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Section II

Question no. 1

I. Introduction:

The power sector of Pakistan is the most crucial for the wellbeing of the country. The socio-economic future of Pakistan is dependent on its power sector. Currently, the energy sector is facing many problems like circular debt, Infrastructure losses, lower tariffs, decline in energy funds and loss of FDI. Although, Pakistan has surplus energy generation capacity due to Independent Power Generation projects and energy projects under CPEC; but, it is facing energy shortages due to the mismanagement of system by stakeholders. There is a need to revamp the system through energy shifts towards renewable resources, by increasing revenue generation, hydal power projects, Infrastructure building and, by Industrial and Agriculture sector growth.

II- Problems in Power Sector of Pakistan

Power sector of Pakistan is facing many challenges that reduce electricity availability, pollute environment and drop all the socio-economic indicators of country.

i- Circular debt due to improper tariff collection:

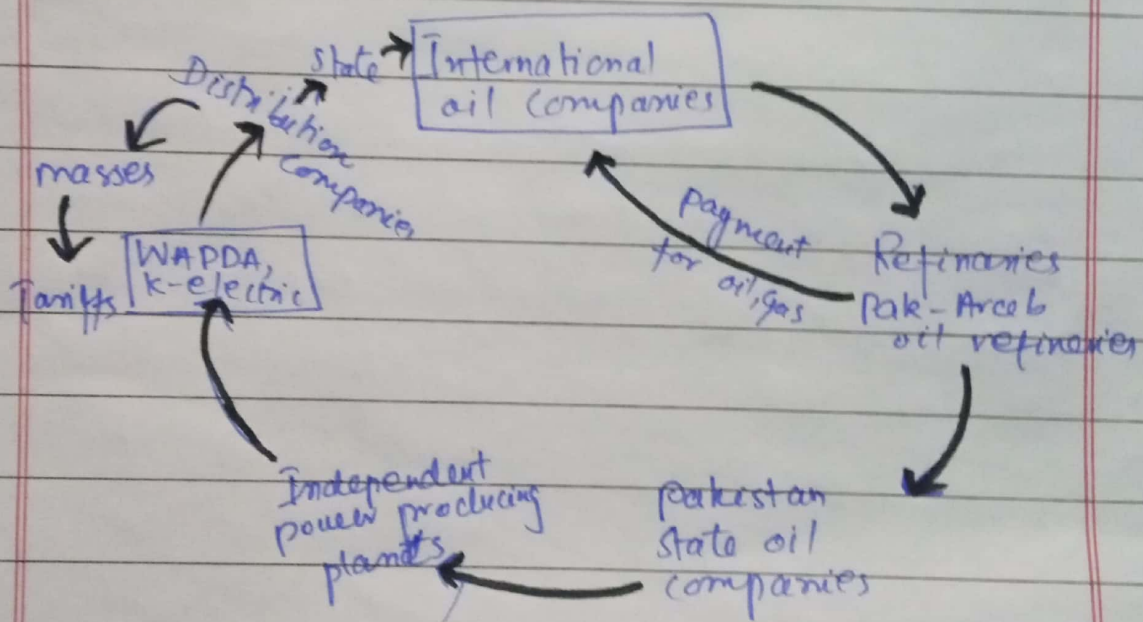


Fig: Mapping the system of circular debt

The companies cannot pay back money to the International oil and gas lender companies due to improper tariff collection.

ii- Privatisation of power sectors since 1994:

Most of the power generation in Pakistan held through independent units. In 1994, 31 MOUs signed with power generation companies. Pakistan state oil companies are under debt of these IPPs. They have to pay the fixed amount whether the energy is in surplus to be used.

iii- outdated Infrastructure:

Pakistan has energy in surplus but its infrastructure is weak and outdated. There are line losses, power theft, tempering with meters as a common practice among industrialist and masses in households. More than 25% energy is lost through line losses.

iv- Low grid distribution facility to Agriculture sector:

There is a problem in distribution of electricity to agriculture sector. They have to attach lines directly from feeder for getting high voltages. It reduces productivity of agriculture.

V- Use of non-renewable resources:

More than 70% of energy is generated through non-renewable resources. Recently, Pakistan has installed solar panels in Bahawalpur, the atmosphere of Bahawalpur is not suitable for them. It is a deserted area, high winds fill them with dust which uses huge water to be cleansed. Balochistan was the accurate place for them as sun light equally available there and the area is not desert filled.

II Reforms in Energy Sector of Pakistan:

1 Power Sector Economic Sustainability

Pakistan needs to collect more tariffs, reduce circular debt and enhance FDI. If tax evaders are brought to tax net power sector income will increase.

2 Construction of Hydro-power plants:

Pakistan should start construction of Kalabagh and Diamir Bhasha Dam. Although their cost has

increased three fold since the time they were actually initiated. But, it is the need of the hour that the major focus should be on construction of dams to store water and to meet energy need through renewable resources.

3- Oil from CARs countries: Tajikistan (Wakhan Corridor)

Pakistan can reduce transmission cost of oil through its buying from Central Asian Countries. Wakhan Corridor is the shortest route to the Tajikistan. Moreover, Pakistan can buy oil from Russia at low price for the time being.

