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Test Series #03

Mocks: Pakistan Affairs.

Question # 01

Is the economy of Pakistan is fragile or resillient? Take stance and elaborate your case with maximum arguments.

Outline

=> Introduction
=> Economy of Pakistan
=> Why economy of Pakistan is considered as fragile?
=> Low economic growth
=> Heavy debt burden
=> Balance of Payment Crises
=> Fiscal and trade deficit
=> Dependence on foreign lenders
=> Low agricultural productivity
=> Poor industrial performance
=> Vulnerability to the shocks
=> Energy Crises
=> Water Scarcity
=> Minimum foreign investment
=> Suggestions to strengthen Economy
=> Conclusion.

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Introduction

Economy is the backbone of the progress of a country. It is the basic determinant that determine the overall growth of the country. However, the economy of Pakistan is fragile since its inception due to the lack of meaningful reforms, vulnerability to external and internal shocks and political instability. The economy, in the contemporary time; facing challenges such as trade deficit, fiscal deficit, balance of payment crises, heavy debt burden. Apart this, it is also facing lower agricultural productivity and weak industrial growth. It is vulnerable to the shocks due to which it repel foreign investors. This question argue why economy of Pakistan is considered as fragile

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Economy of Pakistan:

The Pakistan has 44th largest economy of the Purchasing Power Parity. that is totally dependent on major sectors like agriculture, industry and service sector. However, the economy of the country is considered as fragile due to low economic growth and many other challenges.

1947 – 1960

↓
- Fragile economy
- low agricultural growth
- less industries

1960 – 90

↓
- Agricultural and industrial reforms
- Economic growth increased
- Nationalization of industries

1990 - 2000

↓
- Harmful effects of nationalization
- Shift toward loans
- Economic sanctions

2000 - 2020

↓
- Economic growth increased but later reduced

2021 - 2025

- Poor economic growth
- overdependence on foreign lenders

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Why economy of Pakistan is considered as fragile?

Following are the reasons due to which economy of Pakistan is considered as fragile.

Reasons of fragile economy

- → Vulnerability to shocks like climate change
- → Debt burden increased
- → Badly effected by the changes in international market
- → Balance of payment crises and over reliance on foreign lenders
- → Fiscal deficit and trade deficit

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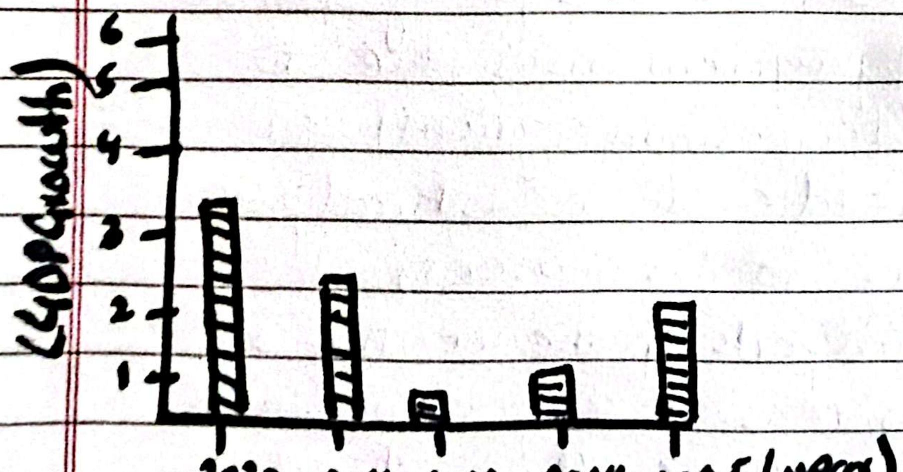
Low economic growth.

The overall economic growth of the country is hampered in recents years due to political instability, climate change shocks, and heavy debt burden. Moreover, the increasing internal security issues also effected the economic growth badly. **According to world bank report on Pakistan economy, the economic growth of the country is 2.68% of GDP and it will remain low till 2030.**



Heavy debt burden.

The country is facing heavy internal, external and circular debt that grapple the economic

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growth of the country. According to SBP, the current debt profile of the country is more than 21 dollar, more than 70% of GDP is utilized in paying interests of the debt. These debt crises decrease the overall growth of the country through limiting the govt to invest in agricultural subsidies and development projects

Balance of payment Crises.

The Pakistan is facing balance of payment crises due to decrease in agricultural yield and industrial productivity. Due to this reasons, the imports of the country is increased as compared to exports result in shortage of foreign reserves. According to Asian development bank report, the foreign reserves of the country has decreased

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many times & from 2020-2025, due to which country have to take loans from friendly countries.

Pakistan economy is crippled with heavy debt burden and balance of payment crises that reduce the economic stability of the country.

(Ishrat hussain)

Fiscal and trade deficit.

The exports of the country are less than overall imports of the country. According to economic survey of Pakistan, the country's exports are 11% to the GDP while the imports are 18%. The exports and imports imbalance give rise to inflation and social unrest. Not only this, it also hampered the industrial growth. Apart this, the fiscal expenditures of the

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country are also increase as compared to economic growth and revenue of the country. According to economic survey of Pakistan 2024-2025, the overall fiscal deficit of country is 6.5% of the GDP. These indicators reflects the weak economy of the country.

Dependence on foreign lender.

