

DATE: 10<sup>th</sup> Jan, 2025

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## Current Affairs Test - 3

### Question - 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?

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### Introduction:

State-owned enterprises (SOEs) in Pakistan have historically been a significant burden on the country's economy due to the inefficiencies, mismanagement, corruption and lack of accountability. To address these issues government of Pakistan has been working to reform and privatise SOEs, with the aim of improving their

efficiencies, reducing the financial burden and promoting private sector growth.

## SOEs : A Burden

Following are the reasons why State-Owned Enterprises consider as a burden :

### 1- Chronic Losses And Inefficiency

many SOEs, such as Pakistan International Airlines (PIA) and Pakistan Steel Mills, operate at a massive losses due to poor governance, outdated infrastructure and inefficiency. The government has to bailout these enterprises using taxpayer money, diverting resources away from the critical sectors like health, education.

Inefficiencies can be caused by

overstaffing with the political interference without considering merit or organizational needs.

## 2- Corruption And Mismanagement

SOEs are plagued by corruption and lack of transparency in decision making processes, resulting in wastage of resources and financial irregularities. Thus, the government allocates significant budgetary support to sustain failing SOEs, increasing fiscal deficit and public debt.

## 3- Distorted Market Dynamics

The dominance of inefficient SOEs in key sectors hinders private sectors growth and discourages competition.

# Why Privatization is Necessary

## 1- Improve Efficiency And Reduce Fiscal Burden:

Privatized entities operate under the market driven principles, which often lead to improve efficiency and profitability.

Moreover, selling non-performing SOEs reduces the need for government subsidies and bailouts, allowing public funds to be directed towards more productive uses.

## 2- Encourage Investment And Boost Economic Growth:

Privatization can attract foreign and domestic investors, bringing expertise and technology to revitalize the enterprises. With efficient

management and competition  
privatized entities contribute  
positively to the economy  
operating employment and  
revenue.

### 3- Promote Competition

Privatization breaks monopolies,  
fostering healthy competition  
that benefits consumers  
through better services and  
lower prices.

## Strategies For Effective Privatization

### 1- Clear Privatization Policy and Regulatory Framework

There should be a transparent  
framework that outlines the  
goals, processes and sectors  
for privatization, ensures  
robust regulatory bodies to

oversee privatized entities and ensures fair competition.

## 2- Adopt Gradual Implementation

There should be a phased approach to privatization for better preparation and adaptation by the market and stakeholders.

## 3- Ensures Transparency And Fairness

The strategy should conduct open and competitive bidding processes to ensure fairness and avoid allegations of corruption.

## 4- Safeguard Employee Interests And Engage Stakeholders

Address concerns of job losses

by offering severance packages, retraining programs, and alternative employment opportunities. Also, communicate with labor unions, civil society and private investors to address concerns and build consensus.

### Conclusion:

While privatization is not a panacea, it can be a viable solution to address the inefficiencies and financial burdens posed by SOEs in Pakistan. With proper planning, transparency and regulatory safeguards, privatization can transform these entities into drivers of economic growth rather than liabilities.

### Question - 3

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

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### Recurring Separatist Insurgencies in Baluchistan

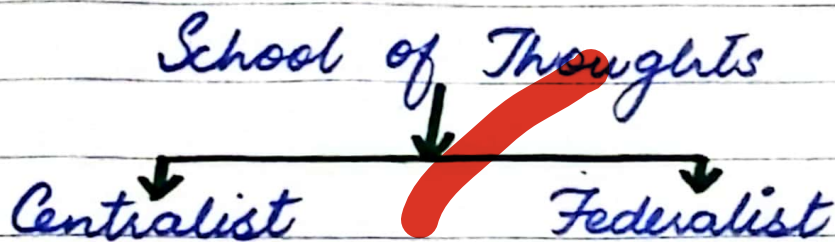
The recurring separatist insurgencies in Baluchistan are a complex and multifaceted issue. As Baluchistan was annexed by Pakistan in 1948, which led to resentment among the Baluch people. The Baluch people have historically been underrepresented in Pakistan's government and institutions. The Pakistani military has a significant presence in



Baluchistan, which has led to tensions with the local population.

## Reasons for the Separatist Insurgency in Baluchistan

There are two major schools of thoughts regarding the separatist insurgency in Baluchistan.



### 1- The Centralist School of thought

It comprises of those who support strong Centre and weak units (Provinces). This school of thought gives numerous arguments for the rise of Insurgency in Baluchistan.

They argue that landlords, clergy, and tribal chieftains do not allow the economic and educational development of middle class society. If they allow, their hold will be decline. **Baloch Sardars** contributed to the same thought and want to pocketed the whole power given to the provinces.

