

QUESTION NO 02

PRIVATIZATION AS INEVITABLE
OPTIONI- INTRODUCTION

Currently Pakistan faces a number of economic challenges including budget deficit, balance of payment crises, circular debt and trade deficit. Amid all these economic issues, loss making state owned enterprises add fuels to the fire. These enterprises, in form of salaries, pensions and subsidies overburdens the state's economy. Therefore, privatization of these enterprises becomes Hobson's choice for the state in order to avoid further worsening of the issue. History of privatization in form of banks and electric companies suggests a positive outcome of privatization for state.

WHY PRIVATIZATION IS INEVITABLE

a- TROUBLED ECONOMY MAKES PRIVATIZATION A HOBSON'S CHOICE

One major reason that makes privatization inevitable is the troubled economy. Pakistan faces numerous economic challenges including loans and IMF dependency, budgetary issues and crises, balance of payment crises, circular debts and export-import imbalance. All these issues make privatization an inevitable option.

b- LOSS MAKING ENTERPRISES LEAVES NO CHOICE BUT PRIVATIZATION

Likewise, loss making enterprises in Pakistan further worsens the economic issues. This is because state has to ~~give~~ give subsidies to safeguard the SEOs. Similarly, pensions and salaries of staff also makes privatization as inevitable option.

C-PAKISTAN EXPERIANCES FROM PAST HISTORY OF PRIVATIZATION FAVOURS PRIVATIZATION

In past, Pakistan privatized many state owned enterprise and it proved to be fruitful. This makes privatization a viable option for Pakistan. For example, Pakistan privatized most of the banks except NBP. All the private banks of Pakistan are now giving profit. These banks were once loss making when these were under the state. In the same way, electric companies including K-electric were loss making companies in Pakistan. But when K-electric was privatized, it decreased its line loss, improved infrastructure and become profit making company. In the same way, private airlines in Pakistan are doing far well than the state owned airline. Same is the case of postal services. Postal services in Pakistan, which are state owned are loss making like Pakistan post. In contrast, private postal services like PCS

and Leopards are among the profit making companies.

e- POLITICAL RECRUITMENTS IN SEOS LEFT NO OPTION EXCEPT PRIVATIZATION

Political recruitments in various state owned enterprises has costed the economic prosperity of the state. For example, For one aeroplane in Pakistan, there are approximately 2000 employees. The salaries and pensions of such employees from state treasury leave no option with state except to privatize these SEOs.

f- WORLD DEVELOPED ECONOMIES FOLLOW THIS MODEL

In most of the developed European state, many enterprises and services are private and are not owned by the state. State's has nothing to do with business, rather government responsibility is to run the state not the business.

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RECOMENDATIONS

1- PRIVATIZATION OF LOSS MAKING ENTERPRISES

Firstly, the state should privatize the loss making enterprises in a step wise manner.

2- PUBLIC PRIVATE PARTERSHIP

public private partnership is the other option state should to use to avoid privatization.

3. OUTSOURCING THE ENTERPRISE

Likewise, instead of complete privatization, outsourcing the state owned enterprises is another option with state to convert the loss making enterprises to profit making enterprises.

QUESTION NO 03

DOLLAR AND SWIFT WEAPONIZATIONINTRODUCTION

During the recent Russia Ukraine war, US delinked the Russian accounts from SWIFT, leaving all its dollar reserves frozen. Due to dollarization of international trade, Russia suffered due to frozen dollar accounts as a consequence of de-link from SWIFT. This sent a strong message to developing economies like China that US and Europe can use dollars and swift as a weapon in case of any conflict. So there is a growing need to find the alternates to dollars and swift. These alternates can be developed in form of common currency, basket trade, currency swap agreements. Furthermore, there is a need to develop an alternate to swift like China has one but in mini form.

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II- DOLLAR WEAPONIZATION AND USE AGAINST RUSSIA

a- BRETTEN WOOD SYSTEM AND DOLLAR WEAPONIZATION

Firstly, the Brettenwood system of 1945 has significantly weaponized the dollar, through which all states can make their currencies against the dollar reserves. This is used as weapon by us against states facing balance of payment crises.

b- PETRO DOLLAR AGREEMENT AND WEAPONIZATION OF DOLLAR

petro dollar agreement between KSA and USA, through which KSA agreed to sell the oil to all states in dollar payment. This shifted all the oil trade to dollars increasing the world wide dollar demand. More Arab countries followed KSA and shifted oil trade to dollars, making it strong weapon by Europe.

