

Pakistan Affairs

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Q:3

The economic challenges faced by Pakistan are challenges of Political economy or issues are deep rooted in structural flawed in our economy. Take a side and suggest policy measures to address these challenges.

Economic Challenges Faced By Pakistan

Introduction:

Since the creation of Pakistan, economic vulnerabilities and challenges have been a major part of debates and tensions within the country. Due to unfair and unequal resource distribution between India and Pakistan at the time of partition, Pakistan's economy took a crippling start in its initial years, the consequences of which are still very deep rooted today. Even though political instability in the country has undermined and created hindrance in economic progress of country but the real culprit due

to which Pakistan's economy lags behind is the deep rooted structural flaws, which continue to add to the vulnerabilities of the State.

Structural Flaws In Pakistan's Economy

Following are some major structural flaws which shape the outcome of Pakistan's weak economy:

(1): Flawed Taxation System:

Flaws in taxation system are a major reason for budget deficit resulting in more expenditure and less revenue collection every year. This gap compels Pakistan to take further loans to repay already taken loans and fulfill the void between expenditure and revenue to ensure running and working of state institutions.

In FY 24-25:

total expenditure of Pakistan was = 18.9 trillion PKR

target revenue generation by tax = 13 trillion PKR

Total collection by tax = 11.7 trillion PKR

Collection by non-tax sources = 4 trillion PKR

Total collection = 16 trillion PKR

Gap of approximately ~ 3 trillion PKR

Such revenue collection gaps due to flawed tax system and tax evasions compels Pakistan to take more loan, thus further burdening the economy of Pakistan.

(2): Lack of Efficient Industries And Their Capacity

Building:

Industrial sector of Pakistan is still facing challenges to become capable enough to contribute to exports, hence they are failing to help boost economy. Furthermore, issues like power supply interruptions and political unrest delays the working capacity of smooth industrial progress. Advancement and technological integration in industries to increase their capacity can ensure production of mass export items and may contribute in increasing foreign direct investment in the country. But this lack of efficient, quality industries is creating hurdle in economic progress of country.

(3): Over-reliance on Imports:

- Lack of efficient industries and subsequent reduction in supply compels government to over-rely on imports to fulfill the demands of country.

- Over-reliance on imports creates → Balance of Payment Crisis / Dollar Crisis:

influx of dollar is less, outflux of dollar is more

⇒ This incurs a huge burden on economy.

FY 2024-25: the influx of dollar was \$396 billion

whereas outflux was \$39 billion.

⇒ Hence, lack of proper import regulation to balance it with exports, is a structural flaw Pakistan has yet to find a solution to.

(4): Decline In Exports:

Despite being an agrarian country, agriculture only contributes 23% in GDP of Pakistan. Decline in exports of Pakistan of agricultural and textile products in the ~~the~~ last few years has created hindrance for economic sector of Pakistan and has contributed to balance of payment crisis.

FY 24-25:

exports = \$ 19.58 billion

imports = \$ 33.08 billion

deficit = \$ 13.50 billion

⇒ Fiscal deficit burdens the economy and has been a major challenge Pakistan's economy has to face.

(5): Circular Debt:

Pakistan is stuck in a vicious cycle of debt. To repay previous loans and their interests, more loans are taken.

- According to State Bank of Pakistan, following has been the loan-taking history of Pakistan in the last few decades:

2008-2009 → 6 trillion PKR

2012-2013 → 12 trillion PKR

2017-2018 → 29 trillion PKR

2020-2021 → 38 trillion PKR

2022-2024 → 62 trillion PKR

- Loans from IMF results in strict policy implications of IMF on Pakistan in terms of subsidies and inflation control, which further burdens the economy of Pakistan.

Policy Measures To Address Flaws In System

(1): Improve Taxation System and Increase Capacity

Building of Tax collecting Bodies:

To address a major tax collection gap and flaw in Pakistan taxation system needs to be improved by taking strict measures against tax evaders i.e. real estate, builders, industries. Furthermore, instead of 0.6% of GDP's allocation to tax-collecting bodies, it should be increased to 2% (minimum, ideal standard set by World Bank, ADB, IMF).