### → Tribal Militia Against the State

The strong tribal system in Baluchistan have developed their own militia (armed groups). These tribes have armed disputes routinely with each other and also with the state. The tribal chieftains have weaponized their respective tribes and they used these militias against state whenever

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they want.

### → Association of Sardars with RAW:

The series of Sardars of Baluchistan established linked with the intelligence agency of India; RAW to get finance and weapons.

Kulbushan Jadwani, the captured RAW agent has made confessional statement:

“RAW supports the separatist organizations in Baluchistan by providing funds and weapons. Afghan and Iran have been used as launching pad for terrorist attack in Baluchistan.”

The prime objective in these attacks are to sabotage CPEC and destabilize Baluchistan

## 2- The Federalist School of Thought

Those who support strong units and weak centre are called Federalists. This school of thought has a series of objections on the centralist.

### ⇒ Objections:-

i- If Baluch Sardais were the prime reason for Insurgency in Baluchistan, then why there are repeated attacks in District Lasbela where Sardar is dominated.

ii- The Makran Division has also faced attacks even there is no Sardari system.

### ⇒ Inference from these Objections

It means the Baluch tribes and Sardais cannot be held solely responsible. It has

been the policy of the state

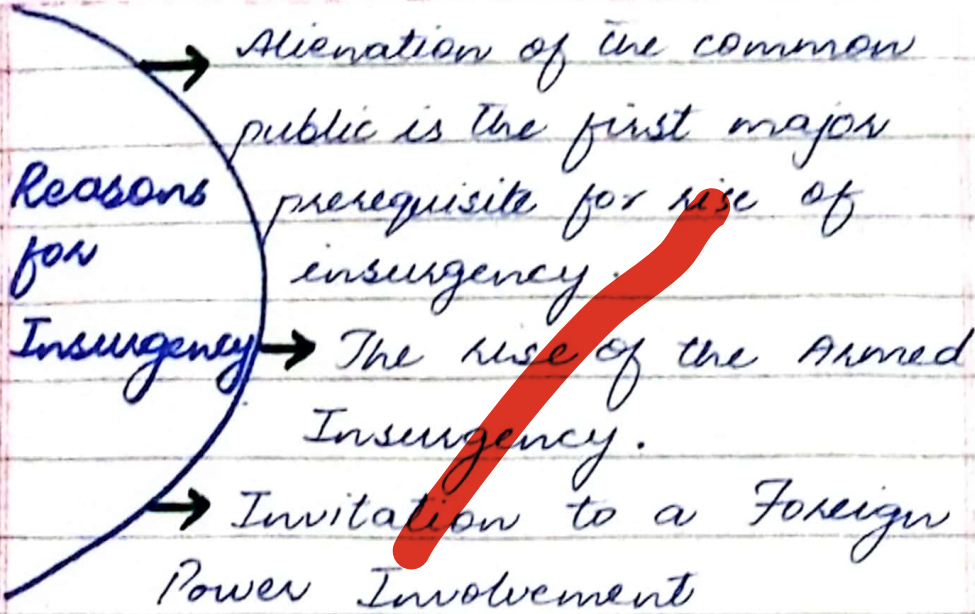
## The Policy of

Joining the  
Afghan - Jihad  
in 1980s

War on  
Terror in  
2001

Weaponization of  
the Pakistani Society

The weapons came from across the world and mainly from Afghanistan. The same applies to the situation in Baluchistan. So, the real reasons for the insurgency in Baluchistan are some else.



## Solutions to Resolve the issue of Insurgency

### 1- Intelligence - Based Operations (IBO) :

Such operations demands that operations should be targeted, precise, that do not results in damage to the locals. The security forces and government need to restore the confidence of the common public of the warzone areas, which could only be done when these areas are being cleaned

without harming or damaging.

## 2- Police Reforms :

Increase in the number of police, sufficient funds and the required weapons. This would enable police to fight the insurgent groups in much better way.

## 3- Negotiation with the Insurgent Groups

There would always be a group of people within the insurgent group that can be ready to drop weapon and join the mainstream. This would only be happen when they are benefitted socio-economically.

## 4- Socio-Economic Development

of these areas and giving them presentation can eradicate insurgencies

## 5- De-Weaponization of Society

A grand strategy for de-weaponization of merged Districts KP, Baluchistan.

First option is the volunteer dropping of the weapon and such people should be financially benefited.

Secondly, search operations should be done.

## Conclusion :

Insurgency in Baluchistan has been the cause of great harm to the infrastructure, and local people and a great threat to state. By adopting suitable policies and giving equal presentation to the Baluchistan can stop this issue. Also, state



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has to gain the confidence  
of the people of Baluchistan  
to eradicate this evil.

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