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## CURRENT AFFAIRS

### TEST-03

#### QUESTION NO.1

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

#### ANSWER NO.1

##### STATE-OWNED ENTERPRISES

State owned enterprises are the businesses that are owned or created by a government, which are also known as Government owned corporations (GOCs).

##### STATE-OWNED ENTERPRISES IN PAKISTAN

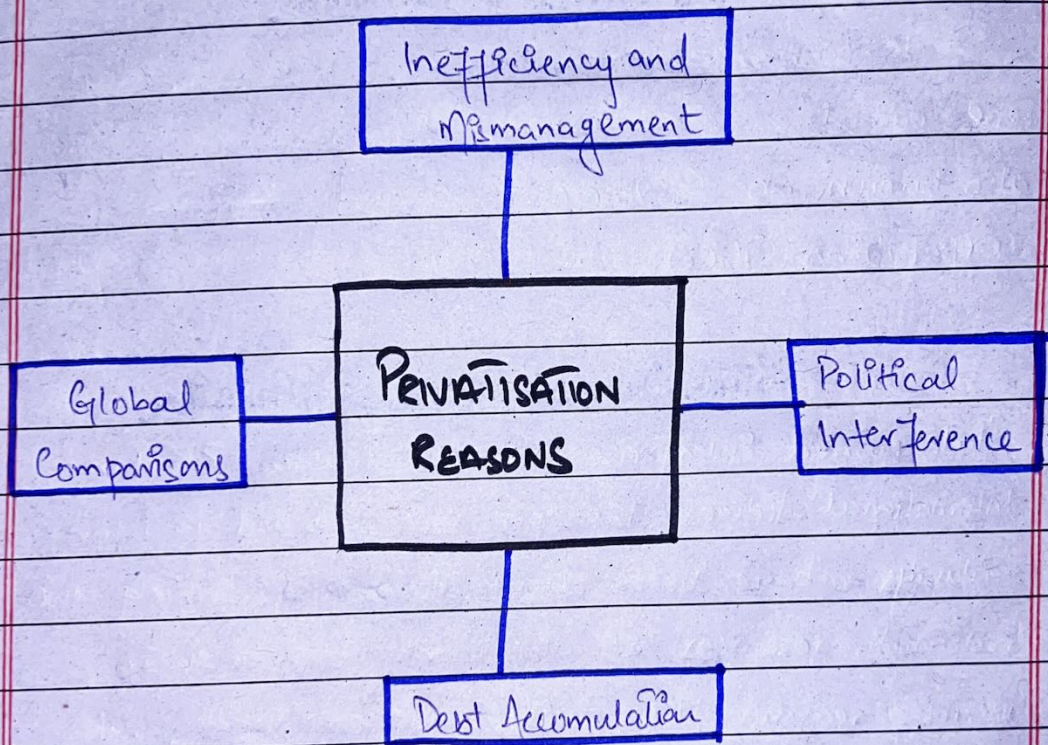
State owned enterprises of Pakistan ~~are~~ - Pakistan International Airlines, Pakistani steel mills and Pakistan railways - have been consistently ~~draining~~ draining the national resources of the country due to their various reasons like inefficiency, corruption, and political interference. These enterprises collectively cost the economy over PKR 500 billion annually, highlighted in a recent report by Ministry of Finance. Government have been allocating these SOEs heavy subsidies, but they still remain unproductive, giving rise to fiscal deficits and limiting resources for essential public services like health and education. To overcome this burden of deficit, government must privatize



these enterprises.

## REASONS OF PRIVATIZATION

Government must focus on privatisation of the SOEs to avoid major losses ~~and~~ along with other factors highlighted below:



### INEFFICIENCY AND MISMANAGEMENT:

Most state owned enterprises of Pakistan operate at a loss due to outdated infrastructure and overstaffing. A great example of this is Pakistan International Airline - reported PKR 67 billion loss in 2022 - showcasing its inability to compete with private airlines.



### POLITICAL INTERFERENCE:

Key positions in state owned enterprises are often filled up through nepotism ignoring meritocracy. The hiring according to the spoil system has spoiled the whole enterprises.

