

Date: 25.05.24

# Current Affairs Mock

## Question 6

### Answer

#### 1. Introduction

The state of Israel came to existence through the UNGA Resolution 181 (1947) which proposed the partition of Palestine into Arab and Jewish state.

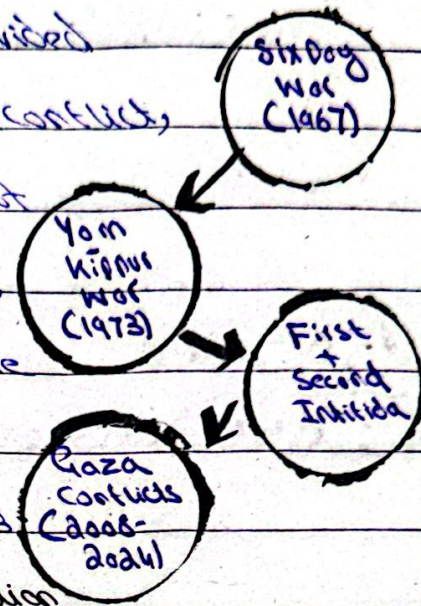
The partition proposed provided the Jewish state with 55% of the land and the Muslim Palestinian with 45% of the land.

At the time Muslims held approximately 87% land while the Jews held only 7% of the land. The unfair partition of Palestine was rejected by Arab states leading to Nablka (1948-1949) which Jews refer to as War of Independence. The state of Israel was established, Palestine were displaced, and armistice agreement was finalised with Arab neighbours. Over the next few decades the Israel-Palestine issue remained intensified with several



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Wars and conflicts. Provided the violent history of the conflict, claims of genocide, failure of international organisations, international institution, the situation since the recent escalation 7<sup>th</sup> October 2023 is dire resulting in 40,000 civilian deaths in Gaza.



## 2. Israel as a Democratic State and its Implications

Israel proclaims itself as a democratic state but the democratic values of equality, justice, and liberty are absent. In the scenario of Israel acting as a democratic state in real terms to solve the Israel-Palestine crisis, requires drastic changes. Israel would need to extend full democratic rights which includes voting rights to all, both within the recognised borders and occupied Palestinian territory of West Bank, Gaza, and East Jerusalem.



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The One-state solution under the banner of full democracy implies that Palestinians living in the territory would become full citizens of Israel, with equal rights, representation, and privileges.

## 2.1 The Challenges of Achieving One-State Solution

### a) Israel's Fears of losing Jewish Identity:

<p>7 Million Jews + 2 million Arabs</p>	<p>5-85 Million Mostly Muslims</p>
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Israel's Population Demographics

Palestinian Population Demographics

Israel was made a state for Jews. Currently, Israel's population has approximately 22% Arab population which makes the Jews as majority. However, if Palestinian territories are incorporated to make a one-state democratic Israel



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then, The Arabs would constitute a near-majority or a majority which threatens the identity of <sup>the</sup> Jewish state and is a major cause of concern for Israeli leaders.

## b) Need for Reconciliation amidst Historical Conflicts and Conflicting Identities

A one-state solution with democratic values would require a significant shift in the political landscape which under the far-right Israeli Prime Minister Benjamin Netanyahu seems an unlikely prospect, especially since the presence of HAMAS in Gaza which Israel defines as a terrorist organisation. Reconciling between the conflicting national identities of Jews and Palestinians with decades of grievances would be a challenging task for which neither side seem to be ready provided on-going war in Gaza.



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### 3. The Two State Solution between Israel and Palestine

The Two State Solution proposed by the United Nations Security Council Resolution 1397 envisions an independent Palestinian state alongside Israel based on the pre-1967 borders.

Under the two-state solution, East Jerusalem would act as the capital of Palestine. The two-state solution has been part of many peace negotiations like the Oslo Accords (dood) and was greatly pushed by U.S. President Obama during his first tenure.

