

very good

### Question # 3

#### Introduction:

11/20

After the withdrawal of Soviet Union from Afghanistan, the emergence of insurgencies in the region increases. The main reason is the legitimacy. Tehreek Taliban Afghanistan (TTA) has regarding its victory against the Soviet Union. These insurgencies then move in the Pakistan which force the people to raise voice against the government. The government's unclear policy, lack of institutional coordination, lack of law enforcement capacity to counter insurgency and socio-economic deprivations, resulting in favourable environment for the insurgencies. The govt should own its own policies, to curb the insurgencies in the Baluchistan.

#### Reasons of Insurgency in Baluchistan:

There are multiple reasons <sup>for</sup> against the insurgency in Baluchistan. These are:

##### • Afghan Taliban's Take over of Kabul:

After the victory of TTA in Afghanistan - It has provided a sort of legitimacy to the TTP and other militants against their fight with Pakistan's government. The Afghanistan interim government has also provide the sanctuaries along the Pak-Afghan border which were previously held by the TTA.

##### • Unclear Government Policy:

Despite countering the ~~insurgency~~ insurgency ideologically, the state's response has always remained focused on kinetic dimensions. Also, the government policy regarding the underlying root causes of ex-fabs is not clear.

##### • Lack of Institutional Coordination:

Another reason for the insurgency is the lack of institutional coordination. According to conference

proceedings in KP house, the

"There is a lack of institutional coordination while dealing the problems of militancy or insurgency."

### • Low Civilian LEAS Capacity to Counter ISurgency

The law enforcement agencies in the province does not possess resources. According to conference proceeding in the KP house, the speaker said

"Civilian LEAS cannot effectively deal with militancy/Insurgency in the province owing to the capacity issue"

### • Socio-Economic Deprivations Resulting in favourable Environment for Insurgencies:

The livelihood conditions and socio-economic gap between Baluchistan and other province provide the favourable environment for insurgencies. According to <sup>Baluchistan</sup> Police -

"72 percent of the terrorists or militants were below 30 years of age with 65 percent being illiterate or primary level qualified only 10% were found with a criminal background"

### Recommendations to Resolve the Issue:

By taking these steps, Pakistan could solve the problem once and for all.

### • Political Ownership of the Policies:

The policies need to be politically owned so that the desired policy could be given to law enforcement agencies and other government institutions.

Major policy divisions like peace agreements should be debated in the parliament and the ownership across the political divide should be obtained before its implementation.

### • Civil Administration should be Restored:

The requisite funds should be restored to restored the civil administration to extend the writ of the government to the entire geographical area.

### • Providing Livelihood Opportunities:

The input from all the stakeholders suggest that without the providing the livelihood opportunities the anti-smuggling measures and law and order situation cannot get good results.

### • Resettling Internally Displaced Person:

The process of resettlement of internally displaced person still not completed. The infrastructure for this resettlement could not be completed. Giving the infrastructure boost their confidence on the government so, they live happy lives.

### • Social Media Scrubbing to Combat Insurgencies:

In recent era, the social media spread the false news regarding the government policies for Baluchistan. This further escalate the tensions between government and the insurgents. So, the government should use the Prevention of Electronic Crimes Act Rule (2016) laws to identify and giving punishment to the insurgents.

### • Strengthening Criminal Justice System:

The antivate evidence rules have loopholes which provide opportunities for insurgents to release free. Pakistan should adopt the UK model where they detain the terrorist for 14 days without demand. This gives police a time to do their sufficient investigation against the suspect.

## Critical Analysis:

The insurgency in Baluchistan has far reaching impacts like poor economic growth, rise of militant attacks in the region. Also, it has provided other provinces people a chance to raise their voice against the government. Thus, it is not good for the stability of country. If Pakistan took control on this insurgency then the economic growth increases, militant attacks reduced in the region. Thus, the stability in the country.

## Conclusion:

Baluchistan which is the largest province by area has very enormous natural reserves. From coal to gold, the province is rich in the resources. But the unclear government policy and the socio-economic deprivations in the province does not allow the province to step out as the economic hub. Thus, the separatist insurgencies demands increases in the province. If the government provide the livelihood conditions to the peoples of province, resolved the internal displaced person and restored the civil administration, then economic growth of province and country both increases.



