

**Question#3: State owned enterprises.. persistent burden.. Why and how these be privatized.**

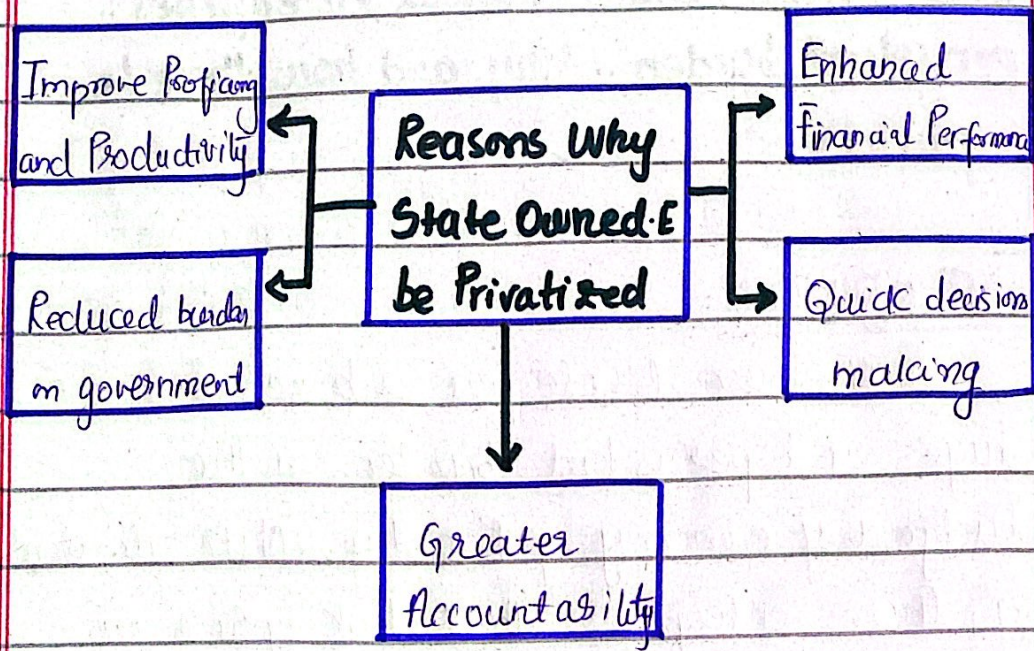
### 1) INTRODUCTION:

State owned enterprises have been a huge and persistent burden on the budgetary economy of Pakistan. Nationalization of these enterprises that took place in early 1970's, have now become a huge burden on national economy as most of them are under debt. These State owned enterprises have become 'white elephants'. Therefore, privatization is the only solution to improve the performance of State owned enterprises and reverse the loss. Numerous reasons and methods are there to privatize the state owned enterprises, including policy making and political consensus.

### 2) Why State Owned Enterprises should be privatized:

Following are the multiple reasons to elaborate why state owned enterprises should be privatized:





## i- Improved Proficiency and Productivity due to private ownership of Enterprises:

State owned enterprises should be privatized because it improves proficiency and productivity. It is due to competitive nature among various enterprises and this healthy competition will lead to result in improved proficiency. U7 Hasib Bank performance before and after privatization.

## ii. Enhanced Financial Performance due to privatization of State owned enterprises:

Another reason that state owned enterprises be privatized because it



enhances financial performance. This is evident from multiple state-owned enterprises which was performing poorly and enhanced performance when privatized.

↳ Air Blue vs PIA reflects the benefits of privatization.

### iii. Reduced Budgetary Burden on Government due to private ownership

It reduces budgetary burden on government is another reason for privatization. Government will not have to spend much on state owned enterprises and can be spent on multiple other things and better infrastructure in country.

↳ PIA loans and is under debt.

### iv. Quick and Swift Decision making due to non-interference of third party:

Fourthly, quick and swiftly decision making is seen due to the non-interference of third party, because of privatization. It does not encourage undue influence and political interference in its decisions. And less monopoly is also evident in privatization of state owned enterprises.