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III- SWIFT AS A WEAPON AGAINST RUSSIA

SWIFT, an online transaction tracking system, is also used by US as a weapon against Russia. ~~The~~ Swift is a world wide transaction track system with 11000 bank and state banks of all the states linked with it. After Russia's attack on Ukraine, the US delinked Russia's state bank from Swift. This led to no transaction possible for Russia to transfer the dollar or trade in dollar. Thus US used dollar and Swift as a weapon against Russia to hit Russia's economy. This was a clear message to all the US rivals that US can do some in case of conflict. This also increased China's concern in case of attack on Taiwan. This led to a realization in global south that an alternative is needed to overcome the ~~dot~~ weaponization of dollar and Swift.

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IV- ALTERNATIVES WITH GLOBAL SOUTH

1- ALTERNATIVE TO SWIFT IS NEEDED

Swift alternative is needed by global south. China already has SWIFT alternative but it is limited to 46 states only. Increasing the scope of Chinese transaction control model can be an alternate to Swift.

2- BARTER TRADE - AN ALTERNATE TO DOLLAR WEAPONIZATION

Likewise, barter trade is required among various states from global south to counter the hegemony of global North in form of dollars. Russia is already working on this model and conducting barter trade with central Asian Republic states (CARS). The same can be used by other states to cope the dollar weaponization.

C-COMMON CURRENCY OPTION TO COUNTER DOLLAR WEAPONIZATION

Idea of common currency is another option with global south to dedollarize the international trade. Common currency like Euro used by European Union can be used by global south to cope with dollarization issue.

Common currency idea is already propagated by Chinese president and under discussion.

d-CURRENCY SWAP AGREEMENT TO COUNTER DOLLAR WEAPONIZATION

Currency swap agreement, through which trade is done in currency of states involved is another viable option with global south to counter the hegemony of global north by de-dollarizing the bilateral trade.

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IV- USING BRICS AND SCO TO DE-DOLLARIZE THE INTERNATIONAL TRADE

The most viable option available with global south is to use the platform of BRICS and SCO. These organization has largest oil and gas producers as well as largest oil and gas consumers. So these platforms can be used to do currency swap agreement or to introduce common currency like Euro of EU to dedollarize the international trade.

V- CONCLUSION

To conclude, Russia Ukraine war proved to be an eye opener for global south. An alternate in form of currency swap, faster trade and common currency is needed to end the US and European hegemony.

QUESTION NO 05

PAK KSA DEFENCE PACT

INTRODUCTION

Israel attack on Qatar increased the insecurities of Arab states. Though USA was security guarantor of Israel, it was not able to stop the Israel's attack on Qatar. This led to widespread frustration in Arab states including KSA. This became the basis of Pakistan KSA defence pact. It has far reach implication for both the states. For KSA, it can be game changer as KSA can now challenge the regional hegemony of Israel, come out of US dependency and can claim regional superiority. Like wise, countering the Indian threat, regaining prestige and emerging as regional player are geo political implications of this pact for Pakistan. Furthermore, it also enhances economic opportunities for Pakistan including investment in agriculture, getting rid of IMF and balance of payment crises.

II- GEO-POLITICAL IMPLICATION FOR KSA

a- COUNTERING ISRAEL'S HEGAMONY

One major impact of this pact is that KSA has successfully countered the Israel's regional hegemony through this pact. Israel was emerging as regional hegemon in middle East. Attacks on Iran, Lebanon and Qatar shows the hegemonic tendencies of Israel. But due to this deal the Israel's hegemony is seriously challenged.

b- COMING OUT OF US DEPENDENCY

USA was security guarantor of KSA, and KSA dependent on USA for its security needs. But US from very start had a tilt toward Israel. Qatar missile crisis showed that concerns of Arab states were real in case of conflict with Israel. After this deal, the dependency of KSA on USA has substantially reduced.

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C- REGIONAL SUPREMACY OF KSA

Pakistan - KSA defence pact has given the KSA on upper hand in the middle east. This defence pact has provided a regional supremacy to KSA over all Arab states.

d- NUCLEAR UMBRELLA AND END OF NUCLEAR DISPARITY IN MIDDLE EAST

Pakistan KSA defence pact has ended the long term nuclear disparity in the middle east by contesting Israel's nuclear capability. Hence it brought nuclear parity in the middle east.