† Pakistan state oil should revise its oil policy:

Pakistan state oil should revise its policy regarding tariff's collection. For instance, PIA and other state companies are under high debt of state oil. It enhances the circular debt trap.

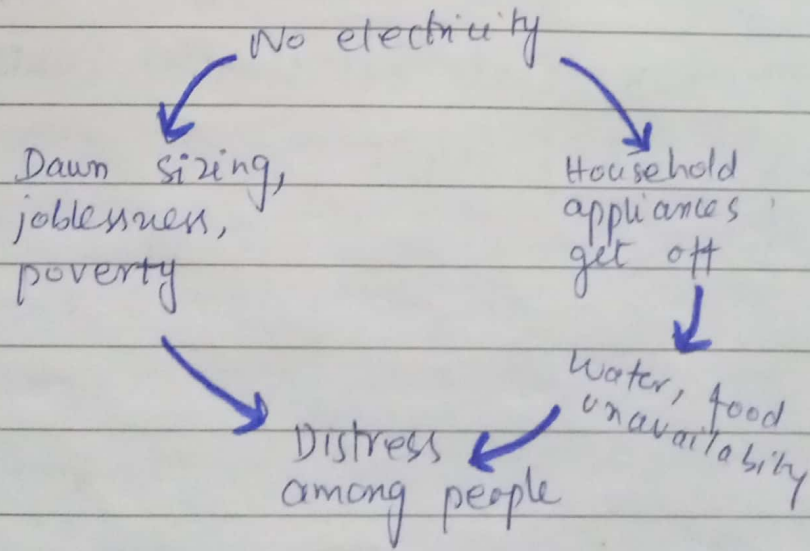
5- Increasing FDI, Energy usage grow and Industry still grow;

If for the time being, Pakistan is successful to reduce energy shortages. In longer run Foreign Direct Investment will increase. It helps to grow Industrial, textile and construction sector of Pakistan.

IV How Socio-economic Sector of Pakistan is linked to power Sector:

Social Sector:

i- Energy shortages lead to deprivation in masses:



ii- Education in Energy sector has huge potential.

Pakistan needs to give education in this sector. People get expertise and find ways to brush up existing system.

iii Poverty and unemployment:

Power sector is associated with poverty and unemployment. Agriculture, Industrial, textile, construction industries will start downsizing due to reduction in production and supply gap increase.

iv Economic Sector:

- 1 If power generation get surge, economic sector will grow; as a result political indicators will get better.
- 2 with textile and construction industry all major exports are associated.
- 3 Education and Employment facilities will get better.
- 4 Trust of international investors will increase.

Conclusion: In a nutshell, socio-economic future of Pakistan

Certainly lies with the power sector. State needs to improve the power sector infrastructure, reduce corruption and power theft. Similarly, it needs to increase renewable resources generation. The road to success is very simple and easy if stakeholders are committed to take pragmatic steps in this regard.

