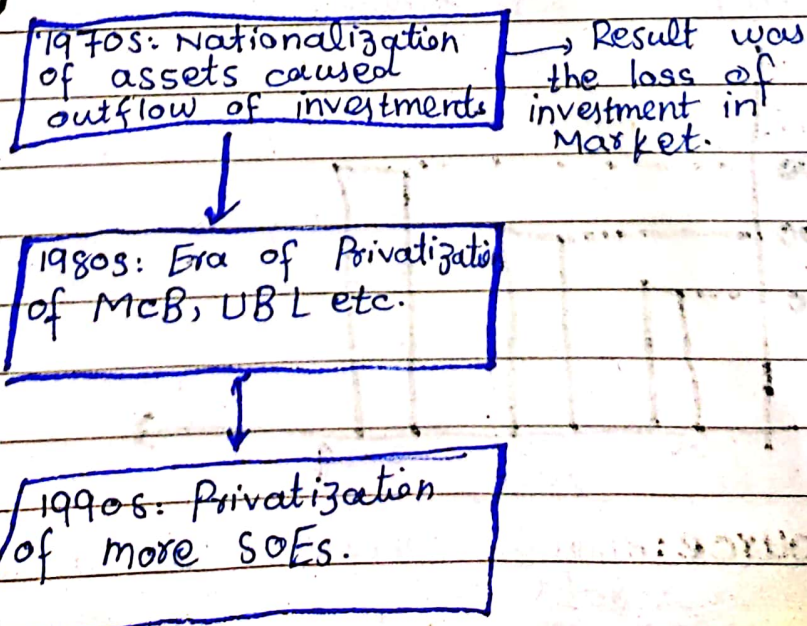


Q. 3.

## Introduction.

State owned enterprises have been persistent burden on the economy. Keeping in view the historical context of privatization in Pakistan, it becomes evident because of huge loss to national exchequer, adding to the debt-burden of the country. Moreover, these enterprises are over-employed and forms an obstruction to developmental projects. Therefore, these SOEs should be privatized either through complete outsourcing or joint-partnerships. Moreover, employees can be paid their retirement dues in advance and attract bids from private entities can be attracted from smooth privatization.

## A Historical Account of Privatization in Pakistan.



2000s: Privatization of PTCL to "Estislar, a Dubai-based company."

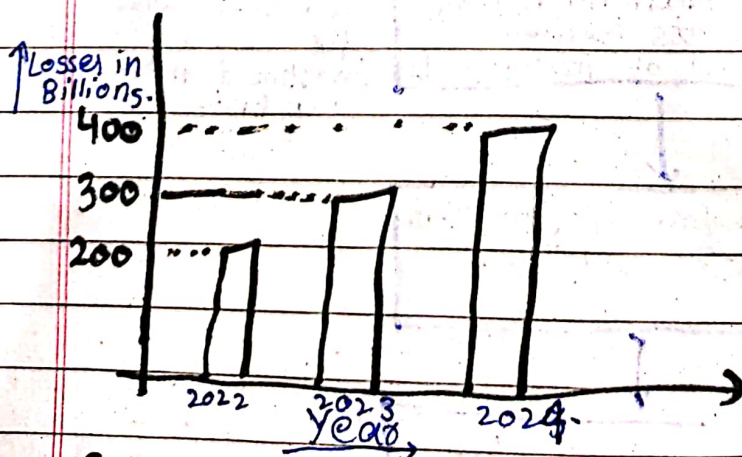
However, steel Mills Karachi, Electric supply companies (DISCOs), Railways and Pakistan International Airlines (PIA) cannot be privatized, which have become a persistent burden on Pakistan's economy.

## Reasons of Privatization.

(i) State-owned Enterprises (SOEs) are causing loss to national Exchequer.

State-owned enterprises (SOEs) are being run by the state.

All its operations are at the finance of government. As Pakistan is marred by economic challenges, they are only source of squandering national resources.



Source: Annual Aggregate Report on Federal SOEs 2024.

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(ii) Federal SOEs are adding to the debt-issue of Pakistan:

As SOEs are dependent on state, state has to seek loans to run its assets. Therefore, they are only source of adding to the debt of Pakistan. It is proven from report of World Bank, that Debt to GDP ratio of Pakistan has increased to 74%.

