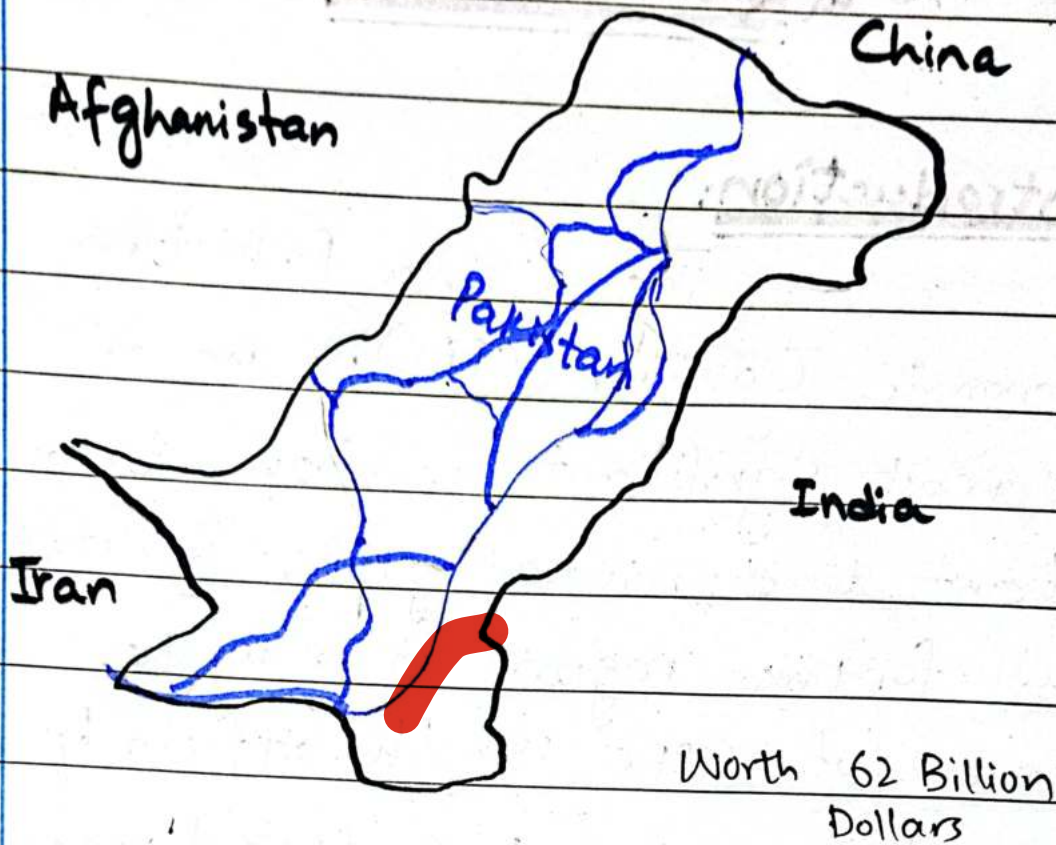
"CPEC is a flagship project of the Belt and Road Initiative and will build a new platform for international cooperation"

[President Xi Jinping]

