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## Current Affairs

### 0.3 Introduction

The power sector of the country is mired with various problems. This has, indeed, resulted in an increase in electricity prices. The increase in these prices has political, economic, and social impacts which are by and large negative in nature. The problems of the power sector of the country include insufficient capacity to produce electricity, line losses, electricity theft, mismanagement of resources, under developed power supply system and several other problems. The combination of these problems is making the life of the common citizens of the country exceedingly hard.

### Problems in the power sector

#### ↓ Capacity Issues

One of the major problems of the power sector of the country is the capacity available to produce electricity. Pakistan's population currently stands at more than 240 million, however, the power plants available or functioning are

not enough to cater to the increase in its need electricity arising from an increase in population. Moreover, a lot of power producing capacity remains underutilized, with facilities lying idle.

ii)

### Line Losses

Line losses is one of the major power sector issues. A lot of power or electricity produced is lost while passing through transmission lines. This is due to the poor transmission infrastructure of the country. The lines constructed to supply the electricity are not full-proof and resilient and are at times unable to tolerate disruptions.

iii)

### Electricity theft

Stealing electricity is fairly common in Pakistan. This makes it unavailable for those who actually deserve to benefit from it. This is also a major contributor to the hike in the price of electricity. People and organizations mostly steal electricity to compensate for

its deficiency at their homes or work places.

### (iv) Mismanagement of power resources

The power resources are hopelessly mismanagement<sup>d</sup>. Pakistan is not deficient in renewable and non-renewable energy resources yet they are not properly utilized due to the abject mismanagement of the authorities concerned. There is a lack of investment in developing the power resources to optimize their potential.

### Leading to unimaginably expensive electricity

The power sector issues of the country has resulted in exorbitant energy prices. In recent times the price of electricity was hiked up to around Rs 200 per unit. This is a considerably high rate. A common man cannot be expected to pay such a high rate.

Thus, it is the previously mentioned power sector issues which have led to an increase in the price of electricity. These issues combine to make electricity not just unavailable but, in fact, scarce causing

an unprecedented rise in the price of electricity.

## Role of IMF

Besides the problems mentioned previously, IMF (International Monetary Fund) has a critical role to play in the increase in the price of electricity. As part of its reform measures the IMF requires of Pakistan that it removes the subsidies given on electricity and charge the original rate to the people.

## Implications on the economy, social and political life of the country

The implications on the lives of the people of the country, as a result of the increase in electricity prices are the following:

### i Economic Implications

When price of electricity increases it is difficult to keep the industries of the country operative. Factories and industrial zones are forced to shut

down as a result of expensive electricity. This reduces the productivity of the country and affects its GDP growth and other development indexes.

## ii Social Implications

Electricity is now essential for everyday <sup>life</sup> without it the activities of the citizens of a country are hampered. Households facing electricity shortages or unable to afford electricity are forced to live in misery, despair and cannot carry out their daily tasks.

## iii Political Implications

when electricity becomes expensive, the political party holding office is under fire. It loses its appeal to the masses. The opposition party builds its narrative against the party in office on the electricity issue. Moreover, the government is pressurized to address the concerns of the people with regard to the rise in the price of electricity. Prompt policy measures are asked for by the public.

## Workable suggestions for the problem

The increase in the price of electricity could be reformed through the following measures:

- i) Initiating structural reforms for the power sector of the country
- ii) Increasing the capacity of the power grids of the country
- iii) Developing an efficient power supply system to reduce power losses
- iv) Minimizing the wastage of electricity
- v) Creating awareness about cautious use of electricity.

## Conclusion

In conclusion, while it is true that the power sector has resulted in expensive electricity, other factors such as the role of IMF, the global increase in energy price, etc. have also contributed to increase in electricity price. This has had negative implications on the socio-economic life of the people. Yet with the help of some well-agreed measures the hike in the price of electricity in the country could be controlled.

