

## Pakistan Affairs

Q No 3

### A Introduction:

Managing a household and a nation share striking similarities. Both thrive when there is wealth, education, health, and sufficient daily amenities. However, these provisions are intricately tied to financial stability. Currently, Pakistan is grappling with severe economic challenges because of deep rooted structural flaws in economic policies. To chart a path forward, Pakistan must identify the primary economic issues facing Pakistan and adopt policy measures to cope with all these challenges.

B Economic Challenges of Pakistan are deep-rooted in Structural flaws in economy.

1- Policy to Stabilize economy temporarily by external debt:

First of all, for decades, Pakistan has been heavily reliant on debt. As per <sup>the</sup> Pakistan Economic Survey 2024-25, the external debt stood at approximately \$87.4 billion at end of March 2025.

To deal with this government is seeking more loans from IMF and other international institution, and friendly countries. Pakistani Prime minister Shehbaz Sharif's candid statement that seeking loan is inevitable necessity underscores the longstanding economic policies employed by various Pakistani governments.

## 2. Circular debt and Capacity Payments:

The Second major issue is circular debt and capacity payments. As per latest economic survey of Pakistan total circular debt stands at Rs 4.7 trillion. Due to rising electricity costs, these cost and payments are having an impact on economy and common people.

## 3. Growth model driven by consumption causing economic imbalance:

Third major issue is growth model driven by consumption. Former SBP Deputy governor Murtaza Syed highlighted, "Because we have a model of growth more driven by consumption than almost any other

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country in the world, whenever growth picks up, ~~our~~ <sup>so</sup> import bill quickly rises. Governments are unable to balance between sustainable growth and deficit.

#### 4. State-owned enterprises: a burden on economy:

<sup>SOEs</sup>  
Continues to deplete resources and increase losses. For FY 2023, Finance Division's Central Monitoring unit (CMU) recorded total net loss of Rs 202 billion, with profits from SOEs Rs 703 billion and losses of Rs 905 billion.

#### 5. Flaws in Tax collection System:

Flawed tax collection system contribute to economic woes. The current budget includes high taxation,

with increased sales tax and surcharges on higher incomes. It will be disastrous for thousands of businesses and millions of people, and it will discourage taxpayers.

### 6. Wrong impression among people about FBR:

People have wrong impression about working of FBR. There is fear of exploitation among people about FBR.

### 7. Flawed agreements with IPPs:

Pakistan is trapped in flawed agreements with IPPs as it pays them when electricity <sup>or energy</sup> is not required.

This has increased circular debt to Rs2.836 trillion.

## C. Recommended Policy measures to address economic Challenges:

### 1- Revamp tax system: Broaden Base and digitize:

Pakistan need to revamp tax system, reduce exemptions and digitize FBR. IMF suggests raising tax-to-GDP ratio from 10% to 15%. It will boost revenue and reduce deficit.

### 2. Energy sector reforms:

#### 2.1: Cut Circular

Debt: Pakistan must prioritize renewable energy sources as circular debt dropped Rs 1.1 trillion in 2022-23.

#### 2.2: Renegotiate agreements

with IpPs: There is a need of renegotiation with IpPs as previous government of

PTI tried to do.

### 3. Increasing revenue and reducing expenses:

Government should prioritize local production using local material to reduce imports and boost exports.

### 4. Developing a Skilled workforce:

A skilled workforce is essential for national development. Pakistan's youth, given right education and training, can become a force for economic transformation.

### 5. Political Stability: Institutional Reforms:

Political stability is needed for consistent economic policies and institutional reforms. There

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is a need to enforce 14<sup>th</sup> amendment (no-confidence limits), and strengthen ECP.

## 6. Privatize SoEs: Reduce Burden:

To reduce burden on state there is a dire need of privatization of SoEs. For example selling PIA and privatizing railway etc can cut subsidies, ~~as~~ as in 2022 PIA lost Rs 480 billion.

## 7. Export Diversification and Trade facilitation:

Pakistan need to boost IT exports, and reduce logistic costs. IT sector grew 14.7% in 2023. It can narrow trade deficit.

## D- Conclusion:

Pakistan's economy is facing huge economic instability because of flawed economic policies and structural flaws in economy.

