Question 1

Examine the domestic dimensions of hydropolitics in Pakistan. How do inter-provincial water disputes affect National unity and Agricultural development?

(A) **Introduction**: War is no longer affliated to territorial disputes to maintain hegemony, War is now based on disputes over natural resources, as analyzed by **Micheal T. Klare**. Pakistan is among the top most water stressed countries in the region and 5th most water stressed country globally according to **international Water Management institute**. During the Indus Water Treaty (IWT) in 1960, Pakistan was allocated **135MAF** of Water of Indus Basin, which shrinked to **65MAF** capacity. Pakistan's hydropoliticis is largely shaped by Indus River System. high population pressure and Agro-centric economy. Constitutional and Institutional framework of Pakistan: Indus Water Accord (1990) which is regulated and monitored by Indus River System Authority and to ~~maintain~~ mediate disputes. Moreover, inter-provincial disputes such as fair distribution of water, compensations granting, fare of scarcity and sumberge and ecological damaged stays persisted, harming national unity and agricultural development by uneven water availibility.

(B) Domestic Dimensions of hydropolitics in Pakistan:

Domestic dimensions of hydropolitics within Pakistan is shaped by institutional and constitutional frameworks, Inter-provincial relations, Governance Mismangement and injustice, Provincial resource sharing Biasness.

Domestic Dimensions of Hydropolitics Pakistan

- Inter-provincial Disputes
  - Kalabagh Dam
  - Munroj Dam
  - Diamer-Bhasa
  - 6 canal Diversions
    - → Greater Thar canal
    - → Thal canal
    - → Cholistan canal
    - → Rainee canal
    - → Kachi canal
- Institutional and constitutional Framework
  - IRSA (Indus river System Authority)
  - CCI (council of common Interest)
  - Indus water Accord
- Governance Mismangement & corruption
  - Compensation Deprivde tribes ↓ (Government does not compensate the local tribes for their land acquistion ~7000 Migrations due to Munruj Dam Project)
  - Land Acquistion Mismangement ↓ (Dasu dam project face land acquistion hurdles due to local residents resistant)
  - Financial constraints ↓ Gradually increase of cost with time (Dasu Dam started from 349M, Now increase to 176 B.)
  - unfair Funds allocation and lack of transperancy ↓ (corrupt practices lead to volatalization of funds)

1- Internal Water Sharing Mechanisms and insitutions:

Internal Water Sharing Mechanisms operated by institutions, where provinces competer over water allocation.

1.1) Water Appointment institution governed by domestic agreement:

1991, Indus Water accord is held to distribute fairly Share of Water among provinces (among Punjab, Sindh, Balochistan and KPK). Despite provided baseline, provinces get unfair allocation of Water which affect the agricultural productivity, domestic usage of Water.

1.2) IRSA to mediate disputes between federal and provinces:

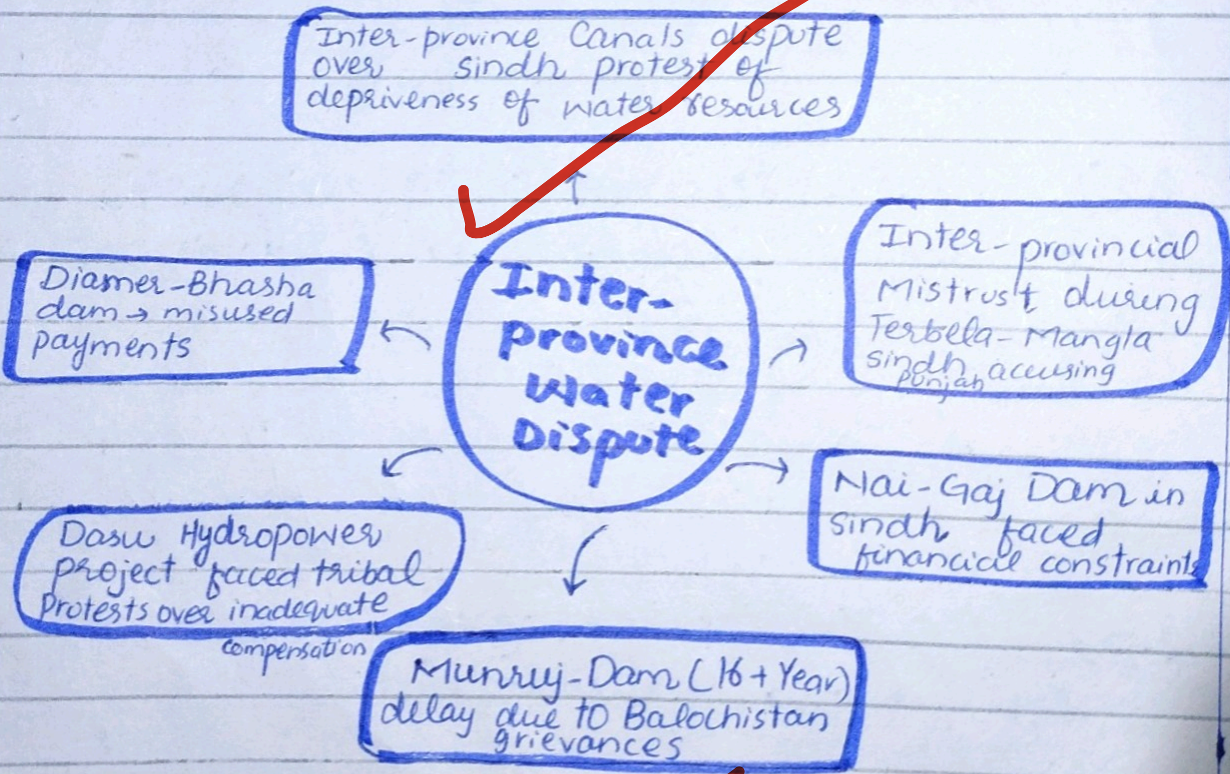
Indus River System authority was established to institutionalize the IWA and to mediate disputes among provinces and inter-provinces.

