

Part-II

Question no. 2:-

-(Taiwan Conflict)-

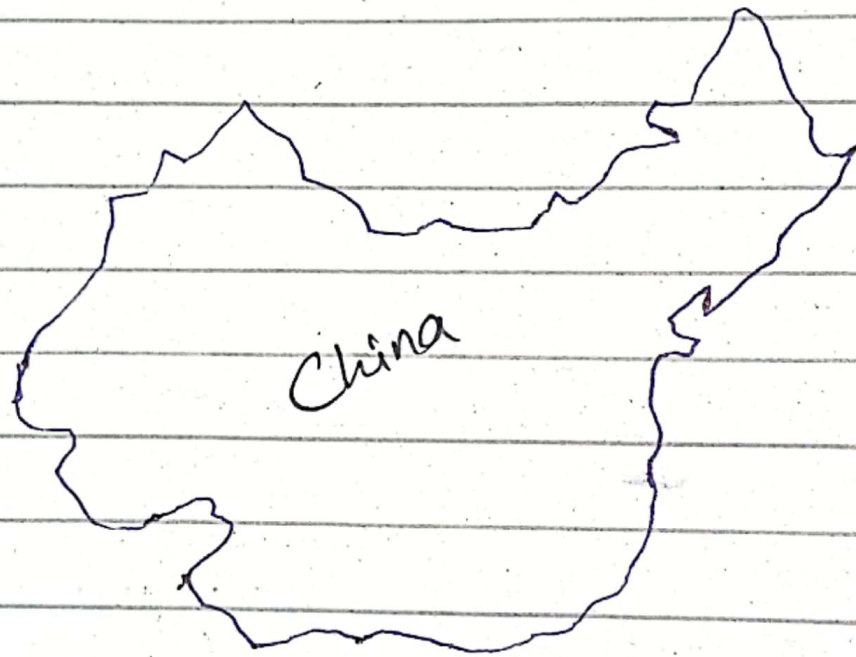
1) Introduction:-

The Taiwan conflict between China and the U.S centers around Taiwan's status as a self-governing entity that China views as a breakaway province. The U.S supports Taiwan through arms sales and the diplomatic relations. This support is seen by China as interference in its sovereignty. Historical context, One-China policy, economic factors, etc are few reasons of Taiwan conflict between China and USA. These issues must be avoided for regional stability and relations between China and USA. These issues can be resolved by following peaceful policies for the better relations between the both countries.

2) Reasons of the conflict:-

The Taiwan conflict involves complex geopolitical tensions primarily between China, Taiwan and the United States. Here are some key reasons for the conflict:-

a) Strategic importance:-



Taiwan

Taiwan is critical in regional security and trade routes, making it a focal point for U.S. interests in countering Chinese influence.

b) Historical context:-

After the Chinese Civil War in 1949, the Kuomintang retreated to Taiwan, leading to a separate governance that China considers a breakaway province.

c) One-China Policy:-

China views Taiwan as part of its territory and seeks reunification. The U.S. acknowledges this policy but maintains unofficial relations with Taiwan.

d) Regional stability:-

The U.S. aims to deter Chinese aggression in the Indo-Pacific, which involves maintaining Taiwan's status and supporting its democracy.