These flaws are obvious in energy sector agreements, tax-collection system, <sup>and</sup> dependence on loans etc. To

tackle these challenges Pakistan need comprehensive reforms in economy that address all structural flaws in economy and ensure prosperity.

Pakistan is a country with huge resources and <sup>effective</sup> utilization of resource will make Pakistan a prosperous country.

## Q no 4

Introduction:

After US withdrawal from Afghanistan, Pakistan welcomed new regime of Afghanistan with initial optimism for terrorist containment and economic ties.

But history and its burden on bilateral ties always persisted. Durand line dispute, insurgency, cross-border terrorism, refugee crisis have constrained the relations between Kabul and Afghanistan.

The regional alignments also shaped relations both countries.

Timeline for Historical ties between Kabul and Islamabad:

- 1- 1979-89 : USSR invaded Afghanistan. Pakistan supported Afghan government.

2. 1999-2000: Pakistan recognized Taliban government.
3. 2001-2021: US war on terror and Pakistan supported US.
4. 2021-25: Pakistan welcomed current Afghan regime.

Trajectory of Pakistan - Afghanistan relations in post-2021 period:

### 1- Initial optimism (2021):

Pakistan welcomed government of Tehreek-e-Taliban Afghanistan in 2021 with hope of TTP containment and economic ties. Pakistan's Ex Foreign minister Qureshi said in Sep 2021, "Pakistan's initial stance was to engage with Taliban." It showed how Pakistan's stance and support for Afghanistan current regime.

## 2. Influence of Border Security on Bilateral Ties:

Pakistan and Afghanistan share borders so security of border security have always been priority of Pakistan.

### 2.1 TTP Resurgence and Security Challenges:

After 2021 TTP revived in Pakistan because TTA continued supporting TTP on ideological bases. This has resulted in constraints in bilateral ties because, Pakistan ranked 2nd in Global Terrorism index of 2024.

### 2.2 Cross-Border Terrorism:

Because of cross-border terrorism

Pakistan launched airstrikes on Afghanistan in 2024 and also in October 2025.

### 3. Influence of Refugee crisis on Bilateral ties:

Pakistan is pursuing a policy of refugee repatriation since 2023 because of security concerns and economic constraints. Afghanistan does not accept this policy of Islamabad and it resulted in divergence of interest between both countries. This severed the relations and bilateral ties more. As ~~UNE~~ UNHCR reported that Afghanistan face 'forced deportation' amid economic fears. Because Pakistan expelled 800,000 Afghan refugees since 2023.

## 4. How regional realignment influenced bilateral ties:

### 4.1 Afghanistan -

#### India ties:

India always try to have good ties with afghanistan to support proxies and ~~terrorist~~ terrorist factions against Pakistan. In October 2025 Delhi announced to open an embassy in Afghanistan on visit of Afghanistan's foreign minister to india.

4.1.1 India's Support of proxies in Pakistan and BLA is a hindrance for diplomatic Pak-Afghan ties:

India funds terrorism in Pakistan and it support ~~Bloch~~ Bloch separatist movements and organizations like BLA. For instance

Kulbashaan Yadev was captured in Balochistan by Pakistan's security forces. He admitted that RAW funds such movements in Balochistan.

## 4.2 Role of China as a mediator:

China always tried to have diplomatic ties with Kabul without formally recognizing the TTA. China offered to expand CPEC in Afghanistan and its Foreign minister along with Pakistan's FM met Kabul's delegation in a trilateral delegation in 2025. China's role as a mediator has de-escalated tensions to some extent in past years.

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### 4.3 Recognition of ~~R~~ Taliban government by Russia.

Russia supported and recognized Taliban government in mid 2025 to deter US in the region. This gave Kabul ~~huge~~ diplomatic edge in global eyes but Pakistan does not follow this pursuit of formally recognizing TTA. Pakistan has its own concerns related to Kabul.

### 4.3 International mediation efforts after recent airstrikes and clashes between two:

Qatar, Turkey and China pushed both countries for talks after ~~clashes~~ between Kabul and Islamabad resulted into fierce military fight

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and airstrikes. Qatar offered its good office in Doha for mediation and a ceasefire between both countries took place in October 2025, after recent clashes.