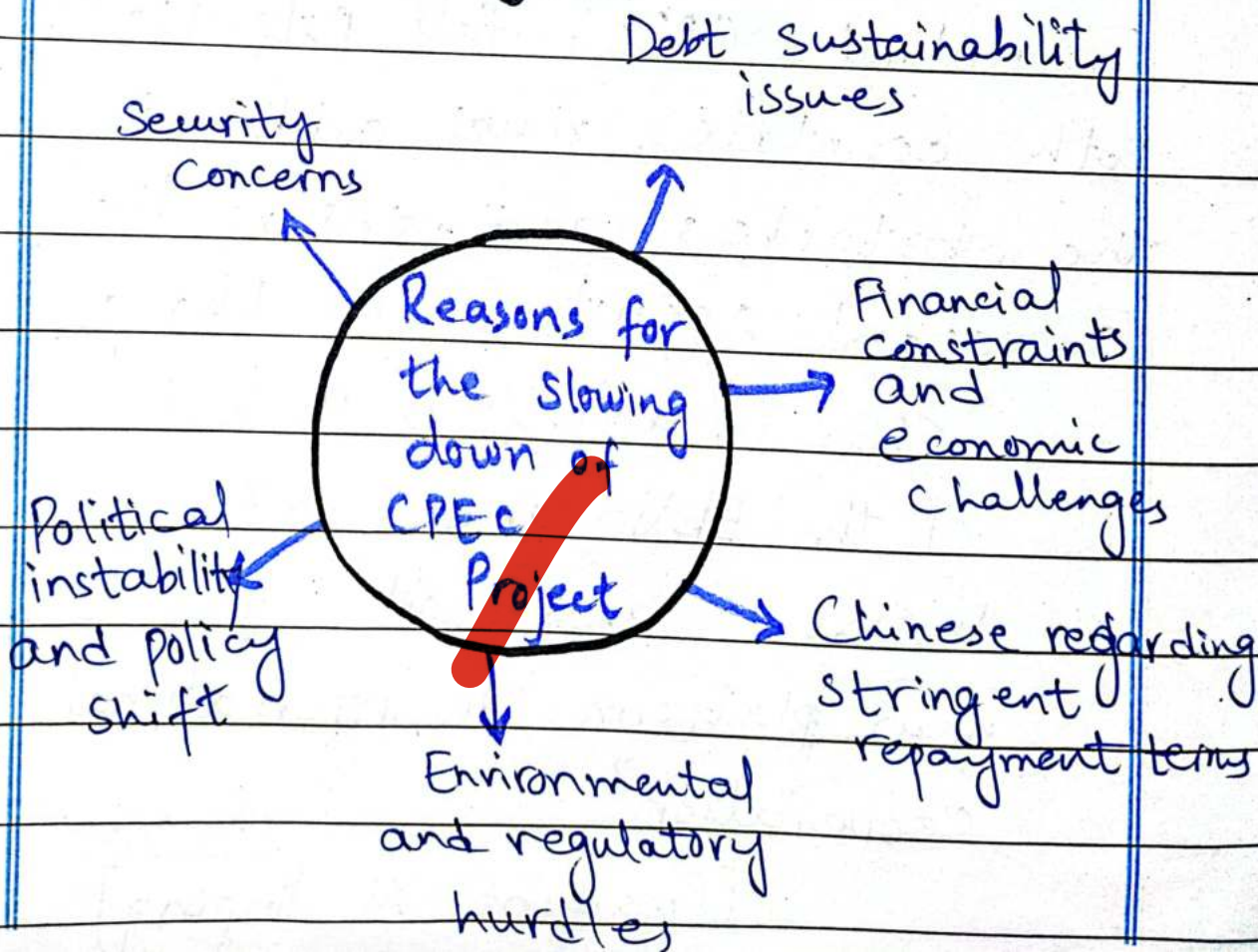
CPEC

Tajikistan

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2. Reasons for the slowing down of CPEC Project



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ci) Contemporary security issues and regional instability:

Security remains a paramount concern, particularly in regions like Balochistan, where militant activities pose a direct threat to Chinese investments and workers. Insurgencies and attacks on Chinese nationals have created an atmosphere of uncertainty, making it difficult to proceed smoothly with major projects, particularly in Balochistan and KP.

cii) Political instability and policy shifts - disrupting long-term plans:

Frequent changes in political landscape create inconsistencies in CPEC's management and long-term planning. Political shifts often result in delays and re-evaluation

of ongoing projects, affecting investor confidence and hampering smooth progress.

(iii) Debt sustainability issues, creating diplomatic tensions:

Growing tensions due to Pakistan's debt obligations and certain unmet project expectations can strain relations. Additionally, geo-political tension between USA, ^{India} and China can further complicate the diplomatic landscape of CPEC. CPEC's funding model, which relies heavily on Chinese loans, has raised questions about Pakistan's ability to manage and service its debt.

(iv) Financial constraints and economic challenges - limiting Pakistan's ability to finance

CPEC Project:

Pakistan's economic difficulties, including a growing fiscal deficit, inflation, and balance of payment issues, have limited its ability to finance CPEC project. These financial constraints, combined with the heavy debt burden associated with Chinese loans, have raised concerns about the sustainability and financial viability of the initiative.

(v) Chinese demand regarding stringent repayment terms, slowing down the project:

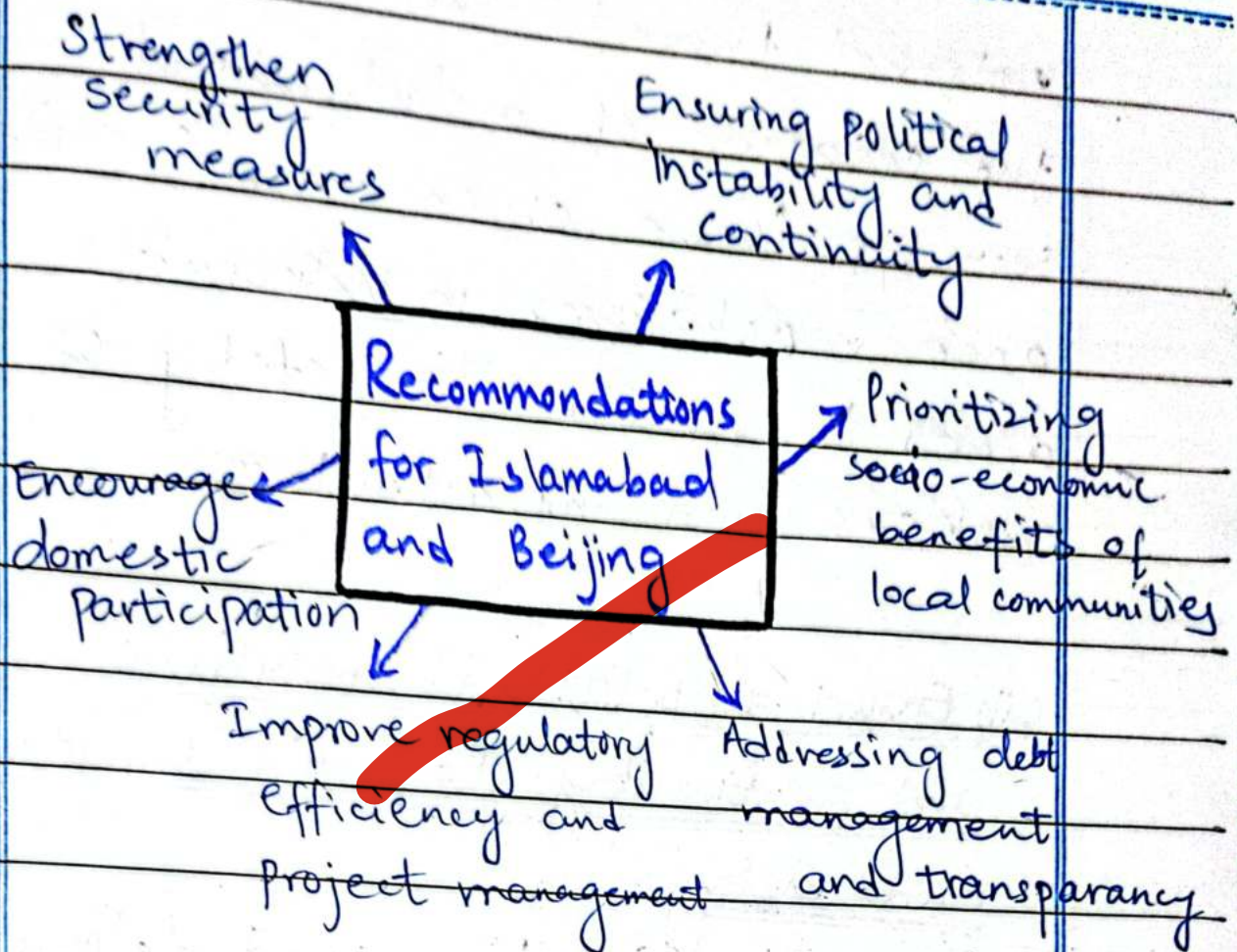
Chinese demand for favourable project conditions, including stringent repayment terms, can strain Pakistan's already fragile economy. The debt burden is a major challenge which is slowing down CPEC

Project.

(vii) Environmental and regulatory hurdles - hindering the pace of CPEC development.

Environmental concerns and regulatory challenges, such as delays in obtaining necessary approvals, have further hindered the pace of CPEC development. Projects that affect environmentally sensitive areas or communities require careful planning and adherence to regulatory guidelines causing additional delays.

3. Recommendations for Islamabad and Beijing to re-invigorate the project and make Phase II a tangible reality



(i) Strengthening security measures to protect Chinese workers and CPEC projects from external threats;

Pakistan must establish stronger security protocol to protect Chinese workers in order to boost Chinese confidence. Both Pakistan and China should enhance their security arrangements to protect CPEC projects from

external threats. This could include the creation of a dedicated security force or enhanced surveillance mechanisms in vulnerable areas to ensure the safety of workers and infrastructure.

cii) Ensuring political stability and continuity to avoid disruptions and delays:

To avoid disruptions and delays caused by political transitions, both governments should work towards policy consistency in relation to CPEC. Establishing an independent, long-term work force could help ensure that projects are not delayed due to changing political environment.

ciij) Prioritizing socio-economic benefits for local communities especially

Balochistan:

Involving local population in the planning and execution of CPEC projects will ensure social acceptance and long-term sustainability. Many times, Beijing and Islamabad signed agreements for CPEC projects in Balochistan without due consideration of the provincial government. So, both government should prioritize the consideration and benefits of local communities

(iv) Addressing debt management and transparency:

Pakistan and China should work together to ensure that debt servicing remains manageable, with clear repayment structures that do not jeopardize Pakistan's financial stability. Transparency in the allocation of funds will help

will help to build confidence among all stakeholders.

(v) Encourage domestic participation

To maximize industrial growth, Pakistan should encourage domestic participation in Special Economic Zones. Both government should encourage domestic investors to invest in project to maximize the benefits.

(vi) Improve regulatory efficiency and project management:

Simplifying bureaucratic process and improve regulatory efficient will help Pakistan to attract both local and foreign investment. Both Beijing and Islamabad should streamline approval projects and processes, increase transparency and enhance the technical

capabilities of project teams
can help address these challenges.

4. Conclusion:

CPEC holds great promise, but its success depends on overcoming key challenges. By addressing the challenges of security concern, political instability, and debt finance, both Beijing and Islamabad can re-invigorate the project, turning Phase 2 a tangible reality and securing long-term benefits. A comprehensive strategy is required by both governments. After adopting practical measures, Pakistan can take benefits from CPEC project

“CPEC is the game changer for Pakistan.”