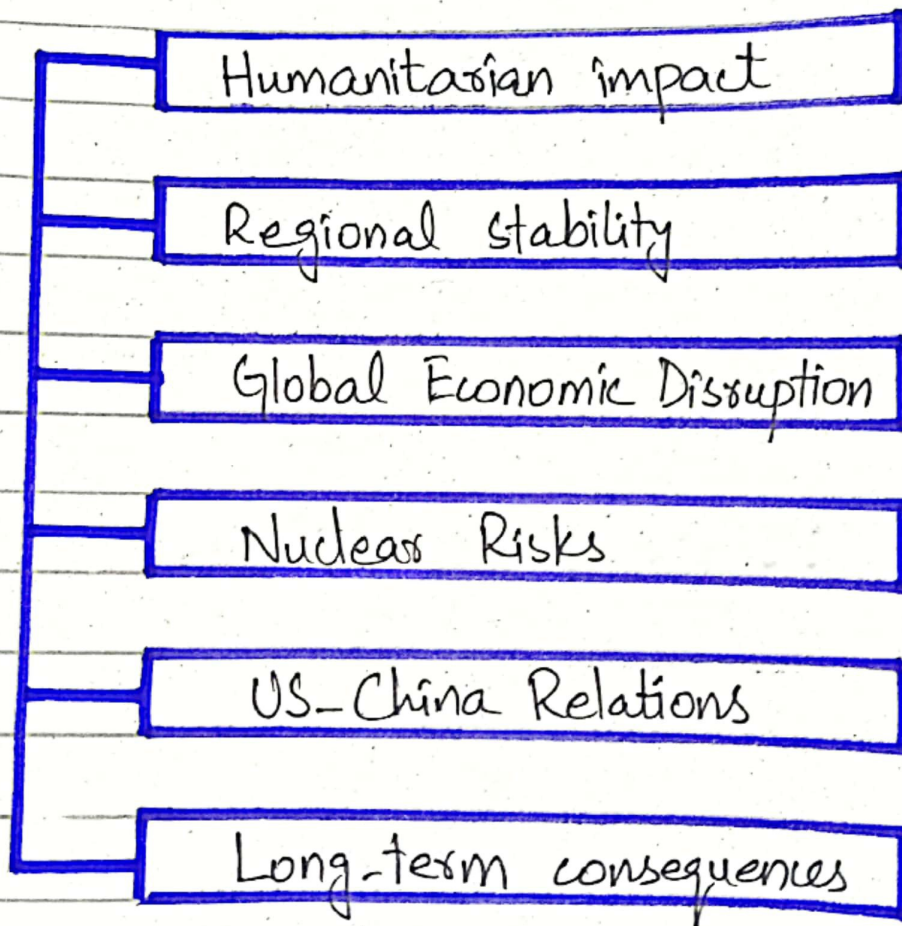
e) Military presence:-

The U.S. supports Taiwan's self-

defense through arms sales and military cooperation, which China perceives as a threat to its sovereignty.

3) Need to avoid conflict:-

The taiwan conflict must be avoided for several reasons:-



4) Way forward to avoid conflict:-

Avoiding the Taiwan conflict between the China and U.S. requires strategic approaches:-

i) Diplomatic dialogue:-

Establishing consistent and open communication channels can help manage misunderstandings and reduce tensions.

ii) Mutual Agreements:-

Developing frameworks that respect Taiwan's autonomy while acknowledging China's concerns could create a more stable situation.

iii) Crisis Management protocols:-

Establishing protocols for de-escalation during crisis can help prevent military confrontations from spiraling out of control.

iv) International collaboration:-

Involving other nations in the discussions can provide a broader perspective and facilitate a multilateral approach to peace in the region.

v) Promoting peaceful narratives:-

Encouraging dialogue that emphasizes cooperation over competition can shift public sentiment and policy priorities toward peaceful coexistence.

5) Conclusion:-

The Taiwan conflict between China and the U.S is rooted in historical, political and strategic factors. This rivalry can be eliminated by using effective policies for the regional stability and peace. If both countries engage themselves in peace-keeping policies, the China-U.S relations will be better.

Question No. 3:

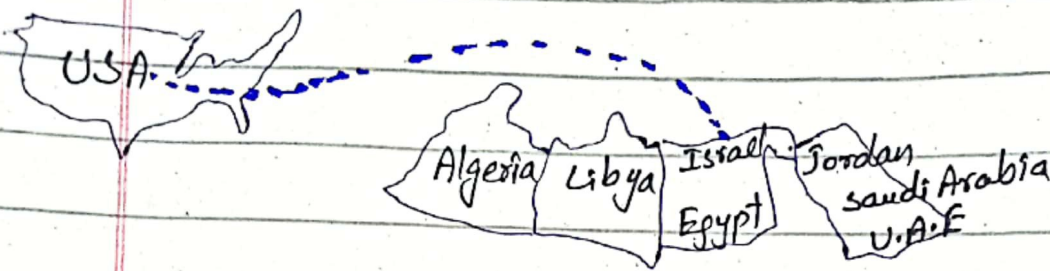
(Support of US for Israel)

1) Introduction:

The U.S supports Israel through a comprehensive framework that includes substantial military aid, providing advanced weaponry and technology. Collaborative efforts in defense technologies and cybersecurity strengthen their security and strategic partnership reinforcing Israel's position in the region. This unconditional support of US for Israel affects its image in Arab countries in various ways, which includes regional alliances, impact on diplomatic relations and undermining peace efforts, etc. In addition to affecting its image, US is providing space to China and Russia to penetrate into the Middle East by helping Israel to attack on Palestine.