### Conclusion:

Pakistan has always continued to support Afghanistan government after 2021 withdrawal of US but certain factors have caused constrained bilateral ties. Such factors are cross border terrorism, refugee crisis, durand line dispute and regional realignments. Pakistan always prioritizes its security over all other things and never compromise on this. Kabul need to take concrete actions against TTP to resume diplomacy with Pakistan.

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# Qnos

## Introduction:

After arrival of new governments in Pakistan and US, especially in US, the dynamics of Pakistan-US relation have changed drastically. The nature of relationship between both countries is strategic because of strategic realignments in geopolitics and global power shifts. After Pakistan's win in May standoff against India, US view Pakistan as a major player in the region and US wants to have ties with Pakistan to counter influence of China in the region. US and India have not good relations recently and US has interest in minerals of Pakistan.

Pakistan is heavily dependent on US for economic support. Many such factors have reshaped the bilateral ties between two.

**Strategic Partnership of US-Pakistan after new governments in both countries:**

**1- Counterterrorism cooperation between US and Pakistan:**

Post 9/11 Pakistan was a key ally of US in combating terrorism. Pakistan arrested top al-Qaeda leader in 2011 and handed over him to US. Trump personally thanked Pakistan for it.

**2. Logistic Support:**

Pakistan has supported US transit routes for Afghanistan operations and continue to support US on

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cross-border terrorism defeat efforts.

### 3. Shared Security goals:

Both countries target TTP and ISIS-K and are having shared security goals to some extent in the region. Recently

US has ✓ declared BLA

and Magid Brigade as international terrorist

organism which is a security and diplomatic win for Pakistan.

### Aspects of transactional cooperation between us and China:

#### 1) Aid dependency of Pakistan on us:

Pakistan heavily rely on us for economic aid which result ✓ in transactional

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relations between two Pakistan  
is having loans from IMF,  
which is a US-backed organi-  
-zation.

2) Trump's obsession  
with self-praise:

Pakistani  
government nominate Trump  
for Nobel peace prize 2025  
which has pleased Trump.  
Pakistan's concession that  
US stopped war between India  
and Pakistan has also  
pleased Trump for time being.

Global power shifts and  
realignments : post-2021 era:

1) Indo-Pacific

Policy of US:

In indo-pacific  
region US wants to contain  
China for which it always  
supported India as a  
strategic ally. But after

Trump's arrival, US wants to have influence in Pakistan to counter influence of China in region

## 2. A shift towards Multipolarity:

There is a rise in multipolarity in the world. For example one can see rise of BRICS+, SCO, rise of other players than US like China, India and Russia. Therefore, Pakistan also wants to realign with multi players in the region instead of solely relying on China. India's tilt towards BRICS and China has also antagonized US, for which Trump has realigned US's tie with Pakistan.

add and highlight references/examples against these arguments.....

### 3. US wants to compete China in race of rare earth minerals:

Because of green revolution, both China and US wants to have ownership of rare earth minerals. As China has edge over US in this matter, so, US wants to have access the rare earth minerals and other resources of Pakistan. This can be manifested in US - Pakistan mineral deal of 2025.

### 4- Pakistan's quest for autonomy in the region:

Pakistan has foreign policy to balance relations between world great powers like US, China and Russia. That is why Pakistan

is seeking autonomy in its independent foreign policy.

## Nature of Relationship is transactional over Strategic:

In the recent times the US-Pakistan has relationship which is transactional. Both countries want temporary interests over long-term gains. Pakistan's need for economic support and US's policy to pressurize india to align with its policies have shaped recent dynamics of US-Pakistan relations. Strategically, US always aligned with india, but now after new government in US, US has changed its

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policy towards these players  
in the region.

### Conclusion:

Pakistan-US relationship has reshaped after recent realignments in geopolitics, global power shifts and after Pak-India military standoff in May 2025. Pakistani Prime Minister of field Marshall visited US in 2025 and it showed the tilt of Pakistan towards US for economic support. Pakistan has clearly stated in its National Security Policy (NSP) that it will shun camp politics and will have independent foreign policy. Pakistan has managed to balance relations with US and China without antagonizing either.

## Qno 8

### A. Introduction:

Pakistan came into being in 1947 after many political and social efforts. Political ideologies since 1930 to 1947 which contributed in Pakistan movement are two nation theory, Islamic Revivalism, anti-colonialism, muslim Nationalism and ethnic identity. Social ideologies in this sense were Pan-Islamism, educational reforms, Urdu-Hindi controversy, economic protectionism, and communalism. The key events that contributed in demand for separate homeland for muslims are Aligarh address, Congress ministries of 1937 and Lahore resolution.

