___/___/___

Subjective Part.

Question 5:

Pakistan - KSA Defense Pact would have far reaching geopolitical achievements for both the countries and economic opportunities for Pakistan?

- **Introduction:**

On September 17, 2025, Pakistan and Saudi-Arabia signed a landmark Strategic Mutual Defense Agreement (SMDA) in Riyadh, marking a transformative moment in bilateral relations and regional security architecture. The pact signed by Saudi Crown prince Muhammad Bin Suleman and Pakistan PM Shehbaz Sharif in the Presence of Pakistan's Army Chief Field Marshall Asim Munir, declares that any aggression against either country shall be considered an aggression against both. This alliance carries significant geopolitical achievements and important economic opportunities for Pakistan — strengthening its global strategic position and providing concrete economic dividends.

• Geo-political Achievements of the Pakistan-KSA Defense Pact:

1- Institutionalisation of Strategic Defense Cooperation:

The defense pact elevates Pakistan-Saudi relations from informal cooperation to a structured strategic partnership. This pact provides legal and institutional framework for long-term military collaboration, joint planning and security coordination.

2- Strengthening collective security and detterence:

This pact enhances collective defense mechanism, acting as a detterent against external aggression or destabilizing regional forces. It creates a credible detterent posture in an increasingly volatile Middle East.

3- Enhanced Strategic Relavence of Pakistan:

By entering a defense pact with largest economy of the Arab world and custodian of two Holy Mosques, Pakistan significantly enhances its global strategic relevance, especially in West Asian secuirty affairs.

4- **Strategic Balancing in the Middle East:**
The pact strengthens Saudi Arabia's secuirty achitecture amid threats from regional instability, proxy conflicts and non-state actors. Pakistan emerges as a balancing power, contributing to regional stability without direct military entanglement.

5- **Nuclear Detterence signalling:**
Although not explicitly stated, Pakistan's status as a nuclear-armed state provides KSA with strategic reassurance, amid regional nuclear anxieties.

6. **Reduced Saudi over-dependence on Western Secuirty Umbrella:**
This pact reflects KSA's evolving foreign policy, amid at diversifying secuirty partnerships beyond traditional Western allies. Pakistan benefits by becoming a non-Westen strategic secuirty partner in Gulf geopolitics.

7. **Military modernization:**
Saudi financial support could help Pakistan compete with India's defense budget, which is at least seven times than of Pakistan.

8. **Expansion of Defense Diplomacy:**
The pact enables Pakistan to exercise defense diplomacy through taining missions, advisory roles, joint exercises, and intelligence cooperation — an increasingly important tool for modern statecraft.

- **Economic Opportunities for Pakistan:**

1. **Employment and Manpower Exports:**
Saudi Arabia remains Pakistan's largest destination for overseas workers. The defense pact enhances trust, facilitating increased deployment of skilled manpower, including technicians, engineers and security personalls.

2. **Investment Opportunities:**
The aggreement positions Pakistan to benefit from Saudi Vision 2030 investment diversification, with potential Saudi

investment in Pakistan's infrastructure, energy and mineral sectors.

3. **Increases of Remittances:**
With 2.5 million Pakistani expatriates in Saudi Arabia, deeper bilateral cooperation translates into higher remittances inflows, crucial for stabilizing Pakistan's balance of payment and foreign exchange reserves.

4. **Energy security and strategic Oil Supplies:**
KSA has historically supported Pakistan through deffered oil payment facilities. Enhanced defense ties strengthens Pakistan's energy security by ensuring preferential access and long-term energy cooperation.

5. **Strengthening Economic Diplomacy:**
Defense cooperation acts as a force multiplier for economic diplomacy, allowing Pakistan to negotiate trade, investment, and labour agreements from a position of strategic trust.

5- **Saudi Investment Confidence Boost:**
Saudi Arabia has historically supported Pakistan and its partnership enhances investor's confidence. The pact complements Saudi Investment in energy, mining, agriculture, infrastructure and technology, reducing percieved political and secuirty risks.

6. **Support during Economic Crisis:**
Saudi Arabia has repeatedly assisted Pakistan through financial deposits, oil facilities, and aid packages. A formal defense pact increases the likelihood of continued economic support through fiscal stress.

