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Trade Agreements and Trojan Horses: Economy as a Tool of Hybrid Warfare against Pakistan

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Abstract

In an era where traditional and non-traditional threats intersect, foreign economic engagements, economic dependencies and misleading trade agreements have emerged as modern-day Trojan Horses - instruments for exerting influence and hybrid warfare. This paper posits that such economic tools are being strategically used to undermine Pakistan's sovereignty by exploiting its economic vulnerabilities. Pakistan's long-standing engagement with Multinational Corporations (MNCs) and International Financial Institutions (IFIs) has created an intricate web of dependencies over the past seven decades. This research, grounded in a deductive mixed methodology, explores how these dependencies have exposed Pakistan to external pressures, transforming economic relationships into conduits of Hybrid Warfare. It undercovers Pakistan's economic strengths and weaknesses while highlighting the role of foreign aid, loans, and remittances as mechanisms of external control. The hypothesis illustrates that trade agreements and financial dependencies serve as Trojan horses, allowing great powers to subtly exert influence over Pakistan. Theoretical assumptions are drawn from Hybrid Warfare framework, asserting that without a robust domestic economic resilience strategy, Pakistan will remain susceptible to these pressures. It offers critical policy recommendations aimed at preserving Pakistan's sovereignty by strengthening internal economic structures and contributes valuable insights into the evolving role of economy as a tool of Hybrid Warfare on the global stage.

Keywords: *Hybrid Warfare, Trade Agreements, Economic Warfare, IFIs, MNCs.*

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Introduction

Throughout modern history, economic stability and sovereignty remained critical objectives for nations, yet increasingly, these goals are being undermined by foreign powers through trade agreements and economic manipulations. In *The Lessons of History,* Will Durant states that "War is one of the constants of history and has not diminished with civilisation or democracy. In the last 3,421 years of recorded history, only 268 have seen no war" (Durant & Durant, 1968, p. 18). Modern battle grounds have shifted from soldiers with weapons to other domains like propaganda through internet, terrorist proxies, economic coercion etc. The latest technological advancements are highly dependent on the economy of a nation and vice versa (Mohamed, Alsebai, Liu, & G, 2022, p. 39).

The convergence of economic instruments and hybrid warfare emerged where traditional notions of security are being redefined. Nations, particularly small nations get entangled in a complex web of economic dependencies where trade agreements serve not only as another document but also potential Trojan horses carrying strategic implications (Perkins, 2004, p. 303). This study delves into the intricate dynamics of this phenomenon, with a specific focus on Pakistan, a nation highly enriched by geographical features, minerals and other expensive ores but entwined in trade agreements and economic hybrid warfare due to its unfitting policies over the years. Although tactics that blend conventional and non-conventional strategies have existed in history (Sun Tzu 500Bc), the modern concept of Hybrid Warfare has gained prominence in recent years. It is an irregular warfare that consists of conventional and non-conventional capabilities, modern technologies, and communication networks (Joseph, 2016, p. 178).

The term Hybrid Warfare is just like old wine in a new bottle, it keeps on evolving through different means and has gained significant prominence all around the globe. Major Nemeth first coined this theory while studying Chechnya war (Nemeth, 2002, p. 176). Frank Hoffman, a former Marine Officer, in 2007 explained it in the light of post-cold war environment (Hoffman, 2007, p. 72). There is no universally accepted definition of Hybrid Warfare. Thomas Huber, General George Casey, US military doctrine, British military doctrine, and NATO define Hybrid Warfare in their own ways. Meanwhile, Economic Hybrid Warfare is a term to describe multifaceted form of economic conflict or aggression that involves a combination of both traditional military tactics and economic strategies, usually employed by one state against another. For example: US economic war against Mossadegh of Iran, Lumumba of Congo, Allende of Chile, diem of Vietnam, turned towards Pakistan through IFIs and MNCs.