(iii) SOEs are overemployed which is again detrimental for economy:

State-owned enterprises have more number of employed than needed in actual functions. It is because of repeated political influence to adjust their workers in Ministries.

Sources of reports:	Employees
Ministry of Aviation	500/aircraft PIA.
Ministry of Railways	700/unit. Pakistan Railways.

However, UAE-based Emirates has just 250 employees/aircraft. Moreover, British railways has 1500 employees for the functioning of department.

(iv) SOEs are hindrance to execution of developmental projects:

State-owned enterprises consume a large chunk of budget. As Pakistan's economy is shackled by continuous crisis, a little budget is left for developmental projects. It leads to compromise on individual development in a state.

## HOW State-Owned Enterprises can be Privatized??

There are following ways to privatize these SOEs.

(i) Complete outsourcing of SOEs:

All operations of SOEs can be handed over to private sector. Through this process, the government exchequer will be relieved from burden of SOEs.

It was done by India in 2002, which handed over power supply companies to Rajdhani group of energy. It also resulted in decrease of losses due to energy.

(ii) Some SOEs can be privatized

## through Joint partnerships with private sector:

In case of complete privatization, government can loose control on assets and employees can go on strike. In such a case, government can offer joint venture to the private sector. Through joint venture, a smooth functioning of SOEs can be ensured. It can be done in education and health sector.

(iii) Employers can be paid in advance the retirement dues.

In the liberal order, it is not the job of government to run businesses. It is done by private sector. In case of loss of benefits to employees in case of privatization, Government should pay pensions to all employments in advance. It was done in the privatization process of MCB and UBL Banks.

(iv) Attractive offers should be advertise to attract private sector for purchase of assets:-

Due to unpredictable policies of government, private sector is reluctant to invest. Moreover, private sector is also suspicious of the government

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infrastructure. It was evident from bidding process of Pakistan International Airlines (PIA) in May, 2024, where private investments does not meet up the standards of Airline. Therefore, bidding sweetness for fair privatization are essential.

### Conclusion

Pakistan is embroiled in economic crisis. State-owned enterprises (SOEs) are burden on national exchequer and causing persistent loss in GDP. It is the reason privatization of state assets should be done by the appropriate ways mentioned above.

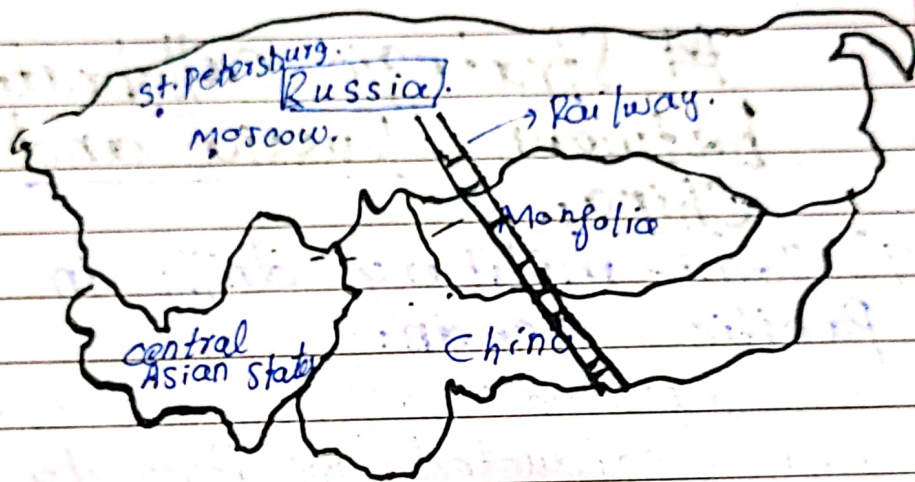
### Q.4.

China and Russia enhanced their mutual trade which are evidence of their increasing economic collaboration. On strategic front, joint military drills and defence exchange are visible among both countries. On political front, both countries are engage in creating mutual blocks and forging new partnerships. These collaborations are persistent threat to US-led global order by challenging its military hegemony, creating new alliances with global south, evading its dollar

hegemony and outpacing US through modern technological warfare.