#### 3.1 The Challenge to Two-State Solution

The primary objection has come from Israel as it doesn't wish to give up land and a minor objection arises from Hamas which object to the deal as they decline to recognise Israel. However, at present the main challenge faced towards adopting



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Adopting the two-state solution is the lack of political feasibility. The surge of Israeli settlement which currently stands at an estimated 650,000-700,000 has made the establishment of Palestinian state problematic. Due to the extensive settlement and fragmented nature of Palestinian territory, the feasibility of the two-state solution has declined.

### 3.2 The Potential of Two-State Solution in Resolving Israel-Palestine Conflict

#### a) International Legitimacy:

The two-state solution is seen by the international community as the most viable solution. Supporters of the two-state solution included US Presidents and the UN. The international community believes that the two-state solution preserves Jewish identity and Palestinian sovereignty.



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In addition, proponents of Two-State solution believe by addressing territorial disputes the tension of conflicts would significantly decrease leading to lasting peace within the region.

## 4. Israel as an Apartheid State

Israel's illegal occupation over Palestinian territory and restricted rights of Palestinians, signals the risk of Israel being labeled as an apartheid state. The term "apartheid state" is referred to a system where one social or ethnic group dominates the other by restricting their rights, similar to racial segregation in South Africa before 1994.

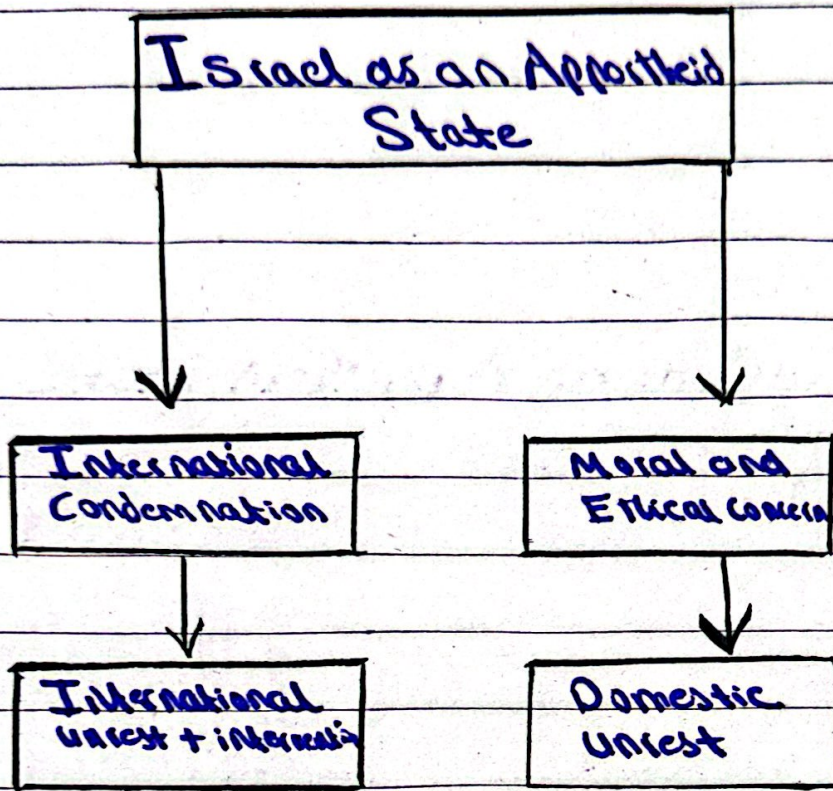
### 4.1 The Implications for Israel as an Apartheid State

Human rights organizations have already started labeling Israel as an apartheid state because of their recent war crimes in Gaza since October. Amnesty International has raised voices



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against Israel's actions since years.