The International Accountability Project releases a report titled "Back to Development: A Call for What Development Could Be," which examines forced evictions and other human right violations in countries including Pakistan (Tera, et al., 2015, p. 21). Specifically, the World Bank and IMF are two main institutions of IFIs which are controlled by international authorities and have significant impact on Pakistan's economy. The main objective of these institutions is to protect the global currency system, coordination with international macro-economic policies, and provide financial assistance to calamities flat zones (Lang, 2020, p. 601).

The alarming fact is that sometimes it is clear that economy is being used to coerce a country to change its foreign policy, e.g., putting the names of Iran and North Korea in blacklist of Financial Action Task Force (FATF) and Pakistan in grey list (Sharma, 2022). The theme of this paper is that this intimidation by use of economic tools is not always this clear and the innocent looking trade agreements are a Trojan Horse of Troy with hidden warriors inside it and they have the potential to destroy any country from within. This non-traditional or hybrid threat is a reality of modern-day power politics and international economy. To mitigate this menace, one must develop a deep understanding of the workings of financial institutions and the great powers that are controlling the reins of these organisations.

This research paper includes allusions of using economy as a tool of Hybrid Warfare, with specific focus on strategic use of trade agreements as Trojan Horses in the context of Pakistan. Pakistan is going through one of the most crucial times in its history, with a fragile economy, a high level of political instability and many national security threats, both traditional and non-traditional, as well as both internal and external. For prosperity and peace in Pakistan, it is imperative to analyse and give solution about how Pakistan can get its priorities straight towards self-reliance instead of relying on financial institutions, which is a big threat to sovereignty of Pakistan. By analysing different case studies, this paper contributes to better policy making and enhancing Pakistan's resistance against such hybrid threats. This study, employs a mixed-method approach, combining a qualitative approach alongside relevant quantitative data, to investigates how specific trade agreements, particularly Bilateral Investment Treaties (BITs) and Free Trade Agreements (FTAs) from the early 2000s onwards are used as tools of economic hybrid warfare by MNCs such as Unilever, Shell, and Nestle, and IFIs such as IMF, World Bank, against Pakistan.

Furthermore, this paper has articulated into three sections. The first section discusses economy as a tool of hybrid warfare against Pakistan which includes historical perspective from the emergence of Pakistan's strategy on remaining US bloc and bearing all sanctions imposed by the US. The second section highlights trade agreements as Trojan horses and impact on Pakistan's national security and sovereignty. Moreover, it also discusses the tactics (unequal terms in trade agreements, intellectual property rights etc.) used to impose economic hybrid warfare. The third section trends of economic hybrid warfare in Pakistan emphasised current trends, dilemmas, and root causes of Pakistan being under the influence of economic hybrid warfare.

Background of the Study

It offers a comprehensive overview of Hybrid Warfare and involvement of MNCs and IFIs in global politics and in Pakistan's decision-making process. John Perkins discourse in "The New Confessions of an Economic Hitman" analysed from subjective experiences as an economic hitman for example, manipulating data, assassinations, and forceful actions. States seek countries having large natural resources and then bully them into large debt to facilitate MNCs and secure their place as superpower by gaining their vote in UN. He also mentioned case studies like how they influence countries in debts like Saudi Arabia, Ecuador, Indonesia, Columbia, Pakistan, and Afghanistan. The money that was provided by the World Bank and IMF for healthcare and other social services in the end was diverted to pay interests on the loans and that loans were never paid off and country was shackled by debt (Perkins, 2004, p. 303).

"Global Political Economy" by Robert O'Brien and Marc Williams - focuses on the intersection of politics and economics on a global scale. It provides contemporary dynamics of the world economy. It also determines the historical roots and structure of global economy and gives that structure in today's contemporary era. Complex issues related to economy i.e., AI, supply chains and labour forces are discussed (Williams, 2016). 'Kicking Away the Ladder' by Ha-Joon Chang - discussed the economic development strategies and their implications. The author gives a concept of kicking away the ladder economic policy. Developed countries are making economic policies of their interests and exploit poor counties (Chang, 2002, p. 98).