## Economic collaboration between Russia and China:-

- (i) Trans-Mongolian Railway in 2022 is evidence of Russia-China collaboration.



It was a railway project signed between Russia and China 2022.

Through this railway project, Russia can gain access to warm waters, while China can increase its trade to Russia with minimum logistical cost.

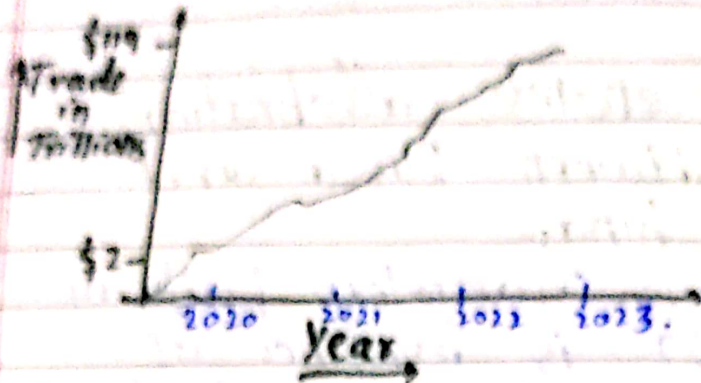
- (ii) Trade between Russia and China has reached to new heights:

Russia and China entered in various agreements to increase their bilateral trade. Thus, their mutual trade has risen from \$19 trillion

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2018 to \$ 119 trillion in 2023.



Source: Ministry of Commerce, Beijing, 2023.

## A Strategic Collaboration between Russia and China:

(i) Joint-military drills in Pacific Ocean:

In September 2024, Russia and China conducted military drills near Alaska. It was a clear signal to Washington about alliance. (Source: Pentagon Report 2024)

(ii) Defence Exchanges between Russia and China is reaching high:

China lacked in military assets as compared to US. Russia has advanced missile system and Army after US. China is supplying technology to Russia, while Russia is supplying S-400 Missile and defence system to China.



## Geo political collaboration between among Russia and China.

(i) Bilateral Friendship  
agreements are testament  
of Russia-China collaboration.

Russia and China entered various agreements to reshape their mutual ties. It was responsive to potential US threats to Russian and Chinese interests.

<u>Year</u>	<u>Political agreement.</u>
2011	Strategic alliance treaty.
2022	Good Neighbors treaty.

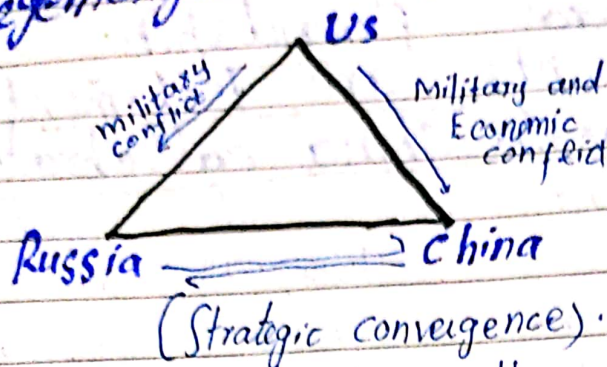
(ii) Multilateral Block-politics:  
Russia-Chinese partnership:

Russia and China have formed new blocs through collaboration of global South countries. It is evident from multilateral forums such as SCO (Shanghai Cooperation Organization) and BRICS (Brazil-Russia-India-China-South African led alliance).

HOW THESE Collaborations  
are threat to US-led  
Global Order??

Date:

(i) Russian-Chinese collaboration is threat to US-military hegemony:



US is leading the globe by its military might and deployments across the globe. However, Chinese-Russian Alliance is threat because China is rich in technology and finance, while Russia is rich in military. It can outpace military hegemony of US.