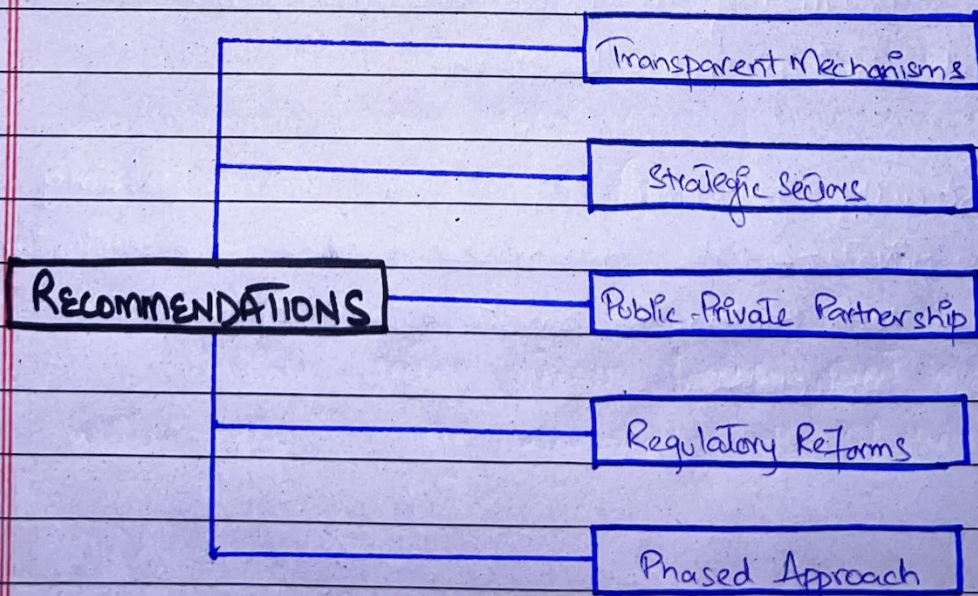
### DEBT ACCUMULATION:

SOEs are increasing the burden on the government by its continuous bailouts. As a result the public debt reached 94% of GDP in 2003.

### GLOBAL COMPARISONS:

Successful privatizations like Turkey and India demonstrate how efficient management can transform loss-making enterprises into profitable ventures.

### WAYS OF PRIVATIZATION





### TRANSPARENCY:

Open bidding and independent audits can ensure accountability and public trust.

### STRATEGIC SECTORS:

Privatization must focus on non-essential sectors, while retaining state control over critical areas like defense.

### PUBLIC-PRIVATE PARTNERSHIPS:

Leveraging ~~public~~ private sector efficiency while maintaining government oversight can be a balanced approach.

### REGULATORY REFORMS:

Establish an effective framework to prevent monopolies and protect consumer interests.

### PHASED APPROACH:

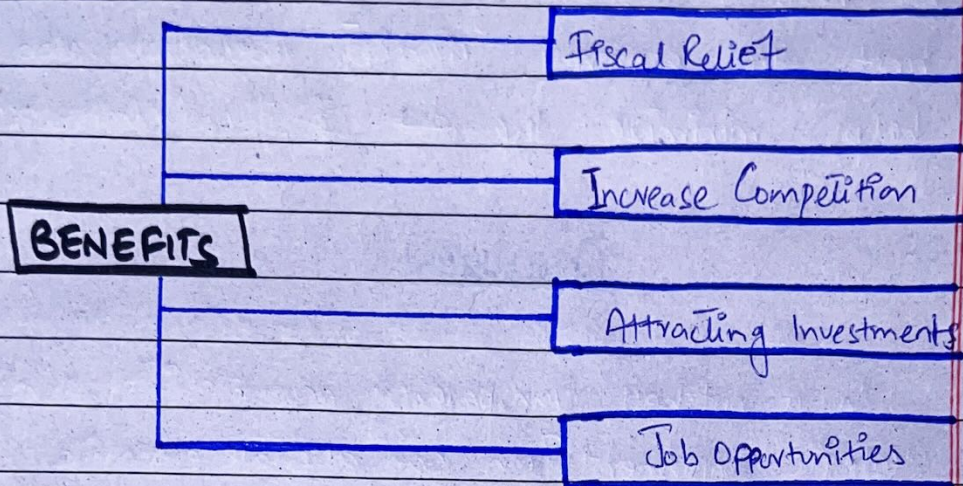
Privatizing in phases ensures a smooth transition and minimizes public backlash.

Recently government of Pakistan has been planning to privatize its enterprises which were overflowing the debt burden. The current efforts of privatizing are appreciable.



## PRIVATIZATION BENEFITS

Privatization of enterprises going in huge loss is highly beneficial, as highlighted below:



### FISCAL RELIEF:

Privatization can save billions in subsidies and those funds can be addressed in other sectors.

### INCREASED COMPETITIVENESS:

Privatizing enterprises will increase the competition in every sector resulting in improvement and increasing the choice of public.

### ATTRACTING INVESTMENT:

Private sector attracts foreign direct investments which help in the economic growth of the country.

### JOB CREATION:

Privatization of enterprises will release the employees and hiring of trained employees will



create job opportunities for the specialized workers.

These benefits highlight how privatization will help in overcoming the fiscal debts and boost the economy. Market liberalism also helps minimize the ~~the~~ fiscal challenges.

### CONCLUSION

In a nutshell, transparency, accountability and strategic implementation can alleviate economic ~~press~~ burdens, enhance efficiency, and stimulate growth. Pakistan must learn from global successes, which will transform its SOEs from liabilities into assets and ensure prosperity.





### QUESTION NO. 3

Critically evaluate the recurring separatist insurgencies in Balochistan. Recommend policy options for the state of Pakistan to resolve this issue once and for all.

