

Q.8

Critically evaluate the reasons for the slowing down of CPEC projects. What options would you recommend to Islamabad and Beijing to re-invigorate.

China and Pakistan Economic Corridor (CPEC) is a flagship project of China's Belt and Road Initiative (BRI), aiming to enhance regional connectivity and boost economic growth. After successfully completion of CPEC's phase-I, it has now entered into its phase-II. Unfortunately, phase-II has slowed down due to the following reasons:

(i)

Political Instability in the country:

Pakistan is facing challenges such as political instability, leading to discontinuation of policies. Rapid discontinuation and changes to policies related to CPEC is major cause of slowing-down of CPEC projects.

(ii)

Decrease in confidence of investors to invest in the country:

As the second phase involves around building special economic zones, bringing agricultural advancements, and enhancing human capital development, all of these need investments. However, due to political instability and bureaucratic hurdles, investors feel reluctant to invest in the country. Hence, CPEC's phase-II is slowing down.

(iii)

Militant insurgency in the country:

Since the Taliban has come into power in Afghanistan, Pakistan is experiencing severe militant attacks. There is e. Taliban (TTP) and ^{other groups} have been active, attacking security personnel, Chinese workers, and civilians as well. The number of attacks has raised tremendously since the year 2024. These attacks have significantly impact the growth of the CPEC's projects, as the state is unable to provide security to Chinese workers. Moreover, such an environment losses confidence of the investors to

invest in the projects

(iv)
Fragile economy of the country
and the conditions of the
loan donor organizations:

As Pakistan is constantly facing debt crisis, it has to take more loan to pay its debts. Recent loan from International Monetary Fund (IMF) has come with conditions as always.

The country cannot use the loan money to pay its debt to China, making the condition worse for the growth of the CPEC's projects.

These are the some of the reasons of slowing down of CPEC's projects. However, Islamabad and Beijing should take following steps to re-invigorate:

(i)
Seeking regional cooperation to fight against terrorist groups:

As terrorist groups pose major hurdle for the growth

of CPEC's projects, both the country must negotiate with Afghanistan to not allow them using Afghanistan's land against the attack on Pakistan. In this regard, other states of the region can also cooperate to root out this evil, affecting regional security and ultimately regional economic progress.

(ii)

Enhancing security alongside porous border of Pakistan with Afghanistan:

Pakistan must take measures to tight the security alongside porous border with Afghanistan. As the movement between borders make it easier for terrorist groups to carry out their activities and hence posing threats to Chinese workers.

(iii)

Bringing political stability in the country:

Political parties must prefer dialogue to mediate the

disputes and allow winning party to complete its term. As whenever new government comes to office, it causes delay to see the progress of ongoing projects. Moreover, there should be one long-term plan to complete the CPEC phase II. Frequent changes and discontinuation of policies cause significant losses.

(ii)
Boosting confidence of investors :
Pakistan must boost confidence of local investors too for the speedy growth of the CPEC's projects. More and more investments will require to accomplish the projects and achieve sustainable development.

In conclusion, CPEC has significant importance for Pakistan and China both the countries must take the above-mentioned crucial steps to complete the projects within its time.

Q. 2

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

Since decades, state owned enterprises have been a huge and persistent burden on the budgetary economy of Pakistan. The state has to pay huge amount for running of these enterprises. There has been constant debates to privatized them. Here is why and how these enterprises should be privatized.

Why these enterprises should be privatized?

These enterprises such as Pakistan International Airways (PIA), Pakistan's steel mills, and Pakistan Railways are constantly making losses due to the following reasons:

(i)
Politisization of the State owned Enterprises:

These enterprises are highly politicized, leading to recruitments without any merit.

(ii)
Poor performances due to recruitments of unskilled personnels:

As recruitments are not based on eligibility criteria, rather on political influence or favour, this leads to poor performances in the concerned department.

(iii)
No proper check and balances on the performances of the SOEs:

There is no proper oversight body to have proper check and balances on the performances of the SOEs, leading to poor performances and ultimately to losses.

(iv)
Unable to compete with private enterprises:

Despite government support and subsidies, these enterprises has been performing low and are unable to compete with other private enterprises.

Due to above-mentioned challenges to SOEs, they must be privatized and here it is how:

(i)
Bringing labour reforms:

To privatize SOEs, government must bring labour reforms, ensuring social and economic security of labour.

In this way, they will perform in a better way.

Moreover, required training must be given to them. In this

way, privatization would also benefit government.

