A. Introduction:

State owned enterprises in Pakistan has been a financial burden on the economy. Many of these Organisations operate inefficiently, suffer from mismanagement, and rely heavily on the government bailout to survive. As a result they contribute to rising debt and strain the national budget. Prioritizing these enterprises can reduce fiscal pressor, improve efficieny, and attract much needed investement.

B Why SOEs are a Burden:

SOEs as a Burden

- Chronic Loses
- Mismanagement and corruption
- High Debt levels
- Low productivity
- Fiscal Deficit worsening.

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1 Chronic Losses.

SOEs in Pakistan operate inefficently, incurring significant financial loses. Due to factors like mismanagement, corruption or poor buisness strategies, these organizations has become a burden on Pakistan's economy According to Pakistan Annual report 2022 by the statebank of Pakistan), In 2022 the combined annual loses of key SOEs, including Pakistan Steel Mills and PIA exceeded 500 billion PKR.

2 **Mismanagement and governance:**

Poor governance and inefficiency lead to inefficiency and misuse of fund. Moreover corruption and nepotism further weaken their operations, reducing profitability. Due to nepotism and luck of oversight the financial irregularities in SOEs between 2019 - 2021. were ~~46~~ 67 billion PKR. (Auditor General Report 2021).

3 **High Debt level:**

SOEs contribute to Pakistan's rising public debt due to frequent government borrowing for their survival. These liabilities strain the national budget and crown out spending on essential sectors like education and health. According to the Ministry of Finance Debt policy statement 2023, SOEs accounted for over PKR 2 trillion of Pakistan's public debt.

4 **Low Productivity:**

SOEs often have bloated workforce, causing inefficiency and high operational costs. According to world bank report 2020 SOEs in Pakistan employ an estimated 424,000 workers, many of whom are surplus, with productivity rate 40% lower than comparable private firms.

5 **Fiscal Deficit Worsening:**

The ongoing financial support required by loss making SOEs increases the fiscal deficit. This reduce funds available for the development projects and discourage Foreign investement.

C **Reasons For the Privitization:**

Reasons

Efficiency gains

Reduction of fiscal burden

Attracting Investment

Job creation and economic growth.

Revenue generation

1 **Efficiency gains**

Private ownership incentivizes better management and accountability. Moreover streamlining operations and reducing unnecessary costs can improve profitability. The revenue of PTCL grew significantly post-privitization according to the Privatization Commission of Pakistan Report 2021.

2 **Revenue Generation:**

Selling SOEs can provide significant revenue to the government. These funds can be redirected toward development projects ~~or~~ reducing debt.

3 **Reduction of Fiscal Burden:**

Privatization eliminates the need for government subsidies and bailouts. This can reduce budgetary deficits and free resources for critical sectors. Privatized Banks like HBL and UBL became profitable and no longer required government support after their privatization in the early 2000s. (State bank of Pakistan Financial Stability Report 2020).

4 **Attracting Investment:**
A transparent privatization process attracts local and foreign ~~process~~ investors. This brings in capital, technology and expertise to improve enterprise performance.

5 **Job Creation and Economic Growth:**
Competitive private manage-ment can lead to: expansion and job creation. Moreover, a thriving private sector boost economic growth by encouraging innovation. According to Pakistan Economic survey, Post Privatization entities like PTCL and K-Electrics expanded operations, leading to new jobs opportunities and increased economic output in their respective sectors.

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Steps for Successful Privitization:

Transparent Policies

Steps for successful Privitization

Institutional strengthening

Stakeholder Involvement

Phased implementation.

Sector specific strategies

1. Transparent Policies

Clear guidelines and bidding processes must ensure fairness and prevent corruption. Moreover, public awarness campaigns can build trust in the privitization process

2. Stakeholder Involvement

Involvement of employees and unions to minimize resistan and ensure a smooth transition.

3. Sector specific strategies

3. Tailoring privatization plans to the unique needs of each sector can help in succesful privatization - For instance, Public Private Partnership can work in industries like energy and transport.

4. Institutional Strengthening

Strengthening regulatory bodies to oversee privatized entities and prevent monopolies. This will also ensure fair competition and protect consumer interests.

5. Phased Implementation:

Gradual Privatization can minimize disruption and build investor confidence. ~~ab~~ Starting ~~p~~ with non-core sectors before moving to larger enterprises can help in successful privatization.