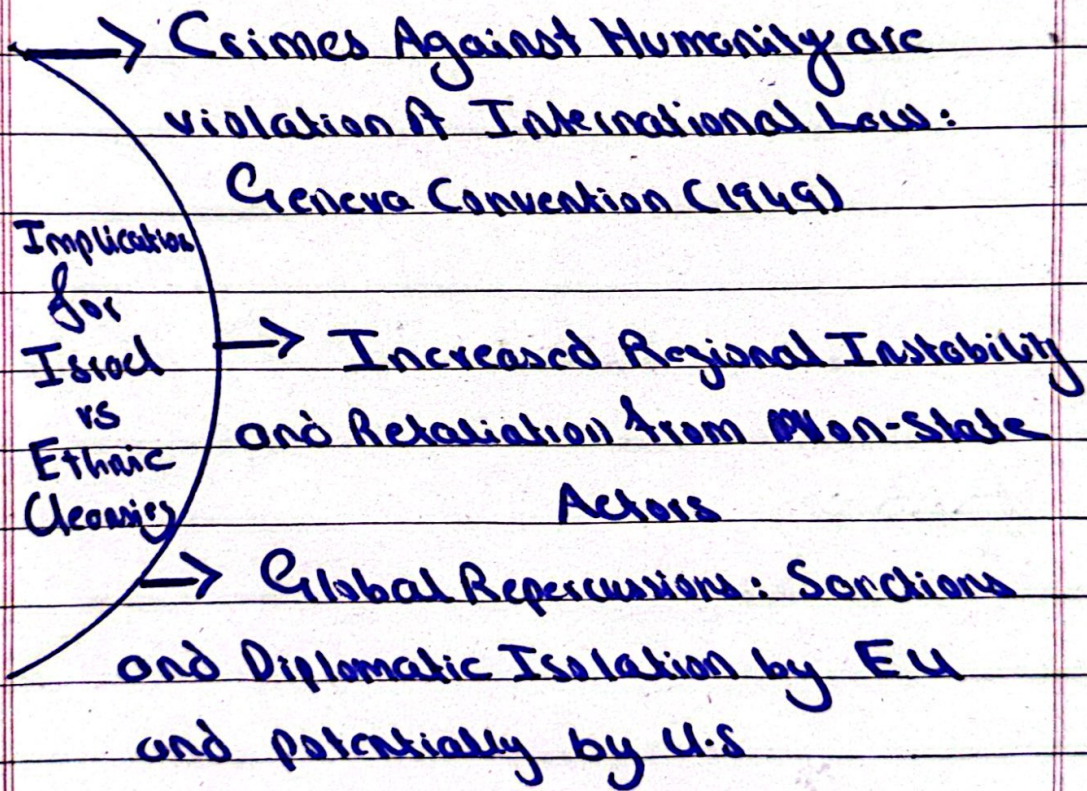
Continuing occupation of Palestine without granting Palestinian rights and stopping Jewish settlements would result in greater international isolation and could provoke intervention by UN. Moreover, the apartheid-like system is resented by the Palestinians which leads to continuous unrest, violence and undermines regional instability leading to long-term security risks.



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### 5. Ethnic Cleansing and its Implications for Israel

The extreme action which Israel in recent times is approaching towards includes forcibly removing Palestinian population from occupied territories, even from Israel itself.



### 6. Conclusion

Each of the four options: one-state solution, two-state solution, apartheid state, and ethnic cleansing carries serious implications for Israel. The two-state solution seems the most viable, internationally,



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acceptable and ethical option for Israel to deal with the Palestinian conflict as it would preserve Jewish identity and protect Palestinian sovereignty. Ultimately, Israel must choose the path which maintains its democratic character, achieves long-term peace through peaceful reconciliation and cooperation to ensure two-state solution is implemented on the basis of justice.

## Question 8

### Answer

#### 1. Introduction

The relationship between Pakistan and Afghanistan has historically been troubled due to geopolitical tensions, border disputes, and the presence of militant groups operating across Durand Line. Regardless of who has ruled Afghanistan, it has always been a problematic neighbour. Since the end of Monarchy in Afghanistan in 1973 due to the Soviet invasion,



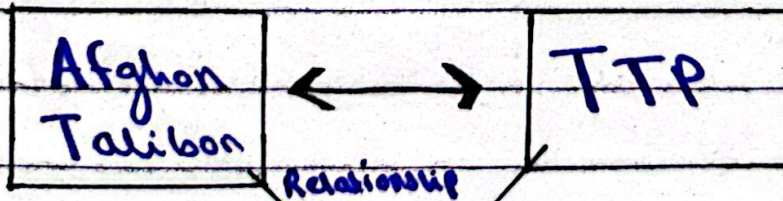
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and the two American Afghan wars; the relations have remained tense. Currently the complicated relationship revolves around Tehrik-i-Taliban Pakistan (TTP) which has found safe havens in Afghanistan under Taliban rule since August 2021. TTP militants have reportedly used Afghanistan as a base to launch attacks on Pakistan which has heightened tensions in recent months, threatening regional stability and bilateral relations.

