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Q.No.3 State owned enterprises have been a huge and persistent burden ----- why and how they should be privatized?

### State Owned Enterprises (SOEs)

SOEs in Pakistan have historically contributed towards economic activity but over time many of these entities have become inefficient and loss-making ventures, posing a persistent strain on national budget. With massive losses, mismanagement and fiscal deficit the privatization of these SOEs is an imperative step towards economic stabilisation and efficiency.

### The Burden of SOEs on Pakistan's Economy

Almost 100 state owned enterprises were granted a bailout package of 1 Trillion PKR. Most prominent of these SOEs are NHA, Railways, PIA, Pakistan Post, DISCOs, National Steels Mill etc.

In the end of June 2024, PIA was facing about 400 Billion PKR loan. Subsidies of about 60 Billion PKR were granted to it in 2023-24. whereas subsidies of about 80 Billion PKR to NHA, 35 Billion PKR to Railways, 100 Billion to NSM and 200 Billion PKR to DISCOs in fiscal year 2024-25.

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largest amount was paid to NESCO and PESCO.

The Socialist government of 1970s in Pakistan, majority of the enterprises were nationalized, but in 1990s majority of the industries were privatized once again including textile, automobile, sports, leather and electrical under the SME development Authority.

Today almost all SOEs are indebted, PKR 1 TRILLION is annually injected to bail them out.

### Reasons

#### 1) Inefficiency & Mismanagement:-

Overstaffing due to political appointments and a lack of accountability results in operational inefficiency. Poor governance and outdated technology hinder productivity, making these entities unable to compete in the market.

#### 2) Fiscal Pressure on Budget:

Government's subsidies to support SOEs contribute significantly to budget deficit increasing public debt.

#### 3) Lack of Innovation and Competitiveness

State control discourages innovation and fails to foster competition, leading to stagnation and underdevelopment of services.

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## \* Why Privatization is necessary?

### → Reduction of Fiscal Deficit:

1 Trillion PKR would be saved every year, reducing the burden on national exchequer, allowing fiscal space for development priorities.

→ state expenses would be reduced by 1 Trillion PKR every year.

→ state would acquire reserves at least by 1 Trillion per year.

→ It would help improvement in state's performance.

### ⇒ Attracting FDI (Foreign Direct Investment):

This would increase investment from foreign investors not only bringing capital but expertise, technology and innovation, improving the service delivery.

### ⇒ Growth & Job creation.

a competitive private sector encourages economic growth, creating employment opportunities and contributing to GDP.

## \* How to Privatize SOEs?

SOEs like NHA, Railways and PIA should be privatized at top priority. At number two all DISCOs and then

NSM. But this should be done in a comprehensive way. First the financial health, liabilities and operational efficiency of SOEs ~~to set~~ should be evaluated to set benchmark for privatization. A phased approach should be adopted by starting with non-strategic SOEs and then gradually moving towards larger entities to ensure smooth transition. Involving reputable international firms and investors to ensure technology transfer and adherence to global best practices. Employees welfare should be protected with "golden hand shake" by offering compensation, retraining or redeployment programs.

Increase answer length

Pakistan's SOEs have become a burden on economy due to their inefficiency and mismanagement. Privatization is not only an option but a necessity <sup>more</sup> to enhance productivity and service delivery. However successful privatization requires strategic transparent and phased approach backed by regulatory reforms and public awareness. Through this Pakistan can transform its loss-making SOEs into drivers of economic growth & stability.

Conclusion:

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Part - II

## General Knowledge - II Current Affairs

Q. no 2

The HTS Islamic rebels have toppled down Bashar al Assad regime in Syria.....

### \*Introduction:

The toppling of Bashar al-Assad's regime by Hayat Tahrir al-Shams (HTS) represents a significant shift in Syrian politics and military trajectory. This development while signalling the end of decades of authoritarian rule, raises pressing questions about the stability, governance and implications of Islamist dominance in Syria.

