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QUESTION NO: 07

⇒ Introduction:

Power sector of any state including Pakistan directly implicates the socio-economic domain of the country. Currently, the energy sector of Pakistan consists of a myriad of factors which have direct linkage with future aspect of social and economic affairs of the country. Thus, correct reform implementation in energy sector will bolster the other aspects of the state.

⇒ SOCIO-ECONOMIC FUTURE OF PAKISTAN IS DIRECTLY LINKED WITH REFORMS IN POWER SECTOR:

① Future of social sector linked with power sector reforms:

(i) Improved employment rate in country:
Reforms and transformation in power

sector will help to increase the current employment rate of Pakistan which currently stands at a rate of 47.6% according to International Labour Organisation.

Example:

Correct implementation of renewable energy policy 2019 will shift the focus of jobs to and open up new avenues for the workers to explore.

i) Improved provincial relationships:

One of the main reasons of provincial discord lies at the core of unequal power ~~the~~ distribution, and more importantly a major difference in profit disbursement to provinces.

Example:

Handover of the Distribution Companies (DISCOS) to provinces will help in ending of uniforming tariff policy, where a consumer at one place pays for the loss

or theft of power at some other place

(iii) Services sector improvement including
Health and education Sector:

Both health and educational sector will show improvement and strengthening with correct implementation of reforms in Power sector, through ^{decrease} improvement in circular debt and increase resource allocation to services sector.

Example:

The government has earmarked Rs 97.08 billion for education and other services ⁱⁿ this year 2023-2024 budget but the nominal increase of 5.5% is ~~meagre~~ ~~meager~~ meagre, but Pakistan spends around 38 US Dollar (USD) per capita which is much lower than other developing countries.

(iv) Access of resources to rural areas:

Right strategy adoption in power sector will guide the energy sector in 2023

expanding its ambit of resource distribution

Example:

Energy access to rural areas can be amplified with micro grid installation and inclusion of bioenergy and solar projects.

② ECONOMIC SECTOR IMPROVEMENT DUE TO REFORMS IN POWER SECTOR:

(i) Accelerating the investment from foreign stakeholders.

Carrying out the right strategy in power sector will strengthen the domain of economy leading to enhanced foreign direct investment (FDI) in the country. Currently 13.6% according to Pak Business Forum.

Example:

Incorporating diversification of energy mix will reduce the repercussions of oil price fluctuations affecting the economic sector of the country such as the ongoing Russo-Ukraine war has

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has spiked up the prices of oil barrel in the international market.

(ii) Privatisation of energy sector; minimising budget loss

Privatisation of power sector displays itself as one of the major accruing problem in today's situation. Privatization will help to address the burgeoning circular debt of the country while dismantling the vertically integrated monopoly in the country.

Example:

Vertically integrated KESCO should be privatised increase distribution capacity, improve financial response and minimise public sector budgetary constraints and expand revenues by divesting state owned companies.

(iii) Net metering in energy sector: alleviating economic burden:
To alleviate the burden on economic burden: budget of the country net/metered inclusivity of the consumers is required

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at the generation tier of power sector.

Example:

Encouragement of net metering through government regulations is required where consumers will generate their own energy and through renewable resource and sell excess back to grid.

(iv) Cost reduction in power sector.

improving the development of economy.

Monetary friendly approach in the state will help it to act as a push of economy towards the positive side while cutting down the expenses utilised in energy production.

Example:

With technological advancement, the cost of renewable energy generation continues to decrease, making it more affordable and competitive with traditional sources. The Tarbela 4th Extension Hydropower Project

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demonstrates cost effective hydropower generation.

(v) Shift ~~from~~ away from subsidy provision to private power sector:

One of the major economic burden on the country is in the form of providing subsidy to power sector of State. An inclination away from subsidising power sector will help in mitigating the corruption and incompetence of management in collection of bills.

Example:

A shift away from subsidy is one of the main standby agreement of IMF to make power sector financially viable and less of an onus on the power sector.

Hence, this step will help Pakistan to utilise financial avenues projected by monetary institutions.

Conclusion:

Socio-economic future of the country rests upon the initiation of reforms taken in power sector which will have positive ramifications. From upgrading of lifestyle to decrease in circular debt and enhanced Direct Foreign Investment, all are dependent on the reforms of power sector.

Question no:06

⇒ INTRODUCTION:

An upsurge in terrorism is recently scene all along the globe. In midst of this global wave of terrorism, there is an unprecedented increase seen in terror attacks carried out by TTP and ISKP in Pakistan. Inability of Tehreek e Taliban Afghanistan to suppress talibans from using Afghan land has led Pakistan's government to take austere measures against

the Afghan refugees in the country.

The simultaneous occurrence of the two events has pushed or manoeuvred the relationship between the two countries.

⇒ Pak-Afghan relation transformation in light of upsurge in terrorism and repatriation of Afghan refugees.

(i) Hinderance in fully capitalising the new economic opportunities.

Pak-Afghans relations has ^{deterioration} deteriorated in the light of terror attacks and expulsion of refugees. Simultaneous presence of two events have obstructed the economic growth potential of the region.

Example:

Formation and inclusion of Pakistan into Gulf Cooperation Council and Special Investment Facilitation Council can act as an impediment towards the ^{full} economic utilisation of economic potential by Pakistan

(ii) Bilateral relations at the breaking

point:

The deterioration of the relations between the two countries is fastly gaining pace and has reached a critical point.

Example:

Durand line issue has resurfaced with complete rejection of fencing from Afghan's side. This has direct implication towards the security regime of Pakistan.

(ii) Inability to exploit the mineral resources in the two-countries:

Khyber Pakhtunkwah Region of the country along with Afghanistan region is home to ~~more~~ an abundance of mineral resources. However, the escalating tension between the two countries has left the exploitation of resources in a handicapped position.

Example:

Large deposits of lithium in Afghanistan

has attracted potential investors including China. This series of resource exploration can be expanded to include the KPK region of the country. However, the ~~re~~ constrained relation that is present ~~to~~ restricts this investment while enhancing the animosity between the two states.

(iv) Formation of lacunae in the region to be filled by non state actors.

The presence of tension between the two countries has left a space in the region acting as an invite for the non state actors to acquire.

Example:

India can grasp this opportunity to exert and push it's strategic depth policy in Afghanistan to instigate ~~ret~~ regional instability with Afghanistan

Conclusion:

The presence of repatriation of refugees in the state and terrorism has pushed the

two countries to take steps required
for their own leverage but overall the
relationship between the two countries
is escalating towards tension which requires
basic steps to be taken to strengthen
foreign policy with Afghanistan