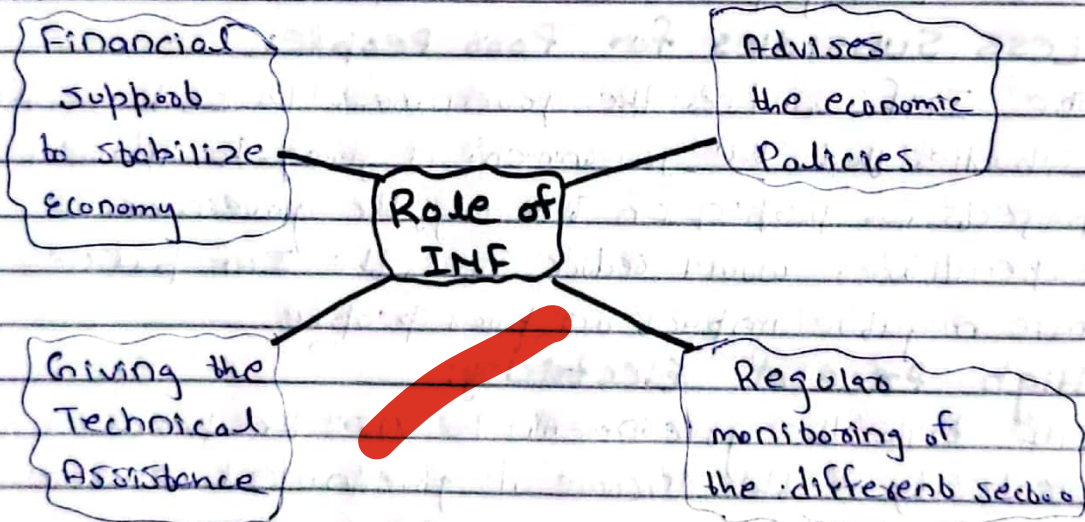
## Question # 2

11/20

Since independence, Pakistan has borrowed 23 times loans from the IMF to stabilize the economy. This has impacted the country in numerous ways, like massive income tax on the people, less subsidies for the people, and high price of electricity. Pakistan is facing the balance of payment crisis and budget deficit due to these repercussions. By expanding the narrow tax base, ensuring export diversification, and establishing an independent planning commission, Pakistan could get out of the trap of foreign aid and loans.

### Role of IMF In the Economy:

IMF has to give 4 things to any government. These are



### Effects of IMF Program on Pakistan:

The IMF program has long been repercussions in the country these are

#### • Balance of Payment Crisis:

Despite the financial assistance from the IMF to resolve the balance of payment crisis, this issue still here due to the fact that Pakistan's major portion of budget and loan go to pay the debt on the

previous loans. Thus, it is the debt trap that Pakistan is being in.

### • Budget Deficit:

The government's income is less as compared to its expenditures. According to Economic Survey of Pakistan 23-24, the budget deficit is 3.7% of the GDP. This is due to the fact that many politicians took their share from the IMF loan, which makes them have to spend on the development projects so the country's income increases. Hence, IMF loan indirectly contributed to budget deficit in the country.

### • Massive Income Tax on Salaries class:

IMF tells to increase the income tax on salaries class so the government's income should increase. This directly puts burden on the salaries class.

### • Less Subsidies for Poor People:

The IMF advises the government to end all the subsidies that the government is giving to different projects for people. In this way, the government's expenditures would reduce. Thus, the IMF policies have a negative impact on poor people.

### • High Price of Electricity:

IMF tells the government to raise the price of electricity so the income of the government increases. This step further worsens the conditions for people to live in the country.

### Recommendation to get out of Trap of IMF:

If Pakistan has to get out of the trap of foreign aid and loans, then following steps should be taken.

### • Ensuring Export Diversification:

Pakistan should diversify its export market by including new products in the exports. Pakistan

should learn from South Korea, where they provide support to businesses venturing into new export markets. Establishing trade offices and focusing on the export oriented companies.

#### • Establish an Independent Planning Commission:

The independent planning commission (IPC) is essential for the country's economic health, helping in boosting the productivity of markets and labour, reducing corruption, creating dynamic investment climates and optimal resource allocation without creating regional disparities.

#### • Set up an Autonomous Budget Unit:

The autonomous budget unit would prepare the budget without any pressure. Thus, it gives an independent and non-partisan view of the budget.

#### • Privatizing of Loss Making State Owned Enterprises:

The loss making state owned enterprises are a big burden on the economy of Pakistan. India privatized the loss making SMEs, which resulted in less political interference in the matters, which leads to more economic beneficial decisions.

#### • Reforming bureaucracy is Inevitable:

By reforming the bureaucracy, Pakistan can reduce the corruption. Singapore is the prime example where they introduced Public Policy for the 21st Century (PS21) which results in lowering the corruption, holding the corrupt bureaucrats accountable and increases the efficiency of employees. Pakistan should also do such policies.

#### • Adopting China's Export Led Growth Model:

The country can become self-sufficient by developing its own industries. This reduces the dependence on the foreign countries for the

impact of raw materials. Thus the imports reduce and balance of payments crisis also reduces.

### Critical Analysis:

When Pakistan get the loan from IMF, then Pakistan economy see the boom because of inflow of dollars. But after some time the same situation reappear where there is poor economic growth, more outflow of dollars, and more expenditures than incomes. So, the IMF financial incentives are not for the long term effects, these are for short terms. If Pakistan ensure export diversification, establish the independent planning commission, and set up the autonomous budget unit. Then, Pakistan can get long term effects from IMF loan.

### Conclusion:

Pakistan can get 23 times loan from IMF since independence which show that despite taking IMF program year by year didnot result in positive side. Also, it increases the income tax on salaried class reduce subsidies for poor people rise the prices of electricity. If Pakistan adopt's China's export led growth model, reformed the bureaucracy and privatized the loss making state owned enterprises. Then, the true fruit of IMF program should be eaten.