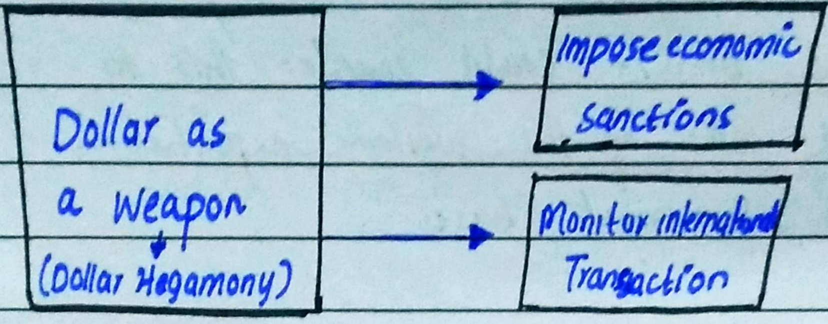
E. Conclusion:

Dollar and SWIFT being used as a weapon by the US against the countries of the global south. Critically evaluate how BRICS+ could counter this to get rid of the western exploitation on permanent basis.

1. Introduction:

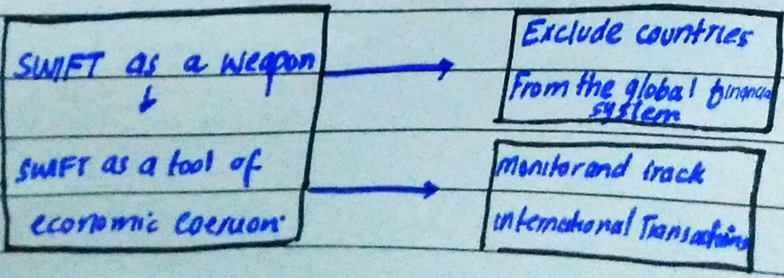
The United States uses the dollar and SWIFT (Society for worldwide Interbank Financial Telecommunication) as a tool of economic coercion against countries that defy its interest. ~~BRICS~~ However, BRICS, an organization of the Global south, with some of the most powerful currencies can counter it through De-Dollarization, alternative payment systems, Multilateral cooperation, Digital currencies, financial decoupling and international cooperation to establish a multipolar financial architecture.

8. Dollar and SWIFT as a Weapon.



1. Dollar Hegemony:

The dollar's status as the global reserve currency allows the US to exert significant influence over international trade and finance, allowing it to impose dollar based sanctions to punish countries that refuse to comply with its policies, crippling their economies and limiting their access to global market.

