MCQ's: 16.

Current Affairs

DATE: __/__/__

Q No: 08

Ans:- INTRODUCTION

> The world is a book, and those who donot travel read only one page.
> - Saint Augustine -

The growing relationship b/w Russia and China has significant implications for global power politics, challenging the liberal world order and posing a threat to Western influence.

STRENGTHENING TIES

Russia and China have been bolstering their partnership since Russia's full-scale invasion of Ukraine. China's economic support has been crucial for Russia's struggling economy. With Chinese exports to Russia increasing by 47% in 2023 compared to 2022, reaching a record high in December 2023. Their military cooperation has also deepened, with joint exercises and technological development.

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IMPLICATIONS FOR GLOBAL POWER POLITICS

The growing Russia China relationship has several implications for global power politics:

i- CHALLENGING THE LIBERAL WORLD ORDER

Both nations are united ~~with~~ in their opposition to the West's liberal world order and its principles of democracy and human rights. They aim to remake the global order in their image, allowing them to control and dominate their respective regions.

ii- STRATEGIC COOPERATION

Russia and China are increasingly coordinating their efforts on global stage, including in multilateral forums like the **United Nations, BRICS and The Shangai Cooperation Organization.**

iii- MILITRY COOPERATION

The military cooperation could pose

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a threat to the West's military advantage, particularly in areas like Space, Artificial Intelligence, and emerging technologies.

iv- Impact On Global Governance

The Russia-China partnership could lead to a shift in global governance, with both nations promoting their own models of governance and challenging western dominance.

v- Economic Implications

The growing economic ties between China and Russia could lead to more multipolar world, reducing western influence and creating new economic opportunities. In 2023, China's total trade with Russia reached a record $ 240 billion. (According to Economic Research Institute)

vi- Security Implications

The deeping military cooperation

between Russia and China could pose significant threat to regional and global security, particularly in areas like Eastern Europe and the Asia-Pacific.

FOR EXAMPLE:- Since 2003, Russia and China have held over 90 joint military exercises.

vii- IMPACT ON US INFLUENCE

The Russia-China partnership could reduce US influence in global affairs, particularly in regions where both nations have significant interests.

viii- GLOBAL POWER DYNAMICS.

The growing relationship between Russia and China could lead to a more multipolar world, with multiple power centers and a more complex global landscape.

ix- IMPACT ON MIDDLE POWERS

The Russia-China partnership could also impact middle powers, DATE: ___/___/______

such as, India, Turkey and Brazil, which may seek to balance their relationships with both the US and China-Russia bloc.

LIMITATION AND CHALLENGES.

Despite their growing relationship, there are limitations and challenges:

i- POWER IMBALANCE

The relationship is increasingly skewed in China's power, with Russia becoming more dependent on China. As supplies from Moscow's traditional partners have dried up under sanctions and Russia's domestic capacity remains stretched, China has stepped up to help its friend. Compared to 2021, when high-priority goods from China accounted for 32% of Russia's imports need, China's share soared to 89% in 2023. (Source: The Hindu).

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ii- DIFFERENT STRATEGIC INTERESTS

Russia and China have different strategic interests, particularly in regions like Central Asia, the Arctic, and the Korean peninsula.

CONCLUSION:

The growing relationship between Russia and China poses significant challenges for the West. Understand-ings the dynamics of their partnership and its implications for global power politics is crucial for develop-ing effective strategies to manage and counter the joint Russian-Chinese threat. As Angela Stent notes,

> "Every U.S president since the end of the Cold War has tried to reset relations with Russia, both Democrat and Republican, and all these resets have failed."

The west must leverage the many areas and issue where Moscow and Beijing diverge, while also maximizing

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The cost of China's support for Russia's war efforts. By doing so, the West can promote its interests and maintain its influence in a rapidly changing world.

QNo:07:-
Ans:-

INTRODUCTION

> The future depends on what we do in the present.
> – Mahatma Gandhi –

Pakistan's economic revival is a pressing concern that requires immediate attention and action. Despite various efforts to boost the economy, Pakistan continues to face significant challenges that hinder its growth and development.

STRUCTURAL REFORMS: A PRE REQUISITE FOR ECONOMIC REVIVAL.

Pakistan's economic woes are deeply rooted in its structural issues

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including.

i- FISCAL IMBALANCE

Pakistan's fiscal defecits have been a persisted problem, driven by low tax revenues, high government spending and ineffecient public sector interprise.

> Pakistan's fiscal defecit averaged 7.5% of GDP between 2013 and 2018.
> - World Bank.

ii- ENERGY CRISIS

Pakistan's energy sector is plagued by ineffeciencies, corruption, and inadequate infrastructure, leading to frequent power outages and high energy costs.

