

PAART # IIQ42 Answer:

Introduction:

Whole world was shocked when the news from Damascus resonated that Assad has left the country and HTS rebel has taken control of the country after a week of fight. The Assad regime came to an end after the support of Russia ended. The Iran and its militia didn't come to help and the lack of legitimacy of Assad followed by geo-political game of Turkey and Israel led to downfall of Assad regime. This event has far reaching implications. It has led to rise of a terror grp and end of barbaric rule of Assad. The geopolitical influence of Turkey has expanded and the influence of Iran has decreased.

4) Reasons for the Fall of Assad regime:

i) Lack of legitimacy of Assad regime:

Since 2011 protests, and the following civil war, Assad regime had lost its legitimacy. He was staying in power only on the backing of its allies, Russia and Iran. The lack of legitimacy led to his fall as people came out in support of rebel groups.

ii) Lack of support of Russia:

As Russia was busy in its war in Ukraine, it can't offer much help to Assad. The Air support, which had kept rebels down during civil war, has eroded leading to their march on capital.

iii) Support from Iran backed militia ended:

Iran backed the regime through its militia and Hezbollah. As Hezbollah was destroyed and Iran ~~did~~ stop supporting militias in the country as it was busy in running a regional proxy war, the regime can't withstand the rebels alone.

iv) Backing of HTS by Turkey and other regional countries:

The HTS was armed and organized by Turkey and other regional countries. The volatile situation in Syria was a direct threat to peace and security of Turkey. Hence, they supported rebels to topple Assad and install a friendly regime, achieving depth

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B) Implication of downfall of Assad and rise of HTS:

a) Rise of a UN sanctioned terror group:

HTS, a terror org, duly designated by UN and US rose to power in the region. HTS was formerly allied with Al-Qaeda and fought against US and its allies. Now, they control a significant territory in the heart of Middle East.

b) End of Barbaric rule of Assad:

Assad was using brute force against its own people to remain in power. Amnesty International called Damascus and prison around it salughter house of human. Assad's regime has

also allegedly used chemical weapons against Syrians. with the fall of its regime, the barbarism may come to an end.

c) Expansion of Turkey influence in the region: rise of neo-ottomanism

As the Turkey backed HTS, rose to power, the influence of Turkey has expanded across the region. Turkey defense minister said in an interview that they are ready to provide military support to new regime. This expansion of Turkey across the region is termed by many as neo-ottomanism under the leadership of Erdogan.

d) Iran's Axis of resistance has been damaged:

Iran is a major loser in this geopolitical game, Iran over the year developed Axis of resistance, with Syria playing a major role. As it's now in hands of HTS the supply line of Hezbollah has ended and the militia grp may not work freely in the new state.

c) Possibility of peace in the region has increased:

As the civil ended and major powers defeated, some analyst believe that if the new regime embark on journey of forming inclusive govt the region may achieve long lasting peace.

Critical Evaluation:

The geo-political game played by Turkey followed by Israel dismantling of Iran's proxies has led to downfall of Assad regime. This may lead to expansion of Turkey's influence and open to casting peace in the country, as the civil war and barbaric rule of Assad has ended.

Conclusion:

The lack of support from Allies and lack of legitimacy of Assad in Syria led to its downfall. This downfall has many implications including rise of terror groups, end of barbaric rule and dismantling of Iran proxies in the country. The country can achieve peace & stability

if they form an inclusive government.

Q3: Answer:

Introduction:

State owned enterprises (SOEs) has remained a significant burden for Pakistan economy from past couple of decade. These SOEs are resulting in billions of losses resulting in huge fiscal deficit and budgetary constrain. There is a dire need of privatization of these SOEs however, they must be reformed before privatization. Moreover, the government must maintain the strategic enterprise and it can also achieve financial gains by outsourcing its management.

Reasons for the privatization of SOEs:

i) Huge Fiscal burden:

The loss making SOEs are huge burden for economy already struggling with lower Tax/GDP ratio. According to Finance ministry report, SOEs lost 2.4 trillion rupee in FY 22-23 and FY 23-24. This loss making is fund from budget creating burden on economy.

ii) Leading to unsustainable debt crisis:

These losses are funded through debt from domestic banking. The debt has reached unsustainable level. According to SBP report, Debt/GDP ratio stands at 78%. A major chunk of this debt is held by domestic sector.

iii) Inefficient energy sector:
a base for economy:

The energy sector is dominated by SOEs in form of DISCOs. These companies are inefficient. It has not only resulted in losses of over Rs 660 bn in FY 23-24 but also its service delivery is worst in the region.

iv) Greater role of government
in Economy:

The public owned companies have resulted in greater role of government in the economy. This led to create inefficiency in the market, as the government has advantage over other market player. Therefore, new player does not enter market as they can't compete with public companies.