2) Image of US in the Arab countries:-

The unconditional support of the U.S for Israel significantly impacts its image in the Arab countries in several ways:-



2.1) Perception of Bias:-

Many Arab countries view U.S support for Israel significantly as biased, reinforcing the perception that the U.S is not an honest broker in Israeli-Palestinian conflict. This can lead to skepticism regarding U.S intentions in the region.

2.2) Fueling Anti-American Sentiment

Unconditional support is often associated with U.S complicity

in actions taken by Israel that are viewed as oppressive toward Palestinians. This can fuel Anti-American sentiment among Arab countries.

2.3) Impact on Diplomatic Relations

Arab governments may feel pressed to align against the U.S. due to popular domestic sentiment, which can strain diplomatic relations and hinder cooperation on broader issues.

2.4) Stalling Peace Efforts:-

U.S. backing of Israel may be seen as undermining peace initiatives, making it harder to achieve a resolution to the Israeli-Palestinian conflict, which is critical for many Arab states.

2.5) Regional Alliances.

The United States' support for Israel can drive Arab nations close together in opposition to perceived Western imperialism, potentially fostering alliances among countries that might otherwise be at odds.

3) US support provides space to China & Russia

US support for Israel creates opportunities for China and Russia to increase their influence in the Middle East in the several ways:

i) Perceived Power Vacuum

As some Arab nations feel marginalized by U.S. policies, they may seek alternative partnerships with China and Russia, viewing them as a counterbalance

to U.S. dominance.

ii) Economic Partnerships:-

China's Belt and Road Initiative and Russia's arms deals offer attractive economic and military alternatives for Middle Eastern countries, fostering closer ties with these powers.

iii) Political Alliances:-

Countries disillusioned with U.S. support for Israel may turn to China and Russia for diplomatic backing on regional issues, enhancing their political leverage in region.

iv) Security Cooperation:-

Russia has positioned itself as a key player in regional security matters, often siding with the governments like Syria, which can

attract nations seeking military and political support.

v) Multipolarity Appeal:-

The growing inclination for a multipolar world allows Middle Eastern countries to diversify their international partnerships, reducing reliance on U.S and fostering with China and Russia ties.

4) Conclusion:-

Israel is attacking on Palestine in an uncontrolled way and U.S is supporting Israel which is deteriorating the image of US in Arab countries and it is providing chances to penetrate in Middle East for China and Russia.

Question No. 5:-

—(SCO conference)—

1) Introduction:-

Pakistan has conducted a successful Shanghai Cooperation Organization (SCO) in October 2024 at the city of Islamabad. It was a significant event focused on regional cooperation and security. This conference addressed many issues such as counter-terrorism, economic collaboration and the enhancement of trade ties among member states. A pivotal role played by Pakistan as a host and the conference provided a platform for member states to reinforce their commitment to multilateralism and address geopolitical changes and challenges, further solidifying Pakistan's strategic importance with the SCO framework.

2) Major takeaways for Pakistan in SCO conference:-

Following are the major takeaways for Pakistan in SCO conference:-

a) Regional Cooperation:-

Emphasis on enhancing collaboration among member states on security, trade and economic development, which aligns with Pakistan's interests in fostering regional stability.

b) Counterterrorism Initiatives:-

Continued focus on collective counterterrorism efforts, which is crucial for Pakistan given its security challenges and the need for regional support.

c) Economic Connectivity:-

Discussions on improving economic

ties and infrastructure development, particularly through initiatives like CPEC.

d) Geopolitical Alignment:-

Strengthening ties with member countries, particularly China and Russia, amid evolving geopolitical dynamics, providing Pakistan with alternative diplomatic and economic partnerships.

e) Support for Sovereignty:-

Reinforcement of principles related to national sovereignty and non-interference, which resonate with Pakistan's foreign policy objectives.

3) Recommended measures for Islamabad to follow:-

Following the SCO conference, Islamabad should consider the

following measures:-

i) Strengthening Regional Partnerships

Actively engage with SCO member states to enhance bilateral and multilateral relations, focusing on trade, security and economic cooperation.

ii) Enhancing counterterrorism collaboration

Implement and promote joint counterterrorism initiatives, sharing intelligence and best practices with SCO members to combat regional threats.

iii) Promoting economic connectivity

Pursue projects that enhance the infrastructure and trade links, particularly leveraging initiatives like the CPEC to boost regional economic cooperation.

iv) Diplomatic Outreach:-

Launch a campaign to promote the outcomes of conference domestically and internationally, enhancing Pakistan's image as a cooperative regional player.

v) Infrastructure development:-

Invest in infrastructure projects that enhance connectivity, such as roads and railways, to facilitate trade with neighboring countries.

