

# Q1:

10/20

Why to Privatize SOE's : State owned enterprises have been a burden for the economy of Pakistan for a time being now and reason of budget deficit.

• - Inefficiencies :

Usually State owned enterprises are developed in order to provide amenities to public in form of services and goods at an affordable rate and also providing employment opportunities. But in Pakistan, these SOE's have not been able to provide any such reasonable services that could compete in market or provide/serve public with the promised interests.

Pakistan Railway and PIA lag behind other competitors in services and PTCL which is partially owned

by state is considered a slow service to be used for IT sector.

- - Overstaffing and lack of merits

SOEs have always faced political interference for its staffing and recruitment. Favoritism and bribery for appointment of employees has also been a headache. In past, SOEs were also used to fill political quota seats for politicians and their political reputes.

PIA has 500 employees for almost 1 plane and it is in \$400 billion debt. Overstaffing and then lack of merit is another factor that PIA was periodically banned from Europe.

- - Huge loss for Treasury: State has to bill out these SOEs every year

for no profit or considerable return. Out of over 100 such SOEs in Pakistan only one, OGDCL was in profit in 2024. This gives an idea of how much it is of a burden for state to just own these.

PIA has to be billed out ~~Rs. 140~~ Rs. 160 billion last year and collectively more than Rs. 1000 billion for all SOEs.

FESCO, LESCO, PIA, Railways, Steel Mill, National Bank, NHA and many others are such SOEs that cost billions to Pakistan's economy yet are not profitable in any sense to the state or even to the masses.

Pakistan Steel Mills has been closed since 2016. Various PIA routes are banned. Railway is only used for passengers.

Privatization:

The job of State is to provide social welfare, rather than running business.

Privatization would not only improve the public access to these amenities being provided but also the competition with others, these would be available at a competitive rate.

Secondly it would lessen the burden on ~~public~~ state.

•- Public Share Offerings:

Shares for the enterprises could be listed for sale or simply auctioned just like PIA is being done.

World Bank has some models to guide in the privatization process.

## • - Transparent Process:

The selling of these public enterprises should be done in a transparent and legal framework that have all the process and involvements announced beforehand.

This would prevent corruption or any political interference and issue, later on. There must be a defined legal framework for the privatization process.

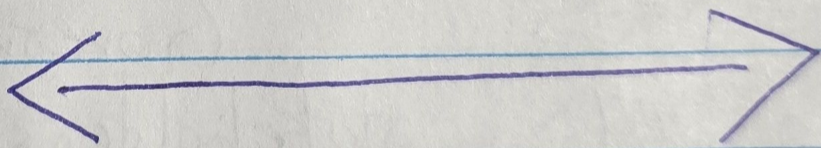
## • - Consensus:

Government should bring all stakeholders, political parties and any other pressure groups to table and develop a consensus among all to ensure smooth and clear privatization process.

World Bank also emphasizes the importance of capacity building of

institutions and strengthening  
governance to address the  
challenges faced by Pakistan  
in privatization of state  
owned enterprises.

Only through strong political  
and bureaucratic will, this  
process of privatization can be  
completed and smoothly the  
state owned enterprises could  
be privatized, in order to  
lessen the burden on Pakistan's  
treasure.



**Q3 -**

Insurgencies are the result of disappointed factions or conspiracy of ~~enem~~ rival countries that are aimed to destabilized and weaken a country.

Pakistan has faced several waves of insurgencies, since its birth. A number of prominent factions have been responsible for it. TIP in K.P.K and BLA in Balochistan. Since, 1960, Balochistan has been facing such issues which were controlled by state with time but ~~recent~~ 2 decades have seen a ~~drastic~~ change in the scenario.

Baloch Liberation Army and Front has gained popularity in the same time period, targetting security forces, civilians and state resources to spread ~~hatred~~, fear and anarchy, pushing the agenda of Indian

RAW. In Jan, 2025 BLA attacked in Turbat and previously conducted 12 attacks in November 2024.

Reasons of Insurgencies:

Primarily, the prominent groups demand freedom but the instigating factors behind this demand the use of these factors by rivals like India and others, is part of a larger conspiracy.

• - Economic Marginalization:

Since 1947, little does the state has done in Balochistan until recently. Due to rugged terrain and mountainous region, infrastructural development has been very limited. Such has lead to a sense of alienation among local population when it is compared to major urban centers that are in other



provinces.

### • - Ethnic Discrimination Claims:

Baloch Sardars have used the motto of ethnic discrimination and oppression of state over them, as a tool of their political campaigns. Although, being the smallest province by population, Balochistan still gets equitable representation in politics, administration and education.

But these falsified claims have instigated sense of hatred among local people which is being harvested by the factors like TBLA.

### • - Corruption and Misuse of resources:

Balochistan has plenty of natural resources but over the years, local administration and politicians have used these

to their advantage and has done little for the public. This is a reason for economic disparity of Balochistan as well.

Poverty, lack of infrastructure, lack of quality education are another factor for this economic disparity that contributes.

Impacts :

• - Insurgencies like that of BLA specifically target CPEC and security forces of Pakistan. Such incidents have badly impacted CPEC and halted its progress. Chinese foreign ministry in past has shown their concern over the issue and asked Pakistan to take the issue more seriously.

• - BLA has targeted people of other ethnicity in Balochistan

especially from Punjab. This is only fuelling up fire in ethnic hatred and upsetting national integration process of Pakistan.

• - Such incidents # distort Pakistan's image in front of other countries and foreign investors, decreasing FDI and economic activities in Pakistan, hindering its already strained economy.

Solutions:

• - Uplifting Balochistan:

policy interventions are needed to uplift the economy of Balochistan through <sup>New</sup>

⇒ Capacity development of local work force

⇒ Educational opportunities for youth

⇒ Investing in public services in Balochistan

Trained and educated workforce in Balochistan would put them in line for competition and increase of demand. This would help to improve the household income of Baloch people and Balochistan in general, eliminating economic lagging.

- - Inclusion in State and local Affairs:

Balochistan Youth and professionals should be given representation at local and state level to help them advocate for their rights. This would also help them to highlight and point out the reasons of alienation to be solved.

- - IBOs and local Police Action:

Presence of Military should be Lowered in Balochistan and local Police

should be trained and capacity  
built to counter insurgencies!  
Instead of military operations,  
intelligence ~~based~~ operations should  
be preferred.