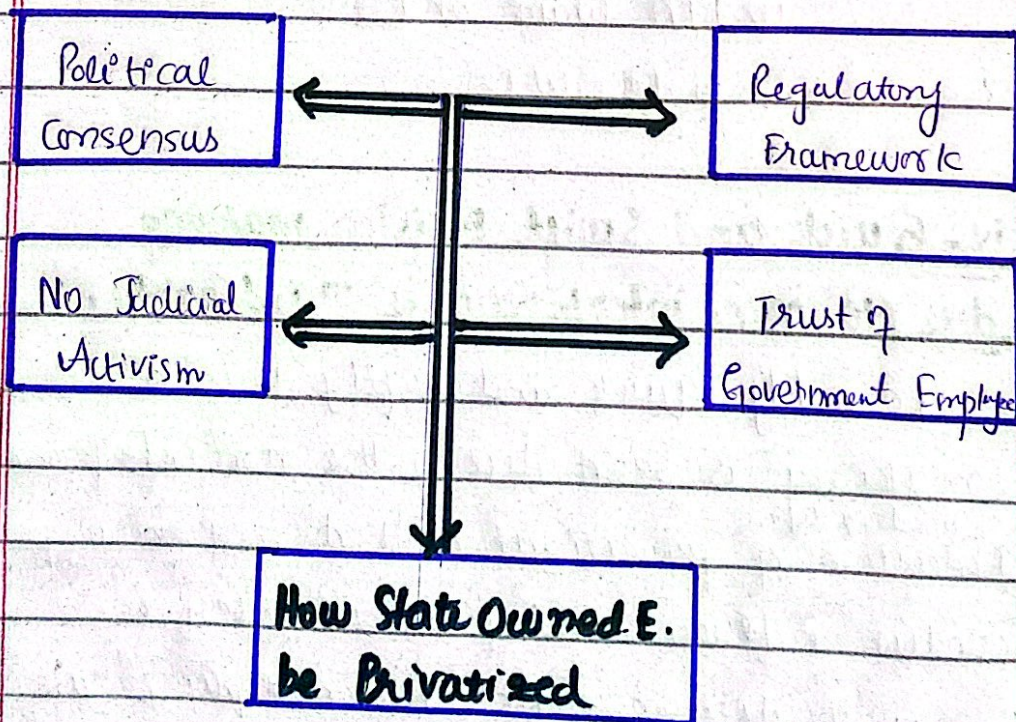
v. Greater Accountability due to efficient and active check-and-balance on private workers:

Lastly, privatization is needed as it increases accountability and transparency.

Corruption is a common practice in state-owned enterprises due to absence of thorough check-and-balance and large number of employees.

3) How State Owned Enterprises should be Privatized:

Following are the multiple ways in which state owned enterprises should be privatized:





## i. Political Consensus to avoid any hindrance in privatization:

Enterprises should be privatized with the major political consensus of all political parties. Every political party should participate and present their stance before-hand to avoid hindrance in privatization.

## ii. Regulatory Framework for properly executing the process of privatization:

There should be a proper regulatory framework that overlooks the procedures of privatization and it should make sure an oversight on prices as well so that the average income public should not be exploited from the hands of private owners.

## iii. No Judicial Activism for complete execution of private ownership:

Judicial Activism has been one of the hurdle in way of privatization as evident from Pakistan Steel Mill case, as judiciary interfered due to employees who lost their jobs, resultantly privatization decision was reversed.



#### iv. Trust of Government Employees must be gained to avoid any public loss:

Lastly but mainly, the concern which hinders the way to privatization of state owned enterprises is that many employees lose their job; therefore, they must be adjusted somehow or their trust should be gained by making them aware of the consequences of non-privatization.

