Current Affairs
Hadiqa Shakeel

دن:______ تاریخ:______

Q NO # 07

Introductory Remarks

Pakistan has long been struggling with economic instability. Despite multiple IMF bailouts, friendly loans, and policy packages, economic revival remains a dream. This is because the root causes are never addressed properly like, weak institutions, flawed systems and poor governance. Thus, deep structural reforms like, taxation, energy, Administrative, and governance reforms are needed for the revival of Pakistan's economy.

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Structural Reforms

(i) Tax Reforms

(ii) Energy Sector Reforms

(iii) Market liberalization

(iv) Administrative and Government Changes.

They aim to make the system fair, efficient and investment-friendly.

Pakistans Key Economic Problems

(i) High External debt (over $130 billion.

(ii) Low tax revenue (9.8% tax to GDP ratio)

(iii) Weak exports and high imports

iv) Energy Sector crisis.

v) Poor governance.

These problems repeat because the system remains unchanged

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Why Structural Reforms are necessary

Without reforms, every Policy becomes a temporary fix. So, reforms are essential to:

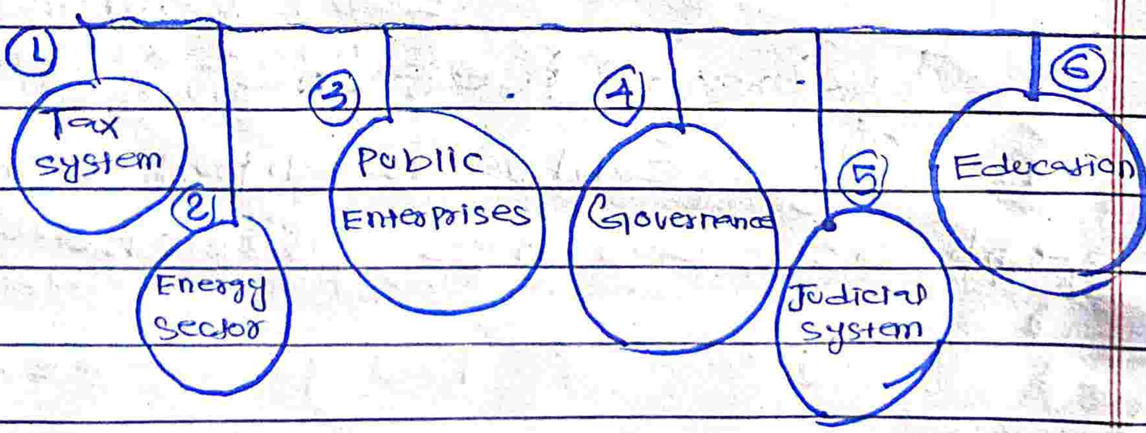
a) Attract local and foreign investment.

b) Make tax collection fairer and broader.

c) Reduce reliance on IMF and foreign aid.

d) Ensure sustainable economic growth.

Core Areas Needing Reforms



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1. Tax System

Only 3 million people file taxes. The system is narrow and unfair.

2. Energy Sector

Billions lost due to theft, line losses, and subsidies.

3. Public Enterprises

PIA, Railways, and others cost billions annually.

4. Governance

Red tapism, corruption, and inefficiency scare investors

5. Judicial Reforms

Slow contract enforcement affects business climate

6. Education

Skill gap limits industrial growth and innovation.

2. Investor Distrust

1. Continued IMF Dependence.

3. High Inflation and unemployment.

What Happens If Reforms are Delayed

4. Growing Poverty and unrest

5. Weakened State capacity

This would trap Pakistan in a permanent economic crisis.

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Examples from other Countries

→ China (1978) — Market reforms led to rapid growth.

→ India (1999) — Liberalization attracted investments and tech.

→ Rwanda (1 — Rebuilt institutions after war and grew steadily.

These cases prove that reforms change fortunes - even from crisis.

Efforts Made by Pakistan – A Review

Some steps were taken: FBR digitalization, IMF-backed energy reforms, and privatization attemps. But lack of political will, instabily and elite resistance halted most efforts.

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Way Forward

1. National political consensus on reforms.
2. End to elite capture and corruption.
3. Public-Private partnerships for services.
4. Strengthen institutions, and individuals.
5. Invest in youth through skilled education.

Concluding Remarks

To sum up, economic revival without structural reforms is not possible. Unless the system is rebuilt like taxation, energy, governance and institutions, Pakistan will continue to move in cycles of crisis. The country can pave the way towards economic stability through reforms, ~~like, by~~ but with commitment, transparency and public support.

