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Current Affairs PAPER

Question NO: 8

Introduction:-

The China-Pakistan Economic Corridor (CPEC), launched in 2013, is a flagship project under China's Belt and Road Initiative (BRI), aiming to improve infrastructure, energy production and economic development in Pakistan. Initially envisaged as a \$62 billion investment, CPEC was meant to connect Gwadar Port in Pakistan to China's Xinjiang region through network of highways, railways and pipelines. However, the momentum has significantly slowed in recent years due to various challenges.

Reasons for slowdown of CPEC Projects:

1) Security concerns and terrorism:

Security issues in Pakistan, particularly in Balochistan, have been a major hindrance. Separatist groups like Balochistan Liberation Army (BLA) have targeted CPEC related infrastructure & personnel.

Examples:

→ 2019 attack on Pearl Continental hotel in Wadar aimed at Chinese investors.

→ 2021 Dasu ^{bombing} Hydropower Project killing several Chinese engineers.

2) Economic instability in Pakistan:

Pakistan's ongoing economic crisis, high levels of debt and dwindling foreign reserves have undermined its ability to cofinance projects.

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Example:- The country's IMF bailout packages have limited the government's ability to invest heavily in CPEC.

3) Project Delays and Bureaucratic Inefficiency:

Red tape, lack of coordination between provincial and federal governments and inefficient decision making have caused delays.

Example:- Gwada's water & electricity supply projects delayed due to bureaucratic hurdles.

4) Shift in Political Priorities:-

Changes in government, especially following the end of the PMLN tenure in 2018 led to shifts in policy focus, causing a slow down in CPEC's progress.

Example:- PTI government focused more on transparency and renewed several agreements of PMLN.

5) COVID-19 Pandemic:-

The global Pandemic caused disruptions in labour availability, supply chains and project timelines.

Example:- ML-1 railway upgrade delayed due to pandemic.

6) Geopolitical Pressures:-

Increasing geopolitical tensions, especially between China and US and India have added pressure on CPEC.

Example:- India objects CPEC projects passing through Gilgit - Baltistan

Recommendations for re-invigorate CPEC Phase-II:-

1) Enhance security measures:-

Collaboration between Chinese and Pakistani forces and authorities to safeguard projects. Establish a dedicated CPEC Security force with advanced intelligence

Sharing mechanisms.

Example:- Special Security Division (SSD) previously deployed for CPEC needs to be reinforced.

2) Economic Reforms and Debt Management

Pakistan should seek diversified sources of investment and manage its debt effectively. Structural economic reforms, coupled with investment incentives, can alleviate financial burdens.

Example:- Public-Private Partnerships (PPPs) for CPEC projects.

3) Streamline Bureaucratic Processes:-

Establish CPEC Authority with power to fast-track approvals and reduce red tape. Improved coordination between federal and provincial governments is crucial.

Example:- Digitalizing approval processes and creating centralized project monitoring system.

4) Political stability and consistent Policies:-

Islamabad should develop a national consensus on CPEC to insulate it from political changes. Cross-party agreements can ensure policy continuity.

Example:- Forming parliamentary committee dedicated to overseeing CPEC progress.

5) Focus on Industrial and Agricultural development in Phase-II:

Prioritize the development of special economic zones (SEZs) and agricultural modernization projects to create jobs.

Example: Rashakai and Allama Iqbal SEZ can be fast-tracked to attract foreign investments.

6) Leverage Technology and Digital Connectivity:-

Incorporate smart infrastructure and digital technologies to improve project efficiency and transparency.

Example:- Building digital Silk Road as part of CPEC for e-commerce.

7) Strengthen diplomatic engagement:-

Both nations should actively counter misinformation and engage in proactive diplomacy to address international concerns.

Example:- Publicizing the socio-economic benefits of CPEC can mitigate geopolitical criticism.

