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Subjective

II ”

Q2:

• Answer

Introduction :-

Inflation in Pakistan is not a new problem. However, the rising electricity prices are unprecedented. Apart from increased capacity payments, several other factors also cause the electricity prices to reach unprecedented

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levels as Bloomerang has reported in an article saying "It can cost more to power a house than rent it in Pakistan".

A) Factors Contributing to hyper-expensive Electricity in Pakistan:

1) IMF and SAP's:

a) IMF and currency de-valuation:

Monetary devaluation of Pkr (against dollar) recommended by IMF's Stand By Agreement of \$7 Billion has caused inflation. This has raised the prices of electricity as well.

b) IMF and increased taxation:-

Taxes imposed by IMF have affected electricity bills as well. Taxes ranging from 15-20%. The rate of electricity per unit has also increased from 32 rupees to 37 rupees as suggested by IMF.

2) Use of Expensive Non-Renewable Energy to generate electricity:

a) Use of coal, oil to generate electricity:

With the ongoing inflation and currency devaluation, import of non-renewable energy in dollars further exacerbates the tension. Expensive coal produces expensive electricity.

b) Global tensions and increasing fuel price:

With the ongoing tensions in Ukraine and Gaza, global inflation has further increased leading to increased fuel and commodity prices. Unable to import enough oil and fuel for electricity production, Pakistan enters into a demand and supply gap resulting in expensive electricity.

3) Corruption and lack of Transparency:

a) Overbilling by DISCOS:
Overbilling by K-electric and WAPDA has also resulted in soaring electricity prices specially for uneducated consumers who are unable to read and understand the billing process.

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b) Electricity theft:

Electricity-theft in commercial and domestic spheres has also contributed to rising electricity prices.

c) Recommendations
to over-come the menace
of Electricity prices:

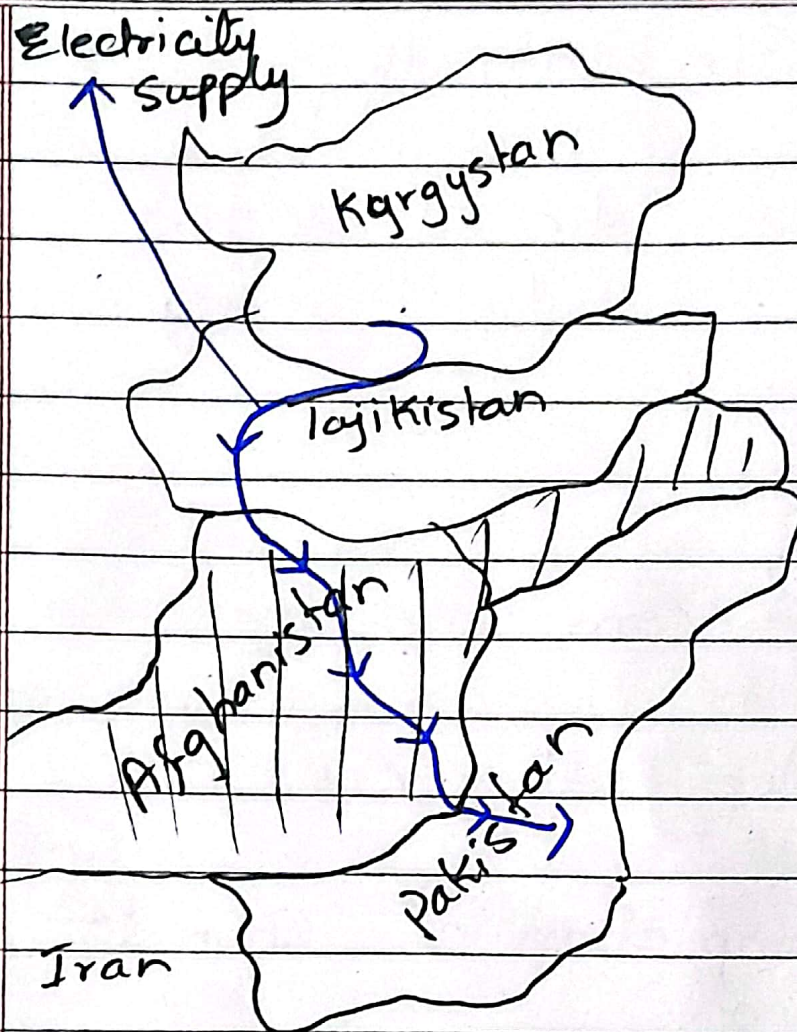
a) Completion of CASA-1000 project:

Central Asia - South Asia-1000 project is set to be completed in 2025. It aims to supply low-cheap electricity from Central Asian Republics to like Tajakistan to Afghanistan and Pakistan

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b) Shift to Renewable Energy:

- 1) Projects like the Punjab's "Solar Project: Roshan Ghar -ana" where government will pay 90% of solar panel's price should be implemented all over Pakistan.

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b) Projects like CPEC'S Sachal Wind power-project and Kohala Hydro-power-project should be timely completed. Security should be enhanced in such areas to protect CPEC workers.

c) Transparency, Accountability and public literacy mechanisms.

To prevent electricity theft, both transparency and accountability mechanisms should be drafted. Public should be provided basic literacy so they can spot over-billing by calculating their own bills.

c) System Upgradation to prevent line losses:

Artificial based line loss detectors and copper wires can prevent line losses and

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Save electricity thereby reducing its price.

D) Conclusion:

In conclusion, electricity prices are just not the result of increasing capacity payments to IPPs. Other factors also add a compounding effect. With serious ~~in~~ government intervention, these factors can be eliminated.

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Q#5:

re U.S vs China

Rivalry''

Introduction:

The U.S China rivalry is taking new forms every passing day. From trade wars to currency wars, the rivalry is dynamic and evolving into new forms. Speaking of a currency war, U.S is trying its best to dollarize international trade by the use of aid, international monetary institutions, counter

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economic blocs, and petro-dollar agreements. China, on the other hand is doing the opposite using BRICS, local-currency trade, Crypto-currency and much more.

A) ~~(X)~~ Chinese efforts to de-dollarize International Trade:

1) Using Economic BLOCS: BRICS

a) New Development Bank as alternative to Western Monetary Institutions:

BRIC'S New Development Bank, founded in 2015, aims to de approach de-dollarisation from a debt angle, with plans to reducing dollar dominated lending. It provides loans in

Local currencies (Indian, Brazilian, South African, Chinese) with less stringent conditions.

b) Launching BRICS

crypto-currency:

launching its own BRICS block-chain payment system, it aims to de-dollarize the international trade in digital exchange system.

2) Trading in local currencies with sanctioned countries:

a) Trading with Russia:

Chinese trade with Russia for import of oil and export of weapons (as alleged by U.S) is another example of Beijing's efforts to de-dollarize international trade.

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b) Iranian oil import to China:

Severely sanctioned Iran also finds economic respite in Chinese markets for oil & export.

B) United-States (U.S) efforts to dollarise international trade:

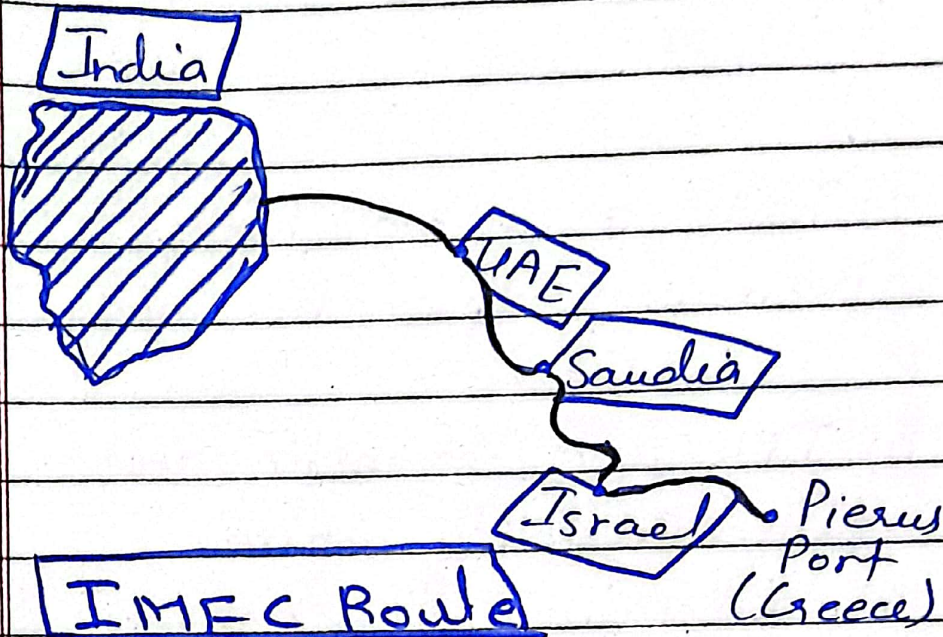
1) Counter-Economic Blocs:

a) IMEC as opposed to BRI:

In order to retain developed nations (Saudi, UAE, India) in its ambit, the of dollarized trade, the U.S has launched IMEC in 2022 (India - M-East Corridor).

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b) G-7, G-20 as counter blocs to BRICS:

Informal economic blocs like G-7 and G-20 which contain emerging economies like India, Australia, U.K and Japan are also a proof of U.S. efforts to dollarize international trade.

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2) Use of International Institutions:

1) IMF as a tool for promoting dollar hegemony:

a) IMF and domestic and foreign policy control:

By liberalising the economy of a state, IMF opens way for dollarisation of international trade. By convincing a state to open its economy to international markets, IMF dollarises its trade.

2) Provision of Aid packages to keep States's foreign reserves dollar dependant:

a) USAID and dollar reserves:

By providing foreign aid

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in dollars, U.S. ensures the foreign reserves are dollar dependent, hence the trade of the recipient stage is done in dollars.

3) Petro-Dollar Agreements:

The

a) Saudi-Petro dollar

Agreement (2029 - 2024):

The recently expired petro-dollar agreement between U.S. and Saudi Arabia is a striking example of U.S. effort to dollarize International trade's most important commodity: petrol (fuel).

C) Conclusion:

While the tug of war between US and China over de-dollarization continues, China ^{still} has a long way to go. Majority States

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(95% according to World Bank) hold dollar reserves which makes de-dollarisation a daunting task for China.

Q#3:

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IRAN-ISRAEL

Conflict”

Introduction :-

The killing of Ismail Haniyeh on Iranian soil has sparked controversy over Iran-Israel tensions. Iran blaming Israel for the assassination has ~~blamed~~ warned U.S of an imminent attack on Israel. The conflict ~~is~~ ^{is}

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not only isolated to Iran and Israel, but has also taken Yemen^{and} Lebanon in its ambit. The conflict can also evolve to take Saudi Arabia and Jordan and Egypt into its fire.

A) The Evolving nature of the situation in Middle - East:

1) Iran-Israel tensions: after assassination:

Israel has threatened to carry out a pre-emptive strike on Iran as threats of an Iranian attack loom like a spectre on Western Media.

2) Israel-Lebanon tensions in the wake of assassination:
The day after the assassination

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, Hezbollah from Lebanon launched 300 missiles on Israel according to Al-Jazeera and Middle East Eye.

3) Israel- Yemen tensions:

Houthi in Red Sea launched a drone footage of captives on Israeli ships or allies of Israeli ship such as Greek ships. It also released a drone footage of attack on Tel-Aviv showing explosions. This can also culminate in a flow blown war between Israel-Allies vs Houthi

4) Israel- Saudi tensions:

Saudi's statement to intercept missiles from Israel on Iran and its outright refusal to provide air or land space for attacks on Israel has stirred

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~~Israel~~ - Iran - Saudi tensions.
Saudi Crown king Muhammad Bin Salman's statement regarding fear of his assassination is also a proof of growing tensions.