### \*Background: History of the Conflict

Bashar al-Assad came into power in Syria in 2000 after his father Hafez al-Assad's death, who became the president of Syria in 1971 and ruled until 2000. Assad followed his father's footsteps and developed an authoritarian rule in Syria for more than two decades. This resulted in the Syrian civil war in 2011 after pro-democracy protests swept through Syria during the Arab Springs, threatening the rule of Syrian President Bashar Al-Assad. His violent suppression of protestors escalated into war between Assad's forces and opposition militia.

⇒ How did the Syrian civil war begin?

From 2006 to 2010, Syria suffered its worst drought in modern history. The

combined effects of the drought and pre-existing economic disparities under the Assad's regime contributed to the first non-violent pro-reform protest in 2011, riding the wave of Arab Spring uprisings. Divisions between the country's Sunni majority and the ruling Alawite elite were also a factor. Bashar's harsh military crackdown escalated tensions, and by September 2011 the peaceful protest turned into an armed eme-  
insur-  
gency.

Opposition militias began to form in 2011, and by 2012 the conflict had expanded into a full-fledged civil war. In late November 2024, as the government's support from military allies collapsed, it was unable to stave off a rapid offensive by opposition forces and on December 8 Assad fled the country and the HTS took control of Damascus, the Syrian capital. Opposition forces announced their victory on state television and Russian Ministry of Foreign Affairs confirmed Assad's resignation and his departure from Syria.

### Reasons for Assad's Regime fall:

1. Prolonged civil war and institutional weakening:

→ A decade of conflict:

The Syrian civil war (2011-2023) depleted the Assad's regime resources, devastated

infrastructure and fostered widespread public dissatisfaction.

### • Economic Collapse:

Sanctions, war-driven destruction and corruption left Syrian economy in shambles eroding the regime's legitimacy.

## 2. HTS's Strategic and Military Tactics:

HTS and other opposition forces backed by western powers such as US and Germany and local support from Turkey, Jordan, Israel and Saudi-Arabia has utilized their

- Guerrilla Warfare Tactics
- Territorial dominance

## 3. Public discontent and Regime Brutality

### • Human Rights Violation

Assad in his more than two decades rule killed, tortured, dispossessed and exiled million of its people. Widespread reports of use of chemical weapons, indiscriminate bombing and arbitrary detentions alienated the population.

### • Failed Governance

Assad ruled as an absolute dictator whose dis-interest in public grievances, coupled with nepotism and corruption, fueled resentment among the people.

#### 4. Declining International Support:

Iran and Russia have suffered a dramatic loss of influence in Syria and the region as a result of wars in Middle East and Ukraine, making it impossible to save Assad in 2024 as they did in 2014-15.

#### • Shifting Geopolitics

Turkey seems to have a winning strategy in Syria, opposing Assad while negotiating with its backers, hosting refugees, supporting the opposition politically and militarily has leverage in the region.

#### 5. Rise of Islamist Factions:

HTS emerged as a disciplined, organized entity compared to fragmented opposition groups (YPG and PKK), gaining local and international recognition as a key player.

#### Implications of HTS's victory:

##### • Regional Implications

The fall of Assad's Regime has completely disrupted the influence of Iran and Hezbollah, which has heavily supported and depended on Assad's Regime. It will also decrease sectarian tensions, reducing the risk of regional spillover conflicts.

• **Power vacuum in Syria**: could create regional instability and risk of Syria becoming a field for regional competition over hegemony, potentially creating more chaos and empowering extremist groups.



## • Geopolitical Shift:

Russia's loss of a key ally in the region reduces its Middle Eastern influence while the US and Europe must recalibrate their counter-terrorism strategies in the region.

Fall of Assad's brutal regime is a watershed moment in Syria's history, signifying the end of decade of authoritarian rule but also a critical period of uncertainty and potential instability.

HTS's ascendancy poses significant challenges for governance, stability and regional security with implications that extend far beyond Syria's borders.

Comprehensive international engagement and conflict resolution strategies are the need of the hour to prevent Syria following into depths of destruction and destabilization in the region. The

key international players like US should now work with regional players like Turkey to engage diplomatically towards a stable and inclusive governance model that contributes towards region's stability.

