

## Question No 3

### Introduction:

State owned enterprises have been a huge and persistent burden on the budgetary economy of Pakistan. Nationalization of these enterprises took place in 1970s during the tenure of Zulfikar Ali Bhutto. Major of the industries like steel Mill, telecom companies and banks were nationalized. However, they are now huge burden on the economy as most of the enterprises are under debt and loans have been taken from foreign countries. It is not incorrect if one says that these SOEs have become 'white elephants'. Therefore privatization is the only solution to improve the performance of SOEs and take them out from loss. There are numerous reasons that these state owned enterprises needs to be privatized.

### → Improve Proficiency And Productivity:

SOEs should be privatized because it improves the proficiency and productivity. This is due to the factor of competition as various enterprises will compete with each other and this healthy competition will consequently result in improve proficiency and productivity. This clarified using the example of Allied Bank, Habib Bank and P.TCL. Employees of SOEs are given wages whether they work or not. But this is not the case with private

companies. Consequently, every employee works hard for wage

Privatization Improved Performance of Allied Bank, Habib Bank and PTCL:

These enterprises were in heavy loss and in early 21st century these were privatized and now it is evident from their performance that they are generating revenue for Pakistan. Their performance have improved significantly

→ Enhanced Financial Performance:

Another reason that SOEs should be privatized because it enhance financial performance. This is evident from the example of "Turkish Air Lines".

Example:

Turkish Air Lines was not giving satisfactory results so the government dissolved the ministry of aviation and convert it into autonomous board. The government also linked Tourism industry with it and as a result its performance improved significantly. Similarly, k-electric is also performing good.

PIA Vs Air Blue:

Air Blue is a private enterprise and PIA is state owned. It is estimated that almost 700 Arab bailout package has been given to PIA, because it is in loss. On contrary, Air Blue is

generating revenues for Pakistan, as they work on profit motive.

→ Reduce Financial Burden On Government:

Third reason of privatization of SOEs is that it reduce the financial burden on government. Government will not have to spent on SOEs and the money can be spent on another thing like improving infrastructure of country. Due to the unsatisfactory performance of PIA, government is forced to take loans and hence it has become a burden on government.

→ Quick Decision Making And Less Political Interference:

Fourthly, decision making process becomes fast when SOEs are privatized. The director or CEO takes decision swiftly without any political interference. On the other hand, while making rules or regulation and decisions of SOEs, point of view of all political members are taken into account. The influence of politics is quite less.

→ Attract Foreign Direct Investment:

Fifth reason of privatizing SOEs is that it attracts FDI (Foreign Direct Investment). Foreign companies and individuals are encouraged to invest in country. As a result, it will improve the

economy of the country. Not only foreign companies, but also domestic companies are encouraged to invest in the country.

Greater Accountability:

Last reason of privatizing SOEs is that it increases accountability and transparency. Accountability in state owned enterprises is low and corruption is also common. Employees are not looked after by any professional that can increase the chance of corruption, but in private companies there is more scrutiny by professionals.

How Enterprises Should Be Privatized:

Enterprises should be privatized with the major consensus of all political parties. Stance of every leader from political party should be considered by the government so that there is no hindrance in privatization.

Regulatory Framework:

There should be a proper regulatory framework that overlooks the procedures of privatization and it should make sure that consumer rights are protected. Government should only control the prices.

so that private companies do not exploit poor people

No Judicial Activism:

Judicial activism is one of the major hurdles in the way of privatization. It is evident from the fact that when National Steel Mill was privatized, judiciary interfered bcz it resulted in job loss of employees. As a result, the decision was taken back.

Trust of Government Employees Must Be Gained:

Employees of SOEs are major hurdle in the way of privatization as it can result in job loss, so there trust should be gained by the government and it should be made sure that they are adjusted in another company.

By and large, it can be concluded that all the hurdles in the way of privatization should be removed like judicial activism or protests of SOEs employees and with the consensus of all political parties, privatization should be carried on as it enhance productivity and financial performance.

## Question No 8

### Introduction:

Economic CPEC is abbreviated as China Pakistan of BRI (Belt and Road Initiative) by China. CPEC is epitome of increasing collaboration and cooperation between Pakistan and China. It is almost 100 Billion Project that started in 2015. 37 mega projects have been completed under CPEC however, currently CPEC projects are slowing down or the momentum of CPEC projects is faltering. This is due to external and internal factors. So, both Islamabad and Beijing should re-invigorate the project and make phase II a tangible reality.