## Introduction

The rivalry between the US and China is intensified by the Taiwan crisis and the semiconductor industry. The two countries are battling it out with each other on these two issues. The Taiwan issue is of importance as both have claims over this country. China asserts that Taiwan belongs to it, while the USA intends to use Taiwan as a channel through which it can carry out its trade activities. The semiconductor industry, on the other hand, comes to the limelight as the USA has restricted its exports of semiconductors to China, expressing fear that these exports could threaten its national security.

## Taiwan crisis as the new clash point between US and China

- (1) Taiwan strategically important  
Taiwan is strategically important for both the USA and China. It is its location which makes it significant for the two countries.

tries. This is the reason why they are vying for presence and influence in the country.

ii) Taiwan as a trade route  
major trade goods pass through Taiwan, making it critical for both China and the USA. A lot of USA imports and exports pass through Taiwan. Similarly, many Chinese products also have to pass through Taiwan to reach their destination. Both China and the USA are <sup>the</sup> biggest trading countries of the world, thus Taiwan is a major stop point for them.

iii) Sea routes surrounding Taiwan  
Taiwan is surrounded by important sea routes. These routes are essential for transporting finished products and raw material. The Strait of Malacca is also close to Taiwan. This is an important Strait for shipping as major goods and products pass through it. Moreover, many raw goods and material also pass through it.



this region. This makes the conflict over Taiwan an unavoidable one.

#### (iv) Access to markets

Taiwan provides the USA with access to markets in the Indo-Pacific region. This is another major reason why Taiwan is critical for the US. China, too, is able to reach several markets through Taiwan, which serves as a transit between several countries. This gives another reason why Taiwan is a bone of contention for the two.

### The semi-conductor industry as a clash point

#### (i) Restriction on the export of Semi conductors

Recently, the US has placed restrictions on the export of semi-conductors to China. Chinese companies can now import semiconductors from the USA only after obtaining a certain license. This has

not gone well with the Chinese companies, who are looking to find a way out of it. (iv)

## (ii) Semiconductors and national security

The US has stated that it is restricting its export of semiconductors to China due to national security concerns. The Speaker for White House said that the US doesn't want its technology to be used against it at present or in the near future. (v)

## (iii) China's technological progress

By restricting the export of semiconductors, China believes that the US intends to sabotage its technological progress. USA is threatened by the rise of China. Hence, China's belief that it is trying to comprise its progress as a rising economic power is a far-fetched one.

#### iv) China's economic rise

As the imports of semiconductors are critical to China's technology industry, it will further improve China's economic standing. The US certainly doesn't want that. Thus, it would employ every mean available to it to control China's rise.

#### v) US - China Decoupling

No matter how much the US authorities deny it. The move is a representation of US - China decoupling. This would have major repercussions as both US and China a major trade partners.

#### ~~Conclusion~~ Diffusing tensions between the two global powers

The tension between the two global powers can be diffused by adopting following measures:

- i) Increasing economic collaboration between the US and China.

- ii) Searching for points of convergence between the two countries.
- iii) Focusing on mutually beneficial initiatives undertaken by the two countries.
- iv) Changing perception of China as a threat to US hegemony.
- v) Highlighting the benefits of remaining an open economy.

## Conclusion

The new clash point between the US and China can be considered to be based on the Taiwan crisis and the Semiconductor industry. However, there are multiple other fronts on which the two countries are battling it out. Yet the above-mentioned issues remain relevant and must be rationally dealt with the help of some well-diverted measures, China and US can be led toward peaceful co-existence.

## Introduction

CPEC (China Pakistan Economic Corridor) which was initiated by China and Pakistan in the year 2013 is now ten years old, in the year 2023. There was and still is a lot of hype around the project. However, while the project has led to some positive developments, there have been numerous hurdles in its progress. This has made the positive impact of the project hard to realize. CPEC began as a project expected to benefit both China and Pakistan. The ground realities of the project, however, present a slightly different picture, but it is not yet altogether a hopeless case.