Capacity Building of Tax collection Bodies



More Tax collection to compensate expenditures



Less Reliance on loans to fill the deficit

(2): Increase Exports and Decrease Imports:

Major step to tackle economic burden is to introduce policy measure to ensure increase exports of agricultural, textile, sports, pharmaceuticals, handicrafts and other exports. Pakistan has the potential to export. Less reliance on imports and by giving subsidies to local industries will ultimately help strengthen exports and reduce reliance on imports. In the long run, this will reduce fiscal deficit crisis of economy of Pakistan.

(3): Capacity Building Measures to Attract FDI:

By using diplomacy as a tool to increase both confidence building measures and capacity building measure, and strengthening ties with regional partners i.e. Central Asian states etc., Pakistan can increase foreign direct investment in the country.

- FDI has the potential to strengthen the crippling economy of Pakistan and will help improve current account deficit the country has to face. Hence, strict policies initiatives in this regard are the need of the hour.

(4): Privatization:

SOE (State owned enterprises) who have constantly been in losses i.e. DESCOS, NHA, PIA, Pakistan Railway, Steel Industries are a huge burden on Pakistan's economy.

- A major structural flaw in Pakistan is the nonexistence of any specific threshold to guide when a state should privatize an industry/sector and when to not.
- These SOEs can only be made capable enough to contribute to economy is by privatization.

⇒ In the Past i.e. 1990s, the industries which were privatized are flourishing in terms of revenue generation today, which include PTCL and MCB bank which earned 500% profits since its privatization in 1990s.

(5). Subsidies to Industries:

Policy measures should be taken to allocate subsidies to local industries to help in their capacity building to ensure local industries contribute in GDP and reduce reliance on exports. Subsidies has proved and possess the potential to help stabilize the economy of Pakistan.

Critical Analysis:

Deep rooted flaws in Pakistan's economy have intensified the weakening of economy even further. Being an agrarian country, Pakistan still possess potential to increase its agricultural exports and reduce fiscal deficit. Similarly, capacity building, subsidies to industries can contribute to GDP and strict policy measures in this regard can hold the potential to help Pakistan deal with debt trap, which is a major hurdle in economic progress of the country.

Conclusion:

Structural flaws in Pakistan's economy has created hindrance in the past for Pakistan but strict policy implementation and improvement of economic framework of country can in future raise Pakistan out of economic crisis. Furthermore confidence building measures (CBM) can also ensure FDI in the country will help counter dollar crisis of the country. Until economy of Pakistan is strengthened, progress in all other sectors will have a bleak future.

Q5

Assess the changing dynamics of Pakistan-US relations in context of strategic realignments and global power shifts after new governments in both countries. Do you think, the nature of relationship is strategic partnership or transactional cooperation?

Changing Dynamics Of Pakistan-US Relations

Introduction:

The dynamics of US-Pakistan relationships have recently taken a sharp turn. Both countries have had transactional cooperation relations in the past, in terms of short term alliances to counter terrorism and ensure regional stability. But the changing dynamics of geopolitics today, a shift of US away from India, rising US-China trade war, Russia-Ukraine war, all these factors have contributed to a major shift of interest in the region, which is always susceptible to major shifts in the past and is still being in the present.

Nature Of Relationship In the Past:

- Transactional cooperation was the nature of Pak-US dynamic since 1960s till early 2021.

The nature of relationship ~~is~~ had always been, till 2021, short-term and mutual benefit based, with

- US seeking counter-terrorism demands from Pakistan, whereas Pakistan's demand for economic support.
- 1: 1960s - SEATO: military alliance of strategic nature to counter Soviet influence in the region.
 - 2: 1980s - Afghan Jihad - short-term, transactional cooperation to counter Soviet expansion in the region.
 - 3: Post 9/11: counter-terrorism cooperation to dismantle Al-Qaeda and other terrorist organizations in the region.
 - 4: Withdrawal of US from Afghanistan (2021) → Assisted by Pakistan, was also a short-term transactional cooperation between the two to sustain stability in the region.