### ANSWER

#### INTRODUCTION

Balochistan have been a hub of insurgency from quite a long time. Pakistan is facing terrorism insurgency and the recent year was said to be the most difficult one for Pakistan. Different school of thought highlight different reasons for the rise in insurgencies in Balochistan. Some supporting the state while some tilt towards the people of Balochistan. The major and confirmed reason comes out to be involvement of foreign agencies like RAW, which can be highlighted with several evidences. However, these insurgencies are prolonged which need to be highlighted to make Pakistan peaceful and a prosperous country. It is the duty of the state and the people of Balochistan to not go against the state and fight with the people of own country. Instead of using force, negotiations can be a way out, as force is being used by both sides from many years but still stand nowhere except of extreme destruction and losses.



## REASONS OF INSURGENCY

Rise of insurgency in Balochistan highlights many weak points of the population of Balochistan and the state. All reasons are serious enough to lead to such events and disturbance in the country.

### TRIBES WEAPONISATION:

Baloch Sardars are responsible for weaponising their respective tribes. They have a long list of lethal weapons collected from the leftovers of the Foreign Forces like Russia and NATO. These lethal weapons were given to chiefs to establish their personal army against the state. Tribal feuds which are common in Balochs are always ~~used~~ against the state.

### RELATIONS WITH FOREIGN AGENCIES:

Baloch Sardars have established their strong relations with Foreign agencies, especially RAW. Famous leaders of Balochistan like Brahamdagh Bugti - founder of Balochistan Republican Party - Harbyair Marri and Dr. Allah Nozair Baloch, who is the current leader of Balochistan Liberation Front, they all have been involved with RAW as highlighted by the ~~rep~~ Interior Ministry, DG ISPR and Defence Ministry of Pakistan, in their reports. A real example of this is Kalbhushan Yadav - RAW



agent captured by Pakistan. All these terrorist organizations are raw supported which is the reason they conduct strategic attacks. In 2008 and 2011 Pakistan officially showed the data of Raw's involvement and Baitullah Bugti is mostly seen to be present in Mumbai - confirming the Raw involvement.

### HALTING SOCIO-ECONOMIC DEVELOPMENT:

Sardars of Balochistan have always stood against the socio-economic development in the area of that province. The province is majorly ruled by tribal chiefs who are in power and ~~to~~ to benefit their pockets they try not to transfer the power. They themselves did nothing in the region, no educational institutions, no business startups, no natural resource extraction. Hence, no economic rise in the province.

Due to which the people without power still have to migrate for basic necessities. Students move towards Punjab for good universities. People go to cities for good healthcare facilities. This is leading to the alienation of people.

However, there are weaknesses of the state as well. The flawed policies of the state have lost the support of the public of Balochistan, leading to their alienation against the state.



### ATTACKS IN OTHER DISTRICTS:

It must be noted that divisions ~~are~~ in which Baloch Sardars have close relations with the state are also targeted, which gives a notion that they themselves are facing terror attacks and high security is required in those districts like Atbela and Makran.

### NO DE-WEAPONIZATION EFFORTS:

After the defeat of USSR in Afghanistan, they left behind billion dollar weapons which came to Pakistan through the porous border. After that, at the end of war on terror, NATO's military supply was done through Pakistan which was looted by non-state actors. At the time Pakistan Taliban and Afghan Taliban had strong ties and the strong weapons left by US, NATO forces ~~were~~ in the last four decades were given no attention by the state. Government gave least ~~is~~ attention to deweaponization which led to suffering insurgency in own state.

### POLICY RECOMMENDATIONS FOR PEACE

The rising insurgency in Balochistan needs to be addressed with strong and cautious steps which can help minimize the damages.



## ECONOMIC EMPOWERMENT:

Equitable distribution of resources must be ensured. Balochistan contributes 86% of Pakistan's natural gas and the host of major projects of Pakistan like Reko Diq Gold, and Copper mines and Gawadar Port, and the public of Balochistan still remains impoverished, with literacy rate around 40% and lowest access to ~~sanitized~~ ~~was~~ clean and safe water, around 20%. The inequalities give rise to resentment and alienation of the people from state and give open ground to insurgent groups like Baloch Liberation Army (BLA).

## POLITICAL INCLUSION:

As highlighted in the 18th Amendment, provincial autonomy <sup>must be granted</sup> and engage the leaders of Balochistan in national decision making process to ensure equal representation from all provinces.

## INTERNATIONAL DIPLOMACY AND INTELLIGENCE STRENGTHENING:

Inclusion of RAW into Pakistan must be countered by showcasing the Pakistan's development efforts in Balochistan. Enhancing intelligence sharing mechanisms will automatically dismantle the insurgent efforts. Pakistan must gain leverage from international forums like UN ~~and~~, OIC and SCO to expose the external meddling.



### SOCIO-CULTURAL INTEGRATION:

Respect and representation of local tradition and culture will foster unity among the nation. Promotion of own nation with integration of different cultures at international level will promote a positive image helping to fight the insurgency in the country.

### CONCLUSION

The insurgencies in Balochistan are rooted in socio-economic and political issues, requiring some major policy shifts and nationalist strategies. By combining economic empowerment, political inclusion, and robust security measures, Pakistan can transform Balochistan into region of stability and progress, ensuring long-term peace and national unity.

