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Q.3. Answer

Introduction:-

State owned enterprises (SOEs) have been a huge and persistent burden on the budgetary economy of Pakistan. Pakistan has nearly 113 state owned enterprises which are becoming a burden day by day because their losses are increasing. Different SOEs which were privatized in 1990s and 2000s are making profit, but SOEs are running in loss from a long time. Pakistan International Airlines (PIA), Pakistan Steel Mills, and Pakistan Railways are also running in loss. In developed countries, governments are there to make policies rather than running businesses but in developing countries like Pakistan governments overburdened them by maintaing SOEs. It is not the job of the government to run business but to fomulate policies and works as a regulator. Moreover, Health and education sectors must not be privatized for better facilities.

Why the Enterprises Should be Privatized?

SOEs have been running in losses from a long time. There are about 113 SOEs which need to be privatized. Reasons why SOEs should be privatized are as follows:

1. Comparison between SOEs and Privatized Enterprises in Pakistan:-

The enterprises which were privatized in 1990s and 2000s are making profits and SOEs are a burden on

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the economy of Pakistan. For instance, Muslim Commercial Bank (MCB) which was privatized in 1990s is making profits. The bank was in a bad position that time and was a burden but now it is making huge profit. Moreover, other private banks like HabibBank Limited (HBL), United Bank Limited (UBL), and many other private banks are performing well than the National Bank of Pakistan (NBP). This makes privatization important and necessary especially for a budgetary economy like Pakistan.

Another example of K-electric makes the notion valid. Currently many distribution companies (DISCOs) are running in loss due to many reasons and line loss is one of them. When K-electric was privatized there were line losses of about 34%, but now these losses are less than 14%. Moreover, K-electric is responsible for electricity generation and distribution. Other DISCOs like Quetta ~~Dis~~ Electricity Distribution Company and Peshaware Electricity Distribution Company are in losses. Which make it a valid point to privatize the SOEs.

2. Overburdened Government and Economy:-

Government is overburdened and same is the economy. Running businesses is not the job of the government. So the government should restrict itself to the policy formation and regulating the private sector rather than running the businesses. Countries like Japan and India are doing this effectively by privatizing SOEs in portions. Moreover, our

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economy is not strong enough to bear this burden. In budget FY2024-25, government has difficultly managed things and may be a mini-budget will be there. ~~So~~ So the need of the hour is to privatize these enterprises and get some relief from the losses and the burden. Moreover, governments in modern days are working just like a regulator in all over the world and Pakistan needs to adopt this as soon as possible.

3. Conditions of IMF :-

Pakistan is facing severe economic crisis and depends on the international donors for the loan. This loan is very important as budget depends on this. Along with the loan IMF, International Monetary Fund, gives some tasks for the betterment of the economy of the country. To get the loan we need to privatize the SOEs. Recently, the Government of Pakistan tried to privatize PIA but that not worked because of very low bid price as compared to the expected price of the government. Moreover, to satisfy the IMF. Pakistan needs to work on the privatization of SOEs. This makes it another valid reason for the privatization of SOEs.

How the Enterprises Should be Privatized?

Privatization of the SOEs needs will of the government and can be privatized in various ways. Some of the ways are as follows;

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1. Case Study of Indian Railways and Japnese Railways:-

Many countries ~~are~~ have privatized their SOEs in different ways. India and Japan privatized their railways in portions. This enables the state to own the infrastructure but different stations were given to different companies for better and efficient gains.

For instance, India has privatized the railways in this manner that the infrastructure still belongs to the state, but the stations are being maintained by different private companies. Same is the case with the Japan, which adopted the same pattern and now these enterprises are making profits.

Pakistan should learn from these models to privatize different SOEs specially Pakistan Railways, which have been a huge and persistent burden on the economy of Pakistan.

2. Role of Judiciary:-

There have been many reasons behind not to privatize the SOEs and judicial interference is one of them. We have seen in the past that how judiciary restricted the executive not to privatize Pakistan Steel Mills. Now these mills are not working and ~~are~~ were practically closed in 2015. Now salaries of the employs and other expenses are a huge burden on the economy of Pakistan. So the judiciary must not intervene in the process of privatization and should respect

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the decisions of the executive.