• **Conclusion:**
The Pakistan - KSA Defence Agreement represents a strategic convergence of secuirty, diplomacy, and economics. Geopolitically, it elevates Pakistan as a key secuirty partner in the Middle East, enhances detterence and strengthens its leadership in Muslim

countries. Economically, it opens avenues for defense exports, remittances, investments, and industrial growth. If managed prudently, it can serve as a strategic stabilizer for Pakistan's foreign policy and long-term economic resilience.

Question 02:

Trump pull out of Paris Agreement would have far reaching implications on future Climate Change. Evaluate the statement. Also analyze whether China and Europe could help the world to continue achieving the promises of Cop 21?

- ### Introduction:

Climate change represents one of the most pressing exestential threat to humanity, requiring collective global

تاریخ: ___/___/___

action, transcending national interests. The Paris Climate Agreement (COP 21), adopted in 2015, marked a historical consensus, wherein nearly 200 countries committed to limiting global temperature rise to well below 2°C, preferably 1.5°C, above pre-industrial level. However, the decision by former US President, US President Donald Trump to withdraw US from Paris Agreement in 2017 posed a serious challenge to climate governance. This answer critically evaluates the far-reaching implications of US-withdrawal and analyses whether China and Europe can compensate for leadership vaccum to sustain the promises of Cop 21.

- **Far-reaching Implications from the Paris Climate Agreement:**

1- **Leadership Vaccum in Global Climate Governance:**

The United States, as the world's

second largest greenhouse gas emittor, played a pivotal role in shaping climate diplomacy. Its withdrawal creates a leadership void, underming coordinated global actions and weakening multilateral climate governance.

2. **Erosion of Multi-lateralism:**

Trump's "America First" policy reflected a broader retreat from multilateral institutions. The pullout weakened trust in international aggreements, encowraging skepticism among other states regarding durability of global climate commitments.

3. **Reduced Financial Commitment:**

The US had pledged $ 3 billion to Global Climate Fund (GCF) to assist developing countries in mitigation and adaptation. Withdrawal curtailed financial flows, disproportionately affecting vulnerable states least responsible for climate change.

___/___/___ :تاریخ

4- **Domestic Rollback of Environmental Regulations:**

Analysts catalogued 98 major environmental rollbacks during trump's first term.

Major rollbacks include Repeal of the Clean Power Plan (CPP), weakened Vehicle Emission, methane regulations and sending contradictory signals to global climate actors.

5- **Risk of Domino Effect:**

US disengagement emboldened climate sceptics worldwide, raising fears that other states might dilute or abondon their commitments, thereby threatening the collective action framework of Paris Agreement.

- **Can China Sustain the Momentum of Cop 21?**

1- **China as the Largest Global Emitter:**

China accounts for nearly 30%

___/___/___ :تاریخ

of global emission, making its role indispensable. Any global climate succes is impossible without Chinese leadership.

2- **Commitment to Renewable Energy Transitions:**

China is the world's largest investor in renewable energy, leading in solar, wind and electric vehicle production, reinforcing global decarbonization trends.

3- **Climate Diplomacy and Global Image:**

China used the US withdrawal to project itself as a responsible global power, reifferming its commitment and strengthening Climate diplomacy with developing countries.

4- **Carbon nutreality Pledge:**

China's pledge to achieve carbon nutreality by 2060 signals long-term committment, although critics argue that continued coal usage undermines credibility

___/___/___ :Date

- **Role of Europe in Sustaining Cop 21 commitments:**

1- **EU as a Normative Climate Leader:**
The European Union has consistently championed climate actions, positioning itself as a norm entepreneur in global climate governance.

2- **European Green Deal:**
The EU's green deal aims to make Europe climate neutral by 2050, reinforcing domestic diplomacy and setting global benchmarks.

3- **Climate Diplomacy and Carbon Markets:**
Europe has advanced climate diplomacy through carbon pricing mechanisms and climate linked trade policies, including Carbon Border Adjustment Mechanism (CBAM)

4- **Financial and Technological Support:**
The EU remains a major contributor to climate finance, supporting adaptation and mitigation efforts in

~~Can Digitalization boost econ~~
developing countries.