#### 4) CONCLUSION:

In a nutshell, state-owned enterprises of Pakistan has become a burden on budgetary economy due to multiple reasons including decreased performance. Privatization is the only solution left because it improves proficiency, enhances financial performance, reduces burden on government, quick decision making, and has greater accountability. It can be privatized by multiple ways including gaining political consensus, having proper regulatory framework, less judicial activism and by gaining trust of employees to efficiently reverse the loss.



## Question #2:

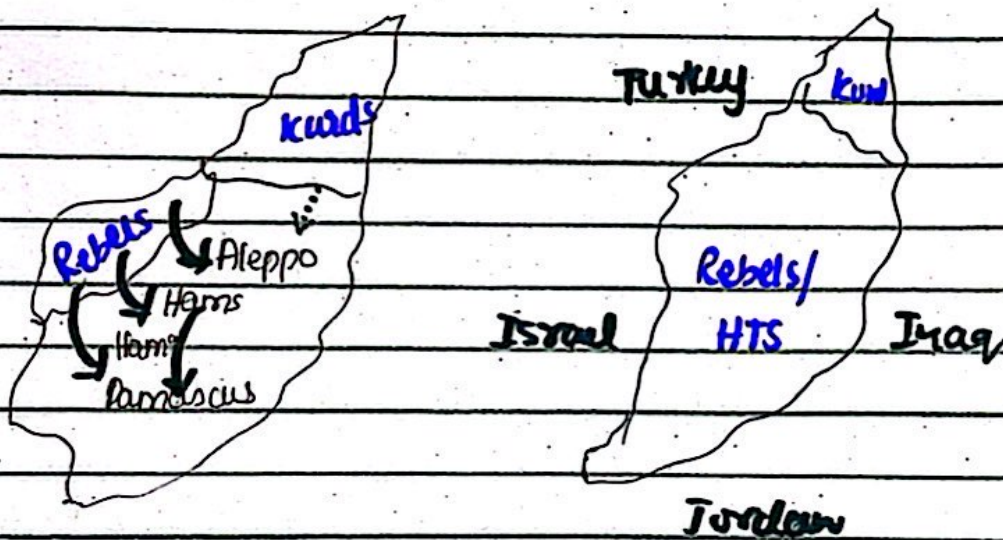
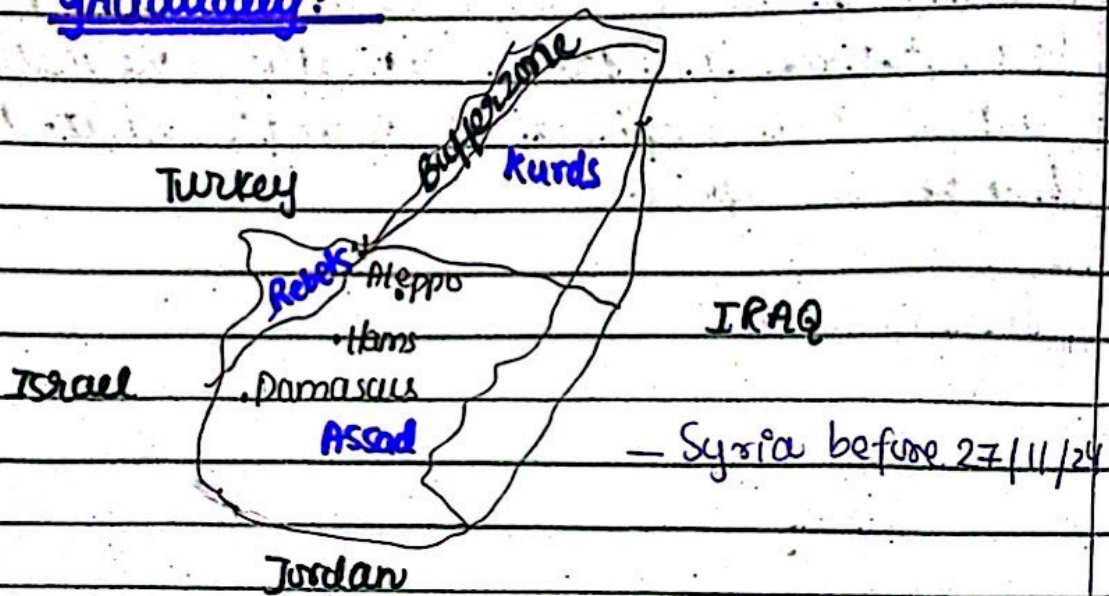
The HTS Islamist have toppled down Bashar Al Assad regime in Syria. Critically evaluate reasons and implications of unprecedented change in Syria.