III- GEO-POLITICAL IMPLICATIONS FOR PAKISTAN

a- COUNTERING INDIAN THREAT

One major benefit for Pakistan is that Pakistan has overcome the India's regional superiority. Defence

Pact has far reaching impacts as
KSA is an economic partner of
India. Pakistan KSA strategic and
defence cooperation poses a threat
to ~~USA~~ India's superiority in the
region.

B- REGIONAL SUPERIORITY OF PAKISTAN

Pakistan has got
a regional superiority over
KSA due to this pact. Trust
of Arab nations on Pakistan
is a direct approval of supremacy
of Pakistan in the region.

C- RE-EMERGENCE OF PAKISTAN AS REGIONAL PLAYER

Pakistan
US defence pact has given
Pakistan an opportunity to
re-emerge as regional player in
not only the South Asia but
also in the political corridors
of middle east, giving it its
lost regional prestige.

✓-ECONOMIC OPPORTUNITIES FOR PAKISTAN

A- OPPORTUNITIES FOR INVESTMENT IN AGRICULTURE SECTOR

KSA is among the top five states having largest import tendencies while Pakistan has tendency to export the agriculture goods. Thus, by virtue of this pact, Pakistan can enhance its agricultural exports.

B- GETTING OUT OF IMF DEPENDENCY BY VIRTUE OF THIS DEAL

By virtue of this deal Pakistan can come out of IMF dependency by more investments from KSA and trade with KSA.

C- KSA AND BALANCE OF PAYMENT CRISES OF PAKISTAN

Economic cooperation, by virtue of this defense pact can be vital for coming out of Balance of payment crisis of Pakistan.

QUESTION NO 04

INTRODUCTION

Since Russia's attack on Ukraine, various efforts are made to end Russia-Ukraine conflict. But all these efforts failed. Major cause of failure of ending the Russia-Ukraine war is the non-acceptability of Russian terms by Ukraine and NATO states. However, Trump views the end of war differently than the NATO members. Stance of Trump favours Russia's view and seems to be opposing the NATO stance. Differential stance to end Ukraine war is the major cause halting a peace plan between Russia and Ukraine.

RUSSIA'S VIEW:

Russia wants to its terms and conditions to be accepted in order to end the war. Those terms include

Q- RUSSIA DO NOT AGREE TO RETURN CAPTURED AREAS

One major problem to end the Russia Ukraine conflict is Russia's resistance to give back the areas of Ukraine captured by Russia. Russia has captured more than 55% Ukrainian territory and is not willing to return it. This is major bone of contention to end Russia Ukraine war.

b- NON-JOINING THE NATO BY UKRAINE- A PREREQUISITE SET BY RUSSIA TO END CONFLICT

Russia want Ukraine to be alienated ~~by~~ from NATO and not to join NATO in any cost. This is because Ukraine is an immediate neighbour of Russia. NATO at its immediate neighbour is an existential threat to Russia, hence it is reluctant to ^{get} a guarantee by Ukraine ^{it} ~~not~~ will not join NATO.

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C-UKRAINE — TO NOT JOIN EU-
A PREREQUISITE BY RUSSIA
TO END WAR

Like NATO, Russia
also wants to alienate Ukraine
from European Union. Russia is
reluctant to end the war without
a guarantee of not joining the
European Union by the Ukrainian
authorities.

NATO'S STANCE

a- UKRAINIAN TERRITORIES TO
BE ~~BE~~ RETURNED

NATO stance
is to return the captured
territories of Ukraine. NATO is
reluctant to accept any peace
deal allowing Russia to keep
the captured territories.

b- UKRAINE'S INCLUSION IN
NATO

NATO wants Ukrainian
inclusion in NATO and wants to
undermine the Russian influence on
Ukraine, which is another deadlock

halting end of war between
Russia and Ukraine

TRUMP'S STANCE

Trump holds an opposing stance to NATO and wants to end the war at Russia's stance. Trump's policy, widely criticized by Ukraine and NATO, is carrots toward Russia and sticks toward Ukraine. Thus Trump wants to end the war as soon as possible at any cost to be appreciated as peace maker.

RECOMMENDATIONS

- INCLUDING ^{EUF} ~~NEUTRAL~~ MEDIATOR
- EFFECTIVE ROLE OF UN
- NATO TO WITHDRAW ITS RIGID STANCE
- RUSSIA NEEDS TO MODERATE ITS STANCE

CONCLUSION

Russia wants to keep the captured territory and wants halt the inclusion of Ukraine in NATO.

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While NATO wants the captured
territories back. Trump stance is
pro Russian. Positive role of mediator
and moderate stance of Russia
and NATO is needed to end
the war