Economy as a Tool of Hybrid Warfare against Pakistan

One of the main factors that pushes weaker nations to surrender their sovereignty in the face of hybrid warfare is their economic dependence on foreign entities (Like, states or non-state actors & financial institutions) (Iskandarov & Gawliczek, 2022, p. 48). This coercion is mainly done by imposing import tariffs, limitations, sanctions, and halting financial assistance. Such as the Middle Eastern nations which turn development to dependency, including Palestine, Kuwait, Iraq, Syria, Saudi Arabia, and Iran.

The phenomenon can also be observed in Pakistan and Afghanistan, where economic vulnerabilities aggravated by external pressures have led to a domino effect. For instance, trade restrictions imposed in KSA or Iran often result in ripple effects that impact economy of Pakistan, given their interconnected trade networks and reliance on trade stability (Richardson Kojo Edeme et al, 2020, p. 35). Due to this interconnection, economic de-stabilisation in one country can trigger comparable issues in surrounding ones, amplifying the total impact of economic hybrid warfare in the region.

Debt enslaves countries using strategies like that of creating a death economy (Perkins, 2004, p. 303). This is also the same phenomenon what happened to Pakistan;

by various great powers through the conduit of IFIs and MNCs. Pakistan got its 23rd IMF instalment and it was not utilised for the development projects and economic growth. These resources are generated for stability in Pakistan; however, that is completely reciprocal to what had been promised. In 2018, US Secretary of State Mike Pompeo warned Pakistan that no IMF money will be used to pay off Chinese loans (Pompeo, 2018). That statement clearly states the objectives of great power using IMF platforms as tools of economic hybrid warfare against Pakistan.

Following IMF conditions, western policies are being implemented including reducing government borrowing, raising taxes, and cutting down spending, increase interest rates to keep the currency stable, let failing businesses file for bankruptcy, a structural modification, deregulation, privatisation, minimising bureaucratic red tape and corruption. The predicament is exacerbated by these macroeconomic intervention programs (Umer, Latif, & Faheem, 2015, p. 73). These reforms align with broader economic policies that are commonly associated with western economic models like fiscal discipline by increasing revenue from taxation, market-determined exchange rate, energy sector reforms by including price adjustments, and structural reforms by privatisation and deregulation and liberalisation of the economy (Shahid, 2024).

There is a history of sanctions that has shaped economy of Pakistan to a large extent. In 1979, the US suspended economic military aid to Pakistan. Subsequently, again in pursuit of own interests, the US in December 1979, lifted all sanctions from Pakistan when USSR invaded Afghanistan. For the US, Pakistan was the only ally in the region to win this war and with the disintegration of the USSR in 1991, once again the sanctions were back on Pakistan with bills like Pressler Amendment that banned all military assistance to Pakistan (Iqbal, 2022).

US President George W. Bush also curtailed economic aid to Pakistan and it had to look towards China for many projects of national importance. For example, military collaboration with China in field of airpower that led to production of JF-17 Thunder aircraft, induction of various Chinese weapon systems like F-7, A-5, and K-8 aircraft. This was a direct result of US decisions like discontinuing the sale of already paid for F-16 fighter jets to Pakistan, as well as spare parts for those aircraft which had been already inducted in Pakistan Air Force inventory since 1983.

This sinusoidal wave of embargo and aid continues till date. Few more IMF loans have been authorised to Pakistan in past two decades, but in 2018, sanctions were again imposed on Pakistan (Iqbal, 2022). Apart from these states and financial institutions, other modern-day players or non-state actors in the global arena are MNCs. As far as characterisation of MNCs is concerned, they are large business entities having large international chains and an economic footprint that cannot be ignored, especially in the developing or third world countries. The roots of MNCs can be traced back to early global trade and colonisation. In those imperial and colonial times in 17th century, Dutch East India Company and British East India Company were two main trading companies.

After the Industrial Revolution, phenomena like globalisation and trade liberalisations have given birth to many new such entities (Kozul-Wright & Rowthorn, 1998, p. 95). Big oil companies like Shell or BP and fast-food giants like McDonalds and Pepsi were calling the shots in the global political economy. Money allotted for healthcare, education, and other social services was taken out of the hands of poor countries by governments to do business with MNCs and was used to pay interest on loans.

