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Batch 53

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Final MOCK

Current Affairs

Subjective Part - II

Q No 3

State owned enterprises have been a huge and persistent burden on the budgetary economy of Pakistan. Why and how these enterprises should be privatized?

Outline.

I. Introduction.

II. Problems with ^{associated} State owned Enterprises

III. Why these enterprises should be privatized?

IV. How these enterprises should be privatized

V. Conclusion.

I. Introduction:

State owned enterprises have been a huge and persistent burden on the budgetary economy of Pakistan. Firstly, SOEs are facing many problem such as inefficiency and mismanagement, Financial Losses, Corruption and Political Interference. and Lack of innovation and adaptability. Secondly, these SOEs should be ~~privatized~~ privatized to improve efficiency, reduce financial losses, Enhance accountability

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and transparency and promotion of Market Economy principles. Furthermore, these SOEs should be privatised through comprehensive assessment and identifications, strengthen the legal and regulatory frameworks so on. Therefore, there is a dire need to privatised SOEs to remove burden, and bring sustainable economic growth.

II. Problems with State-Owned Enterprises in Pakistan:

There are many problems with state owned enterprises of Pakistan that are

1. Inefficiency and Mismanagement:

SOEs often suffer from bureaucratic inefficiency, poor management and outdated practices. There is lack of competitive pressure that means these organisation rarely focus on improving their operations. Managers are appointed based on political connection rather than competence. Therefore, inefficiency and mismanagement is major problem in SOEs.

2. Financial Losses:

Another major problem is financial losses. Firstly, many SOEs sectors like energy, transport and manufacturing face substantial losses each year. These losses are typically funded by the government through taxpayers money and borrowing. Therefore, it causes huge financial losses in SOEs.

3. Political Interference and Corruption:

Political interference and corruption is also one the major problem in SOEs. Firstly, SOE are frequently subject to corruption. Secondly, Governments may use SOEs to create political networks, appointing political allies to key positions. Therefore, these actions undermines the ability of these organisations to function effectively.

4. Lack of Innovation and Adaptability:

Another major problem with SOEs is lack of innovation and adaptability. Firstly, SOE do not face competition pressure as private companies do. Secondly, SOEs are less inclined to innovate and improve. Thirdly, they only rely on the govt bailouts rather than seeking efficiency gains and market solution.

III: Why these SOE should be privitised?

State-Owned Enterprises should be privatised for the following purposes as follows:

1. Improved Efficiency and Performance:

SOE should be privatised to improve their efficiency and management skills. Firstly, Private companies, have competition and they are focused on profit motives that will help ⁱⁿ improving efficiency and management. Secondly, Privatisation would lead to better management ~~pricti~~ practices. Therefore, SOE

Should be privatized.

2. Reduction of Fiscal Burden:

Another reason for privatizing SOE is to reduce fiscal burden. Firstly, when SOEs are privatized there would be elimination of subsidize loss-making. Secondly, it would give opportunity to spend finance for the human capital development. Therefore, for reducing the fiscal burden SOE should be privatized.

3. Enhanced Accountability and Transparency:

Another reason to privatized SOE is to enhance accountability and transparency. Firstly, as we know SOE often subjected to political interference and corruption. By privatizing the it could bring accountability and transparency. Secondly, the involvement of independent auditors, shareholders and regulatory bodies can ensure more transparency and less corruption. Therefore, SOE, should be privatized.

4. Promotion of Market Economy Principles:

Promotion of market economy Principles is another reason to privatize SOE. Firstly, Privatization is align with market principles, promotion competition. Secondly, it reduces state control and create more dynamic economy. Therefore, SOE should be privatized for sustainable economic growth.

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IV. How these enterprises be privatised?

Privatizing SOE requires a well-planned and well structured approach to ensure that process is transparent, efficient and beneficial.

1. Comprehensive Assessment and Identification:

For privatizing SOEs first step is to assess the financial health and viability of SOEs. This involves reviewing balance sheets, cash flow, market potential and operational efficiency. Secondly, some SOEs, especially in strategic sectors such as defense, public health and nation security, may need to remain under govt control. Identifying these sectors ensure that privatization does not compromise national interests.

2. Strengthen the legal and Regulatory Frameworks:

Firstly, legal and clear framework is essential to manage the privatisation process. This includes setting up independent bodies, drafting new laws for privatization. Secondly, ensure the labor protection. Labour should be protected during privatization process. This includes retaining programs, packages and opportunities. Therefore this is how these SOE should be privatised.

3. Transparent Privatization Process:

Firstly, SOEs should be sold through a transparent bidding process or public

auction. This ensures that the sale is competitive and govt receives a fair price for assets.

Secondly, another option is to sell shares of SOEs through the stock market and giving public and institutional investors an opportunity to invest. Therefore, this how these should be privatized.

4 Enhance Corporate Governance

Once privatized, the enterprise should be managed by professionals with relevant experience and expertise in industry. This will improve corporate governance and operational performance, by aligning the goals of company with market needs.