5) Iran - Jordan tensions post assassination:

Jordan's refusal (like Saudi Arabia) and threat to retaliate in such a circumstance has also stirred controversy relating to Iran-Jordan relations.

B) Recommendations:

(to diffuse tensions)

1) Dialogue with the help of Mediators:

1.1) China as a mediator between Iran - Saudi:

As both Iran - Saudi and

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China are members of BRICS, China can put diplomatic pressure on economically weak and sanctioned Iran as well as on Saudi Arabia which is looking forward to diversifying its economy using BRICS.

1.2) India as a mediator between Iran and Israel:

India is a common ally to Iran and Israel. Iran's "Chahbahar port" and Israel-India's I₂U₂ agreement are both of paramount importance to India. India can mediate between both its allies to diffuse the tensions.

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2) Cease-fire deal between Israel-Hamas and a two-state solution:

The main/root cause of all these conflicts is Israel's war on Gaza. An end to the war can bring significant peace in the region automatically diffusing tensions with proxy groups like Hezbollah and Houthis.

Conclusion:

Concluding it all, the region is embroiled into conflicts which are escalating day by day. By targeted intervention, dialogue and mediation and a cease-fire deal, the whole region can be prevented from being engulfed into the conflict.

Q#8 PAK-Afghan:

Introduction:

Pakistan's ray of hope for peace with its Muslim neighbour, Afghanistan, has been shattered by Taliban's resurgence and increase in ^{terrorist} attacks since Taliban came to power in 2021. Taliban's provision of safe havens to TTP has resulted in cross border smuggling, attacks and security issues in Pakistan. This has led Pakistan to take strict measures such as deportation, cross-border attacks, border shut down and diplomatic support withdrawal. This has dampened the relations between the two Islamic brothers.

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A) Afghanistan's Provision of Safe Haven to TIP and its effect on Pak-Afghan relations:

1) Cross-Border attacks by TIP:

a) attack on Bannu:

This attack in April 2024 led to the death of 8 people.

b) attack on Chinese nationals: attack on Crawdad Port complex has led to the loss of Chinese and local workers.

2) Cross-Border Smuggling:

a) Drug Smuggling :-

Drugs such as weed and other opioids make way into

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Pakistan from Chaman border.

b) Weapon and Ammunition Smuggling:

Weapons and ammunition is supplied to adversaries of Pakistan by TTP residing in Afghanistan.

c) Human Smuggling:

Children, women and adults are kidnapped and smuggled across the border in KPK and FATA.

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Pakistan's Response”

1) Deportation of 10 million Afghans:

Care-taker PM Anwarul Haq Kakar ordered the deportation of 10 million undocumented

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Afghans back to Afghanistan.
This instilled resentment in the hearts of deported Afghans as well as Afghan government turning the relations bitter.

2) Border Attack by Pakis- -tan on Afghanistan:

Pakistan attacked the TTP group (Hafiz Gul Bahadur) killing 8 including their leader. Although the attack was successful, it st further strained the relations between Afghanistan and Pakistan.

3) Borders closed by Pakistan:

Pakistan's decision to close Chaman border came from the security issues it faced. Nonetheless, it also impacted trade between the neighbours

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turning their economic and diplomatic relations sour.

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B) Withdrawal of Pakistan's diplomatic support at International level:

Afghanistan's refusal to withdraw support to TTP despite Pakistan's government's insistence, led Pakistan to withdraw its diplomatic support to Afghanistan internationally. This effort of diplomatic pressure went in vain and further turned the relations sour.

C) Recommendation to diffuse tensions:-

1) Mediators and Dialogue:
Chinese intervention to mediate issues between

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Afghanistan and Pakistan can have significant outcomes as due to heavy Chinese investment in both states

2) Regional Security Organisations:

Regional platforms like SCO and SAARC can form "collective security" against the TTP which can coerce Afghanistan to abandon support and safe havens to TTP.

3) Conclusion:

In conclusion, Afghanistan's stubbornness to support TTP by providing safe havens has resulted in International as well as regional isolation. Peace and prosperity lie for both neighbours in cooperation and mutual support. not tensions and conflict