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Key Political ideologies  
and their role in Pakistan  
movement since 1930-40.

### 1- Two-nation Theory:

Two nation

theory was central in  
Pakistan movement and  
it justified partition as  
inevitable. Jinnah stated

that,

"Muslims are a nation  
not a minority."

### 2- Islamic Revivalism:

This

framed Pakistan as Islamic  
revivalist project and  
mobilized religious sentiments  
for Pakistan movement.

"Muslims need a state  
to live by Islamic principles."

- Allama Iqbal -

### 3- Muslim Nationalism:

It unified muslims against Congress dominance and strengthened muslim league mass appeal, for Pakistan.

"We are a nation with our own Culture" (Jinnah)

### 4- Anti-Colonialism:

It linked Pakistan to get rid of British exploitation. It gave movement of anti-imperialist edge.

'Quid, India, divide and Rule.'

(Muslim League) 1946

it was stated in Stanley Wolpert's book "Jinnah of Pakistan."

## 5- Regional / Ethnic identity:

grievances of Punjab and Sindh supported muslim-majority state. Sindh's provincial Separation from Bombay (1936) also boosted the league. For this local leaders backed Pakistan.

C. Social ideologies and their role in Pakistan movement since 1930 to 1947.

### 1- Pan islamism:

It emphasized global muslim unity and strengthened muslim solidarity. It was observed in khilafat movement support in 1919-1924. This ideology also contributed in Pakistan movement.

## 2. Educational Reforms (Aligarh Movement):

These empowered muslims by modern education and created a muslim elite supporting ~~Pakistan~~ movement.

"Aligarh produced leaders like Jinnah."

— Lelyveld —

## 3. Urdu-Hindi Controversy:

This symbolized cultural divide with hindus and deepened the separatism. This is mentioned in ~~King~~, E.R (1999).  
~~One language, two scripts~~  
that ~~Urdu~~, the language of muslims was suppressed by congress.

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#### 4- Economic Protectionism:

This addressed muslim economic marginalization and produced class-based appeal to rural muslims. In 1931 census there were 75% muslim peasants vs 5% hindu industrialists which is mentioned in economic roots of Pakistan.

#### 5- Communalism:

                     This highlighted the hindu-muslim reconcilability and accelerated partition urgency. 1946-1947 riots proved co-existence is ~~totally~~ impossible. This is mentioned in book "The great Partition."

## Influence of Alabad Address on demand of separate homeland:

In his 1930 presidential address at Allahabad, Allama Iqbal emphasized the need for a separate homeland for muslims in India.

He stated that indian muslims have separate identity, culture and history. It provide an ideological foundation for demand of separate homeland. In 1930 presid-

-ential address Iqbal mentioned the regions which are now included in Pakistan and stated that he saw a muslim state in that region.

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## Influence of Congress ministries of 1937 on demand for separate homeland:

The Congress ministries of 1937 in provinces with muslims minority fueled the demand for Pakistan. Congress oppressed and neglected muslims, that created fear and concern among muslims about their basic rights and representation. It is also mentioned in Jalal A (1985) writing "The sole spokesman: Jinnah, the muslim league and the demand for Pakistan."

These ministries proved that hindu rulers will never ease for muslims' rights and representation.

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## Influence of Lahore Resolution (1940) on demand for Separate homeland:

The Lahore resolution passed on 23<sup>rd</sup> March 1940, formally demanded a separate homeland for muslims of india in northwestern and eastern india. It was a culmination of ideological push based on two nation theory. It was overwhelmingly welcomed by muslims in India because it was manifestation of their dreams of separate homeland. It finalized the destination of muslims in india and gave final call of Pakistan.

## Conclusion:

After political, social and ideological efforts Pakistan came into being in 1947. It was not result of a single ideology or movement, multiple factors shaped Pakistan movement. Key

events like Alabad address of Iqbal in 1930, Congress ministries of 1937 and Lahore resolution of 1940 made it clear that Muslims of India can never live in a united India because

they were motivated by various political and social ideologies. All these efforts eventually succeeded and

course of history also change with emergence of Pakistan as an independent state