(ii) Economic alliances with global South is threat to AUKUS and QUAD:

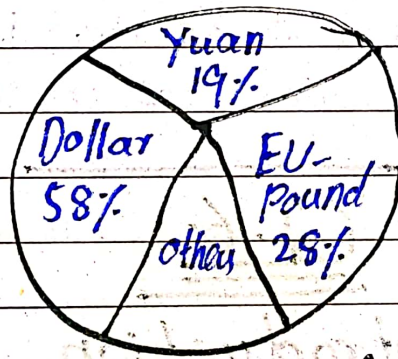
AUKUS (US, UK, Australia) and Quadrilateral alliance (QUAD) were US alliances with regional partners to counter China. However, Russian-Chinese collaboration seems to endanger these blocs because Indian interests also shifted in favour of SCO and BRICS. In this way, US-led blocks are at verge of chaos.

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(iii) Russian-Chinese collaboration is threat to Almighty Dollar:

Through SCO and BRICS, Russia and China are trying to create mutual currency for trade. Moreover, E-commerce mechanism as promised in Islamabad SCO Joint Communiqué 2024 is based on currency swap agreements between member states. From another lens, Yuan has increased its share from 9% to 19% in SWIFT Interbank transaction systems, heralding a sign to dethrone dollars.



SWIFT Shares of Currency:

(iv) Russian-Chinese collaboration is threat to US-technological dominance:

Russia and China collaborated to present a unified threat to US-unipolar world order. As China is tech-giant after US, mutual alliance ~~can~~ between Russia and

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China can create technological dominance through advances in AI. It is the reason Russia is easily combatting Ukrainian technology (provided by Europe) through Chinese gadgets.  
(How ~~the~~ <sup>China</sup> may dethrone the eagle: The Diplomat: May 20 24).

### Conclusion.

Russian Bear and Chinese dragon have joined hands. These hands can clip the wings of eagle through economic, strategic and geopolitical tentacles. It is still to observe, who emerges victorious in this new era of alliances.

Q.6.Introduction:

Afghanistan is being used as launching pad for terror attacks in Pakistan as evident from persistent denials of Kabul, confessional statements of leaders of Tehreek Taliban Pakistan (TTP), surgical strikes of Pakistan Army and lack of actions on the part of Kabul. However, carrot approach to quell & appease Kabul, stick approach to root out militancy, joint operations against terrorist hideouts and socio-economic reforms can kill the militancy, which is straining bilateral relations.

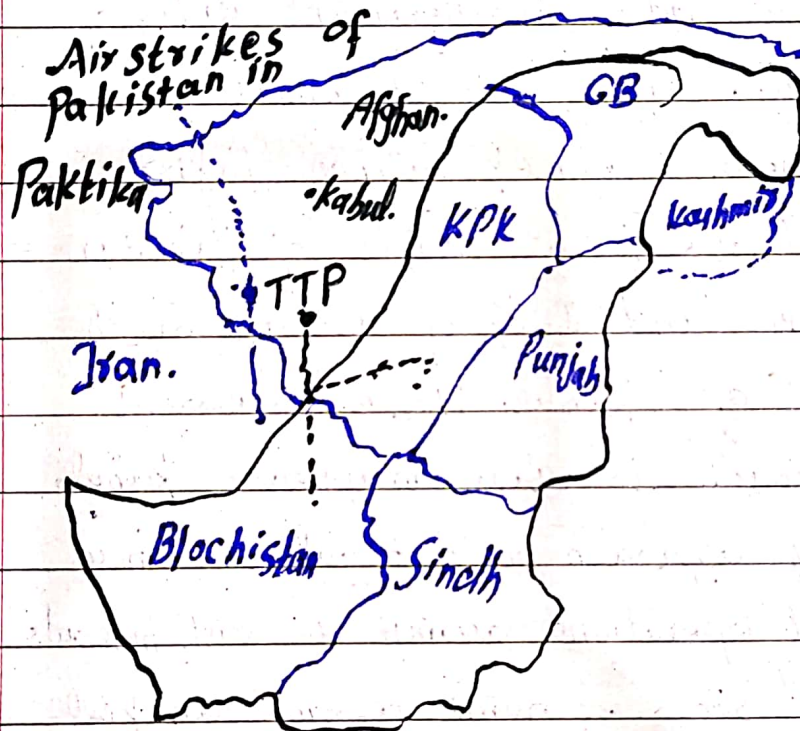
Afghan-Taliban and Pakistan: A cursoryoverview.