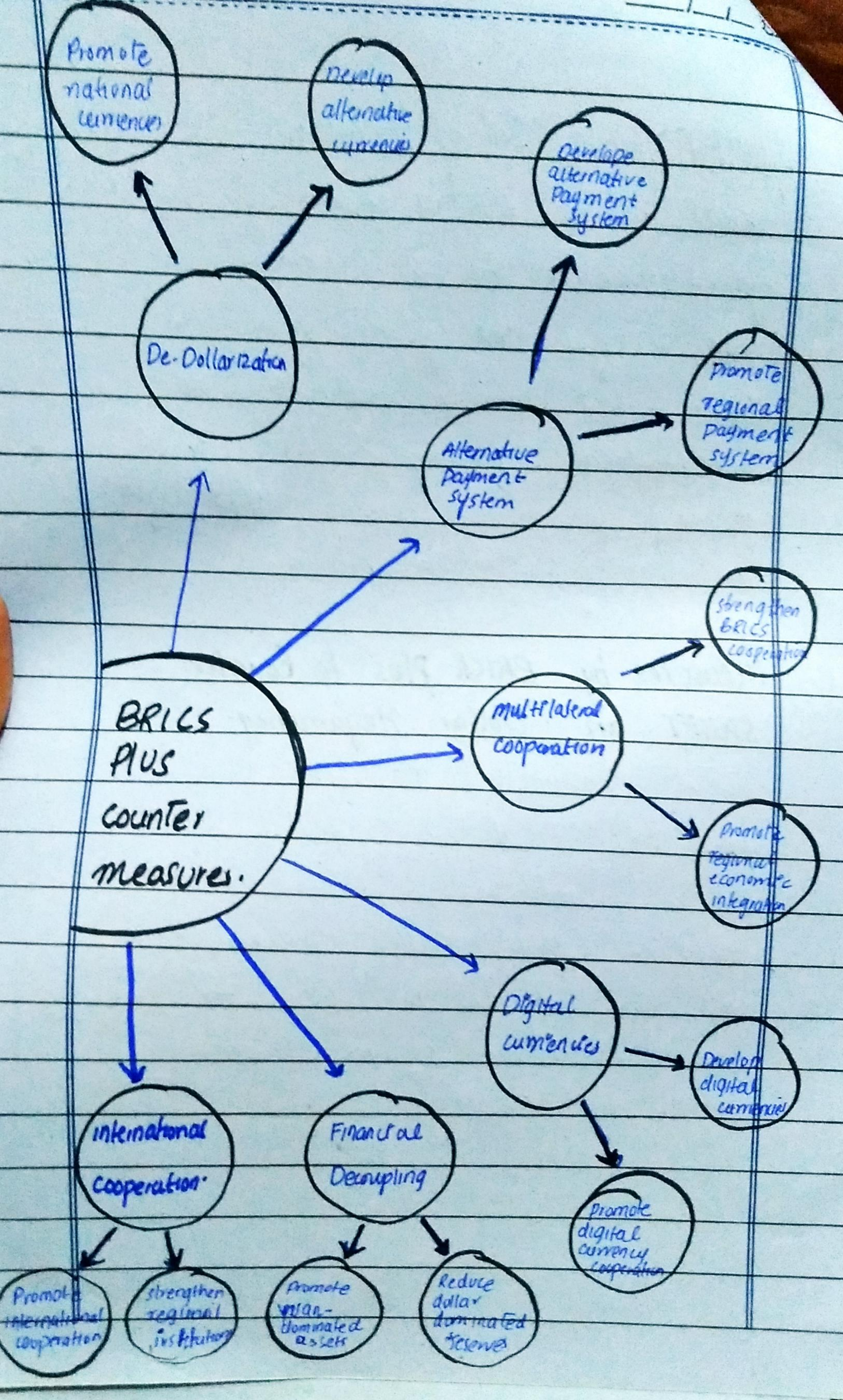


SWIFT as a Tool of Economic Coercion:

SWIFT as an international Information system enables the US to exclude countries from the global financial system, and monitor international transactions, enforcing sanctions and exerting pressure on countries that refuse to comply with its policies

c. Measures by BRICK Plus to Counter SWIFT an Dollar Hegamoney.

To counter the US's use of the dollar and SWIFT as a weapon, BRICS plus countries (Brazil, Russia, India, China and South Africa, plus other ~~[illegible]~~ members) can pursue the following strategies.


Promote national currencies
Develop alternative currencies
Develope alternative Payment System
De-Dollarization
Promote regional Payment system
Alternative Payment system
strengthen BRICS cooperation
multilateral cooperation
BRICS Plus counter measures.
Promote regional economic integration
Digital currencies
Develop digital currencies
International cooperation.
Financial Decoupling
Promote digital currency cooperation
Promote international cooperation
strengthen regional institutions
Promote non-dominated assets
Reduce dollar dominated reserves

De-Dollarization:

~~BRICS Plus member should gr~~

For over a decade, dedollarization has been a major focus of BRICS member Yet, today the vast majority of cross-border trasaction involving BRICS Plus member and other emerging markets continue to be invoiced in dollars. Thus, Gradually reducing dependence on the dollar by Promoting the use of national currencies or ~~and~~ alternative currencies can help in de dollarization.

2. **Alternative Payment system:** Furthermore, BRICS Plus nations are developing an alternative Payment system, BRICS Pay, to counter Western exploitation and reduce dependence on the US dollar. This decentralized system aims to facilitate faster and cheaper cross-border transactions. By creating an alternative to SWIFT, BRICS nations seek to promote financial autonomy and challenge westan dominance. More over. Russian President vladimir called directly for

the system to be developed and implemented at the 2024 summit, to prevent "the dollar being used as a weapon"

3. **Multilateral Cooperation:** Additionally, strengthening multilateral cooperation among BRICS Plus countries to promote economic integration, reduce dependence on the dollar and develop alternative financial architectures.

4. **Digital Currencies:** Similarly, the BRICS nations are accelerating efforts to create a new digital currency to reduce their reliance on Western ~~countries~~ currencies and bolster their economic influence. The move is largely driven by recent global financial instability and aggressive U.S foreign policies, which have intensified tensions among the bloc. By promoting a new digital currency, BRICS nations aim to diminish their dependence on the US dollar and mitigate the impact of American sanctions

5. Financial Decoupling:

Likewise, gradual decoupling from the US dominated financial system by reducing exposure to dollar - ~~dominated~~ denominated assets, promoting alternative financial instruments and developing domestic financial markets.