Eventually, the organisation's economic 'hit man' arrived and demanded that the nation sell its public sector institutions—such as power and water—to corporatocracy and that the government sell its oil and other resources to their firms at a discounted price (Perkins, 2004, p. 310). The main winner was a big business, and the victims of these economic hitmen were poor people of the country who were deprived of even the basic human rights promised by their governments in political speeches (Perkins, 2004, p. 385).

Economic Dependency – Pakistan's National Security and Sovereignty

Trade agreements, while "appearing" mutually beneficial, have increased and boosted Pakistan's economic growth by increasing exports and attracting foreign companies. These agreements often contain hidden clauses and economic dependencies that foreign powers exploit to gain strategic leverage over Pakistan leading to trade deficits. These trade agreements contain trade imbalances, regulatory compliances, and economic sovereignty due to unreliable negotiation gradually eroding Pakistan's national security and sovereignty. These agreements serve as *Trojan Horses* by facilitating covert economic and political control under the guise of cooperation. Trade agreements are often employed by great powers as a cover for geopolitical manoeuvres. The methods that are used in these agreements are countless and a long debate is needed for each of them. However, a brief description of some of them is given below.

➢ **Unequal Terms in Trade Agreements**

Trade agreements between Pakistan and lending entities may seem advantageous on the surface, but they contain provisions and conditions that unduly benefit the lender. These agreements take advantage of weak position of borrower and lead to unbalanced commercial relations, which is detrimental to Pakistan in more than one way (Bhagwati & Panagariya, 1999, p. 251). For example: Pakistan has trade agreements like Bilateral Investment Treaties (BITS), Free Trade Agreements (FTAs), and memberships of South Asian Association for Regional Cooperation (SAARC), and World Trade Organisation (WTO). While these agreements offer many opportunities, there are challenges, foreign businesses can compete with Pakistan on unequal terms but eventually affect local industries which is not a sustainable economic growth.

➢ **Intellectual Property Rights and Market Access**

Trade agreements have strong intellectual property rights clauses that benefit companies owned by developed nations. These clauses restrict Pakistan's access to markets and technologies, increasing its reliance on inventions and goods manufactured by a few companies of mainly Western origin. Thus, this can influence national economy and impede the advancement of industry within the country, along with damaging the dream of self-reliance on domestic market (Drahos & Braithwaite, 2022, p. 272). Some common Intellectual Property Rights (IPR) clauses are patent protection, data exclusivity, copyright trademark protection, enforcement mechanisms, technology transfer and licensing, and investor-state dispute settlement.

- **Investment Conditions and Economic Dependency**

Trade agreements often come with investment conditions imposed by lending or borrowing nations. These conditions can restrict investments in critical sectors of Pakistan's economy, potentially leading to economic over-reliance on foreign companies or banks. This dependency can grant Western investors significant influence over key economic sectors, allowing them to shape policy decisions to align with their interests. Such economic dependency can have several implications like policy influence, limited domestic growth, economic vulnerability, and sovereignty concerns (Chase-Dunn, 1975, p. 723).

- **Strategic Resource Extraction**

Trade agreements make it easier for nations that are giving loans, frequently via multinational firms, to take unfair advantage of Pakistan's strategic resources. These agreements do not sufficiently safeguard Pakistan's economic interests, which allow for the exploitation of priceless resources without providing the same advantages to the nation that owns them (Javorick, 2015, p. 77). The agreement with Tethyan Copper Company, a joint venture between Barrick Gold and Antofagasta, aimed to develop one of the world's largest copper and gold mines in Baluchistan. However, disputes over the terms of the agreement led to concerns about whether Pakistan was receiving a fair share of the profits from its own resources.

- **Market Access Contingent on Alignment**

Favourable market access for Pakistani commodities is contingent upon geopolitical alignment or certain foreign policy actions made by powerful states. This relationship between political and economic factors is used as a powerful instrument for influencing and swaying Pakistan's policy decisions in favour of key players instead of benefitting the common man of the country (Rodrik, 2018, p. 15).