[Former Pakistani Prime Minister of Pakistan]

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~ (Question No. 02) ~

1. Introduction:

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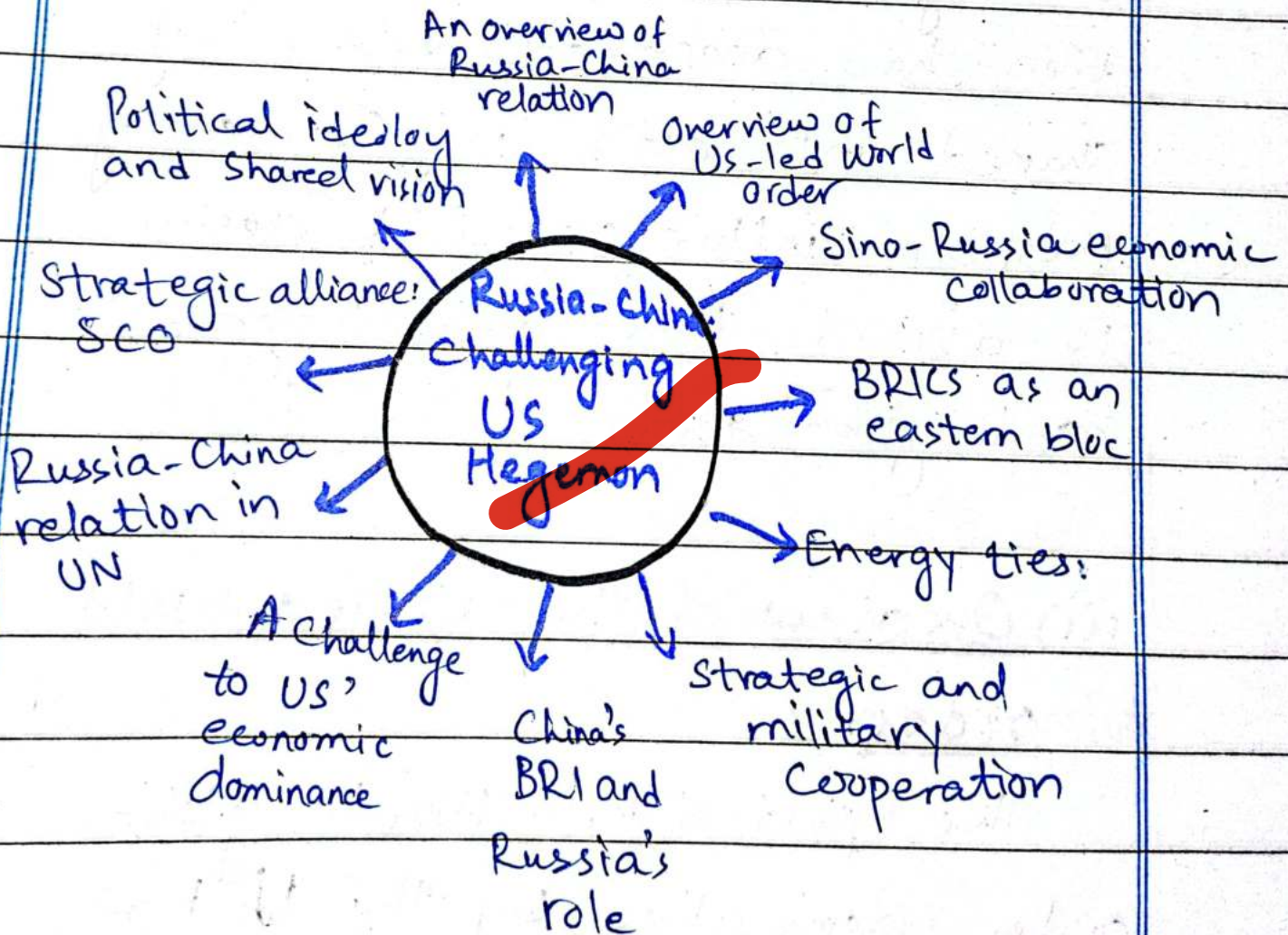
The relationship between China and Russia has undergone significant transformation in recent years driven by their growing economic, strategic, and geo-political collaboration. Their mutual ambition is to challenge US led world order and reshape global ^{balance of} power. Both countries, which have historically had different interests, now share common objectives in countering the influence of the United States and Western-led institutions.

“The most important question of the 21st Century will be how to manage the rise of China and the resurgence of Russia, in a way that avoids conflict and preserves global

Stability."

[Henry Kissinger, World Order, 2014)

2. The growing Russia-China economic, strategic, and geopolitical collaboration: A challenge to the US-led World order



ci) An overview of Russia-China relations - Historical context

The Russia-China relationship has been shaped by centuries of geo-political and economic interaction. Since the dissolution of the Soviet Union, both countries have worked to overcome past tensions because they were rivals during the Cold War. Their cooperation has deepened, driven by shared interests in countering Western influence and ^{the} desire to assert their own regional and global power.

cii) Overview of the US-led world order:

The post-World War II global order, dominated by the United States, established Western liberal democratic values, economic institutions

like IMF, WB, and military alliance like NATO, QUAD, and AUKUS. This structure has been the foundation of global governance for over 70 years. However, as power shifts toward emerging economies like China and Russia, the current order is facing significant challenges. The US, while still a dominant player, now finds its global influence being tested by the resurgent Russia and growing China.

ciii) Sino-Russia economic collaboration, trade and investment:

One of the strongest elements of the Russia-China partnership is economic cooperation. Russia supplies oil, gas and other resources to China. Through initiatives like the Power of Siberia pipeline, Russia has strengthened its energy ties with

China. In return, China offers technological and industrial investment that help boost Russia's economy.

iv) BRICS as the Eastern Bloc -

A counter to Western Dominance

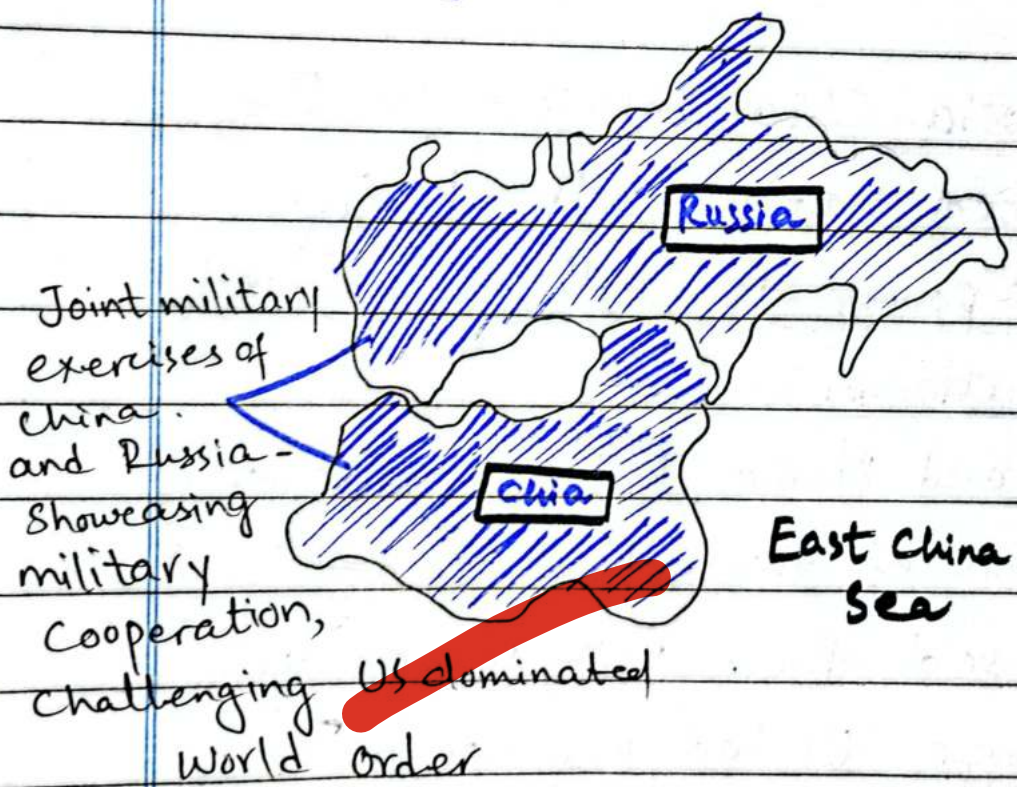
BRICS which is also called BRICS+ is considered as anti-western or anti-G7. China and Russia are the founding members of BRICS. The BRICS countries have a larger share of the World's GDP than the G7 countries. It represents as a counterpart and alternative to the G7 bloc-led by US.

v) Strategic and military cooperation:

The Bear-Dragon Tandem in action.

The Bear-Dragon Tandem represents the growing strategic and military cooperation between Russia and

China. Both nations significantly strengthened their military ties through joint exercises, technology sharing, and increased defense cooperation. Their joint military exercises, such as those in the East-China Sea and Centra Asia, demonstrate their mutual interest in expanding influence while countering US military presence in these regions.



(v) Strategic alliances: The Shanghai Cooperation Organization -

as an alternative to US-led alliances in Asia:

The Shanghai Cooperation Organization (SCO) is an important multilateral organization that includes Russia, China and several Central Asian countries. The SCO serves as a platform for military and security cooperation, and provides an alternative to US-led alliances in Asia.

(vii) Russia-China relation in the United Nation, both having veto power to challenge US-led resolutions:

China and Russia, both permanent members of the UN-Security Council, have used their veto power to challenge US-led resolution. Today they have opposed Western interventions in countries like Syria

and Libya, seeking to preserve state sovereignty. Their united stance in international diplomacy allows them to challenge US dominance in global decision-making processes.

(viii) The Challenge to US economic dominance - China and Russia's joint efforts of de-dollarization:

Through their growing economic collaboration, Russia and China are making significant strides towards diminishing the US' economic dominance. Their joint efforts are directed towards de-dollarization and giving dents to dollars. They conduct their trade in their local currency. For currency diversification, alternative financial institution i.e. Asian Infrastructure Investment Bank (AIIB), pose a direct challenge to US-led global economic

institutions like the IMF and World Bank.

(ix) China's BRI and Russia's role offering countries alternative financing and infrastructure development options:

China's BRI is another major development that has enhanced the Russia-China alliance. The BRI aims to connect Asia with Africa and Europe through infrastructure investments, trade routes, and new economic corridors. Russia, with its central position of Eurasia, plays a pivotal role in this initiative, facilitating trade and connectivity across Central Asia. The BRI challenges Western-dominated trade networks, particularly by offering countries alternative financing and infrastructure development options.