6. International Cooperation:

In addition to this fostering international cooperation to establish a more multipolar and equitable global financial architecture, reducing the dominance of dollar and promoting greater financial stability

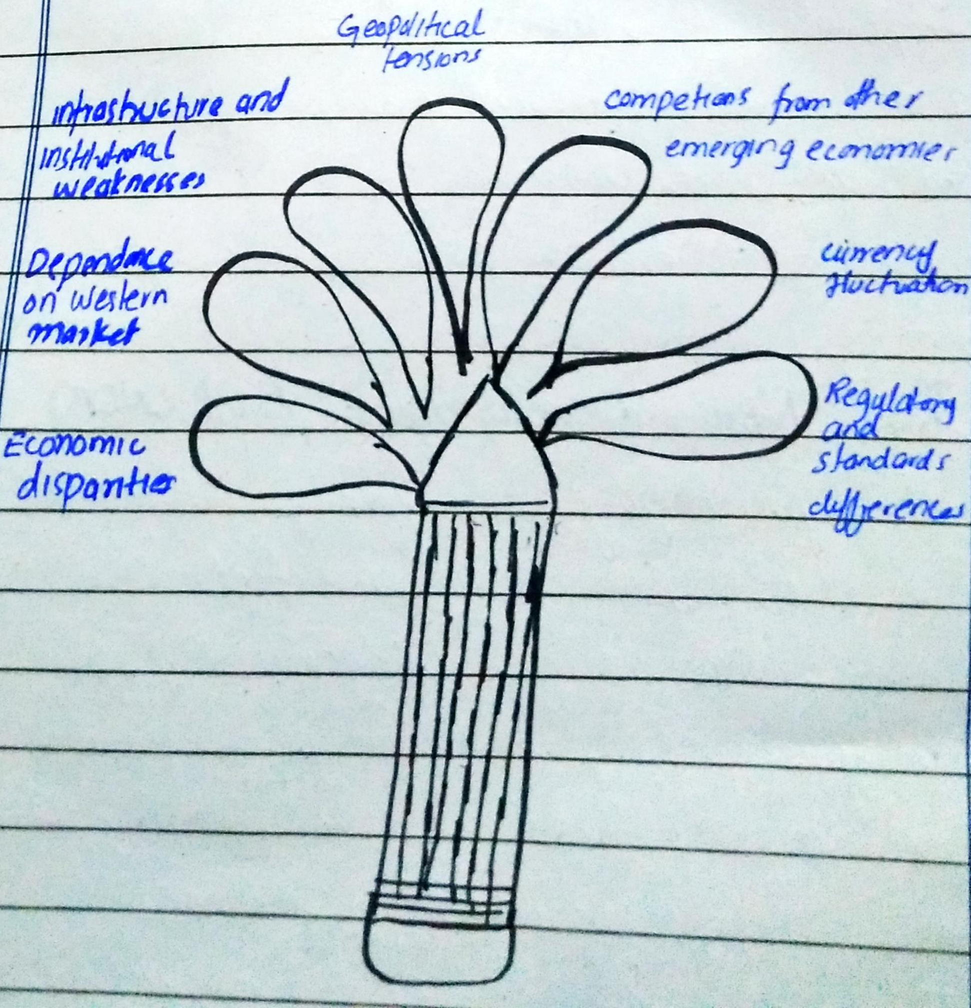
7. The New Development Bank (NDB)

Finally, Relying on funding denominated in US dollars is identified as a source of financial vulnerability for many developing and emerging economies, as the significant US dollar funding costs exert pressure on domestic economies.

The NDB represents a cornerstone of

the BRICS countries efforts to forge a more balanced and equitable global financial structure. However, despite its achievements and ambitious goals, the NDB faces challenges in scaling its impact and navigating the complexities of international finance.

D. Challenges to BRICS Plus.



Economic Disparities: To beging with, Significant economic disparities exist among BRICS nations, which can hinder cooperation and collective decision-making.

. **Dependence on Western Markets:** Despite efforts to diversify, many BRICS nations still rely heavily on Western markets for trade and investement

3. **Infrastructure and institutional weaknesses:** BRICS nations face challenges in developing robust infrastructure and institutions to support their economic growth and cooperation.

4. **Geopolitical tensions:** BRICS nations have differing geopolitical interests, which can create tension and challenges for cooperation.

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5. Competition from other emerging economies:

Moreover, other emerging economies, such as those in southeast Asia and Africa, may compete with BRICS nations for influence and economic opportunities

6. Currency Fluctuations:

Additionally, currency fluctuations can impact trade and investment among BRICS nations, creating economic uncertainty.

7. Regulatory and Standards differences.

Finally, differences in regulatory frameworks and standards can create barriers to trade and investment among BRICS nations.