

## Q. No. 1

Socio-economic Future of Pakistan is Linked with Reforms in the Power Sector:

Energy sector plays a vital role in the economic development of a country that leads to social well-being of the people. Unfortunately, Power sector of Pakistan is the worst affected due to the poor governance policies and the expensive agreements with Independent Power Producers (IPPs). Poor treatment of Power causes leads to load shedding and expensive electricity generation cost. Inefficient power sector had put social cost on the state and economic challenges for people as well as country. Reforms in the power sector means reforming socio-economic future.

(i) How load shedding is a problem?

Pakistan has been facing persistent load shedding for the past two or more decades. In Summer, 2023

load shedding in the urban centre was 4 to 5 hours a day and 10 to 12 hours a day in rural areas, of Pakistan because of the overall short-fall was approximately 7000 megawatt.

### (a) Reasons of loadshedding

①

Less installed capacity from 2007-2016

②

Reduced electric generations from IPPs due to delay in receiving required money

③

Decline in dollar reserves that leads to not importing of required oil and gas

### (ii) IMPACTS of Load Shedding on Socio-economic future:

Due to load shedding minor as well as major industries production decreases but cos was increasing. Expensive electricity leads to the unemployment.

① → Shut-down of more than 200 industries. ~~the~~

② → More than 400,000 people lost their jobs due to closing of industries.

③ → The purchasing capacity of an individual decreases.

④ → When purchasing capacity decreases, it decreases the selling capacity which leads to the downsize of employee by seller.

⑤ → downsize of an employee. ~~it~~ leads to the unemployment which affects the domestic life of an individual.

⑥ → Due to high cost of electricity, 30 to 40% ~~of~~ salary of salary class consumed on bills ~~at~~ resultantly these families have to make compromises // on number of necessities of life

⑦ → Compromising the necessities of life leads to the decrease in standard of life resulted into the disturbing social fabric of country

⑧ → Disturbance in the social fabric of society directly affects the socio-economic future of the state.

(iii) How to Reform Power Sector?

As, Reforms in Power sector will secure the socio-economic future of Pakistan, it is necessary to take following steps.

(a) Re-negotiate the agreements with IPPs:

The agreements of 1994 and 2005 must have been re-negotiated long ago. But unfortunately, they were not until 2020 it was decided that no more capacity would be made to IPPs and local IPPs would be paid off in PKR. But

≈ 60% IPPs being installed in 2011 and 2015 and their time-period would complete in 2027-28

(b) More focus on endogenous and cheaper electricity generation

### Energy vision 2030,

→ 15000 MW from hydro-sources

→ Diamer Basha Dam would contribute 4500 MW

→ Dasu would contribute 4300 MW and 800 MW from Mumand

→ Per unit cost would be ₹5 pkr

→ 4500 MW from wind energy

→ 500 MW from civil nuclear projects

This vision must be fulfilled.

(c) Revamp the transmission lines:

Majority of lines are outdated.

They have expired yet again the government is using them instead of replacing those line in order to get rid of the 17% line loss.

It is an expensive but workable for the economic betterment of people and social structure.

(d) Resolve the problems of distribution sector

The writ of state must be stronger in order to overcome the electricity theft and other patterns. Government department should

<u>strict actions</u> <u>of non-payment</u> <u>of bills</u>	<u>Make sure</u> <u>timely payment</u> <u>of bill</u>
<u>Reduce electricity</u> <u>theft through</u> <u>check and</u> <u>balance</u>	<u>Privatize all</u> <u>the DISCOs</u>

(e) Proper functioning of Special Investment Facilitation Council (SIFC):

SIFC was announced by PM of Pakistan to ↓

• attract investment in the:

• → agriculture

• → Minerals

• → IT and other sectors.

The policy has series of opportunities to attract foreign investments and investor it must be properly functioned

## CONCLUSION

To cut the long story short, by reforming power sector through decreasing load shedding, IPPs issues, transmission and distribution lines problems the socio-economic future of Pakistan can be secured as this sector has potential to change the life standards of Pakistani populace.

## Q. No. 3

### 1:- ONE CHINA TWO SYSTEM POLICY:

It was policy adopted by Deng Xiaoping in late 1970s, for Hongkong and Macao the autonomous regions of China.

Under this policy:

each of the two regions could continue to have its own government system, legal, economic and financial affairs but defence, foreign policy and communication with China.

Xi Jinping wants to apply the same policy with Taiwan as according to him "all the islands with 9 dash line were the part of old China empire, so Taiwan is among those too."

Moreover, those nations that have accepted China have accepted Hongkong, Macao and

Taiwan are part of China.

Therefore, ~~Has~~ Taiwan is not considered as sovereign state rather an integral part of china even USA and UN had accepted this along with majority of countries in world.

## 2. US Policy towards Taiwan:

In 1950s US declared Taiwan as "US protectorate" means under the US security umbrella. It was made part of SEATO. But in 1978 USA changed its policy toward Taiwan and accepted China's sovereign rights over Taiwan but China would not invade Taiwan.

Now, Xi Jing Ping want Taiwan under "one China two system policy".

(a) USA participation in ~~Taiwan's~~ <sup>CHINA'S</sup> internal affairs: USA is repeatedly meddling in

China's ~~Taiwan's~~ internal affairs by directly interacting with Taiwan without the consent of China. For example, Taiwanese's President was invited in virtual democratic conference launched by USA.

(b) High officials invited by USA:  
USA also invited speaker of lower house Miss Nancy Pelosi, Deputy President of Taiwan recently visited Washington.

(c) Defence deals with Taiwan  
Trump signed a defence deal with Taiwan. Now, Biden has also signed the deal.

3:- How US policy towards Taiwan hurting China?

US mixed Policy in Taiwan is hurting China

because of the importance of Taiwan. Taiwan is important

because of :

- Semiconductor
- Strategic Importance
- Strait of Taiwan
- Busiest trade route
- Only accessible warm water route for China
- Defence point

(a) US Naval deployment in Taiwan:

US deployed its warships in Strait of Taiwan and Biden said "if China would attack Taiwan US would defend it".

(c) Confusing but alarming statements from US:

Later, Secretary of States, Pentagon and Whitehouse backtracked, Biden's statement and clarified <sup>from</sup> that "US still follow one China policy".

Moreover, it also comprehend that China should not "forcefully mainstream and attack Taiwan!"

## IMPLICATIONS:

The major implications of US movement towards Taiwan are

### (i) hurting china : a biggest economy

Hurting world largest economy will be a threatening point for world.

### (ii) Initiating war with largest army

China's Foreign minister said that "US is playing with fire" which means that China would not hesitate to enter in full fledge war with US if it would not changed its policy.

### (iii) Chip warfare:

Presence of polical hegmonie and economic hegmonie in Taiwan is

leading a chipwarfare in the region as Taiwan produces chips that are used in every technology.

## RECOMMENDATIONS

(i) Why US cannot afford war:

US cannot afford war because it is already stuck in two war fronts

(i) Ukraine

(ii) Middle East

(ii) Why China cannot afford war:

China cannot afford war because US, Europe and its other allies in region will impose sanctions on it.

(iii) Status quo: only solution

US and China should take things as they are.

(iv) Bilateral talks on UN forum

US and China should negotiate at the forum of UN about Taiwan issue.

(v) India : a third party solution

India has economic ties with China and political and economic ties with US and also a major economy after China in region. India should initiate talks with these hegemon.

## CONCLUSION:

To conclude,  
China has historical claim on Taiwan and US interference in China's territorial issues is hurting China. It will lead world to face biggest war of history. Thus, status quo is the only solution of this Taiwan, US, China issue.