

QNO:2 Privatization is inevitable as state owned enterprises have been a huge burden for the budgetary economy of Pakistan. Analyze the statement and give recommendation.

ANSWER

1. Introduction

Pakistan's economy has always pressurized by state own enterprises with their huge deficit burden. "The statement that privatization is inevitable as state owned enterprises have been a huge burden" is absolutely a remarked statement as evident in Pakistan Economic Survey Report, 2025, State Own Enterprises including Distribution Companies of energy (DESCO) highways and Pakistan Aviation (PIA) upholds strong deficit burden on Pakistan's economy. However, strong mechanism of these institutions along with reforms and privatization sparks outrages in Pakistan's fragile economy.

(a) Evidence of SOE's burden on Pakistan's economy

Following data of SOE's of Pakistan is taken from Pakistan Economic Survey, 2025 and WB Policy Research on Pakistan

SECTORS:	LOSSES
→ ENERGY	2.3 tr (PKR) annually
→ Highways	1.923 billion
→ Pakistan Post	400-500 million
→ Pension liabilities	17 trillion (Plus)
→ others	(25+) trillion

(b) Sector Wise Interpretation

i) Energy Sector of Pakistan

Despite privatization of energy sector in multiple - organs, the following sector threats Pakistan economy strongly. Energy sector contains distribution of companies which are state owned property. These companies uphold

Pakistan economy with multiple deficits. Over-staffing, politicized, outdated infrastructure, and Under-trained professionals resulting failure of (disco's) across the country. According to IMF report on Pakistan's economy, (DISCO+GESCO's) alone bears Pakistan a loss of around 5.9 trillion rupees annually.

ii) Pakistan Post (communication System)

Pakistan Post is also on the edge of multiple under-development areas including over-staffing, outdated post mechanism, still practical in digital world and under-trained professionals.

iii) Steel Mills of Pakistan

Steel mills of Pakistan is also a debt burden on Pakistan's fragile economy. The obsolete and out-dated infrastructure of Pakistan's steel mill hinders quality production and helps in increasing burden and deficits.

National Highways (NHA)

National highways of Pakistan is one of the most politicized authority in the state. Government of Pakistan always seeks reforms of Pakistan's highway infrastructure but less compete, due to political manifesto's and proclamation of Road Infrastructure. According to Ishrat Hussain in Economy of Pakistan, "Pakistan's government always remained reactive rather than prevention, instead of investing in long-term development. Government spends on visible infrastructure to gain political support."

Way Forwards and Recommendation

During the time of fiscal fragile economy of Pakistan, Deficit burden causes by state-owned enterprises restrains Pakistan's positive movement in developed world. However, strong reforms are highly needed at the time of "as soon as possible".

i) Privatization of State-owned enterprises

A major step seen in recent month of Pakistan, Privatization of its airlines (PIA) upholds strong positive action in reforming economy. In the same way, Pakistan needs to privatize its deficit institutions and spend all the recovered amount on long-term developments.

ii) Broadening Tax Collection and administration

"Without broadening tax collection base and improving tax administration fiscal consolidation will be cyclical not structural" — Ishrat Hussain, Pakistan's Economy: Past, Present and Future

Tax Collection = 13.37 tr

Expenditure = 16.34 tr

(Pakistan Economic Survey, 2015)

Under-developed tax base constrains Pakistan fiscal development. Pakistan needs to upgrade tax base with Capacity development, de-politicization, and accountable.

One liner Reforms:-

- Pakistan needs to shift from "Energy Crisis fix" to Governance reform.
- Escape Capacity Payment trap.
- Reduce over-staffing in (SOE's)
- De-politized culture in Institution
- Fair and transparent appointment of Specialists
- Training of Moral and local problems to avoid red-Tapism and Corruption.

Conclusion

Pakistan's economy is a threat multiplier by state own enterprises with their huge deficit burden. These enterprises carries capacity, inefficiency and less production. However, These SOE's needs comprehensive reforms with the model of privatization, digitization, effective, transparent and accountable for better progress.

QNO:3

Answer of QNO:3

2. Introduction

Dollar and swift (society for worldwide interbank financial telecommunication) have been weaponized by the global west and against Russia has sent strong message to the economies of global south states that the world order is moving towards multilateralism instead of unilateralism (rely on single sole body). Russia along with economic powers (India, Brazil, China....) introduced a substantive alternative to reduce capture of dollarization and sanction of Swift transaction. The moving global world order strongly shows that the capture of dollarization and fear of Swift transaction is no more effective as evident of Russia free trade with all countries and China.

Development of Multilateral Organizations

Dollarization and Use of Swift as weapon to the developing economies hinders free communication on global stage. Therefore, After these challenges the fewed bodies stands to cooperate locally or alternatively to reduce overwhelming rely on single body.

Concept of BRICS+

Brict+ is a multilateral organisation developed in 2006, as a alternative to global cooperation. The world order after world war II is totally dependent to unilateral bodies after russian federation withdraw cooperation. Unilateral bodies use weapons and dollars to attract developing and developed nations. It makes both benefits and risks; especially sanction risk.