### 1) Introduction:

The Assad family ruled Syria for more than 50 years with an iron-fist. Bashar-al-Assad became President after the death of his father in 2000, who ruled for almost 3 decades. In 2011, he brutally crushed a peaceful, pro-democracy uprising, sparking a civil war in which more than half a million people were killed and many displaced. Recently, Pro-Assad Russia and Iran were involved in their respective wars. So, the HTS (Hayat Tahrir al-Sham): An Islamic militant group and allied rebels surprisingly attacked northern part of Syria on 27-11-2024 and captured 2nd largest city Aleppo of Syria. They moved then to the capital Damascus as military collapsed and Bashar-al-Assad's government toppled down. An assylum has been granted from Russia to Assad — and HTS leader "Abu M. Al-Jolani" has arrived and told Syrians that "The future is ours".



## 2) Syria, HTS and How they captured Syria gradually:



Syria on 27/11/24

- Syria as of now.

## 3) Reasons behind Unprecedented Change in Syria:

### 01 Political Regression and Authoritarian Rule:

The regime dominated by alawite minority (Hafiz Al-Assad), ruled with an iron-fist. Civil liberties were



Limited, political opposition was crushed and intelligence services maintained a pervasive atmosphere of fear (CNN)

### b) Socio-Economic Inequalities:

Decades of economic and resource mismanagement enriched a small elite while impoverishing the majority. Also, the rising unemployment throughout Syria created frustration among Syrians especially in youth. (youtube)

### c) Sectarian and Ethnic Tensions:

Syria's diverse population includes Sunni Arabs (majority), Alawites, Kurds, and Christians as well - long-time favoritism towards the Alawite minority created tensions among Sunni majority contributing to sectarian polarization and eventually to conflicts. (Inst. of Study of War)

### d) Emergence of Rebel Groups:

The opposition in Syria consisted of Islamist groups, Kurds, and secular (minority) group as well - The presence of Al-Nusra, once associated with Al-Qaeda and FSA (Free Syrian Army) and other multiple escalated conflicts.



## e) Regional Rivalries:

The conflict became a proxy war when international players came in Syria for their geo-political interests. Where Russia supported Bashar-al-Assad's government and same did the Iran mainly because 'Alawite' is slightly connected with Shia community of Iran. Russia came to have access of Mediterranean Sea and to bring Russian naval bases in Syria.

However, United States of America, supported and backed Rebel groups by providing financial assistance, weapons and intelligence services just to contain Russia. Israel, Turkey and other multiple made Syria "a battle-ground".

## 4) Implications of Unprecedented Change in Syria:

a) Regional Instability: The Syrian crisis has destabilized the region and it might lead to intensifying the already threatening rivalries between Iran, Turkey and Kingdom of Saudi Arabia. Sectarian conflicts may expand towards Iraq, Yemen and Lebanon as well.



## b) Global Security Threats:

The Revival of groups like ISIS and other poses a threat to global security. Armed proliferation and terrorist networks could emerge from the chaos.

"United States of America, United Kingdom and Europe has declared HTS and other as terrorist organizations"

(BBC)

## c) Energy Crisis:

Escalation of war and instability may disturb trade and energy markets, affecting global prices. The world might see hyper-price-hike in oil and gas prices as Russia is involved directly and may see receive another set of sanctions - The same could be done for Iran.