Conclusion:-

To conclude, state owned enterprises have been a huge and presitent burden on the budgetary economy of Pakistan so these enterprises need to be privatized. Different privatized enterprises are performing well like MCB and K-electric. More-over, different models of privatization can be adopted to privatize the SOEs and judiciary must not intervene in the matters of executive for a glowing, progressing, and flurishing Pakistan.

Q. No. 4.

Introduction:-

After World War II, the world became bi-polar leading by United State of America (USA) and Soviet Union (USSR). This bi-polarity became the reason for cold war. After a long Cold War the world became uni-polar with the disintegration of USSR. USA became the only leader of the world, but with the start of 21^{st} century, China became an economic giant. This lead to another twist with the rise of China. Now Russia and China are growing economies. There had been a notable collaboration between the two countries before the invasion of Russia into Ukraine, but after this

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attack these two countries, Russia and China, have established a strong economic, strategic, and geo-political collaboration. These collaborations are potentially challenging the hegemony of USA. These countries are collaborating in trade of hydrocarbons, technology, and security equipments. The alliance of Russia and China is a threat to the hegemony of the US and the Western countries.

Why China is Collaborating with Russia?

The notion that, enemy of enemy is friend perfectly suits the situation. China is currently second largest economy after USA with a difference ~~$~~ of about $6 trillion. This makes the USA to realize the threat from China because China is going to be number one economy by 2030. That is why USA is trying to containing China through different tactics like QUAD, the strategic alliance of USA, Australia, Japan, and India, and AUKUS, the alliance of USA, Australia, and the United Kingdom (UK). Moreover, situation of Taiwan as US has deployed its navy in ~~south~~ east China sea is making the China to realize that there is a stronger need of alliance with a strong country.

What factors are making Russia to collaborate?

Russia and the US are the rivals from ~~the~~ long i.e. since the start of the Cold war. This rivalry

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is making Russia to collaborate with China. Secondly, USA is expanding its influence in the eastern Europe which is not in the favour of Russia. To mitigate this influence Russia attacked Ukraine. Moreover, Russian attack on Ukraine has bad impacts on the economy of Russia due to the sanctions imposed by the US and the West. To sell its hydrocarbons Russia needs a big market and China is the largestest importer of hydrocarbons.

These factors brought Russia and China close against the US led world order. Moreover, to challenge the hegemony of USD these countries are in alliance.

Economic Collaboration between Russia and China:-

Both the countries, Russia and China, are collaborating in economic field. After the attack of Russia on Ukraine the US and the West has imposed sanctions on ~~the~~ Russia. Europe was a bigger market for Russia to sell its hydrocarbons. Now Russia is providing hydrocarbons on 30% discount to China. China is purchasing the hydrocarbons to support Russia in Ukraine financially. This trade of hydrocarbons is beneficial for both Russia and China as Russia is getting money and using it in Ukraine and China is getting a handsome discount of 30% on the hydrocarbons.

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Strategic Collaboration between Moscow and Bijing:-

Both Moscow and Bijing are collaborating in differt fields such as security and technology. Currently Russia is facing sanctions from the world's bigger chips exporters like Japan, Germany, and South Korea. These chips are extremly important in modern day technologies of electronics and weaponeries. China has ensured the supply of the chips to Russia to run its transport, electronics, and defense sectors.

Moreover, China is importing defense technologies from Russia. These technologies include SU-35 aircrafts which are running on a latest version. Russia is also providing S-400 aircrafts to China which are a valuable addition to the defense of China.

Geo-political Collaboration through Different Platforms:-

Russia and China are using different platforms to challenge the US hegemony and USD hegemony. Currently BRICS+ is the major highlight which is the collaboration of Brazil, Russia, India, China, South Africa, Iran, Egypt etc. This platform is holding a potential to seriously challenged the US hegemony. Moreover, the currency swap systemwhich allows the member states to trade in their own currencies. This increasing alliance of Russia and China through BRICS+ is challenging the dollar hegemony and these countries are also thinking about a new currency

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for the member states. Dedollarization is the motive of these countries and thinking about a new regulatory authority to challenge SWIFT. Moreover, SCO i.e. Shanghai Corporation Organization also holds the potential to challenge the hegemony of dollar.

Currently Russia and China are using their own currencies i.e. Rubbel and Yuan for trade purposes. China is a major threat to US because China is increasing its trade in Yuan. Yuan just passed the Euro and become the 2nd largest using currency after dollar. This is an alarming situation for the US.