In 2024, Pakistan faced more than 500 terrorist attacks primarily from TTP, which is stationed in southern and Eastern

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Afghanistan. Although Pakistan tried to use military options, but goals were partially met due to inaction on part of Afghanistan.



Source: Inter Services Public Relation (ISPR).

Critical Evaluation of TTP in Pakistan operating from Afghan soil.

(i) Dubious deniability of Afghan Government is indicative of terrorist hide outs:

Pakistan suffered 600 terrorist attacks since ~~2023~~ 2023. Pakistan repeatedly claimed presence of TTP by providing evidences, which was denied by Kabul.

However, this denial became dubious, when Afghan Taliban stated that it can offer negotiations with TTP. (Tweet of Ameer Khan Muttacvi: Ministry of Foreign Affairs, ~~202~~ of Afghanistan: 2024). This statement indicates presence of TTP.

(ii) Confessional statements of leaders of TTP indicate their hide outs in Afghanistan.

In ~~2023~~, Paki In November 2024, Pakistan arrested

Maulvi Mansoor, one of notorious leader of TTP. In his statement,

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he publically confessed that TTP is present in southern and western Afghanistan.

From these ~~atto~~ parts, TTP launches attack on KPK and Blochistan. Thus, it proves that Afghanistan is acting as launching pad for terror attacks in Pakistan.

**iii) TTP is a proxy of ~~to~~ RAW, which is suggestive of weak writ of Kabul.**

Indian Intelligence Agency RAW is using RAW TTP to destabilise Pakistan. It is proved from confessional statement of Maulvi Mansoor in November 2024. In September 2024, European Chronicle for India also mentioned role of RAW to interfere in internal affairs of Pakistan through Kabul. It also indicates that Kabul is weak enough to establish writ of state.



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(iv) surgical strikes of Pakistan in Paktika proves camps of TTP in Afghanistan.

When Afghan government failed to establish its writ, Pakistan army invoked Article 51 for self-defence and attacked hide outs of <sup>TTP</sup> Afghanistan in Paktika, Afghanistan. These strikes were conducted in January 2025 to eliminate threats which is denied by Kabul.

(v) Lack of action on part of Kabul is emboldening TTP.

There is no proven evidence that Taliban are facilitating TTP. However, it is true that Government in Kabul is reluctant to counter TTP. According to US department of Defence, December 2024, Kabul is clearly violating Doha accords by not taking tangible action against ISIL and TTP.

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## Possible recommendations to Pakistan and Afghanistan.

(i) Pakistan should use carrot approach to appease Kabul:

Pakistan and Afghanistan share long historical and economic ties. Pakistan should engage Kabul for talks, because unprovoked attacks will only worsen the situation.

Moreover, Afghanistan is trade partner of Pakistan, which should not be left at mercy of militancy.

(ii) Pakistan should use stick approach to destroy militants:

Pakistan cannot rule out use of force. It is because Afghanistan Government is not yet fully capable to obliterate terrorism.

It is evident from 23% increase in attacks of Daesh after 2021. Therefore, use of force for self-defence is very important.

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(iii) Joint operations by Pakistan and Afghanistan can be used as option:

Through diplomatic engagement, Pakistan can convince Afghanistan to hold joint operations against terrorism. It will maintain the sovereignty of Afghanistan and defence of Pakistan.

(iv) Socio-economic reforms ~~at~~ at home is need of the hour in Kabul and Islamabad:

In Kabul, 23 Million people are in dire humanitarian crisis.

In Balochistan, poverty has reached 60%. (World Bank: looming crisis in developing countries: 2021). These situations are excellent for militancy to thrive. Therefore, socio-economic reforms at both sides of Durand line is need of the hour.

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## Conclusion:

Taliban should accept the reality of militancy in Afghanistan, which is straining unbreakable bilateral relations. In this pursuit of peace, Kabul and Islamabad need to collaborate for driving out terrorism.