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Exordium

In today's shifting global order, the growing strategic bond between Russia and China has garned significant attention. Both nations, though different in strengths, are gradually aligning on political, economic, and military fronts. This convergence is reshaping power balances and presenting new challenges to the Western-led global order.

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Strategic Driver of the Partnership

- a. Anti-Western Outlook
- b. Economic Needs
- c. Security Cooperations
- d. Shared Global Vision

a. Anti-Western Outlook

Both oppose western sanctions, NATO expansion and US hegemony.

b. Economic Needs

Russia supplies energy and raw materials. Meanwhile, China offers investment and tech.

c. Security Cooperation

Joint military drills and and arms sales reflect growing trust.

d. Shared Global Vision

Both advocate multipolar world order, free from Western dominance.

"The China-Russia partnership has no limits" - Xi Jingping (2022)

a. Decline of Unipolarity

Implications on Global Power Politics

b. Bloc politics Rising

c. Pressure on US

d. Impact on Developing Nations

a. Decline of Unipolarity

Their partnership challenges US-led dominance and promotes multipolarity.

b. Bloc Politics Rising

The world is seeing alignments like BRICS+ and SCO challenging Western alliances.

c. Pressure of the US

The US now faces strategic competition from both East and West.

d. Impact on Developing Countries

Many nations are rebalancing ties, avoiding choosing sides.

Contradiction in the Alliance

a. Unequal Power
b. Historical Distrust
c. Divergent Methods
d. Central Asia Rivalry

Despise closeness, challenge remains:

a. Unequal Power

Russia depends more on China, especially post-sanctions.

b. Historical Distrust

Past border disputes still affect deep trust.

c. Divergent Methods

Russia uses force, while China prefers economic influence.

d. Central Asia Rivalry

Both compete for influence in post-Soviet States.

"This alliance is more of a marriage of convenience than one of true affection".
- The Economist (2023)

Global Responses and Challenges

a. US Strategic Shift

Strengthening on QUAD, AUKUS, and NATO expansion.

b. EU's Mixed Approach

Sanctions on Russia but cautious trade with China.

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c. India's Balancing Act

Member of SCO yet key US partner.

d. Emerging Middle Powers.

Countries like Turkey, Brazil, and Saudi Arabia are pursuing neutral, interest-based diplomacy.

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The Russia-China partnership is a powerful development with far-reaching effects. It challenges the existing global order, pushes the world towards multipolarity, and forces other countries to rethink alliances. Though, it is not without limits. In today's world geopolitics, flexibility and diplomacy to remain the tool for global peace.

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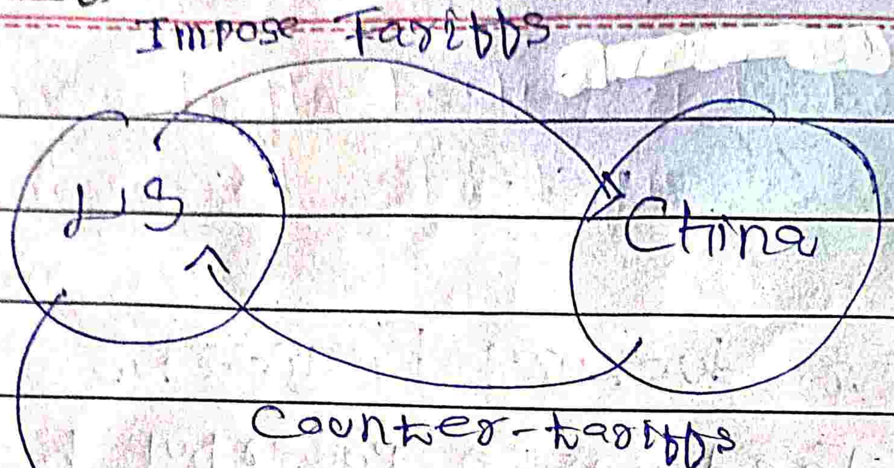
(Q NO 6)

Introductory Remarks

Trade is a powerful tool of influence among global powers. In recent years, the United States has increasingly weaponized trade by imposing tariffs on both its adversaries, such as China, and even close allies like the EU and Canada. While the tariffs pose real challenges to China's growth model and strategic interests, they also provide new opportunities for reform, diversification, and leadership in global order realignment.