Conclusion:-

The slowdown of CPEC projects is a result of intertwined security challenges, economic instability, bureaucratic inefficiencies and shifting political priorities. However, CPEC remains a transformative initiative for both Pakistan and China. By enhancing security, streamlining processes, ensuring political stability and focusing on economic zones, both countries can rejuvenate CPEC Phase-II.

References:-

- The China-Pakistan Axis: New Geo politics (2020) article by Andrew Small.
- Security concerns and the future of CPEC (2021) by Saeed Irtan Ali.

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Question No: 2

Introduction:

Syria has been in a state of civil war since 2011, triggered by the Arab spring-inspired protests against the authoritarian rule of President Bashar al-Assad. Over the years, the conflict has morphed into a multi-sided proxy war involving various factions including: Syrian government forces, rebel groups, Kurdish militias and extremist organizations. One of the most controversial factions is Hayat Tahrir al-Sham (HTS), an Islamist group that emerged from Jabhat al-Nusra, a former al-Qaeda affiliate. In a hypothetical scenario HTS has managed to oust Assad regime, which represent major shift in Middle East' dynamics. The reasons and impacts are discussed below.

Reasons for toppling of Assad Regime:

1) Fragmentation and Fatigue of Asad's Forces:-

After over a decade of conflict the Syrian Arab Army (SAA) and pro-Asad militias would likely experience significant fatigue, resource depletion and internal divisions.

Example:- long lasting conflicts like Soviet-Afghan war (1979-1989) demonstrates how persistent insurgencies can drain even well equipped state forces.

2) HTS Strategic Adaptability and Consolidation

HTS has shown capacity for strategic adaptability, transitioning from rigid extremist organization to become a more pragmatic political military force capable of governance and diplomacy. HTS' selective cooperation with other rebel factions also garnered broader support.

Example:- HTS's governance model in Idlib involved creating civilian councils to manage local affairs to get legitimacy among the population.

3) Decline of Russian and Iranian Support:-

Assad regime heavily relied on support from Russia and Iran. Any decline due to international sanctions, economic crises and other geopolitical dynamics weakened the regime.

Example:- → Economic strain in Iran after US sanctions.

→ Russia's involvement in Ukraine.

4) International Dynamics and Regional Rivalries:-

A potential shift in support from regional key players like Turkey and Saudi Arabia. Also the perception of Assad as a puppet of Iran incentivize Sunni-majority states.

Example:- During Yemeni Civil war, shifting alliances & external support influenced the balance of power between Houthis and Saudi backed government.

Impacts of HTS victory:-

1) Humanitarian Consequences:-

a. Persecution of minorities especially Alawites, Christians and Druze who supported Assad.

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b- Mass displacement of millions of Syrians due to fear of hardline Islamist rule.

2) Rise of Islamist Governances

Establishment of a theocratic state based on strict interpretation of sharia law. raises concern for civil liberties, gender rights and political freedom.

Example:

Taliban's return to power in Afghanistan in 2021.

3) Impact on regional stability:

a) HTS rule can complicate Turkey's relationship with Kurds leading to intensified military interventions along Turkish - Syrian border.

b) a power vacuum will be created that ISIS could exploit.

4) Geopolitical shifts:-

a) HTS's rule is a setback for Russia which has heavily invested in Syria to maintain influence in Middle-East.

b) Western Powers would face challenge of addressing an Islamist-controlled Syria while ensuring the defeat of more extreme jihadist groups.

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Conclusion:-

The overthrow of Bashar-al-Assad by HTS Islamist rebels represents a profound transformation in Syria's socio-political landscape. This outcome would be driven by factors such as the degradation of Assad's military forces, HTS's strategic adaptability and shifts in international support. However, the implications of such change would be far reaching, including humanitarian crises, sectarian conflicts and regional instability. The international community would face difficult choices in balancing security concerns, humanitarian assistance and geopolitical interests.

References:-

- "HTS and Governance in Idlib" Middle East Institute in 2019.
- Final Report: Syria Conflict. United States Institute of Peace, 2019.