## Q. No. 7

### Introduction:

In 2024, authoritarian regime of Sheikh Hasina was toppled by student-led protests. It created opportunity for China to assert its dominance in Bay of Bengal, opened doors for ASEAN countries to engage Bangladesh and opportunity for Nepal to counter Indian dominance. However, it increased chances of Indo-China confrontation, and posed challenge to Indian investment in Bangladesh. This is a critical moment for Pakistan to engage in

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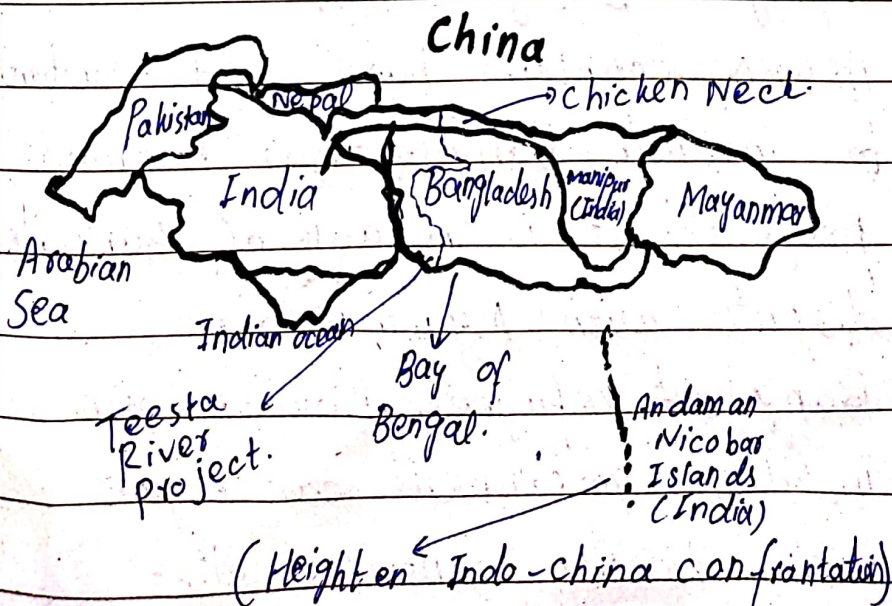
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defence pact with Bangladesh,  
counter regional dominance of India,  
boost trade with Bangladesh and  
mend historical problems through  
educational conferences.

### Fall of Shiekh Hasina:-

In 2024, Shiekh Hasina, with  
the support of India, won for 3<sup>rd</sup>  
consecutive term in rigged elections.  
Authoritarian measures by Shiekh  
Hasina triggered student protestors,  
which led to her fall and  
installation of interim government  
led by Muhammad Yunus.

### Bangladesh and Neighbors.



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## i Opportunities for Neighbors of Bangladesh:

### (i) China can assert its dominance in Bay of Bengal:

In 2024, post fall of Hasina, China welcomed the move.

(State Council: People Republic

of China: 2024). It indicated

that Teesta River project, which was handed over to India in 2022,

can be rehanded to China. Thus,

China can reach Bay of Bengal and protect its trade route.

### (ii) After Fall of Hasina opened doors for ASEAN countries to engage Bangladesh:

ASEAN countries have felt reluctant to include Bangladesh in economic

projects. It is because of Bangladesh dispute with Myanmar over

Banglad refugees. However, newly

installed government can engage

with ASEAN countries, settle

with Myanmar to enter in ASEAN trillion dollar economy.

(iii) Setback of Indian installed government can embolden Nepal to confront India:

India has been engaged in territorial disputes with Nepal over Kalapani River since 2020.

India also engaged with Bangladesh over areas in chicken Neck.

However, fall of Hasina regime is opportunity for Nepal to develop axis with Bangladesh against Indian dominance.

## Challenges for Neighbors of Bangladesh.

(i) Fall of Hasina can intensify chances of Indo-China confrontation:

Indoman and Nicobar are Strategic Islands of India near

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Bay of Bengal. After fall of  
Flasina, India increased its  
military over those Islands.

"New Delhi is likely to  
increase number of military  
personnals on Andaman Island,  
given new strategic concerns"

(source: **National Security  
Committee, New Delhi, 20  
November 2024**).

(ii) **Challenge to Indian  
Investments in Bangladesh:**

In 2023, Indian investments  
in Bangladesh reached all time  
high. It includes investments  
in Transport, water infrastructure,  
textiles and military installations.