### Reasons For The Slowing Down of CPEC Projects:

#### Security Problem Due To Non-State Actors:

The most prominent reason of slowing down of CPEC projects is security problem. Non-state actors pose a serious threat to China - Pakistan collaboration. In recent years, the number of attacks on CPEC projects and Chinese nationals are surging drastically. The main purpose is to halter the development

projects under CPEC. Attacks on Dasu, Bisham and Chilas clearly indicates the motives of terrorists and non-state actors, because in these areas major works are under process, and Chinese workers and professionals are working day and night there. These attacks are usually carried by non-state actors like TTP (Tehreek - Taliban Pakistan) and ISIS. They want to inculcate fear among the Chinese individuals, so that they stop working on the project.

Response From China:

China has responded to the attacks and killings of her individuals in Pakistan. They demanded proper investigation of the attacks so that perpetrators are punished severely.

Cross Border Attacks And Foreign Involvement:

Attacks from across the border and foreign involvement are another reasons of declining progress of CPEC projects. India and US are the major rivals of China and both of the countries don't want penetration of China in South Asia. India is neighbouring country of Pakistan, that is a serious threat to CPEC project as it is also involved in state sponsored terrorism in Pakistan to

create chaos and to disturb the law and order situation in Pakistan. Major of the terrorist groups like TTP are funded by India to increase their attacks on Pakistan. Pakistan even caught one spy of India in Pakistan i.e. Kulbushan Yadhav. This clearly indicates that possibility of involvement of India in carrying terrorist attacks in Pakistan cannot be denied.

Likewise, Afghanistan is also used to carry out terror attacks in Pakistan. ISKP (Islamic State of Khorasan Province) majorly operates from Afghanistan and have taken responsibility of major attacks in Pakistan. This is evident from the fact that Pakistan agreed to carry out cross-border operations in Afghanistan to eliminate the non-state actors.

### Political Instability:

It has remained a major problem for Pakistan since very beginning. It is another factor of slowing down the progress of CPEC projects. According to the SBP, investors withdraw \$30 million from FDI (Foreign Direct Investment) after the ouster of government. After the ouster of government, the populist party called



for strikes all over the country and major roads of big cities like Islamabad and Lahore remained closed for many days that hurt the economy of Pakistan. Moreover, the recent election of 8 February, were said to be rigged by the opposition party and coalition government was formed. There were numerous clashes between form 47 government and one of the provinces of Pakistan in November, 2024. All of these circumstances are not favourable for completing projects of CPEC.

### People of Grawadar Showing Resistance To CPEC projects:

Resistance by the people of Grawadar is another reason of slowing down of CPEC projects. People of Grawadar are not satisfied with CPEC project going on in Grawadar, which is the biggest and most important project of Grawadar. It is due to the fact that their lands have been taken and profession of most of them was fishing, but trawlers from Karachi catch most of the fish and people of Grawadar are left with very few or none. They have a misconception that CPEC projects have taken their lands and profession as well.

## How To Re-invigorate The Project:

One of the foremost step taken by Pakistan is to clear the concerns of China that is a major hinderance in CPEC project.

### Security Problem Should Be Solved:

Both Beijing and Islamabad should cooperate and collaborate with each other to solve the security problem. Major steps should be taken to protect every Chinese nationals from attacks. Special CPEC police has been developed whose major role is to provide protection to CPEC sites and individuals. Pakistan has purchased submarines from China for defence against threats at sea. Pakistan should make sure that no another attack on Chinese individuals should be carried in future. The perpetrators should be caught and punished severely.

### Political Stability In Pakistan:

Diplomats from both the countries must sit together to solve the problems. Political stability must be ensured and it is a pre-requisite for the success of CPEC. Both opposition and government must sit together and dissolve all the problems between them through mutual discussion. Once stability is achieved, CPEC projects

will again gain momentum.

**Strict Stance Must Be Adopted By Pakistan Against State Sponsored Attacks From India:**

Pakistan should raise the issue of cross border terrorism in different platforms like UN and strict stance should be adopted that should include zero tolerance for state sponsored terrorism.

**People of Gwadar Should Be Made Beneficiary of CPEC projects:**

To appease the people of Gwadar, they should be made beneficiary of CPEC projects. Lands should be given to the displaced people in another area and the problem of trawler must be solved. Specific economic zones should be made in Gwadar so that it benefit the people. Recently, government inaugurated "Free zone Agricultural Industrial Park" in Gwadar that is a good initiative to solve the problems.

By and large, it can be concluded that both China and Pakistan should collaborate with each other to solve the problems that is hampering the success of phase II of CPEC project that revolves around.

energy sector, transportation sector and improving economy of Pakistan.