V. Conclusion:

To pen off, privatization of SOEs in Pakistan is crucial to addressing inefficiencies, reducing fiscal burden and promoting growth. A carefully designed and transparent privatization process can create a more competitive market, attract private investors and enhance service quality. However, it is essential to implement ^{protective} strategies for labour to ensure success in privatization program that benefits for the Pakistan's economy.

Q No 8

Critically evaluate the reasons for the

slowing down of CPEC Projects. What options would you recommend to Islamabad and Beijing to re-invigorate.

Outline.

I. Introduction

II. Reasons for slowing down of CPEC Projects

III. Recommendation to Reinvigorate

- For Islamabad

- For Beijing

IV. Joint Approach

V. Conclusion.

I. Introduction:

The CPEC a flagship project of China's Belt and Road Initiative (BRI) has faced significant delay and challenges and declining its initial momentum. While CPEC aimed to enhance connectivity, infrastructure and economic growth of Pakistan, its progress has slower down due to mix of economic, political and security factors.

II. Reasons for Slowing Down of CPEC Projects:

There are some reasons the slower down the CPEC Project such as

1. Economic Challenges in Pakistan:

First of all, Pakistan is raising external debt and frequent balance-of-payment crisis have constrained its ability to finance its share in CPEC projects. Secondly,

IMF imposes different fiscal restrictions on Pakistan that limit Pakistan's capacity for infrastructure spending.

2. Security Concerns:

Secondly, Revival of militancy and insurgency had challenged Pakistan once again. Particularly in Balochistan and former tribal areas have disrupted CPEC operations. Furthermore, Groups opposing CPEC, such as Baloch Liberation Army (BLA), view it as threat to their autonomy, further destabilizing the region.

3. Political Instability:

Political Instability is third major problem in CPEC projects. Frequent changes in the government of Pakistan have led inconsistent policies and slowed-decision making. Furthermore, Distrust between central and provincial government has also hindered the smooth execution of Projects.

4. Geopolitical Pressures:

Another problem is geopolitical pressures. US and India both the countries have criticized CPEC. US warned Pakistan about the "debt trap" associated with Chinese financing. On the other hand, India opposing projects in Gilgit - Baltistan, claiming the territory is disputed.

III. Recommendation to Re-invigorate CPEC

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There are some recommendations for ISI and Beijing as follows
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• For Iskandar

1. Pakistan ^{should} enhance economic stability
 - IMF Alignment
 - Macroeconomic Reforms
2. Strengthening Security Measures
 - Improving law enforcement
 - Engaging local community.
3. Establishing CPEC coordination authority
 - Streamlining Governance
 - Should allow provincial inclusion.
4. Attracting Private sector investment
 - Facilitates them by offering tax incentives
 - Improving ease of doing business

• For Beijing

1. Providing flexible financing options
 - offering revised financing terms
 - Interest rate reduction, longer payment period or grants.
2. Enhancing Risk Mitigation
 - Improving security collaboration
 - Establishing risk insurance funds to protect Chinese investors against losses.
3. Shifting focus to Priority Projects.
 - Concentrate on high-impact projects that can generate immediate economic benefit.
 - Such as energy infrastructure, SEZ's.
4. Enhancing people-to-people connectivity
 - Investing in education, healthcare and cultural exchange program.
 - Building goodwill among Pakistani people

ation, reducing local resistance to CPEC.

IV. Joint measures for CPEC

There are some joint measures if effectively implemented by both it would give boost to CPEC.

1. **Rebranding CPEC** Shifting the narrative around CPEC from being China-dominated to more collaborative partnership. Transparency in contracts can help to dispel criticism.

2. **Focus on renewable resources** Prioritizing green energy projects such as solar and wind farms to align CPEC with global sustainability trends and attract investment international

3. **Leverage Multilateral Cooperation** Inviting third-party investors, such as Middle Eastern nations, Central Asian countries and International financial institutions to share the financial burden and enhance the projects credibility.

4. **Improved Regional connectivity** Strengthening linkages between CPEC and neighboring regions, such as Afghanistan and central Asia to enhance its strategic value and economic potential.

V. Conclusion:

To pen off, CPEC faced significant slowdown due to economic, security, political and geopolitical challenges. By addressing these challenges through better economic management, enhanced security and improved governance, Islamabad and Beijing can re-invigorate the initiative. Therefore, focusing on mutual interests, prioritizing high-impact projects and transparency will ensure long-term CPEC success and will contribute to regional connectivity and economic growth.

Q NO 4

Russia-China growing economic, strategic and geopolitical collaboration is an effort to potentially challenge the US led world order. Discuss.

Outline

I. Introduction

II. Economic Collaboration

III. Strategic collaboration

IV. Geopolitical Collaboration

V. Motives Behind collaboration

VI. Challenges to the Russia-China Partnership

VII. Impacts on the US - led World Order

VIII. Conclusion.