1.3) CCI to resolve issues in broader aspect:

To resolve power and Water Sharing between the federal government and the provinces. Its function is to promote National cohesion and harmony.

B) Conflicts between center and province a key domestic dimention of hydropolitics:

Water distribution framework although established by IWA and IRSA in 1991 but down stream provinces perceive this constitutional framework prejudiced and biasd as it favours upper stream provinces and leave downstream provinces water scarce. Moreover, building of **6 canals** over Indus-River basin will left the down stream provinces marginalized and water-stressed by water diversion.



Kalabagh Dam conflict remains the major conflict point, Sindh opposses it called the "Water theft".

(C) Inter-province Water protest affect National unity:

Hydropolitics intensify due to:

Ethno-Regional Identities (Sindhi, Balochi, Punjabi, Pashtoon)

→ complex geographical Terrain

→ Historical Mistrust

1- Erosion of Trust among provinces Leads to ethnic division:

Sindh accuses punjab of "stealing Water" and KPK fears its land will be Submerged, Balochistan complains about reduced Water flow leads to gap between ethnicity which erodes trust among ethno-regional identities.

2- Impartial allocation of Water Skepticism:

When IRSA decisions appear biased provinces blame the federal government for favouritism and Punjab's hegemony over bureaucracy and Water infrastructure.

3- Amplification of Ethno-Nationalistic sentiments:

Balochistan and Sindh claims that Punjab is overrepresented in add and highlight references/examples against these arguments.......

State power. Down stream provinces have Anti-center rhetoric. They lead movements accusing the federation of resource exploitation.

4- Protests in Sindh over Kalabagh dam threats to internal stability:

Kalabagh dam proposed in 1980s but remains the most divisive project Frequent outrage halted the project and threaten the internal stability of the state. **(Dawn-2018)**

5- Protests of Sindh against Cholistan canal undermine national unity

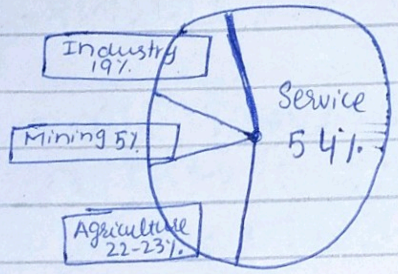
Major 6 canal project remains a bone of contention among provinces. A lot of hue and cry over canal projects undermined national unity. **(Al Jazeera-2025)**

6- Media Wars between provinces leader shape the public Narrative leads to National disintegration:

Media Wars between provinces leader shape the public narrative which further aggravates the National disintegration and fuel the fire.

(D) Inter-province Water dispute affect agricultural development:

Pakistan is an agro-centric country. **22%** of GDP of Pakistan contributed by agriculture **(Economic Survey of Pakistan 2024-2025)**
This sector employs more than **42% of labor** force **(IMF 2023 Report)**
Agricultural based products such as rice and cotton account for about 80% of Pakistan's total exports.
(FAO-2024).



[GDP Pie Chart of Pakistan]

(South Asia Journal)

Agriculture in Pakistan uses **~90%** of freshwater. Inter-provincial dispute disturbs this in several ways.

1- Uneven water availibility results to low crop yield:

Unfair allocation of water among provinces by institutional framework results to shortage of crops that are overly dependent on water such as Rice, Sugarcane.

2- Delayed or cancelled water infrastructure leads to acute shortage:

Kalabagh, Dasu, Diamer-Bhasa delayed projects leads to acute shortage of water in Balochistan, KPK and Sindh which impacts Agricultural growth.

3- Provincial mistrust stalls modern irrigation:

Provincial Mistrust Stalls modern irrigation techniques such as Telemetry for water measuring, drip sprinkler and canal lining. (PCRWR-2025)

4- Hydropolitics prevent climate resilience projects threaten acute food shortage:

Hydropolitics mistrust prevent climate resilience projects which threaten acute food shortage (IWT Report)

5- Hydro-power obstruction threatens tubewell mechanization:

Inter-province disputes leads to delayed hydropower projects which threaten tubewell mechanization and crops face water shortages.

end the answer with conclusion.......