B) Strategies to privatise SOEs:

i) Prioritizing local investors over foreign:

Among the SOE, certain enterprises are strategic means they play integral role in the economy of Pakistan. In these sector, local investors should be taken on board as the privatization of these sector may make Pak vulnerable to foreign influence.

ii) Out-sourcing management of DISCOs:

The privatisation of DISCOs is a tedious job. The market size is too huge and privatisation of these entities may not bring competition and efficiency as seen in case of K-electric. However, if management is

outsourced as done by Turkey in past. can result in better results.

iii) Reforming SOEs before privatisation:

SOEs must be reformed even before privatisation. The companies must be in some good shape to get due valuation in the market. The experience of privatisation of PIA has shown that ~~and~~ entities cannot generate due price.

iv) Raising funds through equity dilution:

Instead of selling whole enterprise, government must try to raise funding through equity dilution. It may allow

strategic partnership with bigger international companies by diluting certain equity to these companies. It will lead to growth and rise in stock prices.

v) Retaining strategic SOEs:

Those entities which play a significant role in economy of Pakistan must be retained. Entities like PSO and PRL which hold more than 50% of market share and allow govt to keep fuel flowing even in worst situations. These enterprises if privatized will make Pakistan vulnerable to foreign meddling.

Conclusion:

The economic burden created by SOEs and

the debt crisis created due to funding these losses has made the narrative strengthen that these SOE should be privatized. It can be achieved through equity dilution, management outsourcing and achieving financial viability before privatization to achieve due price. If carefully done these entities can not only earn good price but also overcome the burden created by these entities.

#8 Answer:

Introduction:

From past 4-5 years CPEC has slowed down. Multiple reasons are responsible for the slowdown of CPEC. Among them security situation in Pakistan has led to slowdown, where china

are targeted on multiple occasion. Moreover, political and economic instability has ~~has~~ also slowdown the progress. Also, bureaucratic red taping and questions over financial viability of projects also lead to slowdown of projects. These reasons can be overcome by reform, counter-terrorism strategy, expediting work on PEZ, and ensuring an efficient energy sector. Moreover, Beijing must utilize its diplomatic pressure on Afghanistan to overcome threats to CPEC. By adopting this pathway CPEC can be expedited.

A) Reasons for slowdown in the progress of CPEC:

a) Situation of security: a road block to progress.

The

Security situation is volatile in Pakistan from last 2-3 yrs. Recently, Chinese officials were targeted outside Karachi airport and 5 engineers died in Dasu attack. This has led to slow progress. Moreover, security situation in Balochistan, integral part of CPEC, is extremely volatile.

2) Political instability in Pakistan:

Political stability is essential for economic growth. Pakistan is going through severe political crisis from past several years. These political upheavals and change of office of PM has resulted in slowdown of projects.

c) Economic instability of Pakistan:

Pakistan is facing serious economic crisis including dwindling currency and Balance of payment crisis. This has resulted in downfall in overall economic activities. Most of time of the govt spend on achieving debt and roll overs rather than serious program on projects.

d) Questions over Financial viability of CPEC projects:

After CPEC installed power project, certain people has question its financial viability, as the extra installation of capacity has resulted in billions of losses to the exchequer. Hence, the upcoming projects like ML are seen with apprehension.

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e) Bureaucratic red tapism:

Another barrier to progress of CPEC is red tapism in Pakistan. For instance, Gwadar airport is inaugurated by PM of China but the planning commission presented a report that kickstarting aviation work still require 2 years of work, showing red tapism on bureaucratic side.

3) Way Forward to expedite progress on CPEC:

i) Ensuring political stability:

Political stability is essential for economic progress. Political parties must adopt dialogue over confrontation. They can ensure smooth political growth.

through a renewed Charter of democracy followed by a charter of economy. This will ensure stability and policy continuation, allowing smooth progress of CPEC.

ii) Overcoming security threat to Chinese officials:

As a major barrier is security situation, govt must adopt a holistic approach to overcome threats to Chinese officials.

It can be achieved by a renewed **NAP 2.0** and special ~~exp~~ security arrangement for Chinese officials.

iii) Expediting work on SEZs:

As the 2nd phase of CPEC has arrived. The SEZs must be estb. with full pace. The

work on SEZs are extremely slow. These zones are essential for 2nd phase as new factories will enter Pakistoni market.

iv) Reforming energy sector:

The energy sector forms backbone of economy. As industrialisation will progress in the next phase, it will require an efficient energy sector. Currently, Pakistan have highest tariffs and severe shortfalls during summer. Energy sector must be reformed to ensure smooth supply of energy.

v) Use of diplomacy by Beijing to overcome threats from Afghanistan:

The security threats in post-taliban era are mainly arising

measure in due time

This will ensure sm

from Afghanistan. Beijing has leverage over Afghanistan in post-withdrawal Era. Beijing must force Taliban regime to supporting terror across the borders. This can help overcome security crisis in the region.

vi) Developing single window operating mechanism:

A specific authority or a task force must be formed at federal level, which is duly empowered to look after all the projects around Pakistan under CPEC. It has the domain not only over project execution but also be empowered to order every department to take due measure in due time. This will ensure smooth &

fast program on projects.

Conclusion:

The CPEC projects has slowed down because of political and economic instability in Pakistan. The security situation and bureaucratic red tapism has also worked as a road block to program on CPEC projects. The govt. must take reforms to ensure political and economic stability followed with special security arrangement for Chinese officials. If these reforms take shape, CPEC can expedite and change fate of Pakistan.