However, new interim government  
has banned Indian involvement  
in new project, citing security  
concerns. It is setback to  
Indian strategic investments to  
control Bay of Bengal.



## Opportunities for Islamabad in Dhaka.

### (i) Islamabad can engage Dhaka in security agreements:

In 1991, Sheikh Hasina asked Pakistan to apologize for atrocities in Bangladesh during Indo-Pak war 1971. This attitude of Hasina has been extant in Pak till date. However, new government is willing to extend olive branch for Pakistan. Thus, Pakistan can hold naval drills with Bangladesh. In this situation, Pakistan and Bangladesh Navy engaged in Aman Naval Drills in January 2025 (source: Pakistan Strategic Forum).

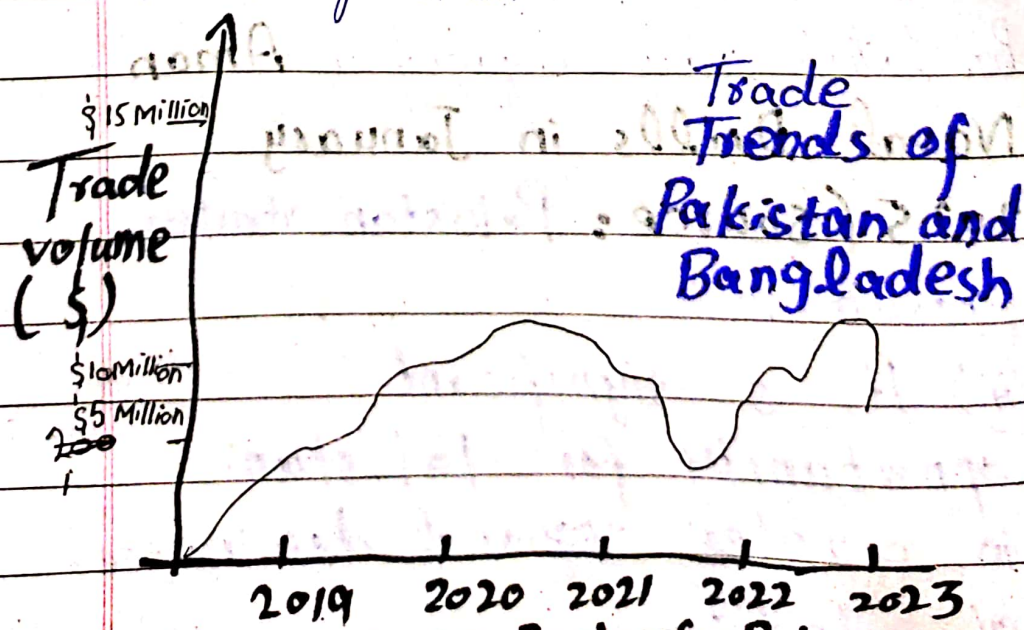
(ii) It is significant opportunity for Pakistan to counter regional dominance of India.

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After fall of Hasina, Bangladesh has developed security concerns against India. It is opportunity for Pakistan to create an axis against regional dominance of India.

**(iii) Islamabad can boost trade ties with Dhaka:**

Hasina's regime imposed non tariff barriers on Pakistan's products from 2% - 59%. These non tariff barriers were abolished by new government in December, 2024 in a gesture of good will. Thus, Pakistan can increase its exports to Bangladesh.



Source: State Bank of Pakistan

(iv) Islamabad has opportunities to remove historical issues with Pakistan:

Bangladesh hold the perception that Pakistan committed atrocities in Bangladesh. However,

**Book of Sarmila Bose: Dead Reckoning:** verifies that 50,000

people were deliberately killed by Mukti Bahni. Such historical errors can only be removed through educational conferences. In 2024,

Pakistan's ambassador to Dhaka addressed students in University of Dhaka, which is sign omen of goodwill between both nations

### Conclusion.

Bangladesh and Pakistan have been separated through historical misconceptions. However, they can be removed through security and economic cooperations. Moreover, fall of Hasina is sign of new opportunities and challenges for neighbors of Bangladesh.