Strategic Realignment And Global Power Shifts

Subsequent series of events in the last few years have shaped the dynamics of geopolitics today, a few of which are -

- 1: Rise of China as a competitor to US, has weakened US unipolar hegemony position and has given rise to a new world order, facilitated by China, Multipolar world order.
- 2: Trade war instigated by Trump has also caused strains in relations of countries with US and shifted the world towards a prospect for multipolar order.
- 3: Strained US-India relations, in terms of India's oil deal with Russia and subsequent 50% tariffs.

imposed on India by US, has caused US to shift its interest from India to Pakistan, to ensure US's presence and hold in this region.

- 4: Russo-Ukraine war has also caused shifts and security dilemma in Eurasian region. The involvement of US and NATO as allies of Ukraine in this war has strained relations of those with US, who had collaborations and trade relations with Russia e.g. Iran, India.

Major Breakthrough In Pak-US Relations And Shift Towards Strategic Partnership

Recent agreements between Pakistan and US and US's subsequent investment in two major sectors of Pakistan:

- 1) Mineral Extraction Projects
- 2) Investment in Digital Currency

- These developments have opened the gate for opportunities in US-Pak collaboration in long-term projects of defense, technology, energy and digital sector. These investments are a sign of shift from transactional cooperation in the past to strategic partnership in the future, which has the potential to uplift Pakistan's economy and diplomatic standing.

→ The current governments of both countries have had several meetings and ended in positive future prospect indication.

Implications Of Strategic Partnership

(1): Investment In Pakistan:

Untapped mineral extraction project of Pakistan in collaboration with US will create job opportunities and also bring foreign direct investment (FDI) in the country. Similarly, investment in digital currency projects will also help boost Pakistan's economy and it can be expected to stabilize. This will eventually increase Pakistan's economy stability and in the long-run could ensure reduction in dependency for economic stability on monetary organizations at international level.

(2): Increased Collaboration In Other Sectors:

This strategic partnership in the future could also increase collaboration in technological and defense sectors. Which will ensure stability of Pakistan, as well as that of the region specially in terms of counter terrorism efforts, which have been required in the past as well to counter the region's historical vulnerability to terrorism. US's technological collaboration with India has opened many economic fronts for India. Similarly, it possesses the potential for Pakistan's economic uplift and tech-advancement as well.

(3): Diplomatic Edge at International Level:

Another dimension or future prospect of a strategic partnership between Pak-US would be the diplomatic edge Pakistan would get on International forums, which it specially needs to tackle Kashmir dispute and India's repeatedly false flag and propaganda actions. This diplomatic edge can also be used to highlight Pakistan's efforts to curb terrorism in region and may help get international support to ensure stability of region.

(4): Regional Stability - Efforts to Counter Terrorism:

Like in the past, US-Pak can use their strategic partnership to counter terrorism in the region and ensure its stability. Strategic partnerships include long term parts and a defence pact in this regard could play a major role in helping curb the rise of terrorist organizations especially TTP in Pakistan and ISIS in the region of Iraq and Syria, which are a threat not only to Pakistan and its regional neighbours but to America as well.

(5): Strained relations with China - A Counter Narrative:

There are many questions being asked and which are yet to be addressed that whether increased US-Pak collaboration, especially the recent agreement on Pasni port, ~~for how~~ ~~the~~ will have any long-term implications in CPEC project or relation with China.

So far, China has maintained a neutral stance on this new regional collaboration. But in the future, dynamics could change, which is a question yet to be addressed.

Possible Obstacles In Ensuring the Long Term Strategic Partnership

This recent development in the form of shift of dynamics of relations between the two is mainly attributed to shift in global politics and global power shifts from a unipolar world order to multipolar world order.

→ Any development, in the future, either created by India or Trump's shift in decision could strain the possibility of this strategic relationship between Pak-US, which might in turn cause economic implications.

→ Vulnerability of the region to Changing Power Dynamics:

South Asia and Middle East have always been important for major powers. Middle East in terms of its rich resources whereas South Asia has been important to access middle East. For US, South Asia's uninterrupted access is also very important to counter rise of China. Hence, any major shifts in the region and changing dynamics of new regional alignments could create obstacle in Pak-US long term strategic partnership.

Critical Analysis:

The relation which was mainly based on transactional short-term, interest based cooperation in the past has taken a major shift towards strategic partnership, as is evident with the recent agreements of investments of US in various sectors. But for Pakistan, a major question still hangs unanswered which is, what will be the implications of this collaboration on Pak-China relations. In any case, Pakistan should ensure every possible steps to maintain strategic partnership with China, which has had historical roots and promise a future of growth for Pakistan.

