CA (Test#2) Aroosa

Question#3

Pakistan balanced relations with US and China

1- Introduction

In 2025, Pakistan stands at the crossroad between the two giants, the US and China. To the West lies the US, with its security partnership and financial leverage, and to the East stands China, offering capital and shared development plans. For Pakistan, Keeping cordial relations with both the countries are of equal importance. Due to the renewed rivalry between China and US, Pakistan is required to take a pragmatic approach that makes sure its balanced relations with both the countries. For this, Pakistan is required to diversify its economy, manage debt profile, segment technology domain, and maintain balance in the security realm. Thus, for Pakistan, balancing relations with China and US is about calibrated engagement.

"A country's independence is preserved
not by permanent alignment but
by its ability to shift the balance
when circumstances change."

~ Henry Kissinger

2- Glancing over contemporary US-China rivalry and Pakistan's dilemma

Sino-US Rivalry

- → Trade war
- → Technology restriction
- → Military signaling in Indo-Pacific

Pakistan's dilemma → Pakistan is fraught in the dilemma of dual dependency on both. The trade war of US can impose tariffs, impacting Pakistan's export. Moreover, US tariffs on China has potential to impact Pakistan's technolog sector.

3- Overview of Pakistan's need of both US and China

Pakistan

USA

- * Established power
- * largest exportor ($6 billion)
- * influence on International Finacial Regimes
- * Recent Rare Earth Minerals deal

China

- * Emerging power
- * largest importer ($11.4 billion)
- * CPEC and SEZs
- * Support in UNSC

4- Wayouts for Pakistan to balance ties with both US and China

4.1) Diversification of economic policies

First, Pakistan is required to diversify its economy and find other options too. Pakistan can maintain export of sport and textile goods with the USA. And with Chinese investment, Pakistan can work on its capacity building and inviting others investors in the country

For example, marketing SEZs under CPEC to Gulf and European investors help Pakistan diversify its economy.

Thus, in this manner, Pakistan will find other markets and maintain a balance between both China and US.

4.2) Manage debt profile

Next, for balancing relation with both the countries, Pakistan is required to manage its debt profile. This will save it to not dance on the tunes of foreign economic assistance.

For instance, Pakistan can negotiate maturities with Chinese creditors and use IMF programs for stabilization of macroeconomic growth.

4.3) Segmentation of technology

Moreover, to maintain a balance, Pakistan is required to segment its technology sector by using Chinese hardware for commercial use and developing government system with Western compatibilities. Notably, to maintain autonomy, Pakistan can develop cybersecurity protocols.

In words of Fareed Zakari,

"The future of global order will be shaped less by force and more by flow of technology and capital."

So, segmentation of technology will help Pakistan to maintain balance between the two.

4.4) Strategic balance in security domain

Furthermore, to ensure balanced ties with both the countries, Pakistan must navigate a strategic balance in the realm of security because both are important in this regard.

For example, Pakistan can conduct military trainings and counterterrorism operations with the US, and ensure joint venture and defense collaboration with China, like production of JF-17 Thunder.

4.5) Balanced diplomacy in multilateral forums

To add more, for maintaining balance, Pakistan must ensure balanced diplomatic manuvering on multilateral plaforms to extend its support for both the countries.

Such as, in SCO, Pakistan can collaborate with China, and in the UN peacekeeping missions, Pakistan can gain Western support.

4.6) Ensure pragmatic diplomatic messaging

Additionally, Pakistan must carefully walk the tightrope of balancing relations with both China and US. For this, it must ensure pragmatic diplomatic messaging for both and showcasing that open for maintaining cordial relations with both. George Kennon argues this idea as,

"The art of foreign policy lies in keeping number of options for longest period of time."

4.7) Encourage research and cultural exchange

Last but not least, Pakistan can encourage research and cultural exchange programs with both the countries. For this, the country can use its citizens abroad.

As S. Akbar Zaidi aptly remarked,

— "Research and cultural exchange programs are easy tools for establishing a country positive image in the global arena."