> The energy crisis costs the economy around 2-3% of GDP annually.
> - Pakistan Institute of Development Economics.

iii- LOW TAX-TO-GDP RATIO

Pakistan's tax-to-GDP ratio is one of the lowest in world, limiting the

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government's ability to fund public service and infrastructure.

> Pakistan's tax-to-GDP ratio is around 11%, compared to an average of 15-20% in other developing countries.
> – International Monetary Fund (IMF)

iv- CORRUPTION AND GOVERNANCE ISSUES

Corruption and poor governance are significant challenges in Pakistan, affecting the business environment and deterring foreign investment.

> Pakistan ranks 140 out of 180 countries in terms of corruption perception.
> – Transparency International.

THE NEED FOR EXTENSIVE STRUCTURAL REFORMS.

To achieve economic revival, Pakistan needs to introduce extensive structural reforms, including:

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i- TAX REFORMS

Implementing a more effecient and effective tax system, broadening the tax base and reducing tax evasions.

> A comprehensive tax reform can increase tax revenues by upto 2% of GDP.
> – The Tax policy and Tax Administration thematic group.

ii- ENERGY SECTOR REFORMS

Improving energy effeciency, reducing energy costs and increasing investment in the energy sector.

> Investing in the energy sector can increase economic growth by upto 1.5% annually.
> – World Bank.

iii- PUBLIC SECTOR REFORMS.

Improving governance reducing corruption and increasing the effeciency of public sector enterprises.

> Public sector reforms can improve the business environment and increase foreign investment
> – Asian Development Bank.

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iv- INVESTMENT CLIMATE REFORMS

Creating a more favorable investment climate, including improving the ease of doing business, reducing bureaucratic hurdles and increasing transparency.

> Improving the business environment can increase foreign investment by upto 20% annually.
> - World Bank.

CONCLUSION

> The best way to predict the future is to invent it.
> - Alan Kay.

Pakistan's economic revival requires a comprehensive and sustained effort to address its structural issues. By introducing extensive structural reforms, Pakistan can create a more favorable business environment, attract foreign investment, and achieve a sustainable economic growth. As the IMF notes, "Pakistan needs to implement broad range of reforms to achieve sustained

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and inclusive growth. With the right policies and reforms, Pakistan can unlock its economic potential and achieve a brighter future for its citizens.

Q6:-
Ans:-

INTRODUCTION

> The future belongs to those who believe in the beauty of their dreams.
> - Eleanor Roosevelt

The US tariffs imposed on China, along with other adversaries and allies, present both challenges and opportunities for the country.

CHALLENGES

i- Tariff Escalation

The US has imposed significant tarifs on chinese goods, reaching 145% on certain products, which can lead to higher prices and reduced demands. This has sparked concerns about the impact on china's economy and trade relationships.

ii- SUPPLY CHAIN DISRUPTIONS

The tariffs have disrupted global supply chains, affecting industries such as electric vehicles and technology. Companies are adapting by

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finding new supplier or relocating production to countries like vietnam and Mexico.

iii. RETALIATORY MEASURES

China has responded to US tarrifs by imposing its own tarrifs on US goods, **worth $110 billion**, which can affect American business and farmers.

iv. REDUCED COMPETITIVENESS

The tarrifs can weakens the competitiveness of Chinese exports, particularly in high-tech manufacturing, where countries like Korea and Taiwan dominate.

v. GLOBAL ECONOMIC INSTABILITY

The trade tensions between the US and China can lead to higher consumer prices and reduced corporate profits worldwide, disrupting global markets and economic stability

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OPPORTUNITIES

i- DIVERSIFYING TRADE PARTNERS

The trade tensions have led China to explore new trade partnerships and reduce its dependence on the US market.

> From 2018 to 2023, the proportion of China's exports destined for the US decreased by 5% points, from 19% to 14%.

ii- INVESTING IN DOMESTIC INDUSTRIES

China is focusing on enhancing its domestic supply chains and reducing reliance on foreign inputs, which can increase the competitiveness of its exports.

iii. GROWING INFLUENCE IN GLOBAL TRADE

China's trade policies and practices significantly shape its international trade relationships. The Belt and Road Initiative (BRI) exemplifies China's strategic use of trade to

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to expand its influence globally.

iv- NEW MARKET OPPORTUNITIES

The trade war has created opportunities for other countries to fill the void left by the US and China. Several nations are capitalizing on the trade tensions to compete for the same markets that the China and the US are struggling to access.

v. INNOVATION AND ADAPTABILITY

The tarrifs can prompt China to innovate and adapt, ultimately driving growth and competitiveness in the long term.

CONCLUSION

> The greater risk for multinational firm may now be policy changes from Washington, not Beijing.
> William C. Kirby.

As the US-China trade tensions continue, China must navigate the challenges and opportunities presented by the US tarrifs. By diversifying trade partners, investing in domestic industries, and leveraging its growing influence in global trade, China can mitigate the negative impacts and capitalize on new opportunities.