Strategic Alarm for Global South

(a) Sovereignty risk beyond economic

The "Sovereign" term recalls the legal power of a state; A state is a dominion power of itself. Dollarization and swift weaponization increased risk of sanctions, and this fear often reflects a blow to a state's sovereignty.

(b) Historical memory and power asymmetry

It is evident globally that many developing states recall conditionalities led by Western-led institutions like IMF (International Monetary Fund) and WB (World Bank). These institutions are dominated by Global super power, which is strategically a fear of independence and sovereignty. Example: Pakistan's coerced conditionalities over IMF funding process.

Bi-lateral Trading as an Alternative

Russia, China, and India moves to place bilateral trading in local currency to reduce over-relying on dollar. Bilateral trading is a strategic move to reducing dependency over Western-bloc. According to UNCTAD, 2024 an account of 25% trade is involving de-dollarized, 15% a decade ago.

New Development Bank: Rising Financial Organ

New-Development bank is an organ of BRIC+ as an alternative to Western-led organizations like IMF and WB. New Development is financially less compatible to Western-led organization because of less quoted fund allocation but positive in conditionalities; less markup and simple objectives as compared to Western-led forced conditions.

Swift: From technical utility to Political tool

Society for World-wide Interbank Financial Telecommunication (SWIFT) is a vital organ connecting 1100+ organizations and 200+ countries with cross-border payments. SWIFT is basically criticized for its political ground over neutral-unbiased organ. As it is evident in the case of Russia "Expulsion of Russia and asset freezing" under-mines trust on western-bloc.

Alternative Payment Systems: by passing swift

Russia → SPSP

China → CIPS

CBDC → National

Conclusion

Dollarization and use of Swift as a weapon is a threat to the freedom of a sovereign states. As evident throughout the history these institutions led by the western-bloc reduces reliability and trust by imposing unwarned conditions and sanctions. However, reducing dependency and shifting global world order to multilateralism is signed as positive document for developing countries as they ^{will} get reduced coercive power and conditions.

Answer of Q: NO5

1. Introduction

Defense pact between Pakistan and Kingdom of Saudi Arabia (KSA) seems strategic move between both countries as Pakistan sees it economic opportunity and KSA needs a better partner to reduce regional hegemony and war escalation. The defense pact between both countries enhance bi-lateral cooperation and connectivity in economic, social and religion factors.

(a) Defense Pact as Geo-political achievement

This cooperation between Pakistan and Saudi Arabia enhances dominance of Pakistan in Middle-east and avoids on natural attacks on KSA, as following pattern is revolving

around in the Middle east.

Economic Opportunity for Pakistan throughout Cooperation

Bilateral pact seems a positive gesture for Pakistan. As Pakistan helps KSA through security leverages, Arms, weapons and advanced aircrafts. Pakistan ranks in the list of advanced aircrafts, therefore, Cooperation between both increases strategic improvement and security deterrence.

Regional Deterrence on Security leverages

"An action on one side is considered an action on both side" is a bind clause of bi-lateral pact. However, this Cooperation increases regional deterrence and it avoids an-natural attacks on a sovereignty of a state especially on KSA angle.

Strategic Foundation of Pakistan-KSA Defense Coopera- tion

i) Historical Trust and Institu- tionalized Military Ties

Pakistan has provided military training, support and deployments of troops since 1960s. This type of military ties seems a historical trust and military ties between Pakistan and kingdom of Saudi Arabia.

According to Javed Bulchi (Pakistan a nation in the making), "Saudi views Pakistan as a reliable Muslim Partner with professional armed forces."

ii) Elevated Diplomatic Standing in Muslim World

This pact re-inforced Pakistan's leadership role in muslim world and it is also a positive footprint to enhance cooperation of muslim world through OIC (organization of Islamic cooperation).

Challenges and Cautions of Defence Pact

(a) Entanglement in Intra-Gulf rivalries

Pakistan needs to avoid entanglement in intra-Gulf rivalries as it is increasing risk of dominion power to stress on Pakistan.

(b) How economic benefits will be effective

Economic gain will be materialize only if the cooperation pact between Saudi and Pakistan is linked with Industrial and Investment framework, not symbolic agreement for deterrence only.

(c) Parliamentary oversight of agreement

A civilian parliament are required to avoid any mis conception throughout the cooperation. Rather relying on security officials because Pakistan needs

more economic wellbeing than the
hard image in security phase.

Defense Pact

Economic Revival

Defense Exports

Diplomatic leverage

Employment and work force

Regional Deterrence

Security Diversification

PAK-KSA Security-Economic
Nexus

Conclusion

Defense pact between Pakistan and Kingdom of Saudi Arabia upholds a strong image in global world. It strengthens creativity, economic well-being, employment and socio-religion nexus between Pakistan and KSA. However, it carries multiple threats and challenges which are needed to be focused on time because defense pact undermines regional dominance of uni-lateral powers in security angle of Middle-east.