## 2. Critically Evaluating the Situation in Afghanistan and Taliban Dynamics

### a) Safe Havens for TTP in Afghanistan



Historical + ideological ties dating back to early 2000s due to coalition against US forces in the war.



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Since the Taliban takeover in 2021, TTP has gained significant freedom of movement in areas near Pakistani border.

While the Taliban claims to maintain a neutral stance, they have provided sanctuary to TTP. The TTP has used these safe havens in Afghanistan to regroup and attack Pakistani security forces and territories leading to rise in violence in Pakistan's Khyber Pakhtunkhwa (KP) province. A notable attack was on a Chinese convoy in Besham on 31st May 2024.

## b) The Internal Dynamics of Afghan Taliban

The Taliban government in Afghanistan controls around 85% of Afghan territory but faces major internal challenges like resistance from other militant factions like ISIS-K and warlords. While Taliban has consolidated power in Kabul, there are pockets which do not operate under their control. The fragmentation has allowed



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groups like TTP to operate on Afghan territory & freely Moreover, Afghan Taliban's support base dislikes closer relations with Islamabad because of border disputes and Pashtunistan element which exists in Afghanistan. The opposition limits Taliban's willingness to act aggressively against TTP elements.

### c) Impact on Islamabad-Kabul Relations

Pakistan has repeatedly called on the Taliban-led government in Kabul to act against TTP militants. However, Kabul's reluctance to take decisive action has strained diplomatic ties owing to lack of cooperation from Afghanistan in dealing with TTP threat.

"When it comes to the safety and security of every single Pakistani, the whole of Afghanistan can be damned."

- COAS Pakistan (Gen, Dada)



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## d) Increasing Regional Instability:

The ongoing tensions between Islamabad and Kabul have broader implications for regional stability. Especially considering strained diplomatic ties and launch of operation by Pakistan to counter TTP threat. Pakistan's concern revolves around the fact that if the situation escalates, it could lead to resurgence of militancy and terrorism which could potentially destabilize the region.

## 3. Recommendations for Addressing Tensions between Islamabad and Kabul

### a) Strengthen Bilateral Cooperation

Establish Joint Border Security Mechanisms

Diplomatic Channel Engagement

- Joint Patrols
- Intelligence Sharing
- Collaborative military operations versus TTP
- Regular meetings



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A joint border security mechanism to prevent cross-border militant activities along with consistent diplomatic efforts at multiple levels: security, political, and economic can facilitate resolving security concerns.

## b) International and Regional Mediation through Organisations

Regional  
Mediation

→ Shanghai Cooperation Organisation:

Regional powers: China and Russia can facilitate dialogue and cooperation under RATS of SCO for counter-terrorism.

→ United Nations: The UN Assistance

Mission in Afghanistan can mediate between the 2 countries and ensure Taliban takes action against TIP.

## c) Counterterrorism Effort within Pakistan

By upgrading counterterrorism actions under the Operation Azm - Istekham, Pakistan can counter areas affected by



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TTP within its territory to weaken it. The ethos should have a consensus-based approach and the entire government contribution along with military operation should be pursued to not only eradicate TTP but the root cause of terrorism as well which includes obsolescence of education and poverty. In addition, strict border management and fencing of Durand line needs to be conducted to limit movement of militants across the border.

#### d) Regional Counterterrorism Cooperation

Pakistan should seek to strengthen its counterterrorism capacity by partnerships with other regional countries like China and Iran. The regional cooperation should include information sharing, joint operations, and military aid/equipment. This would increase Pakistan's capability to effectively counter TTP and other militant groups.