## Question No 2

Unprecedented change took place in Syria in December, 2024 when the rebel forces lead by HTS (Hayat-e-Tehreek Sham) the government of Bashar-al-Assad, within few weeks. There are numerous reasons of unprecedented change in Syria as it was not possible for HTS group to take over Syria in such a short span of time. It is said that it will affect Syria in future.

### Reasons of The Toppling of Assad's Regime:

→ HTS Supported By Turkey To Weaken SDF:

SDF stands for Syrian Democratic Forces and it is one of the rebel group just like HTS that is leaded by Abu Muhammad Al-Jolani - a sunni lead islamist leader. SDF and HTS have often been at odds with each other. In SDF, the number of kurdish ethnicities dominate and kords have been at war with Turkey

as they want an independent kurdish land.

So, to topple Bashar-al-Asad government

HTS was supported by Turkey so that they control major areas of Syria instead of SDF, that is against Turkish government.

However, no such evidence is present against Turkish government that they were involved in Regime change in Syria.

→ Decreasing Support To Syrian Government By Allies:

Bashar-al-Assad was a dictator who ruled for many years in Syria by using force against the rebel groups. The government was supported by Russia and Iran as they were allies of Syrian government. The Syrian government received financial and military aid from her allies to maintain control over Syria, but now both Iran and Russia are involved in wars in middle East and Ukraine and both have become financially weak. Iran and Russia cannot further afford to continue <sup>giving</sup> military and financial aid to Syria. So, it can be said that decreasing support from allies also contribute to the fall of Syria.

→ Increasing Strength of HTS:

HTS had been

working on improving their organizational strength and they worked on their weakness. They equipped themselves with modern weapons and trained themselves to face any kind of situation. Previously in 2010, they were crushed by Assad's government. Abu-al-Jolani gained strength and became more disciplined and emerged as defender of the Sunni Muslims in Syria.

### Internal Weaknesses of the Assad's Regime:

Internal weakness of Bashar-al-Assad's government also contribute to the fall of government. He remained in power using force against own people who protested against his government. Also, there were allegations on him about violating human rights in infamous "Sedyaana Jail" also known as slaughter house. As a results he lost support from his own people and international platforms.

### Implications:

#### Instability:

As there are number of rebel forces in Syria like SDF and HTS so it is possible that in future there maybe clashes

between them regarding controlling lands in Syria. The possibility of clashes is increased because of the fact that both of the groups i.e SDF and HTS had been involved in conflicts in past as well.

### Radical Government:

As HTS is a Salafi-jihadist group, so it is possible that in future they impose Shariah as law. This stance is one of the growing concern among international media, who are fearful that Syria may be another Afghanistan, because Afghanistan is also led by de facto rulers who are Jihadists. It can lead to the displacement of civilians who may not accept the government by rebel group.

### Vacuum For Israel:

After fall of Bashar-al-Assad's government vacuum is created for Israel to take over control in Syria. They had already captured "Golan Heights" in past from Syria. The current situation in Syria can provide opportunity for Israel to continue bombings and further attacks in Syria. Recently, Israel carried 480 attacks on Syria in just one day near border and Abu Musa Tolani has urged Israel to

stop attacks in Gaza as Hezbollah left the country and now there is no point for Israel to carry out attacks.

Increased Turkish Influence In Affairs of Syria:

It is said that Turkey played crucial role in supporting HTS, so it is possible in future that the influence of Turkey increases in Syria in its internal affairs. Some people are of the view that, Turkey will control some areas in Syria.

International Recognition Issue:

As HTS is a rebel group and it is might possible that many countries will not accept their govern-ment. The jihadist forces in Afghanistan are still considered as de-facto rulers of Afghanistan and are not recognized. So, same can be happened with Syrian rebel group HTS.

Sectarian Division:

The conflicts between Salafi muslims and Alawites may increase in future. Some scholars are of the view that, Salafi lead HTS group may persecute



and oppress Shia Muslims and Alawites, along with minorities like Christians.

The Shia Muslims are usually concerned about the shrine of Lady Zainab bint-e-Ali (S.A) as they have apprehensions that Salafi Muslims may harm the shrine of Lady Zainab that is Holy Land for Shias and Alawites.

On the whole, it can be concluded that HTS took control over Syria by the help of Turkey and decreasing support of allies to Bashar-al-Assad.

Apart from this, internal weakness was also a factor responsible for fall of Syria. It can have severe repercussions in the region like increasing influence of Turkey in Syria, increasing attacks from Israel, violent clashes among rebel groups and many more.