Question NO: 3

Introduction :-

State owned enterprises (SOEs) in Pakistan have historically played a significant role in the country's economy. Particularly in sectors such as energy, transportation and banking. However, these entities have often become a substantial burden on the national budget due to inefficiency, mismanagement and chronic financial losses. Despite repeated attempts at reform, many SOEs continue to underperform, leading to economic strain and draining valuable public resources. To alleviate this burden some crucial steps are required.

Why Privatization is necessary:-

1) Financial Losses and Budget deficit:-

According to a report by the Ministry of Finance, cumulative losses from major SOEs such as Pakistan

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International Airlines (PIA), Pakistan Steel Mills (PSM) & Pakistan Railway amounted to PKR 1.2 billion in recent years.

2) Inefficiency and Mismanagement:-
state enterprises are often plagued by bureaucratic inefficiency, lack of innovation and political interference making them uncompetitive.

3) Increased debt burden:-
The SOEs forces the government to borrow more increasing the national burden and debt. In 2001 the accumulated debt related to SOEs accounted for 2.3% of GDP.

4) Resource Allocation and Competitiveness:-

SOEs require not only proper resource allocation but competitiveness to exist in present financial sector on its own feet and succeed.

How privatization Should be conducted:-

1) transparent and Strategic Approach.

A strategic approach, where the government identifies key sectors and entities suitable for privatization.

2) Public - Private Partnerships (PPPs):-

PPPs can be employed to leverage the strength of both sectors e.g energy sector.

3) Regulatory Framework:-

Establishing strong regulatory bodies is essential to ensure that privatization does not exploit consumers.

4) Phased Privatization:-

A phased approach to privatization can help mitigate risks and allow for adjustments based on outcomes.

Example :- Phased privatization of HBL in 2000s was a success.

Examples of Successful and failed Privatizations:-

1) Successful Privatizations:-

- a) PTCL Privatization in 2006 improved service delivery.
- b) UBL and HBL led to higher profitability.

2) Failed Privatizations:-

- a) Pakistan steel mills remains non operational due to political opposition.
- b) PIA face hurdles from student unions.

Conclusion:-

The privatization of state owned enterprises in Pakistan is necessary step to reduce fiscal burdens, improve efficiency and foster economic growth.

By adopting a transparent, phased and strategically planned privatization process, Pakistan can transform its loss making SOEs into profitable and efficient entities.

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Question NO 1-6

Introduction :-

The 29th United Nations Climate Change Conference (COP29) concluded in Baku, Azerbaijan with outcomes that have sparked significant debate. While some progress was made, particularly in establishing new climate finance goals, the summit faced criticism for its perceived inadequacies in addressing the pressing needs of vulnerable nations.

Commitments and Progress:-

A notable ~~commitment~~ achievement of COP29 was the agreement among developed countries to mobilize \$300 billion annually by 2035 to support developing nations. Additionally, the conference saw the ratification of a framework under article 6.4 of Paris

agreement establishing a UN-backed body to regulate international carbon credit trading.

Failures and Criticisms:-

1) Inadequate Financial Commitments:-

The agreed \$300 billion falls short of the demand of vulnerable countries that faces the brunt of climate impacts.

2) Lack of concrete support for small-scale farmers:-

Only 14% of global climate finance reaches small farmers with less than 3% dedicated to food systems.

3) Failure to address Fossil fuel phase-out.

The conference did not result in a renewed commitment to transition away from fossil fuels.

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ii) Geopolitical Tensions and Leadership Gaps-

The summit highlighted the fragility of multilateral climate cooperation, with geopolitical divides and anticipated policy shifts in major economies casting shadow over the negotiations.

Conclusions-

LOP-29 achieved some progress, particularly in setting new financial targets and advancing carbon market mechanisms, it fell short in delivering the ambitious actions necessary to effectively combat climate change.