- **Generalized Scheme of Preferences (GSP+) with the European Union:** Pakistan's access to the EU market under the GSP+ scheme is contingent upon compliance with various international conventions, including human rights and labour standards. This alignment with EU policies can influence Pakistan's domestic and foreign policies to maintain favourable trade terms.
- **US Aid and Trade Preferences:** US aid and trade preferences, such as those under the Trade and Investment Framework Agreement (TIFA), often come with conditions related to Pakistan's alignment with US geopolitical interests. This can impact Pakistan's foreign policy decisions, particularly in areas like counter-terrorism and regional security.
- **International Monetary Fund (IMF) Programs:** While not a trade agreement per se, IMF programs often include structural adjustment policies that require Pakistan to implement specific economic reforms. These reforms can be influenced by the geopolitical interests of major IMF stakeholders, affecting Pakistan's economic sovereignty.

➢ Economic Coercion and Conditional Aid

Trade agreements are used by IFIs to exert economic pressure by linking aid and support to policy shifts or geopolitical alignments. The objective of this approach is to influence Pakistan's conduct by means of economic interdependence (Roubini & Setser, 2004, p. 126). for example, one aspect of USAID is 'Geopolitical Alignment.' Aid conditions can push Pakistan to align its geopolitical stance with that of the US, potentially straining relations with neighbouring countries or other global powers. This alignment can impact Pakistan's foreign policy autonomy and its ability to pursue an independent diplomatic strategy.

➢ **Impact on Agriculture and Livelihoods**

Trade agreements also have an impact on Pakistan's agriculture industry, which is vital to the country's economy. Unfavourable terms have the potential to undermine local producers and negatively affect livelihoods by flooding the market with subsidized imported agricultural products. For example, Pakistan-United States Trade and Investment Framework Agreement (TIFA). Under this agreement, Pakistan has faced competition from subsidised US agricultural products. The influx of cheaper American goods can undercut local farmers, making it difficult for them to compete and sustain their livelihoods (Amadeo, 2011). US government subsidies to US farmers totalled $46 billion in 2020 alone (United States Department of Agriculture, 2020).

The influx of these cheaper US goods, particularly cotton and wheat, has made it difficult for local Pakistani farmers to compete. From 2015 to 2021, Pakistan's cotton production dropped by 35%, while cheaper US cotton imports increased by over 50%, undercutting local farmers and threatening their livelihood (Pakistan Bureau of Statistics , 2022, p. 107). Pakistan must comprehend these factors to negotiate trade deals that protect its national sovereignty and economic interests. It is imperative to exercise caution while evaluating the conditions and possible geopolitical ramifications of trade agreements to avoid them turning into deadly traps that jeopardize Pakistan's strategic and economic independence.

Country	Trade Agreements and Trade Volume (2022)	Opportunities	Challenges & Manipulations	MNCs involved	Trade agreements as Trojan Horses
US	GSP (6.9B$ exports to US)	Preferential access to US markets for textile goods	The GSP status has been revoked periodically as a geopolitical tool, conditioning market access on political & security corporation	PepsiCo, Coca-Cola, Pfizer	US strategically uses trade preferences as leverage to extract political concessions. MNCs embed themselves deeply in Pakistan's economy, controlling key sectors like food & pharmaceuticals.
UK	UK-Pakistan enhances trade partnership (2.1B$ exports to UK)	Market access for Pakistani goods post-Brexit, particularly textiles.	UK subsidies allow British companies to dominate sectors such as agriculture and textiles. Outcompeting local industries	Unilever, Shell, GSK	UK leverages trade agreements to align Pakistan's policies with its geopolitical interests. MNCs dominate key sectors, embedding themselves in energy and consumer goods, thereby influencing policymaking and limiting Pakistan's economic and security independence.
France	EU-Pakistan Trade agreement (via GSP+ (800M$ exports to France)	Market access to the EU, primarily for textiles	Compliance with EU policies for environment and labour automatically aligning Pakistan with EU interest	Total energies, Danone	French MNCs dominate Pakistan's energy sector, influencing its energy policies and ensuring dependence on French technology, weakening Pakistan's geopolitical bargaining power.