5) Conclusion

To cap it all, with the onset of the 21st century, the world is witnessing renewed rivalry of US and China. For Pakistan, this rivalry presents both opportunities and constraints as China is its strategic partner and engagement with the US is recently back to normalcy. So, it is need of the hour for Islamabad to design a policy that ensures its balanced relations with both the states. For this, Pakistan can diversify its economy, ensure balance in security domain and manage its debt profile. In short, Pakistan should leverage its economic needs and strategic location to drift the zero-sum choice between Beijing and Washington.

Question # 1

US tariffs on India and its economic and geopolitical implications

1- Introduction

The recent imposition of 50% cumulative tariffs on India by the USA represents major tensions in trade system. In fact, this imposition of tariffs by the USA has great and profound implications both on the region and global power politics. Apprehensively, this move of USA comes at the cost of severe economic implication, including contration in exports, uncertainity in supply chains, and surge in unemployment. As far as its geopolitical implications are concerned, the imposition of tariffs can weaponize globale trade, shift global dynamics, and ensure India's structural autonomy. All in all, the imposition of double tariffs of US on India has far reaching implications both economically and geopolitically on regional and global power politics.

2- A cursory glance of current US double tariffs

on India

Report of globle Trade Research Institute

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Imposition of double tariffs on India

Reciprocal tariff → 25% → domestic protectionism of India

Punitive tariff → 25% → Importing Russian Oil.

3) Economic implications of US tariffs

3.1) Contraction of export and GDP decleration

To start, the imposition of US-tariffs comes with great economic implication, ultimately contracting export base and decrease in GDP growth of many countries.

For instance, as per the report of Times of India, due to double tariffs the export of India to US has decreased upto 20 percent.

3.2) Surge in unemployment and SME vulnerability

Another grave implication of the

US tariff is that it directly hit the SMEs and low-skilled workers in the affected sectors, consequently leading to unemployment. Such as, per the World Bank projection, the unemployment in SMEs could rise 2 folds due to US imposition of tariffs.

3.3) Uncertainity in supply chains

Moreover, due to tariffs, the importers are compelled to reconfigure supply chains, which can cause uncertainity and increased cost of supply chain, ultimately increasing consumers and business costs.

According to WTO, "US tariffs presents gloomy picture of deteriorating global supply chains, contributing to global inflation."

3.4) Slowdown global economic growth

Lastly, due to imposition of US tariffs, the global economic growth is in constant decline. Such as, IMF reveals that global economic growth will deteriorate by 40% due to US tariff war.

So, the tariff war of the US significantly hit global economic growth, leading it to decline.

4) Geopolitical implication of US tariffs

4.1) Weaponization of trade

To begin, the US tariff war has significantly impacted global trade. Due to this, it has set the precedent of weaponization of trade, and other countries can follow the suit to materialize their vested interest.

For example, China's 100% reciprocal tariffs on the US is a glaring example of it.

4.2) Shift in global order

Another geopolitical implication of the US tariff is that a significant shift can be witnessed in global order, threatening US hegemony and leading towards multipolar world.

For instance, India's closer to Russia and China after US tariffs presents clear illustration.

4.3) Surge in India's strategic autonomy

To add fuel to the

fire, the US tariffs has surged the India's strategic autonomy efforts that can anticipate India are self-reliant country and create problems for the US hegemony.

For example, India' free trade agreement with UK and India-Japan Dialouge on Economic Security are defining examples of India leading towards strategic autonomy.

4.4) Possibility of regional realignment

Last but not least, the imposition of tariffs by US can also unfold in form of implication of possibility of regional realignment.

Such as, India's stronger ties with Russia, Iran, and China representing illustration of regional realignment

This regional realignment will, as a result, cause obstacles in way of US for maintaining its domination and strong hold on the global power politics.

5. Conclusion

To sum up the discussion, The imposition of tariffs by the US on India and other countries can unfold in tangible implications both economically and geopolitically on regional and global power politics. On economic front, it can disrupt export, deteriorate supply chains, and decline global economic growth. On geopolitical landscape, the implications of US imposed tariffs ranging from shift in global order to weaponization of trade. Hence, the staunch attitude of US in the form of imposition of tariffs can unfold in the form of many economic and geopolitical implications.

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