The dependence of the country on foreign lenders has increased from last 2 decades. The decrease in revenue, increase in balance of payments crises and fiscal deficit compel the country to take bailouts from financial institutions and loans from friendly country. Pakistan has taken loan from IMF appr. 24 times that is highest in region. These foreign lenders give loans on heavy interest and strict austerities that effect the sovereignity of the country

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From last 30 years, the economic growth of the country is totally dependent on bailouts from IMFs, and aids and funds from friendly countries.

(Akbar Zaidi Economist)

Low agricultural productivity:

The agricultural productivity of the country has decreased from many years. The Pakistan is one of the largest producer of wheat and cotton in 1960s and 170s but gradually it has decreased as much that the country compel to import wheat and cotton despite of being an agarian country. It is due to change in weather condition and increase in natural disasters. According to Economic survey of Pakistan, the agricultural growth is 0.56%. from 2024-2025 due to extreme weather conditions.

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Once, the agricultural is the backbone of the country but now its growth is decreasing in such a way that Pakistan need to import agricultural yield from other countries to fulfill their needs.

(Dr-Hafiz Pasha)

Poor industrial Performance.

The industrial performance of the country has increased this year but it is comparatively low due to the poor investment environment, political instability and increase in security concerns. Due to these vulnerabilities, productivity decreased and imports increased. According to world bank reports industrial productivity has declined due to lack of skilled labours and difficulty in starting new

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bussiness.

Vulnerability to the shocks.

The Pakistan economy is vulnerable to the external and internal shocks. Internally, the economic growth is crippled due to worst climate disasters and terrorism. They led to destruction of infrastructure and and other economic loss. According to Pakistan bureu of statistics, 2022 floods led to loss of $30B. Externally, the change in global market effect country badly. Rise in inflation in country due to russia-ukraine war that led to decrease in oil and wheat supply in global market.

Energy Crises and Water Scarcity

Energy crises are the major economic setback of the country that make the economy of the country fragile. While the water scarcity badly

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effected the agricultural sector of the country. According to Express Tribune Reports 30 industries has closed from 2020 due to energy crises. whereas Pakistan ranked as 14th among water scarce country as per data of PIDE Report.

Minimum foreign investment.

The foreign investment of the country is lower in region due to fragility of the economy of the country. Pakistan is facing climate change crises, extremism and sectarianism that destabilize the business environment of the country and detract foreign investor due to fear of loss. According to economic survey of Pakistan, the foreign investment to the GDP ratio is 13% in 2024-2025 while that of india is 30%..

Suggestion to make economy Resillient.

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Pakistan need to counter extremism and security concerns, introduce agricultural reforms and develop SEZs to attract foreign investors. Moreover, it need to start more projects like CPEC for reducing energy crises and enhancing productivity of the country.

Conclusion.

Economy of the country is fragile due to the vulnerability of internal and external shocks, heavy debt burden, balance of payment crises, and trade deficit. The country has shown poor agricultural and industrial growth in recent years. Hence, it is imperative to adopt strategies for making economy resilient.

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Question #2

How the 26th and 27th amendments to the constitution of Pakistan will change the political landscape of Pakistan? Elaborate

Outline

- Introduction
- 26th and 27th Amendment — important provisions
- 26th and 27th Amendment - Precursor of Political Change
- How 26th and 27th amendment lead to Political change.
  - Strengthen Parliamentary Sovereignty
  - Curtail Judicial independence
  - Development of federal Constitution court
  - Reduced burden from Supreme Court and high Court.
  - Strengthen the JCP
  - Disturb the doctrine of Separation of Power
  - Effect the system of transfer of Judges
  - Govt involvement in JCP.

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Conclusion.

Introduction.

Every country bring the constitutional changes for changing the political landscape and improving the political condition of the country. Like other countries, Pakistan parliament has also amended its constitution of 1973. It is the 26th and 27th amendment in the constitution that will change the overall political landscape of the country. It has strengthen parliamentary sovereignity, developed federal constitutional courts, reduced power of supreme court and change the system of transfer of judges. Apart this, it has disturbed the doctrine of separation of power through involving govt in the process of appointment of judges, curtailing the judicial independence. This question examines how 26th

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and 27th amendment will change politicallandscape.

26th and 27th Amendment - Important Provisions.

* Accord:* The 26th amendment has passed by the parliament in 2024 while the 27th amendment in 2025. These amendments in 2 consecutive years has changed the provisions related to judiciary in the constitution of Pakistan. It has reduced the power of supreme court of Pakistan and promote the development of new constitutional courts for taking constitutional cases.

26th and 27th Amendment - Precursor of Political change.

26th and 27th amendment has changed overall political

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landscape of the country. These amendments has developed the new courts, strengthen parliament over executive and judiciary, changed the balance between trichotomy of power.

26th and 27th amendment in the constitution of Pakistan has changed the overall political structure of the country.
(Hamid Khan)

How 26th and 27th amendment led to change in political landscape.

The 26th and 27th amendment lead to change in political landscape through following developments.

Strengthen Parliamentary Sovereignity.

The 26th and 27th amendment has strengthen the parliamentary

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sovereignity of the country
According to the amendments
parliament is the sovereign
body and noone can override
the laws of these "ames" parliament
Hence, parliament position
is strengthen in political
landscape of the country

Curtail Judicial Independence

These amendments has
curtailed judicial independence
as it has promoted the
appointment of judiciary
due to the oversight of
parliamentary members.
According to 26th amendment,
Parliament select 1 member
from the recommendation
of Judicial commission
of Pakistan and send to
PM and President for
appointment.

According to internation
commission of jurists,
Judicial independence has

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custailed by the
recent amendments
in Pakistan .