Figure: *Opportunities and Challenges Through Involvement of MNCs* [*]

[*] Authors own illustration.

Challenges and Strategic Responses to Economic Hybrid Warfare

Economic Hybrid Warfare in Pakistan has evolved through various strategic tools that foreign powers and MNCs use to exert influence. These trends are not isolated events but are part of a broader strategy to destabilise the country's economy, erode sovereignty, and gain geopolitical leverage. Below are some key trends:

➢ **Debt Trap Diplomacy via IFIs**

Pakistan reliance on loans for IFIs, including IMF and World Bank, has resulted in a vicious cycle of debt. These institutions often impose austerity measures and policy conditions that limits Pakistan's ability to invest in social and economic development. As of 2024, Pakistan's debt to GDP ratio stood at 70%, with external debt servicing eating up significant portions of the national budget. This economic dependency weakens Pakistan's sovereignty and leaves it vulnerable to external influence in matters of policy-making and national security.

➢ **Current Dilemmas in Pakistan's Economy**

Currently, the economy is presented as a mirage and that illusion enforces Pakistanis to think that the market is based on expectations (Hussain, 2004). The dilemma in Pakistan is that if someone believes that things will not be conducive, then it usually not goes in favour of the market. Use of fake news or ticker to spread misinformation by media outlets such as media outlets and social media networks criticised for spreading or exaggerating misleading economic news cause panics in market discouraging entrepreneurs from taking business decisions (Ali, 2024). Another dilemma is that the economy is not progressing due to elites who control key sectors, but elites are everywhere in the world i.e., socialist elites in China (Pei's, 2016, p. 156), and capitalist elites in the US (Weber, 2020, p. 9). In Pakistan, feudal and political dynasties often control economic policies creating barriers to inclusive growth (Khan, Rehman, Khan, & Rahman, 2018, p. 22).

➢ Root Causes of Weakening Economy

The data of last 76 years proves that the foreign investment always follows the economic boom but in Pakistan the boom has failed to go beyond 5% before crashing (Attarwala, 2023). In other words, this process is called GDP cooling. GDP cooling refers to a shut down in growth rate of country's GDP as compared to expected ratio. GDP is taking a leisurely dip in the pool instead of doing laps. Now the question arises as to where the loan taken from IMF is being used. The stagnant growth of the agriculture sector and the misuse/wastage of resources like loans has resulted in the poor state of economy. This has led to the loss of trust of investors, both domestic and foreign.

➢ Areas that Need Immediate Attention

Pakistan needs to reduce its expenditures and increase its revenue. Increasing exports and widening the tax net should be a top priority. Tax to GDP ratio is 10.4% in 8 reviews of IMF which is exceptionally low. (World Bank, 2023, p. 10). However, the political will is missing to bring reforms in this sector. In "Pakistan: Second and Final Review Under the Stand-by Arrangement-Press Release; Staff Report; and Statement by the Executive Director for Pakistan" digitalising economy is on front board (IMF Staff Country Reports, 2024, p. 8). The exports can be increased by further refining the products e.g., instead of exporting cotton, making garments and then exporting them at a higher price.

➢ Analysing Legal Trends in Pakistan's Economy

Tax usually comes under federal budget debates, but the issues are at provincial level after 18th amendment. At provincial level, economy has three heads: pay of teachers, expenditures of hospitals and police. A big issue in tax related reforms is tax exemption and that is mostly related to the country's elite. Billions of rupees are given to different peoples and institutions but on which rationale— no one knows. It is usually called blanket subsidy, which also includes non-development expenditures. Blanket subsidy is a wrong model in Pakistan. This is not an economic decision, rather a popular one (Nelson, 2018). Next trend in Pakistan economy that led Pakistan to take loans and then lead to economic hybrid warfare is balance of payment (BOP) that always remains in deficit. In BOP, one domain is the current account, the other is balance of trade. Balance of trade should contain low imports and high exports which cannot be seen in Pakistan's economy.