Conclusion:

A major shift in region and global world order has had many implications, one of which is Pak-US recent collaboration and a breakthrough shift towards strategic partnership. Till now, it is evident that investment in mineral and digital currency sector could ensure economic growth of Pakistan and holds the potential to improve diplomatic standing of Pakistan ~~at~~ international level which will help Pakistan counter India and terrorism in the region, two major security concerns of Pakistan, at the given moment.

Q:6

Discuss the role of ideology in Pakistan's nation building process. How has the interpretation of ideological contours evolved over time in Pakistan's political and social discourse?

Role Of Ideology In Pakistan And Its Evolution Over Time

Introduction:

Ideology was the basis of creation of Pakistan, on the argument that Muslims and Hindus are two separate nations in terms of religion, values and customs. "Two Nation Theory" which was strongly backed by distinct ideology arguments, later became the cornerstone of Pakistan's creation and to ensure its stability and unification in early, difficult years. Over the time ideology has been shaped and is presented in different ways and has now become a major political instrument to shape political outcomes of Pakistan.

1: Role Of Ideology In Creation of Pakistan:

Ideology specifically "Islamic Ideology" and the distinct identity of Muslims of subcontinent became the real reason for demand for a separate Islamic State for Muslims to ensure their religious integrity and well being. Hence, Ideology holds a very important

role in Pakistan's history and its creation.

2: Unification After Creation of Pakistan:

In the initial years of Pakistan, while Pakistan was facing shocks of partition in the form of mass migration, lack of resources, crippling administrative structure, ambiguous law and order situation and heated tensions with India, the need was to unify Muslim and citizens of Pakistan. Early leadership like Quaid-e-Azam, Liaquat Ali Khan used nationalism ideology as a basis for trying to bridge the gap and tensions among citizens and unify them under the flag of Pakistan.

3: Deep Rooted Role of Ideology:

Being the foundational stone of creation of Pakistan, ideology still is the part of our country and has now deep roots in the country. Though in the past few decades ideology has been majorly politicized to shape political outcomes of the country. Still today, debates about identity, nationalism, ideology are a very major part of our society and will continue to be so, since the importance of ideology in Pakistan is strongly amalgamated with its creation and historical roots. What will keep on changing is how it is molded in every era to shape desired outcomes in the interest of the country.

Ideology in Pakistan's Political And Social Discourse Evolution

Pakistani history has had very different interpretations of ideology, which has subsequently shaped politics and social order of the country accordingly.

Evolution of Ideology

1: 1947-1958

The early leadership of Pakistan i.e. Muhammad Ali Jinnah and Liaquat Ali Khan used ideology to unify Pakistanis under one flag, during the initial difficult years of Pakistan.

→ Implications on Social and Political Order:

Islamic Ideology and "Two Nation Theory" help unify citizens and shaped society's order and political movements accordingly to help Pakistan deal with hardships of initial years.

2: 1958-1971 - Ayub Khan's Era

In Ayub Khan's era, a major shift in ideology took place to modernization and secular nationalism. His policies and approach were mainly focused to align Pakistan with modern world order and deal with its lag in major developmental sectors.

→ Implications on Social and Political Order:

Shift away from ~~some~~ religious ideological values and towards secularism resulted in public outrage especially by religious groups and was criticized resulting in public conflicting ideas about this major shift.

3:

1971-1977 - Zulfikar Ali Bhutto Era

Zulfikar Ali Bhutto used an amalgamated and mixed approach towards using ideology. He created a blend between secular values, religious ideology and populism to shape his political rhetoric. Implications on Social and Political orders:

His ideological interpretation too created conflicting views among population and were majordly perceived as being shifted towards targety and using ideology as a tool to foster his politl rhetoric. But, his era witnessed the politbication of ideology for the first time, which will continue in subsequent political eras.

4:

1977-1988 - Zia-ul-Haq's Era:

Zia-ul-Haq introduced strong enforcement and politbication of religion by imposing Shariah, provoking Jihad support sentiments, raising nationalism coated with religion, which also led to Pakistan's involvement in Afghan Jihad in 1979.