China's BRI

Russia boosting
China's BRI through
infrastructure
and energy
ties

Africa

Europe

Asia

X) Energy ties: A pillar of Russia-China relations:

Energy cooperation is a cornerstone of Russia-China partnership; with Russia providing China with significant supplies of oil, natural gas and other resources. While China helped Russia to come out from isolation at the time of Ukraine invasion. Europe and West has put sanctions on Russia's oil. China as an importer of Russian oil saved its economy from being collapsed. Their energy collaboration has reduced their reliance on

western markets, challenging US-dominated global energy system.

(xi) Political ideology and shared vision: Countering Western Liberalism:

Russia and China, despite their different political systems, share a common vision of promoting state sovereignty and non-interference in internal affairs which often contrasts with Western liberal democratic values. Both countries oppose Western-led interventions and advocate for a multipolar world order where global governance is not dominated by Western ideologies.

3. Conclusions

To conclude, the growing cooperation between Russia and

China represent a challenge to the US-led world order. Through joint cooperation, both nations are working to reshape global power dynamics and establish a new ^{multipolar} world order. The strength of this partnership lies in the shared desire to counterbalance Western influence.

"China and Russia together, pursuing a common strategy, represent the most important challenge to America's global dominance."

[Zbigniew Brzezinski, The Grand Chessboard, 1997]

~ (Question No. 6) ~

1. Introduction:

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The economy of Pakistan has been grappling with frequent cycles of boom and bust, which have left it vulnerable to fluctuations and instability. These cycles are largely driven by structural weaknesses within economic and financial system. To ensure economic growth, Pakistan urgently needs to undertake comprehensive structural reforms. A change in economic structure will ensure economic sustainability.

"Change is the law of life.

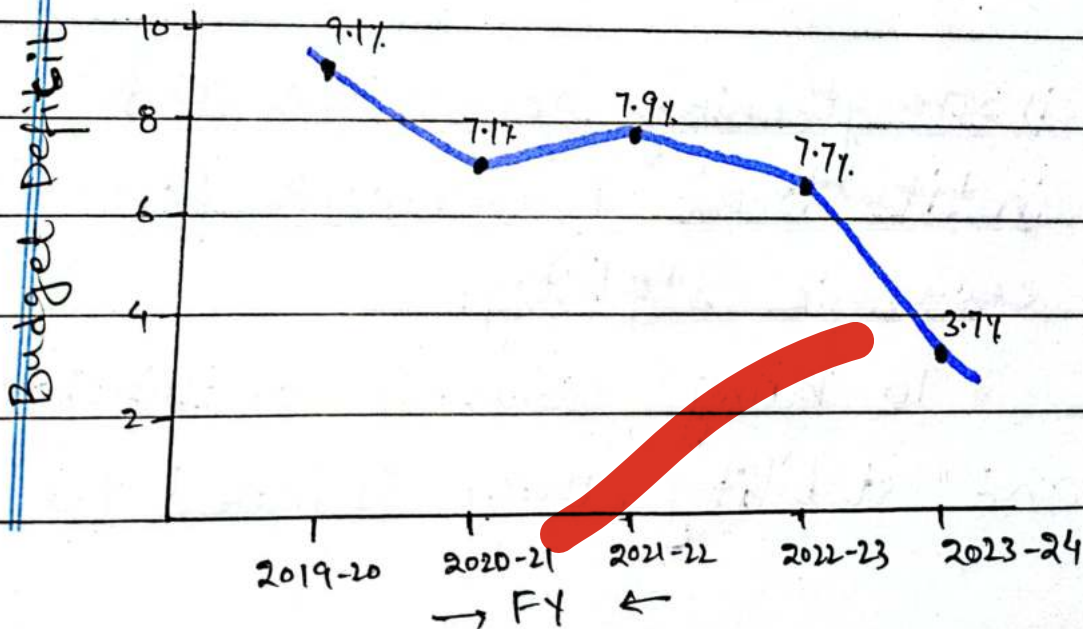
And those who look only to the past or present

are certain to miss the future."