Q.02:

Root Caues of Inflation and Unemployment in Pakistan Analyze how poor governance and policy inconsistency have Contributed to these economic Challanges

(A) Introduction:

The unemployment in Pakistan for 2025 is projected to be around **8.00%** according to **Trading Economics.** A Significant Challange is the gap between job seeker skills and the jobs available. Poverty rate in Pakistan is estimated to be about **44.7%** using the World Bank's new **$4.20** per day poverty line. According to **Finance Division:**

Inflation rate is **4.7%** for the first half fiscal year (2025-2026)

This rate of inflation is attributed to poor governance and policy failure in Pakistance such as weak regulatory controls, corruption and leakages, policy discontinuity. The Root cause of inflation are low foreign exchange reserves, high service debt, Reliance on international funds, population explosion, Climate vulnerability, low job ration, low FDI, slow industrial growth, Nepotysim, cryonism, agricultural underdevelo

Fluctuating economic policies, frequent political transitions. and uncertain monetary policy.

(B) Root Causes of Inflation and unemployment:

Inflation Root causes

Low agricultural Productivity → frequent food shortage
(Food and agriculture organization 2025)

↓

Energy Demand-supply gap leads to import of fuel and oil
(5% contribution to inflation)
Pakistan economic Report (2025)

↓

Weak Currency and Trade deficit
Currency depreciation contributes to 6% inflation (WB)

↓

Fiscal deficit and Monetization
Pakistan's fiscal deficit was 7.5% of GDP in FY (2024)

↓

Energy and utility tarrif hikes
(Gap between demand and supply)

Unemployment Root causes

unemployment Root causes

- Climate vulnerabilities makes job difficulties (Pakistan among Top 5)
- Population Explosion vs job Creation (5th Most populous country)
- Low industrial and Agricultural growth
- Flawed education system (Mismatch between skilled)
- Low budget investment (. of PSP in FY 2025)
- Weak Governance
- Political instability

(c) Analysis of Policy inconsistency contribution to inflation and ~~Poor Governance~~ unemployment:

Policy inconsistency in Pakistan is a recurrent issue. This inconsistency erodes public trust, creates economic uncertainity and hinder socio-economic growth.

1- Frequent Policy fluctuations increase inflation:

Frequent changes in economic policies such as tax and duties, businesses increase prices to cover extra costs faced by consumers leads to inflation. The government often introduces new taxes or changes in tarrifs affects market prices.

2. Policy inconsistency in subsidies affect underprevileged class:

Low subsidies and frequent shifts in subsidy programs; sudden cutting down or reduction leads to abrupt cost increases in transport, food, manufacturing supply chain. In 2025, **14%** subsidy cut.

3- Import or Trade policies restrict raw material supply:

Frequent changes in import or trade policies create uncertainity in raw material supply. Trade Policies affect currency depreciation, reliance on indiret taxes such as sales taxes push inflation up.

4- Petroleum development levy hikes inflation:

Increase levis on petroleum products often in response to IMF conditionalities increase the cost of fuel and transportation which in turn raise the prices of all goods.

5- Policy inconsistencies for the utility stores corportation increased inflation:

FY (2025-2026) budget cut down 14% Subsidies on utility store corporation increased inflation. Moreover, Ramzan Relief packages, agricultural subsidies cut down also major setbacks. **(Economic Survey of Pakistan 2025)**

6- Weak Industrial growth favours less workers increase unemployment:

Industries faced unpredictable energy tarrifs, import duties and regulations. Higher costs affects less hiring of workers, fewer factories and increase unemployment.

7- Delayed Reforms and Skill Development Create Structural unemployment:

Frequent policy reversals prevent Consistent vocational training, education and industrial reforms. Youth and graduates are not trained for available jobs which cause a gap in Skills and leads to structural unemployment **(IPRI Survey)**

8- unstable Monetary policies in Pakistan create inflation and unemployment:

Although State bank of Pakistan has made efforts to stabalize the economy but factors remained persistent such as structural issues, over-reliance on external debt and currency devaluation.

(D) Poor Governance Contribution to unemployment and Inflation:

According to World Economic Governance Index 2024, Pakistan ranked **135th/180** in governance
poor

Poor Governance finds certain Ways to create inflation and unemployment in Pakistan.

Corruption leads to inflation and unemployment → Pakistan's Governance index **25.9/100**

↓

Lack of Monitoring and unaccountability → 31.5% inflation surge **(Modern Diplomacy)**

↓

Political short term decisions → Price control or Short term Subsidies

↓

Meritocracy Erosion Favouring Nepotism → National corruption perception index 43% respondents Nationwise outraged

↓

Lack of transperancy in Funds allocation cause inflation & unemployment ← Funds Embezzelment

08

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