#### 4. Conclusion

The Islamabad-Kabul tensions over the safe havens provided by Afghanistan



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presents a significant security challenge for both countries and contributes to regional instability. To address these issues, Pakistan and Afghanistan must prioritise diplomatic engagement, security cooperation with aid of regional and international organisations. Only a cooperative and comprehensive strategy can help both countries to effectively counter militancy and improve strained bilateral relations.

## Question 2

Answer

### 1. Introduction

The rising cost of electricity in Pakistan has increased significantly due to increasing capacity payments to Independent Power Plants (IPPs).

Since 1990, the cost of electricity has risen by 530%. Capacity payments are fixed payments made to power producers to ensure their plants remain operational to generate electricity regardless



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Of whether that power is actually used. Due to this arrangement the financial burden on Pakistan's power sector has been immense leading to hyper-expensive electricity and contributing to debt crisis.

## 2. Capacity Payments and Their Impact on Electricity Payments

### a) Capacity Payment in Pakistan - Historical Overview

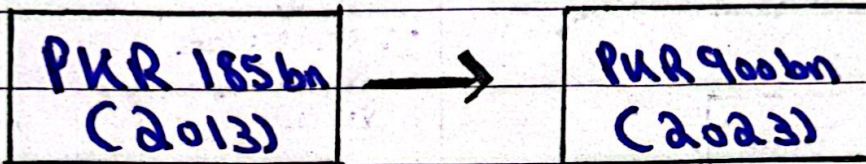
Under U.S Secretary of Energy the Private Power Policy (1991) was introduced in Pakistan. Under the policy Hazel O'Leary (Secretary) along with American business executives brokered IPP deals worth \$4bn. It was agreed that the investors would be provided a dollar based internal rate of return of 15% - 18% over the next 25-30 years. The IPPs were to be paid in two parts: capacity payments and energy payment. The capacity payments would reimburse IPPs for all fixed



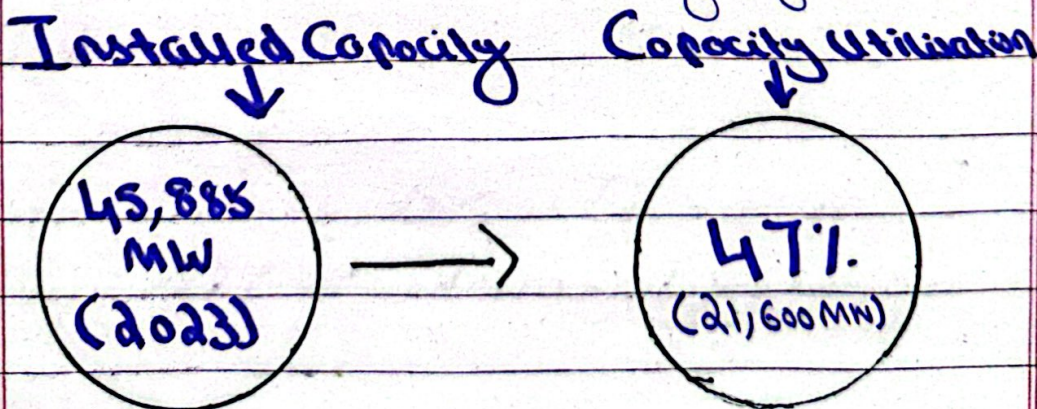
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Costs of power plants including debt servicing (80:20 debt-equity ratio) and provided return on top of that. This implied that WAPDA, PESCO, NESC become contractually liable to pay the debt and capacity payments

### b) Unsustainable Scale of Capacity Payments



Capacity payments have risen drastically over the last <sup>10</sup> years to IPPs. Data indicates a 386% increase. The currency devaluation, new contract signing, and underutilisation have contributed to the rising payments.



