

Current Affairs Test-3

Q No 1:

State owned enterprises:

State owned enterprises (SOE's) are those nationalized institutions and enterprises that run under the surveillance of state. Globally the idea of state own enterprises are litted towards the communist states majorly.

The outcome and governance of these SOE's are not as competent as private enterprises possess. In contrast SOE's are found more benificial on terms of employment.

The major communist state such as China and Russia has already understood these contrasts of both sectors and by time they guided towards privatization. In Pakistan's case SOE's are proven to be a burden specially from last decade.

There is an urgent structural adjustment- is required to alter this burden.

Major SOE's of Pakistan:

① PIA:

Pakistan International Airline has a dynamic history. It was the leading airline during 1960's and 70's. It has helped many fellow countries in improving their airline industry. The fall of PIA was majorly noticed in start of 21st century. Firstly it has stopped in advancing its technologies with the moving global system. Secondly the over-employment has been another primary reason of its downfall.

"39 members of staff
is potential enough
per plane (global avg).

PIA has 300+ employees
per airplane"

This over employment on the influence of political governing parties added in the decline of its SOE's.

Pakistan Railways:

The fundamental setup of Pakistan Railways was established by the colonial Britishers. The railway sector is running in Pakistan since its independence. The lesser accountability and poor governance made railway sector far behind the advanced railway setups of the world. Some of the major causes of Pak-Railways failure are that it also was the untimed sector of over employment. Secondly the technology / engines used by the railway sector are outdated as compared to the modern world. Lastly the infrastructure the railway tracks are expired due to their age and usage. These all factors aided in higher cost of railway sector and lesser income which create a major gap in its yearly financial statements and this gap was constantly filled by the subsidies of the government.

Pakistan Steels Mill:

Pak-Steel mill was established as a SOE in 1970's under the era of Zulfikar Ali Bhutto with the help of USSR at that time. This enterprise has also seen a rise and then a bad fall. This enterprise was very profitable during its early time period. It contributed a lot in the betterment of Pakistan. It generated employment and was one of the leading steel producers of Asian region. With age it also tilted its output in decline. The profit turned into deficit. The state made it run for a decade on subsidies. The major subsidiary for Pak-Steel mill for a single fiscal year was more than 3 billion PKR. The burden was continuous so that's why the state has decided to shut it down in 2016-17 fiscal year.

Positive SOE's:

In contrast to these burdened SOE's Pakistan state oil has remained profitable all the time

PSO:

The state owned oil sector of Pakistan has remained benefited for all the time due to the better policies and governance.

It has lesser number of employees as compared to the above three.

The global oil market rates are majority higher in developed countries as compared to Pakistan.

but still PSO has remained profitable of Pakistan all over

the time. This makes the state

think that if managed well

and governed by the competent department the SOE's can turn

themselves into profitable sectors

as well.

Why should these enterprises needed to be privatized:

The need of privatization is emerged to turn these loss making sectors into profitable.

Role of IMF:

The 23rd loan that has been passed by the International Monetary Fund in the year end of 2024. The **SAP's** are the requirements that the current government needs to follow. These structural adjustment programmes suggest the current government to

- ① Make tax collection better
- ② Privatized loss making SOE's
- ③ Decrease the currency rate control
- ④ Minimize subsidies
- ⑤ Alter public policies

These adjustments are conveyed by the IMF team to make the industrial sector of Pakistan profitable and help it in covering its ballooning fiscal deficit over the time.

Attempts of Privatization:

The emerging need of privatization is ~~can~~ making the government to take some steps to reform their structural loops. That's why Pakistan is trying to privatize its maximum loss making SOE's.

PIA:

The attempt to make PIA private was failed in year 2024 due to the low bid as compared to the states valuation. The bid of 85 billion was far lower than the states expectations.

Pak-Railways:

The government is in mood to make their railway sector private too as the private train companies are in profit that are run by the partnership of private companies.

Islamabad Airport:

The deal with Turkish company also failed as they also bid less for the running management of Islamabad Airport.

Steel Mills:

Multiple attempts were made to privatize steel mills but deals weren't able to break due to the less bids and demands of the private companies of downsizing the employees. Few times the employees made outrage at many points in Kharachi for securing their jobs. This is making the government to remain silent on the issue of unemployment of almost 20,000 people of steel mills.

Conclusion:

There is immense need of privatization for better governance and outcomes. The attempts of privatization are continued by the government and these attempts ratio was increased after the requirement on SAP's of 23rd IMF loan bailouts.