➢ **Arenas that Need Improvement**

Every country has its own economy. If there is increase of exports in countries like Cambodia, Bangladesh etc. (which are underdeveloped countries) economy will be stable, but it is not working in Pakistan's case because trend in Pakistan is that it cannot generate exports (Younas, 2020). There is a need to change strategy because quality standards of products are low in Pakistan and cannot match the international standards. Secondly, the composition of the import export ratio is particularly a critical point of consideration in this trend. For exporting products, Pakistan first imports materials of goods and then exports the goods.

This expensive cycle has led to non-competitive prices (Ministry of Commerce Govt of Pakistan, 2020, p. 29). The root cause of the issue is that Pakistan is an agricultural country, and a somewhat wrong model is under in practice here. The model used by other countries around the world is that they make transition to industry by first making their agricultural sector strong and self-reliant. This allows them to reduce their imports of food products and increase their exports by focusing on the industrial sector. In Pakistan's case, the trend is of very little growth in agriculture, and an immediate jump to services. So, pillars of sustainable economy did not develop and then the country needs huge imports which causes the balance of payment to go in a negative disturbance.

Conclusion

The study explained that trade agreements as part of political economy are used as Trojan horse against Pakistan. Thus, the strategy of undermining the economy centres on Hybrid Warfare. In 1950s Pakistan started its trade and making trade agreements with other countries. However, there were many benefits Pakistan gets from those agreements, but it is easy to analyse. Moreover, those agreements were a trap for Pakistan making it debt. The IFIs were providing loans to take Pakistan into debt trap on the other hand MNCs make an intricate web around small business entities and eliminate them from root. Economy has been strategically manipulated and IFIs play a significant role in this process by providing loans on erroneous conditions that Pakistan cannot fulfil. Also on the flipside, trade agreements, which ostensibly promise economic corporation and mutual benefit, have often served as covert mechanisms to undermine Pakistan's national security and sovereignty leading to economic hybrid warfare targeting Pakistan.

Recommendations

To eliminate above mentioned challenges, Pakistan needs to strategically take advantage of the CPEC's promising economic prospects, which calls for teamwork and the improvement of confidence in governmental policy. New policy measures are essential with a balanced current account, particularly by encouraging Pakistanis living abroad to make significant investments, along with other Foreign Direct Investments (FDI). There is a window of opportunity for economic recovery, though it is a big task without a doubt. Stable social conditions and employment depend on sustained GDP development. The public's perception is shaped by digital media, and it must be utilised to show that making economic transformation is possible and is an immediate imperative for our country's future.

Despite imminent difficulties, Pakistan is well-positioned for the future, thanks to its nation's tenacity and streak of succeeding projects like CPEC. In the recent review of 23rd IMF program, cut in public expenditure, and restrictive monitory policy, it is observed that Pakistan's economy barely experiences any growth. The paper suggests that Pakistan should not go for IMF program furthermore. Pakistan's economy must build on sustainable grounds through better policies and economic decisions. The trade deficit must be reduced by increasing exports, and this can only be done by making such policies of the government. Recent years have seen the creation of new institutions and regional alliances. When it comes to changes in the global financial architecture, these developments could have a lasting impact on Pakistan. China's New Silk Road Fund, the Asian Infrastructure Investment Bank, the BRICS New Development Bank, and the Eurasian Economic Union are important organizations. While SAARC experienced difficulties, the Shanghai Cooperation Organization gained momentum in the strategic landscape. The strategic discussion and economic initiatives can benefit from Pakistan's involvement in these institutions. Pakistan's strategic planning must consider the ongoing trade war between the US and China as well as India's contribution to the US's new South Asian policy, particularly regarding Afghanistan's stability. It goes without saying that important decisions like tax reforms and the road towards self-reliance by increasing exports and at the same time cutting unnecessary imports is the call of the day.

Disclosure Statement

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