US

## QNO.6 COP29 Summit ended in Baku. Critically evaluate its failures and commitments.

The 29<sup>th</sup> conference of Parties (COP29) held from November 11<sup>th</sup>, 2024 to November 22<sup>nd</sup> 2024 concluded in Baku, Azerbaijan, with outcomes that sparked the debates among the stakeholders. While some progress was made, particularly in climate finance, the Summit faced criticism for perceived inadequacies and missed opportunities.

COP 29 was expected to deliver a global goal for climate finance that meets the challenge of the future. It failed to do so. Instead, it launched International carbon markets that create new loopholes for fossil fuel emitters.

### Failures of COP29:

COP29 is one of the series of summits held by UNCCC (United Nations Climate Change Conference) to curb the global impacts of negative climate change. But unfortunately, each year nothing much was achieved and it fall short of its commitments every year. This year, COP29, nothing was new ~~exp~~ except the outcomes were disastrous. Dubbed as the "Climate finance COP", COP29 failed to deliver an international climate finance target that is able to meet the challenges and financial need of the

Coming years. The results actively undermined climate justice and solidarity. COP29 also launched international carbon markets under the Paris Agreement, which created serious new loopholes for the fossil fuel industry and high-emitting States.

### • Climate finance: Too little, too late

The Global North governments were not willing to put on the table, the climate finance that was needed. A mere 300 Billion US Dollars per year was agreed, which is far too low, by 2035 whereas it would cost 455-584 Billion US dollars per year by 2030 of the countries of the Global South, the cost for loss and damages are not included.

### • Weak language of the conference

The other big issues is the weak language on who should provide the finance. The wording of the global goal <sup>was</sup> vague and non-committal. None of the formulation implied any clear obligation for the countries of the Global North to provide climate finance the form that was actually needed.

### • International Carbon Markets:

On the first day of COP29, within the framework of these Carbon markets, 'government and companies will be able to buy and sell CO<sub>2</sub> Certificate and thus supposedly offset their emission.

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The rules agreed in Baku for international carbon markets and emissions trading between countries are so weak and insufficient that they create significant new loopholes for the fossil fuel industry and high-emitting countries.

### Commitments:

#### - Climate Finance Agreement:

Developed nations pledged to inject \$300B annually by 2035 to curb climate change.

#### • Support for Small-scale Farmers:

Initiatives such as UAE declaration on Sustainable Agriculture were introduced to promote resilient food systems.

However, only 14% of global climate finance currently reaches small farmers with less than 3% dedicated to food systems.

COP29 in Baku yielded some advancements however perceived inadequate, coupled with lack of consensus on critical emission reduction strategies has led to widespread disappointment among developing nations and climate advocates.

**Q.No.5** Dollar and SWIFT being used as a weapon by US against the countries of the Global South. Critically evaluate how BRICS+ could .....

The United States has used the dollar's dominance in global trade and the SWIFT financial messaging system as instrument of geopolitical leverage, often imposing sanctions or financial restrictions on countries in the Global South. This has created economic vulnerabilities for these nations, prompting the rise of alternatives like BRICS+ (Brazil, Russia, India, China, South Africa and their expanded members). BRICS+ seek to counter-balance Western financial exploitation and establish a more equitable international financial system.

### Dollar and SWIFT as Tool of Western Leverage :

#### 1. Dollar Dominance

The US dollar is the world's primary reserve currency, accounting for over 60% of global reserve and trade settlement. Dollar reliance exposes nations to US sanctions, as transactions denominated in dollars often pass through US financial institutions.

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## 2. SWIFT's Role

The US and its allies leverage SWIFT to exclude targeted countries (e.g. Iran, Russia) from the global financial system, crippling their economies.

## 3. Global South's vulnerabilities:

Economies in the Global South depend on dollar-denominated trade and foreign exchange reserves. Sudden sanctions or financial isolation destabilize these economies, hindering growth and development.

Increase headings.

Increase answer length.

Add some charts for competitive edge