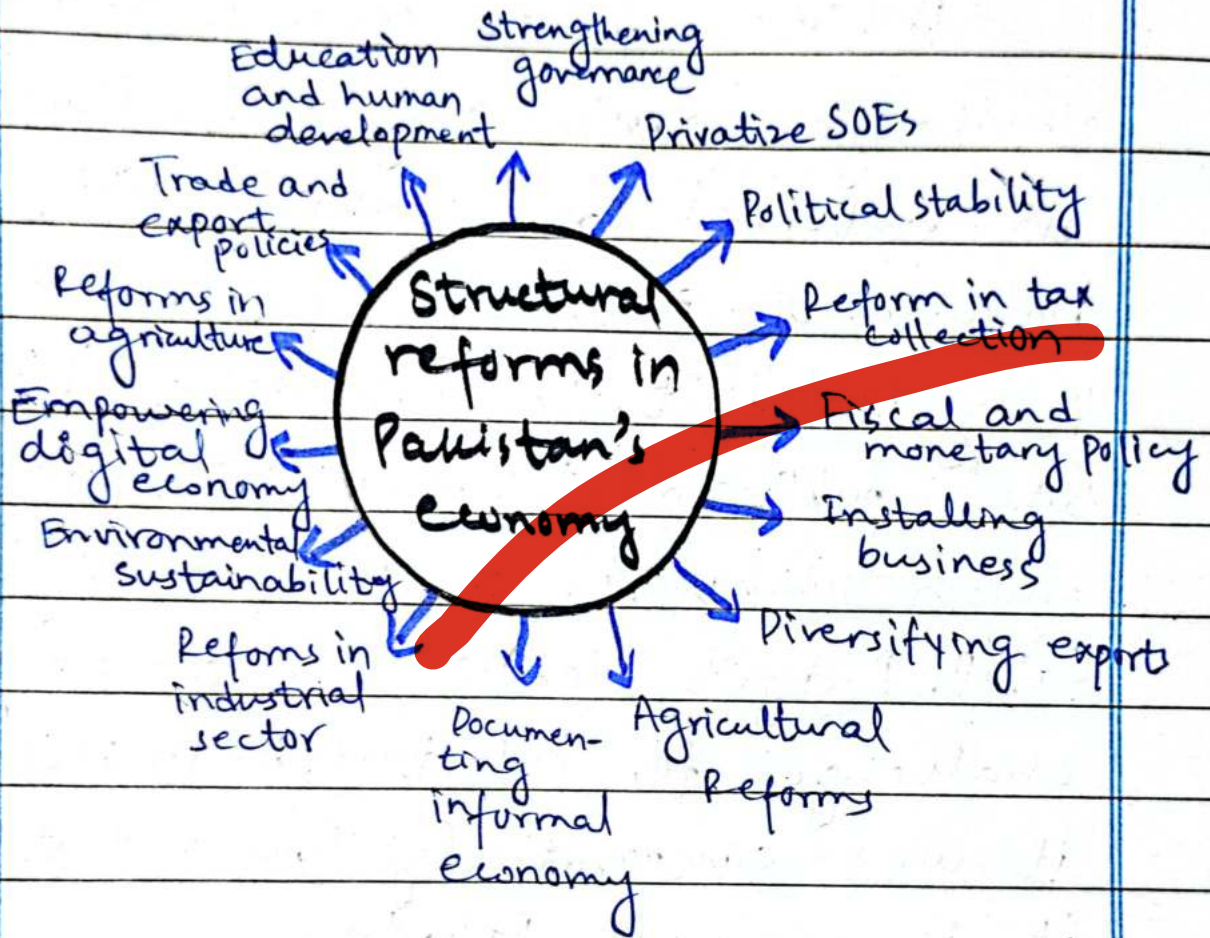
[John F. Kennedy,
1963]

2. Repeatedly boom and bust cycle of Pakistan's economy: An overview

Pakistan faces several economic challenges, particularly over reliance on external loan, taxation crisis, balance of payment crisis, and budget deficit. In June 2024, Pak's total public debt was US\$223.86 billion, which was 74% of the country's GDP. Budget deficit is also recurring challenge for Pakistan, in FY 2023-24 it was comparatively low but still it is more for Pakistan.



3. Turning around the economy: Ending the Boom and Burst cycle through comprehensive structural reforms



ci) Strengthening governance and institutional framework for economic stability:

To bring economic sustainability and stability, there is need to

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Strengthen governance and institutional framework. Weak governance and institutional have hindered Pak's economic development. Structural reforms aimed at improving transparency and accountability in order to create stable economy.

ii) Privatizing state-owned enterprise to promote economic sustainability:

State-owned enterprises (SOEs) ^{often} have been a burden on Pakistan's economy. They are loss-making entities. Government should privatize these SOEs under strict regulatory oversight to reduce fiscal strain on the state.

ciii) The effective role of political stability in economic sustainability:

Political instability in Pakistan

contributes significantly to economic volatility. Frequent changes in leadership and inconsistent policies undermine investor confidence and economic policies to be completed in their full essence. It further fuels the boom and bust cycle.

“Political uncertainty has a statistically significant negative impact on stock market performance, further illustrating the economic consequences of an unstable political environment.”

[State Bank of Pakistan, 2020]

civ) Bringing reforms in tax base collection:

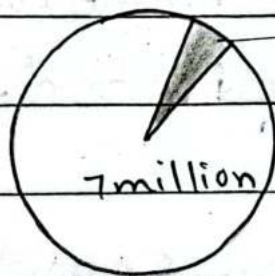
In Pakistan, tax collection has been very low which hinders economic development of the country. There is dire need to bring reforms in tax base which will

increase the revenue of the country.

ec Only 0.3% of the population pays income tax and files a tax return - one of the lowest ratios in the world."

[Pakistan Economic Survey 2021-22]

7m Pakistanis do not pay tax



0.3% pays tax

(v) Structural reforms in fiscal and monetary policy of Pak's economy:

Pakistan's fiscal and monetary policies have ^{often} been reactive rather than proactive, exacerbating economic instability. Structural reforms in these areas are essential to improve fiscal discipline, creating a more stable macroeconomic environment.