(CNN)

## d) Humanitarian Crisis:

Humanitarian crisis includes

- ↳ Scale of suffering
- ↳ Refugee crisis
- ↳ Living conditions
- ↳ Psychological impacts

About millions of people have suffered and are suffering due to poor living conditions, economic disparities and mismarged



Hundred of Thousands of People have displaced and has chosen to be a refugee in this ongoing instability in Syrian. The children and other masses have suffered malnutrition and majorly Extreme Torture in Seydnaya Prison all resulting for Humanitarian Crisis. (CNN)

### 5) Critical Analysis:

From Socioeconomic inequalities to regional rivalries multiple factors have contributed towards Syrian Unprecedented change. The impacts would be widespread and would take time to properly come in front of the world. Global International governmental and non-governmental organizations have started to analyze and predict the future. However, whatever the analysis come, one thing is bound to happen and that is the regional and global implications. As the Professor Kishor Mahbubani said:

"It will impact the world order"

### 6) Conclusion:

The Islamist rebel group named as terrorist group by United States of America Captured northern Syria and toppled down Assad's government. The process was the result of multiple factors including the



root causes as Socio-economic inequalities, sectarian and ethnic tensions, authoritarian rule, emergence of rivalries and rebel groups resulted in uprising in Syria. The toppling down of Assad's government have some serious implications including regional instability, global security threats, energy crisis and humanitarian crisis. Significant measures are needed for betterment.

### Question #5:

Dollar & SWIFT being used as a weapon by U.S against the countries of Global South. Critically evaluate how BRICS+ could counter this to get rid of western exploitation permanently.

#### 1) Introduction:

Due to "Petro-Dollar Agreement", an unannounced agreement, between KSA and USA, the largest oil producers and exporters dollarized its trade. US with help of KSA prevailed upon the world. Resulting, in the world largest commodity oil became dollarized and so does international trade.

United States also established an international transaction system "SWIFT" for global transactions. Due to this US got the capacity



to freeze foreign bank accounts and reserves of any country. Global South is the major affected part of the world of frozen accounts. Russia, Afghanistan, Iran, China and North Korea's accounts have been frozen already. The frozen accounts of mentioned countries prove the western exploitation and weaponization of dollar and SWIFT System.

## 2) How BRICS+ Could Counter Western Exploitation Permanently:

BRICS+ is the acronym of Brazil, Russia, India, China and South Africa and the plus represents other members of the organization made in early 2000s - the organization was originally BRICS - just of 5 countries but gradually they've started to expand. Inclusion of Iran and other significant names prove it. Majorly, this organization focuses on trade and cooperation but this has also expanded to avoid western weaponized dollar and SWIFT.

Following are the ways BRICS+ could counter western exploitation:

### a) Trading in Currency Swap Agreements:

A decades old phenomenon where countries could mutually swap currencies for trade. By following and



Adopting this phenomenon BRICS+ can counter western aggression as they would not anymore rely on dollars only. They would've their currencies for trading and other purposes — in case of sanctions.

↳ China, India and Russia have started currency swap trading but it is in initial phases.

### (b) Common Currency for BRICS+ Members:

Common currency is also not a new phenomenon - European Union has already opted and are using single currency - The whole Europe now uses 'Euro' as their currency. China and BRICS+ opting and going for common currency would be a major success in stopping the western exploitation.

↳ More than 40% of global GDP contributors are BRICS+ members. They opting for common currency would be a major setback for dollar.

### (c) Establishment of New Development Bank:

The establishment of new development bank would be an unparalleled setback to IMF and WB. The



organizations like IMF and WB provides funds and loans to developed and developing countries for multiple factors - They provide funds also in dollars. So, if someone needs to start something they're to take that in dollars and wouldn't be able to take/receive funds if they are sanctioned. Hence, BRICS+ need to establish a new development bank that would use either the common currency of BRICS+ or their respective currency of a country.