Conclusion:-

Russia and China are enhancing their economic, strategic, and geopolitical collaboration to challenge the US led world order. These countries are collaborating in different fields including security, defense, chips, and energy. This alliance has the potential to challenge the US led world order. Moreover, BRICS+ is a well organised platform for these countries to challenge USD.

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Q. No.5.

Introduction:-

Dollar and SWIFT being used as a weapon by US against the countries of the Global South by imposing sanctions on these countries. As of Breton Wood system US prints the dollars against gold reserves and all other countries print their currencies dollar reserves. US used this as a weapon against the Global South by imposing sanctions. BRICS+ has the potential to couter balance the dollar influence, but ~~the~~ will and integration is required. Moreover, US and the West have used this phenomenon against the Global South by imposing sanctions, dependence on dollars and the SWIFT. BRICS+, the alliance of Brazil, Russia, India, China, ~~and~~ South Arica, and the new members have the potential to seriously challenge the dollar's hegemony, but they need will of the member states and integration among the member states.

Dollar and SWIFT as a Weapon:-

US and the west have used dollar and SWIFT as a weapon against the Global South in many ways. Some of these are as follow;

1. Implementing Sanctions:-

US and the West have implemented sanctions on their opponents whether it is Iran or Russia. This

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implies that they unlink the banks of their opponent countries from the SWIFT. SWIFT is a regulatory authority for trade and fast payments. State Banks of almost every country is linked to the SWIFT process. These countries use this as a weapon against Global South. For instance, state Bank of Russia and many other commercial banks got unlinked from the SWIFT after Russia's attack on Ukraine. This proves that the dollar and the SWIFT are being used by US against the countries of the Global South.

2. Reserves in Dollars:-

After World War II, a new mechanism was introduced by Bretton Wood known as Bretton Wood system. This system refers to the phenomenon that the United States will print its currency i.e. dollar against the gold reserves and rest of the world will print their currencies against the dollars they have. This system gave an edge to the dollar against all the currencies of the world. This system is being used by the US against the Global South by depleting their dollar reserves.

3. Control over IMF and Other Donors:-

US has a control over IMF and other donors. When a country seeks loan from IMF, this needs approval of Washington. So US has a clear control

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over the international donors. The conditions which IMF give to the countries are basically the conditions given by the US. Moreover, approval for the loan from the international donors is directly linked with the approval of the washington.

BRICS+ Countermeasures:-

BRICS+ is an emerging alliance of the countries from the Global South. The Western exploitation is not justifiable so the emerging economies are alligning themselves against the US and the west.

1. Dedollarization Initiatives:-

BRICS+ countries have made an initiative to de-dollarize the world trade. This alliance or the cooperation have the potential to de-dollarize the trade as these countries as using their own currencies for the trade between the member states.

2. BRICS+ Expansion:-

BRICS+ was started by just four countries, Brazil, Russia, India, and china, but now there are significant number of members. This expansion indicates that BRICS+ is getting stronger day by day and so the challenge to US and the West.

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3. Developing International Finance System:-

As SWIFT is being used by the US against the Global South countries so there is a need of an independent finance system which works without the influence of the US. This is going to challenge the hegemony of dollar and SWIFT.

Limitations of BRICS+ :-

Although BRICS+ has the potential to challenge the hegemony of dollar and initiate de-dollarization but there are some limits of BRICS+, which are as follows;

1- Integration of the Members:-

Integration is a major concern of the BRICS+ members. Countries like India are a threat to the integrity of the BRICS+. India's increasing strategic partnership with the US through QUAD is a set back to the BRICS+. So the countries have to think about the integrity of ~~the~~ BRICS+.

2- Economic Instability:-

Other challenge faced by the platform is the economic instability. As member states are still dependent on the dollar. If China will faced the sanctions as Russia is facing now, will be a setback to the BRICS+. Transition from dollar to other currency may

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lead to short term financial instability.

Conclusion:-

To conclude, the US is using dollar and SWIFT as a weapon against the countries from the Global South. BRICS+ has the potential and capacity to counter this by de-dollarizing trade, but limitations are there. If BRICS+ maintains integration and the member states work together then it will be a great set back to the US dollar and SWIFT.