Pakistan's utilization of generated electricity remains around 47% which indicates that

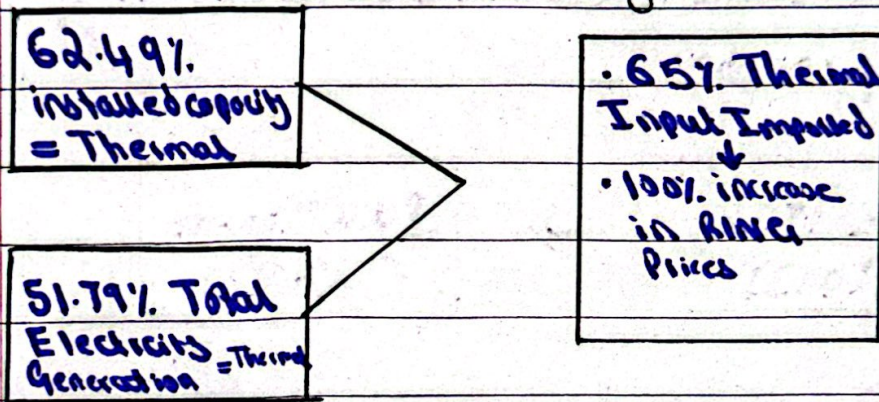


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A significant portion of capacity payments are going towards idle plants which further inflates the cost.

### c) Pakistan's Thermal Dependent Energy Mix:

#### Thermal Dependency Dilemma



Pakistan's TPPs led to the energy mix shift from cheap hydro-power to thermal based power plants which was cheaper for TPPs to setup despite low efficiency and higher cost of production.

### 3. Economic Impact of Increasing Capacity Payments to TPPs

#### a) Increased Cost to Consumers:

Increasing capacity payments due to dollar devaluation has made cost of



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Electricity The highest in the region. This has directly impacted commerce as their household electricity bills have inflated. Moreover, due to increased prices, the production cost of industries has increased significantly leading to inflation. Moreover, the government's fiscal deficit has expanded significantly leading to rising public debt.

## b) Circular Debt Crisis:

The power sector's circular debt reached PKR 2.635 trillion in January 2024, which was largely driven by the rising burden of capacity payments. The debt includes the unpaid due to power producers, fuel suppliers. The government is attempting to accumulate the payments by increasing tariffs leading to increased economic burden on the public.

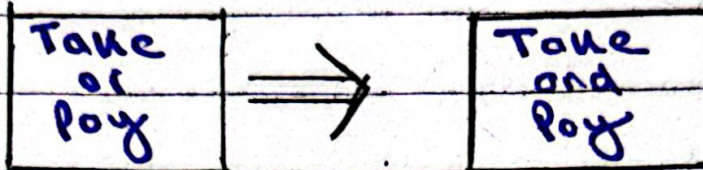
## 4. Recommendations for Addressing The Impact of Increasing Capacity Payments and Reducing Electricity



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## Costs

### a) Renegotiating Power Purchase Agreements (PPAs):



The current contracts are based on Take or Pay where the government is obligated to pay for total capacity regardless of utilization. Moving towards Take and Pay would allow transitioning to actual use utilization of electricity payments which will reduce unnecessary capacity payments.

### b) Incentivising Efficiency and Penalising low-Performance:

Contract with IPPs should include performance-based provisions which incentivise efficient plant operations and impose penalties on unnecessary inefficiencies. This would ensure that the plants operate at optimal level.



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to reduce overall costs.

### c) Long-Term Financial Planning and Regulatory Returns:

The main regulator, National Electric Power Regulatory Authority (NERA) should be empowered to enforce more stringent regulations on IPPs.

This regulation includes:

- i) Better Oversight on Contract Renegotiation
- ii) Transparent Pricing

### d) Managing Circular Debt Effectively:

A comprehensive strategy is required to address the circular debt crisis. The strategy should focus on improving bill collection, reducing 18% transmission line loss, and reducing subsidies. Reducing circular debt burden would allow ensured payments to existing IPP contracts and further debt accumulation would be prevented.



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## 5. Conclusion

The rising capacity payments to IPPs have crippled Pakistan's economy and industries as energy prices have soared to unsustainable levels. The financial burden exerted by the inefficient IPP contracts, underutilised power plants, reliance on <sup>imported</sup> hydro-carbons, has led to high energy tariffs and growing circular debt crisis. Addressing the issue requires a multifaceted approach including renegotiation of contracts, diversification of electricity production mix, and comprehensive regulatory reforms. Through these reforms Pakistan can move towards an efficient future.