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(vi) Installing business to increase tax collection:

Ease of doing business is a key player in giving a boost in the country's revenue collection. State should encourage and promote the citizen and private companies to install business. For this purpose, legal framework should not be complicated.

(vii) Diversifying exports in order to escape debt trap:

The solution to escaping debt trap lies in diversifying exports, improving tax revenue, cutting home expenditure, industrial reforms, and fostering economic development to break debt dependency.

(viii) Bringing agricultural reforms

for economic stability:

Agriculture remains a key sector in Pakistan's economy. Structural reforms in land management, technological adaptation, and water usage are critical for enhancing agricultural productivity and ensuring food security, becoming essential part of economic stability.

(ix) Documenting the informal economy to increase tax revenue:

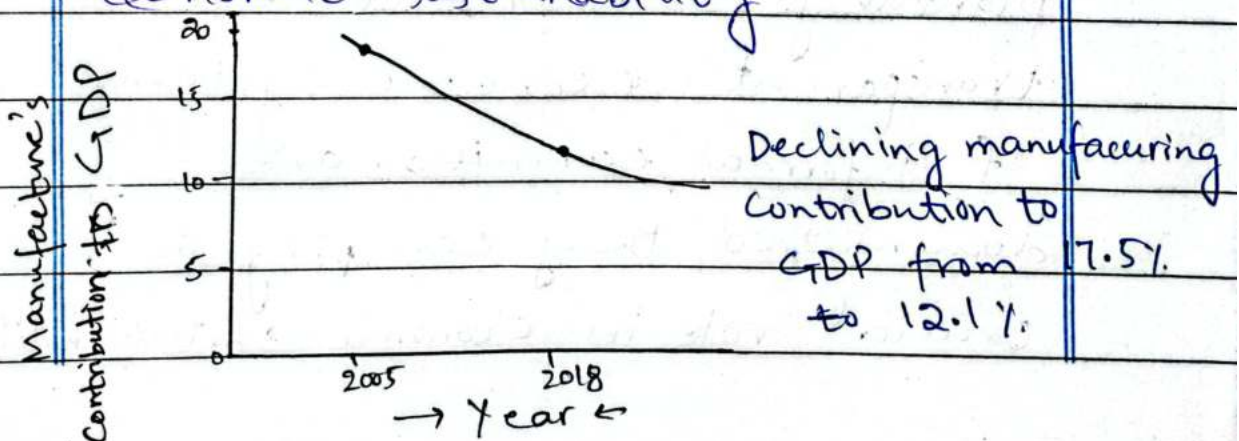
Documenting and formalizing the informal economy can enhance tax revenues, improve economic planning, and create a more transparent economic system. If informal economies are documented, they can play a crucial role in economic sustainability.

"The total size of the informal economy in Pakistan is around \$457 billion."

[World Bank Report 2022]

(x) Reforms in the industrial sector to drive sustainable economic growth:

Pakistan's industrial sector remains underdeveloped, contributing to the nation's dependence on imports. Pakistan's manufacturing sector to GDP falls from 17.5% in 2005 to 12.1% in 2018 which reflects its failure. Reforming industrial policies will enhance productivity, ensuring long-term economic sustainability.



(xi) Education and human capital development, becoming key to economic resilience

Economic development can not be ensured with human development. Investing in education and human capital development is crucial for creating a skilled and competitive workforce. Structural reforms in education can enhance human capital, promote innovation, and increase overall economic productivity.

(xii) Trade and export policies to diversify economic growth:

Trade deficit is due to increasing imports and declining exports. Reforming trade and export policies to promote diversification and reduce dependence on particular sectors will reduce

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vulnerability to global economic shifts and help Pakistan to develop a more stable economy.

(xiii) Reforms in energy sector a critical phenomenon for industrial growth:

Pakistan's energy sector is a key bottleneck for industrial development. Reforms aimed at increasing energy efficiency, reducing shortage, laws against power theft, and attracting investment into renewable energy sources will ensure the sustainability of industrial growth.

(xiv) Empowering the digital economy: A step to modernization:

In order to meet the present

need, government should take effective measures regarding digital economy to avoid certain drawback from traditional economy. Embracing the digital economy can transform Pakistan's economic landscape which will enhance efficiency.

(XV) Environmental sustainability as a cornerstone of economic reform:

Pakistan is the 8th most vulnerable to climate change. In floods 2022, around 30 billion dollars were a loss for Pakistan (WB)

Integrating environmental sustainability into economic reforms can ensure that growth is both responsible and inclusive.

Assuring environmental sustainability will definitely ensure economic

sustainability.

4. Conclusion:

In a nutshell, Pakistan's economy, repeatedly caught in cycles of boom and bust, need comprehensive structural reforms in order to ensure economic sustainability. Continuous reforms and adaptation to overcome economic stagnation is necessary to build a more resilient, stable and prosperous future.

"To improve is to change;
to be perfect is to
change often?"

[Winston Churchill]