(iii)
Taking into confidence all the Stakeholders.

Government must take into confidence all the stakeholders that would be affected directly and indirectly with the decision of privatization. Taking into confidence and ensuring that their rights would be preserved, will pave ways for governments in smooth privatization.

(iv)
Starting the process with small enterprises.
Government must start the process with small enterprises as it would be easier than privatization of larger enterprises.

(v)
Taking into account the market conditions:

Before privatization, government must critically analyze the market conditions. So that, it would gain more benefits.

(vi)
Cooperation and opposition is required:
As the privatization of SOEs is a process of sensitive nature, opposition must cooperate with government and ensure smooth privatization of the enterprises.

(vii)
Public must be aware about the process:

It is necessary to explain the benefits of privatization to public and how money will be invest on public development projects rather than subsidies SOEs. Moreover, privatization process must be transparent to build a ^{confidence among} government and the public.

In conclusion, privatization is inevitable. However, the process must be taken by taking into account above-mentioned concerns, ensuring smooth process of privatization.

Q.6

Islamabad - Kabul tensions linger on due to TTP using Afghan land as a launching pad for terrorist attacks in Pakistan.

Critically evaluate the situation. Give possible recommendations.

Pakistan has been facing terrorist attacks since the Taliban has come into power in Afghanistan in August 2021. Here is how Islamabad - Kabul tensions have been increasing:

(i)
Withdrawal of NATO forces from Afghanistan encourage Pakistan-based Taliban:

After 2-decades long war, withdrawal of NATO forces showed victory of Taliban in Afghanistan. This has encouraged Pakistan-based Taliban group such as Tehrik-e-Taliban Pakistan (TTP) to resume their activities in Pakistan.

Date: / /20

(ii)
TTP using Afghan land as launching pad for terrorist attacks in Pakistan.

TTP use Afghan land as launching pad for terrorist attacks in Pakistan.

Moreover, as the border of Pakistan along Afghanistan is highly porous, movement of these terrorists is quite easy. This movement has created various security challenges to Pakistan.

(iii)
Ties of TTP with the government of Taliban in Afghanistan.

There are strong ties between the government of Taliban and the TTP. That is why Kabul is reluctant to take strict measures against TTP.

(iv)
Pakistan calling for cooperation from Afghanistan to stop TTP:
Pakistan has called for many times to Afghanistan

to take strict measures against TTP. But, Afghanistan's reluctant has caused rising tension between Kabul and Islamabad.

(v)

Pakistan is facing significant security and economic challenges due to these attacks:

As border security is essential for any country to focus on its economy.

However, in case of Pakistan all the borders, except that of with China, are facing security challenges. The state is facing significant challenges to resolve security challenges at borders, especially with Afghanistan. This has caused strained relations with Kabul.

(vi)

Major CPEC's projects are at stake in Pakistan:

As the major targets of TTP attacks are Chinese workers, security personnel and civilians, they are hampering the growth of CPEC's projects.

These are some of the reasons why relationship between Kabul and Islamabad lingers due to TTP terrorist attacks in Pakistan. However for regional peace and economic progress of the countries, following steps must be taken to reduce the tensions between Kabul and Islamabad:

(i)

Consistent negotiations with Afghanistan:

Dialogue and negotiations is the only peaceful way to convince Afghanistan to ~~stop~~ take strict measures to stop TTP using its land.

(ii)

Other countries can take the role of arbitrator:

Other countries such as China can play the role of arbitrator and can convince Afghanistan to cooperate.

As the China is also investing in Afghanistan, it can pursue Afghanistan.

Other ~~st~~ neighbour states of Afghanistan can also play their role to pressurize Afghanistan as terrorist groups are a threat to them as well. Moreover, it is very crucial for regional Security and peace.

(iii)

Enhancing security at border of Pakistan along Afghanistan: Islamabad must take viable measures to enhance its security alongside porous border with Afghanistan. It would help to stop TTP from terrorist attacks in Pakistan.

(iv)

Political parties of the country must prioritize national interests: Major political parties of the country must prefer dialogue and cooperate with each other. This will bring political stability in the country and governments will be more focused on policies formation and implementation to secure its borders.

In conclusion, to combat against TTP, negotiations with Afghanistan must not stop. Kinetic actions are not long-term solutions, they will strain the relationships between Afghanistan and Pakistan. Moreover, regional cooperation is required to ease the tensions. At home, Pakistan can enhance its own border security and political parties must resolve their own disputes and work together for the security of the country.