Implications on Social and Political orders:

His religious ideology and its incorporation in politics was welcomed by religious factions of society while some criticized it for being too rigid. Many still argue about Pakistan's involvement in Afghan Jihad and how Zia tried to legitimize his military coup regime by using Jihad as a cover.

5: 1988-2001 - Post Jihad Era:

The standing of ideology was very ambiguous in these ~~era~~ years, mainly due to constant political instability and overthrowing of governments after every 3 years, without completion of tenure.

Implications on Social and Political Order:

Ambiguous nature of ideology created ambiguity and conflicting ideas among citizens, resulting in rise of sectarian based and ethnic based conflicts and conflicting interests, the implications of which are still engraved in today's Pakistan's society.

6: 2001-2018

In 2001 and subsequent years of Musharraf's era, War on terror, had also forced improvement of nationalism in the country. In the later years, political parties molded ideology according to their interests to shape outcomes of politics in the country.

Implication on Social and Political Order:

Massive politicization of ideology was being witnessed in these years which shaped political order accordingly.

7: 2018 - Present

Today, new debates have arisen about ethnic identity crisis and the question about portrayal of ideology in one dimension only.

Implications on Social and Political Order:

This has created differences and conflicting interest among

population resulting sectarian based, ethnic based and linguistic based identity crisis among society which imprints its mark on political outcome of country and political instability too.

Critical Analysis:

Ideology, from being, the foundation of creation of Pakistan, on the basis of distinct Muslim identity, has been molded over the years in various forms to shape our society and political order. From religious based ideology to secular-based ideology to ambiguous ideology state to modernization of ideology, all have shaped Pakistan accordingly. But recent arguments about identity crisis—especially in Balochistan can also be linked to one dimensional ideology being imposed in Pakistan.

Conclusion:

Ideology has played a major role not only in creation of Pakistan, but also in shaping its foundational years and current years and dynamics. In the future, ideology might adopt new ways to address concerns of ethnic and identity crisis, which might also deal with sectarian based conflict which is a major threat to internal security of Pakistan.

Q7

Is Climate Change or Pakistan's environmental-hazardous-development model that takes Pakistan to top of V-20? Argue in favor or against? Recommend strategies to mitigate and enhance resilience.

Factors Contributing To Pakistan's Vulnerability To Climate Change

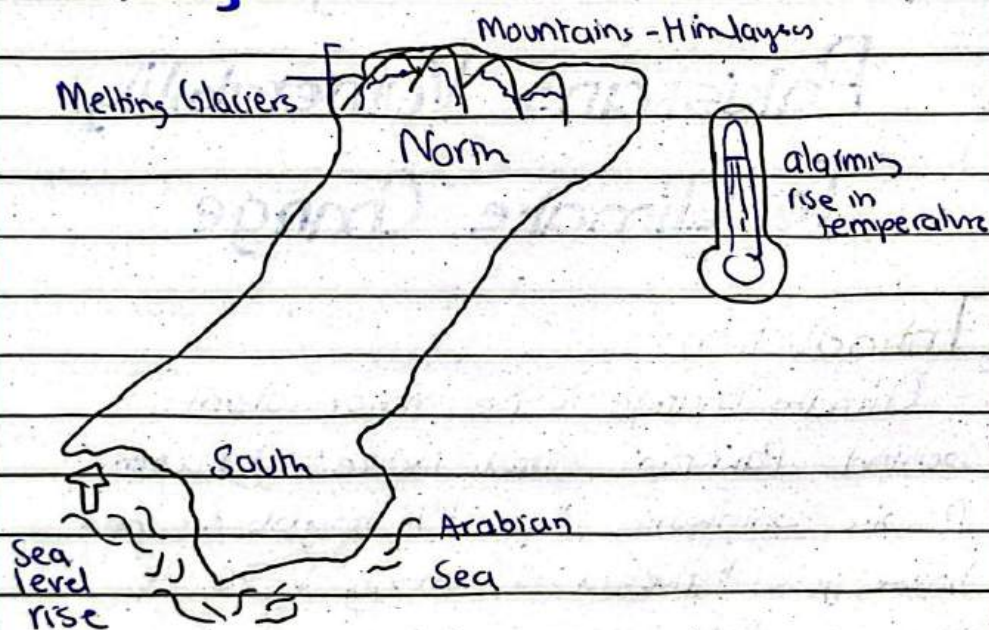
Introduction:

Climate Change is the major culprit behind Pakistan's climate induced destruction. Despite contributing just 1% to global green house gases, Pakistan is among V-20, to specifying 5th most vulnerable country to climate change. Pakistan's environmental hazardous development model, even if capable and efficient, would still ^{be} unable to deal with huge crisis such as Glafs and glacier melting, which are largely due to global warming. Climate change is imposing strict and dangerous implications on Pakistan, and need to be addressed.

Climate Change:

"Climate Change is the long-term shifts in Global Weather patterns with far serious consequences and threat to ecosystem"

Pakistan's Vulnerability To Climate Change:



- Major vulnerabilities Pakistan has to face are the mountain ranges in North of Pakistan and rise of sea-level in the South.
- Rise in Global temperatures have sped up melting of glaciers at an alarming rate resulting in Glacial lake outburst floods (GLOFs) resulting in floods incidents like the one witnessed by Pakistan in 2022 and 2025.

- Similarly, sea level rise in South threatens with the risk of urban flooding especially in Sindh.

Faults In Pakistan's Environmental Hazardous Developments

(1): Lack of Environmental Governance:

Disregard for environmental issues and shirked of NDMA have contributed to failure of Pakistan to stop major natural disasters from inflicting damages.

Flood of 2022:

number of deaths: 1700

number of people displaced: 33 million

Economic losses: ~ 6% of GDP

(2): Financial Constraints:

Lack of finances to properly fund efficient environmental development projects create hurdles in disaster management. Financial constraints also slow down the process of recovery from disasters which is a major fault in Pakistan's environmental hazardous development.

(3): Inefficient environmental Policies:

A major hurdle Pakistan has to face is inefficient environmental hazard policies to tackle disaster outcomes.

Strategies to Mitigate And Enhance Resilience

(1): Policy making and Reduction of Implementation Gap:

Lack of environment protection policies and a huge gap among the implementation of existing ones creates hurdles in climate resilience building.



Strict policies to ensure Disaster management, environment restoration, reforestation, pollution control and shift to green revolution should be promoted to build resilience.

(2): International Climate Funds:

By preventing the climate-induced vulnerability of Pakistan at international level, despite contributing very less to global green house gas emissions, Pakistan can get access to climate funds from Greenpeace of Germany's Bonn challenge funds and can participate in UNFCCC projects.



These funds will enhance climate resilience in Pakistan by kickstarting important projects to mitigate adverse impacts of climate on Pakistan.

(3): Awareness among Population:

Lack of awareness about how human activities can impact environment directly results in dangerous disaster outcomes.



- By educating population of Pakistan about their contribution in climate resilience building, Pakistan can ensure a strong mitigation success.
- School curriculums should introduce climate change awareness related chapters.
- Reforestation campaigns and encouraging public to participate in mitigation practices could contribute.

(4): Reduction of Carbon Foot Print of Citizens and Industries:

- Encouraging citizens to reduce their carbon footprint by using public transport, saving energy, shifting to solar powers could be a breakthrough in mitigation effort.
- Similarly, industries should be strictly regulated to reduce their carbon emissions and contribute towards climate resilience building of Pakistan.



Collective effort would produce beneficial outcomes in less time and reduce occurrence of disasters like 2022 floods and 2025 devastating floods of Pakistan.

(5): Climate Diplomacy

By participating in global climate initiatives:

- A: Pakistan can bring investment in climate projects
- B: Get policy-making assistance from countries who have successfully dealt with this issue
- C: Learn new and innovative ways to tackle with this issue
- D: Encourage other countries to reduce their carbon footprint as well.
- E: Become a binding member of climate mitigation practices and treaties.

Conclusion:

Pakistan being the fifth most vulnerable country to impacts of climate change needs a firm action at earliest possible moment. The most important step in this regard would be to deal with loopholes and fault in its current climate, environment policies and framework project and work on building its climate-change resilience and strengthening its mitigation strategies by raising awareness, generating climate funds, improving environmental governance and reducing carbon footprint by collective efforts.