Aim:- reducing trade deficits
- reducing dependence on china
- sering domestic industry

Challenges for China

a. Export Decline

b. Supply Chain Shifts

c. Technology Restrictions

a. Export Decline

Tariffs made Chineese goods more expensive in the US market, leading to a decline in exports. This affected industries such as electronics, steel, and machinery. Those sectors that form the backbone of China's economy.

b. Supply Chain Shifts

Multinational firms began relocating manufacturing units to countries like Vietnam and India to avoid tariffs. This weakened China's global manufacturing dominance and reduced job opportunities in its export-driven provinces.

c. Technology Restrictions

The US imposed sanctions on Chineese tech companies like Huawai and restricted access to key technologies such as semiconductors and AI chips. The tech decoupling reduced China's growth in high-tech industries an increased strategic isolation.

Opportunities for China

a. Trade Diversification

b. Domestic Innovation

c. Rise in Regional Influence.

a. Trade Diversification

In response, China deepened trade relations with the Global South and signed the Regional Comprehensive Economic Partnership (RCEP). It also invested more in Belt and Road Initiative to reduce dependence on western markets.

b. Domestic Innovation

Tariffs pressure pushed China to strengthen its internal technological capacity.

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The government invested billions in semiconductor development and green technologies to reduce reliance on the US.

C. Rise in Regional Influence

With the US retreating from multilateral trade deals like the TTP, China positions itself as a leader in regional economic cooperation, especially in Asia and Africa.

"Crisis breeds opportunity. We must rely more on ourselves."
— Xi Jinping

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China's Strategic Response

1. Tit-for-Tat Tariffs

China imposed retaliatory tariffs on US goods eg. soyabeans, cars, and LNG. It targeted politically sensitive US states (agriculture, manufacturing hubs).

2. Diplomatic Negotiations

China engaged in multiple rounds of trade talks (eg. 2020 Phase-One Deal). It also filed complaint against US at the WTO.

Concluding Remarks

The US-imposed tariffs have presented China with significant challenges such as, falling exports, supply chain shifts, and tech sanctions. However, they have also created vital opportunities such as, innovation, diversification, and expanding global trade.

Q No 3

Introductory Remarks

Tensions in the Middle East have once again caught the World's attention. Recently, Israel attack on Iran's nuclear sites, and in response, the United States stepped in to support Israel. This situation is not just a local problem now, it is affecting world politics, especially involving the US, China, and Russia. The issue is becoming global power struggle, where each major country wants to protect its interests.

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Why US is Supporting Israel

The United States has always supported Israel, due to strong military, political, and historic ties. The US is now taking this opportunity to:

1. Show its Power in the Middle East.
2. Stop Iran from becoming too strong.
3. Protect oil routes and allies in the region.
4. Prevent China and Russia from gain more influence.

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Impact on Global Power Politics

a. US Influence in Middle East

b. Russia's Reaction and Interests

c. China's careful Strategy

a. US Influence in the Middle East

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Impact on Global Power Politics

a. US Influence in Middle East

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a. US Influence in the Middle East

With this move, the US is proving that it still has strong military and political influence in the region. Its involvement will:

i. Strengthen ties with Arab Countries like Saudi Arabia.

2. Put pressure on Iran through military and diplomatic tools
3. Remind the world of its superpower status.

b. Russia's Reaction and Intrests

Russia is against the US invovement and support's Iran in many way's. Russia wants:

1. To keep the US busy in the Middle East.
2. To sell wepons to Iran.
3. To controll oil price by causing instability.

"Moscow gains advantage when West is distracted or divided". - Carnegie Moscow Center

c. China's Careful Strategy

China is not taking sides openly. Instead, it is trying to:

1. Protect its business interests in both Israel and Iran.
2. Avoid any conflict that harms its economy.
3. Act as a peace mediator to gain respect globally.

"China speaks less but works more behind the scenes to protect its Belt and Road Initiative plans." - South China Morning Post

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Changes in World Alliances

The conflict is making countries choose sides:

1. Arab countries are moving closer to Israel and the US.
2. Iran is depending more on China and Russia.
3. Other countries like Turkey and Russia are trying to stay neutral but are under pressure.
4. Pakistan is trying to stay neutral while quietly supporting regional peace to protect its national interests.

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Conclusion

The US joining the Israel-Iran conflict has changed the situation from a regional issue to a global power game. Now, every step taken by US, China or Russia can lead to a bigger crisis. In this complex game, the need for peace, balance, and wise diplomacy is more important than ever.