Q3:

Introduction:

The issue of Balochistan has remained constant from many decades. The reason behind this is the history of inequality with Baloch people from a long time. The ratio of Balochistan is always minimal in all the resources generated in Balochistan. The Rehadek, Sundaik, Gawader port, Sui Gas and few other mining sectors. The people of Balochistan demanded their owned shares from all these sectors in term of economy, jobs and developments. but the state failed to do so. The insurgency or venue of separatist movement has peaked in contemporary time period. The year 2024 turned out to be the most deadliest one for the military of Pakistan as it faced many casualties in Balochistan.

What is the issue :

There are many issues that make the surge in insurgencies in Balochistan.

① True Representative:

Balochistan has never seen any legal elections all of the time. The leaderships came for the Baloch people was always came in power with a deal with the establishment and centre. This reason made very much ratio adding in the separatist people.

② Under development:

Balochistan has remained the most backward area of Pakistan since its creation. The reason is not the separatist from the whole time. Without the surge of separatism Balochistan still was a underdeveloped province in

whole history. The NEET ratio tells about the inequalities the Balochistan has been facing.

NEET: Not in education, employment or training. The percentage of all the districts of Balochistan is almost 50% or above 80%.

Which depicts the situation of Baloch people. Half of the youths is free from all the good activities of education, employment or training. This creates opportunities for the separatist organizations.

⑤ Structured separatist organizations

The rise of structured hierarchical organizations in Balochistan making the separatist movement a directional one. The organizations consisting BLA, BLF, BRA, BRAS, Mejeed Brigade, Zatab and many more. All these organizations are emerging to be well trained and well planned. Some hold the hierarchy

of intelligence, some fight in front some do involvement in educational fronts some are the self bombed attackers.

④ Support from Enemy Nations:

There are all emerging majority after the US exit of Afghanistan which allows the enemy nations to support these separatists from the porous border of Pak-Afj. The support made these separatist stable in economic strategic and weaponized abilities.

Reason of Separatist movements

↳ SUI gas was discovered in 1952 in Dera Bugti district.

↳ Rehodik and Sandak these bolts were discovered in 1970-80's in Chaghi district of Balochistan

↳ CPEC (China Pakistan Economic Corridor) deal was happened when Xi Jing Ping visited in 2013.

↳ IRAN border was major contributor for the economic stability of the Mekran division people. (Shadow Economy)

What Baloch People got:

After all these major discoveries of resources what-treatment the people of Balochistan got.

Sui Gas:

State made deal with the feudal leaders of Deos Bayt by providing them some personal benefits and strategic pressure and dealings. The local people got nothing. The capital of Balochistan got gas facility in 1980's although it was discovered in 1952. Rest of Balochistan is still unable to have the gas facility till contemporary time, this injustice create the rebellion thoughts in Baloch people.

RekoDik and Sandak:

The Australian backed Turkish company is extracting out gold and copper from these resources but local people are not getting anything since then, not any development, economical parks, employment nothing.

CPEC:

Some surveys show that the locals of Gwadar were economically and politically better before the 2013. The deal of CPEC turns out to be a horror for them as the rights of fishing which was the major part of their economic stability were taken from them due to the safety of Chinese people. The Gwadar City has been under hard control of security institutions. The local people find many difficulties in their mobility and they think state wants them to migrate from there.

IRAN Border:

For Makran belt IRAN border is a source of heaven they get opportunities of trade of oil, snacks and beauty products. Earlier the state was negligible in this issue but since last decade the policies of the border has been strict the powerful people of the state started demanding share from these trades which are minimizing the economic stability of those people.

Critical Thinking:

The state needs to resolve this issue otherwise it will continue to lose its writ in many regions of Balochistan. The ratio of people joining the separatist movements has noticeably seem to be increasing constantly. If this issue not resolved quicker will create more difficulties.

"Nip the evil in the bud"

Solutions:

- ↳ Provide the locals an adequate and considerably the share that they deserve.
- ↳ Provide them employment, if youth gets employed the insurgency will decrease itself.
- ↳ Major clubs in Swi, Sandak, Beko Duk and CPEC, Gawadar Port can make this employment- possible.
- ↳ Provide them good positions in those institutions neighter those low grade positions that in usual- time the state is providing.
- ↳ Increase the number of educational institutes in whole Balochistan
- ↳ Build the infrastructure and do rapid development in those districts where the insurgency is noticeably lower, this make a example for the violent divisions that the state is serious about them.
- ↳ Make fair elections without any involvement to find the real representative.