### (d) Alternative to SWIFT system:

A Brussels based international transaction system operating world widely having access to hundred of thousands of accounts and data. If BRICS+ wants to get rid of western exploitation — the way Russia has faced — they need to bring an alternative financial transaction system. Be it either operating in single or common currency.

↳ China has their own SWIFT alike but it is limited to only 46 countries.



### 3) Critical Analysis:

From Petrodollar agreement to dollarization of trade to weaponization of dollar especially towards Global South proves western exploitation - BRICS+ needs to take significant measures in order to remain relevant and in avoiding the western exploitation. The BRICS+ expansion and the steps that they are taking would shape the world order — mainly could become a multipolar world and would have a new direction of world.

### 4) Conclusion:

Dollar and SWIFT being used as a weapon against global south leads BRICS+ to think about countering the exploitation either by making an alternative to SWIFT system, or opting for common currency, establishment of new development bank or going for currency swap agreements of trade. Significant measures have been taken and are needed to take if BRICS+ wants no exploitation from dollar and SWIFT.



## Question #8

Critically evaluate the reasons for slowing down of CPEC Projects. What options to rejuvenate the project ...  
CPEC - II a tangible reality.

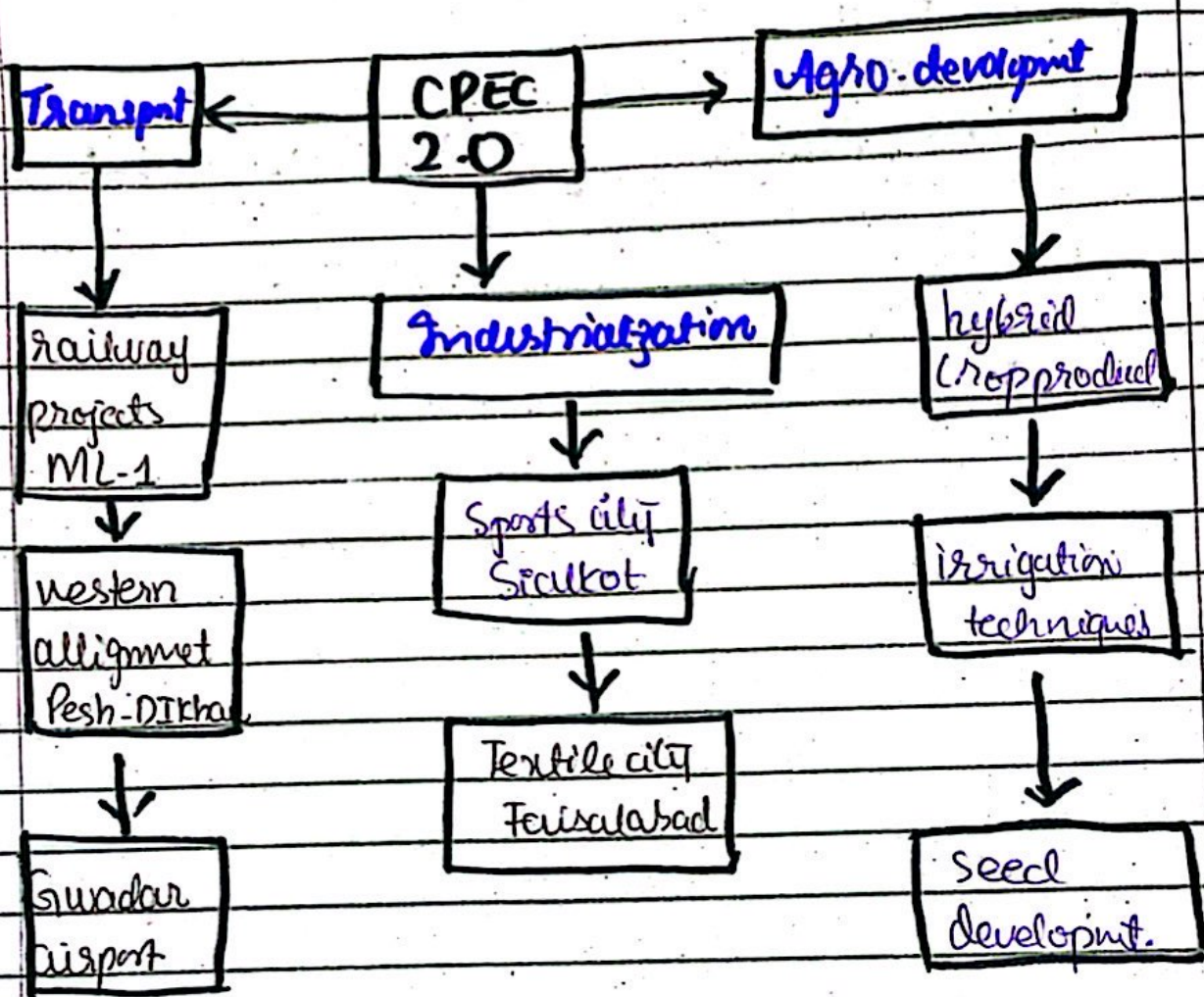
### 1) Introduction:

China-Pakistan Economic Corridor is a framework of regional connectivity and a win-win situation for both countries Pakistan and China. CPEC holds the vision to improve lives of people of Pakistan and China by building an economic corridor promoting bilateral trade, connectivity, construction, transport, industries and people-to-people connections. After the completion of CPEC phase-I, it is now thriving and striving towards CPEC phase-II. Phase-II includes transfer of technology to Pakistan, multiple industries and industrial goals, transport and infrastructure projects and SEZ's in Pakistan.

### 2) CPEC 2.0:

CPEC 2.0 or phase-II includes multiple projects of infrastructure, technology and industries and energy, agriculture as well. Following illustrates the CPEC-2.0:





### 3) Reasons for Slowing Down of Projects:

The CPEC and CPEC-20 faced slowdown of projects. Following are the reasons.

- Geopolitical and security risks
- India's nefarious designs to sabotage CPEC
- Peace in Afghanistan in Question.
- Political instability in Pakistan.



#### 4) Steps needed to re-invogate slowed down projects:

##### a) Improving security conditions in Pakistan.

Pakistan has faced and is facing the menace of terrorism. The recent terrorist and separatists resurgence majorly targets "Chinese national and personnels" for personal gains. Pakistan needs to improve its security conditions and ensure Chinese safety in order to re-juvenate the slowed down projects of CPEC 2.0.

##### b) Improving Finance transfer from China.

China has taken multiple loans and might face some serious issues regarding economy and that would directly affect the BRT project (CPEC 2.0)

↳ Delayed M-1 project shows and proves the financial mismanagement.

Hence, in order to contain slow pace of CPEC projects - Beijing needs to ensure its finance management.



### c) Ensuring Political Stability in Pakistan:

Pakistan being one of the most unstable (politically) country becoming multiple time politically unstable becomes an obstacle in achieving the goals - Political instability hinders the pace and slow-down the CPEC-projects. Islamabad needs to take political instability into consideration.

### d) Increased Focus needed from China:

China has diversified its economy and has started and indulged itself into multiple giant projects which hinders and shifts the focus from CPEC projects slightly - China & Pakistan both needs to prioritize more than anything those projects which've been slowed-down.

### 4) Critical Analysis:

BRT projects CPEC had its phase-1 completed and CPEC 2.0 has and is facing some shortcomings - Both countries need to realize its importance in the growing nexus of US-India - CPEC 2.0 would be soon completed and would have a huge impact internationally.



## 5) Conclusion:

CPEC 2.0 has faced some projects being slowed down mainly due to multiple factors including geopolitical and security risks, peace in Afghanistan question, political instability in Pakistan and India's effort to sabotage CPEC. Both Pakistan and China needs to assure and re-ensure confidence in each other in order to achieve common goals.