4) Conclusion:-

The last conference of SCO in Pakistan was beneficial for the development and security of all member countries. By following the recommended measures, Islamabad will be capitalized on the conference's momentum and strengthen its role in regional dynamics.

Question No. 6:-

Expensive agreements with IPPs

1) Introduction:-

Pakistan is facing energy crisis due to the less availability of energy. The massive increase in electricity prices having far reaching implications on industry, domestic and other sectors are due to expensive agreements with IPPs, dependency on hydrocarbons and other losses in transmission and distribution sectors. The problem of energy crisis can be resolved by planning energy-effective policies and implementing on these policies for environment-friendly energy availability. These policies are required for preventing the effect on economy of a country due to energy crisis.

2) Reasons of expensive electricity in Pakistan:-

Several factors contribute to high electricity costs in Pakistan:-

- a) Energy Generation Mix
- b) Circular debt
- c) Inflation and currency devaluation
- d) Expensive agreements with IPPs
- e) Electricity distribution and transmission
- f) Subsidies and Pricing policies

a) Energy Generation Mix:-

A reliance on imported fuels and a limited share of non-renewable sources increase generation costs.

b) Circular debt:-

Accumulated debt in the energy sector

creates financial stem strain, resulting in higher tariffs to cover losses.

IMF conditioned the provision of loan to Pakistan with the increase in per unit price of electricity.

c) Inflation and currency devaluation:-

Rising inflation and the depreciation of the local currency increase the cost of imported fuels. Fuel prices would be increased in Pakistan, more than **60%** of electricity is produced by fuel. IMF conditioned for provision of loan to make rupee devalue also.

Hydrocarbon is purchased in **dollars**. IPPs are also paid in dollars whereas rupee devalued against dollars.

d) Expensive agreements with IPPs:-

IPPs produce electricity from hydrocarbons. These were installed in

1994, 2005, 2011 and 2014. The more increase in demand, the more the IPPs got installed.

In Summers, the demand is on the peak as in July 2023, it was around **28000 MW.**

In winters, the demand reduces as in January 2023, it was reduced by 50% upto **14000 MW.**

IPPs are also being paid in dollars if they are external ones. But in case of locally owned IPPs, they are being paid in pkr.

Unfortunately, local paid in dollars that results in decline in dollar reserves.

e) Electricity distribution and transmission:-

The total loss in transmission and distribution system is approx. **33%.**

The transmission system of Pakistan is seriously outdated. Majority of them got expired. Secondly, these

are some problems also in the distribution system. One of the major reasons of increase in electricity prices is electricity theft. In Pakistan, there is no single city where the electricity theft is not reported.

e) Subsidies and Pricing policies:-

Government subsidies are unsustainable and lead to periodic price hikes when adjustments are made.

3) Way forward to control energy prices:-

Lowering electricity prices in Pakistan involves addressing various structural, economic and technological challenges. Here are some solutions:-

i) Updating transmission lines:-

Though it is an expensive process but the country is in dire need

of changing outdated transmission lines. The local transmission and broader network NTDC needs to be changed.

ii) Diversifying energy sources

Invest in a mix of renewable energy sources such as solar, wind and hydropower to reduce reliance on expensive fossil fuels.

iii) Enhancing energy efficiency

Promote energy efficiency programs for industries and households, encouraging the use of energy-saving appliances and practices.

iv) Improving grid infrastructure

Upgrade and modernize the electricity grid to reduce transmission losses which currently account for a significant portion of wasted energy.

v) Encouraging private investment

Create a favorable environment for private sector investment in

energy generation and distribution, increasing competition and efficiency.

vi) Renegotiating agreement of IPPs:-

The agreements signed in 1986, 1991, 1994, 2002 and 2005 should have been negotiated but unfortunately delay was made by successive governments. Until 2020, when these were renegotiated no more capacity payments, local IPPs would pay off in PKR. But it has solved problem maximum by 40%.

4) Conclusion:-

Energy crisis in Pakistan is one of the biggest problems which undermines its economy. The need of the hour is to follow the best possible strategies of controlling this issue so that Pakistan will have a better and global future.