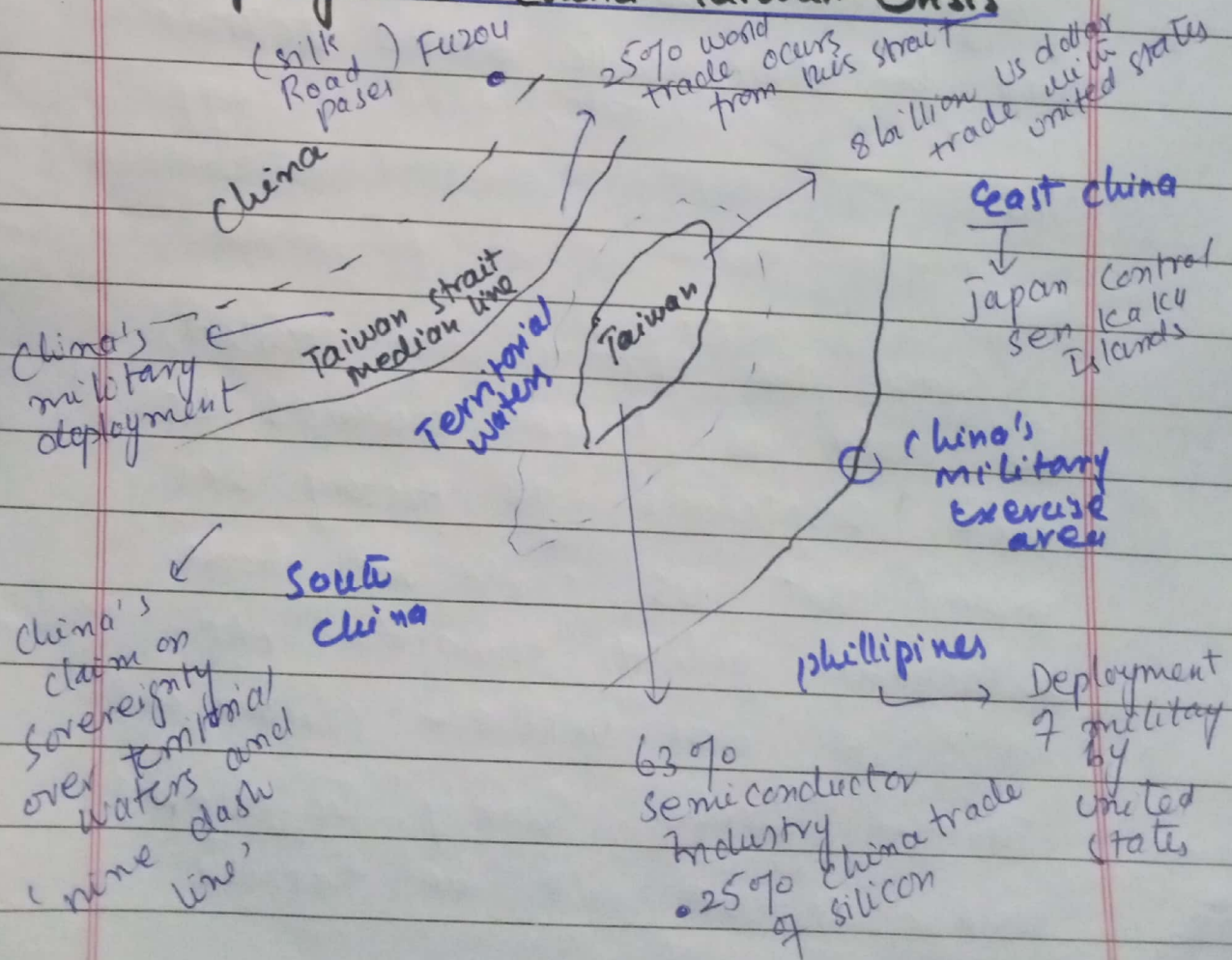
Question no. 3

Introduction:

Taiwan is a small state in Island like Hong Kong and Macao. China said, Taiwan is its own territory. As Taiwan lies in the territorial waters of China, by International standards, China's claim is right. However, Taiwan considers it an independent country and original China. The one China two systems policy implies that

China and Taiwan is one country but they exercise independent administrative structure. United States of America denies China's claim and support Taiwan on its claim of Independence. The tussle between them will have wide implication across the borders. This question will highlight the possible recommendations for that:

II - Mapping the China-Taiwan Crisis



III How US policy towards Taiwan is hurting it?

United States of America has stringent policy towards Taiwan as it cannot let it go in China's hand at any cost.

① Taiwan Protection bill 1979:

In 1979 US passed Taiwan protection bill. In which it highlighted that war on Taiwan will be war with United States.

② US policy to protect its allies is on stake:

Since the Ukraine war started, the world is looking towards US with suspicious eyes. History has proved that US could not have sustainable policy towards its allies. If war between China and Taiwan broke. Surely, the diplomatic image of USA will be tarnish.

① Taiwan crisis will be equated with Ukraine crisis:

There is no significant policy of US towards Taiwan since the outbreak of war between Russia and Taiwan. In case of Ukraine, the world will not trust US support towards Ukraine sustainable.

② USA's military deployment in Taiwan is a futile exercise:

The atmosphere of Taiwan Strait is very harsh. Half of the year, there were strong wind that have scourging impacts. And, in half of the year there were extreme snow. In that case to sustain Army is a tough choice.

③ China-Taiwan trade is on surge while USA's economy is declining

China trade 63% Industrial goods with Taiwan. There are 25% Commercial products trade between them. Moreover, CPEC

routes are close to the Taiwan Strait. Taiwan can become their port. The Economy of USA is on downfall due to Ukraine war. USA needs to equate its economy at par with China in Ukraine.

IV What could be the possible implications for world?

1 World is not at the stage of bearing any other war like setback:

Since the outbreak of Ukraine war, the economic, food, energy sector of world dwindled. Meanwhile, whenever, there is fully blown war, humanitarian losses are at peak.

2 Hongkong and Macao will also demand Independence:

In case of Independence of Ukraine, other areas in China will also demand independence.

It will not be affordable to China, as a result conflict will escalate.

3 Pakistan Can become the hub of Proxy wars:

History has shown that whenever allied countries of Pakistan fought, proxy wars in Pakistan started. For instance, in 1971, when Soviet Union attacked Afghanistan, Pakistan bore the brunt of conflict for years.

4 Humanitarian crisis will become norms: Terrorism and Extremism

Humanitarian crisis is the ultimate result of conflicts. Extremism and terrorism by sleeper cells rise. As a result not only states suffer, but the fire spread across the border. Not even environment can stay out of it.

Recommendations:

- ① One China, two system policy
- ② USA must withdraw from its policies: military deployment and threatening China, hegemonic intentions

⑥ ICJ using Article 36 (2) must negotiate with both parties and resolve conflict by mutual consultation

④ Resolve territorial water dispute.

International Convention of protection of seas 1982 : 12 nautical miles seashore boundary and 200nm Exclusive Economic zone.

Conclusion:

In a nutshell, the world should support one china, two system policy of main land china. As it is the ultimate solution to the china-Taiwan crisis. The USA has stringent policy toward china which must be abandoned. The counter the implications of scenario, the international organisation and community must play its part and take practical steps.