## The successes of CPEC

### ↓ Investment in Pakistan

As result of CPEC, \$62 million have been invested in Pakistan. This is a much needed investment from Pakistan's point of view. Through this investment Pakistan can project itself

as an investment worthy country can bring in more foreign direct investment into the country. (iv)

## (ii) Infrastructure development under CPEC

As part of CPEC, infrastructure development has taken place in Pakistan. Roads and motorways have been built. This is beneficial for Pakistan, as the infrastructure of the country is in bad shape and needs serious rebuilding and reconstruction. (v)

## (iii) Development of Special Economic Zones (SEZs)

Under CPEC, special economic zones are being developed in the country. These economic zones are basically established to be conducive to increased industrial development and economic growth. This is good for the overall progress and prosperity of the country. (vi)

#### (iv) Development of sea ports

As a result of CPEC, the Gwadar port in the Balochistan province of Pakistan has been developed. This is a positive development, as Balochistan has traditionally been an underdeveloped province of the country.

#### (v) Creation of Employment

If CPEC progresses further, it will create employment for the people of the country. As unemployment is a major issue in the country, as a result of the jobs created by CPEC, it would experience a decrease.

#### (vi) Pakistan as a transit route for China

As a result of CPEC, Pakistan would serve as an important transit route for China. This will benefit China greatly as it could gain access to the middle eastern market and further. This could help China's economic ambitions significantly.

(vii) **Cheap Labour for China**  
China would benefit from the availability of cheap labour in the Pakistani society. This would reduce its cost of doing business and would help it improve its profitability and margins.

## The failures of CPEC

(i) **Slow Progress of the Project**  
Owing to several policy hurdles and red-tapism, progress on projects under CPEC has been considerably slow. In fact, in recent times no notable development has taken place with regard to CPEC.

(ii) **Lack of transparency**  
There is no transparency as far as initiatives and projects under CPEC are concerned. The agreements signed between Pakistan and India with regard to



these projects stay confidential and are not available for the perusal of the general public.

### (iii) Political instability holding back CPEC

The political instability prevalent in the country is detrimental to CPEC's progress. If the investors do not find the political environment of a country suitable for economic development, they lose interest in investing further resources into that country.

### (iv) Incomplete Projects

Multiple projects, such as that of power plants, development of Special Economic Zones and some others, which began under CPEC have not been completed. This is not a healthy sign, as some investment has already been done with regard to these projects. To leave these projects half done is disrespect to the work

already done on them.

## Conclusion

China and Pakistan must celebrate the Decade of CPEC as this undertaking was an exceedingly positive one as far as the two countries are concerned. However, more needs to be done in terms of enhancing the success of CPEC and controlling its failure.

# Introduction

The world is, indeed, moving towards multipolarity. New economies and countries are rising, while the old ones are losing their grip on the global order. Countries like China, India, <sup>and</sup> Japan are moving towards economic and military progress. On the other hand, countries like the USA, the UK and other western countries are gradually losing their influence and clout. This is not to say that the global order has been completely disrupted. It is a non-aligned world at present. Thus, even though there has been a decrease in the US role as the world's sole super power, it has still maintained its status as a global leader. The only difference is that it is not the sole leader today as it once was.

## A multi polar world and the rise of the rest

### ↓ Rise of China

The USA is visibly concerned

about the rise of China Hence it is deploying every means possible to hamper China's progress and growth:

### ii) Rise of India

India is progressing by leaps and bounds. Some of the major heads of companies are Indians and they are making their presence felt in every part of the world. India also stands as a counterweight to China in the Asian region.

### iii) Rise of Japan

Japan is making headway in the fields of technology and science. Different countries of the world are looking to collaborate with Japan on different fronts.

US's global role as a leader

In spite of the developments mentioned above, the US

maintains its global role as a leader - This is because despite of several setbacks, the US is still the biggest economic and military super power today. It still has the biggest and most powerful military and its economy is still quite strong.

### Towards a non-aligned world

It would be more befitting to state that the world is moving towards non-alignment. There are no set blocs any more. Countries are conducting business and doing trade wherever they see opportunity and profitability.

### Conclusion

To conclude, while the world is moving towards multipolarity and non-alignment, it is not a black and white situation as of yet. The US's power has been significantly compromised but to cast the US to oblivion or irrelevance would be a mistake.