- **Can China and Europe together Replace US leadership:**

1. **Partial but Insufficient Replacement:**
China and Europe together can sustain momentum, but cannot fully replace US leadership due to differences in political systems, economic priorities and global influence.

2. **Fragmented Climate Leadership:**
The absence of US resulted in fragmented leadership, weakening enforcement mechanisms and global coordination.

3. **Need for Inclusive Leadership:**
Effective climate governance requires cooperation from all major emitters — US, China, EU, India — rather than reliance on any single bloc.

- **Conclusion :**

Trump's withdrawal from Paris Climate Agreement has far-reaching implications for global climate efforts. Moreover, the global climate challenge ultimately demands inclusive, cooperative leadership among all emitters. In essence, Trump's pullout revealed that climate action is no longer dependent on a single hegamon — but also underscores that without collective responsibility, even the strongest agreements remain fragile.

تاریخ: ___/___/___

Question 3:

Critically evaluate the Gaza Peace Plan and the chances of its success. Also Analyze Pakistan's foreign policy regarding the plan and its possible fallouts:

- **Introduction:**

The 2025 Gaza Peace Plan, officially the Comprehensive Plan to End the Gaza Conflicts, emerged amid one of the most destructive wars in Gaza's history, following October 07, Hamas-led attacks and subsequent Israeli-military campaigns. This plan was announced on 29 September 2025 by Donald Trump and Israeli PM Benjamin Netanyahu and came into effect on 10 Oct 2025 after international endorcement including UNSC 2803. This plan seeks to end active hostilities, secure hostage releases, demilitarize Gaza, and set conditions for future political settlements. This answer evaluates the plan, asses its viability and analyzes Pakistan's policy response.

- **Overview of the Gaza Peace Plan (2025):**

Key elements of the plan includes:

1. **Cease Fire and End to Active Conflicts:**
Immediate cessation to hostilities b/w Israel and Hamas.
2. **Hostages and Prisoners Exchange:**
Return of all hostages and exchange of prisoners as confidence building measures.
3. **Demilitarization of Gaza:**
Complete disarmament of Hamas and dismantling of militant infrastructure.
4. **International Stabilization Force:**
Deployment of multinational peacemaking force under UN mandate to maintain security, train police and facilitate transition.
5. **Interim Governance:**
Establishment of temporary governance structure overseen by international and technocratic actors prior to Palestinian

Authority (PA) involvement.

6- **Reconstruction and rehabilitation:**
Massive rebuilding of Gaza's infrastructure with international financial and logistic support.

• **Critical Evaluation of the Plan:**

⇒ **Strengths of Gaza Peace Plan (2025):**

1- Immediate Cease Fire and Humanitaian Relief.
2- Hostage Return as Confidence Building.
3- Broad International endorsement.
4- Structured demilitarization and stabilization.

• **Weaknesses and Criticism:**

1- Exclusion and marginalization of Hamas.
2- Demilitarization without political framework creating power vaccuum.
3- Assymetric Power dynamics (favouring Israeli's secuirty concerns and US

diplomatic priorities.

4- Reconstruction funding and Control Challenges:

5. Lack of Inclusive Political Vision.

- **Chances of Success: A Realistic Assessment:**

Analyzing the plan's project prospects requires weighing political, security and socio-economic factors:

1- **Conditionality on disarmament:**
The success of the plan hinges on Hamas aggreeing to disarm and phase out of its military wing - a non-starter for many Hamas leaders who view weapons as essential detterence and leverages.

2. **Israeli Political Fragmentation:**
With Netanyahu publicly backed the plan, elements within his own government oppose significant territorial concessions or empowering Palestinian governance - posing internal political risks to implementation.

تاریخ: ___/___/___

3- **International Support and Enforcement:**
The Plan's reliance on multinational forces and international funding requires unwavering long-term committment from major powers. Geopolitical shifts can reduce foreign strategic interest, weakening enforcement capacity.

4- **Humanitarian Imperatives vs Political Realities:**
Reconstruction is urgent but remains vulnerable to renewed violence, blockade policies, and logistical constraints. This tension highlights the bifurcation b/w humanitarian reliefs and political negotiations — peace cannot sustain if one overtakes the other.

- **Pakistan's Policy on Gaza Peace Plan:**

Pakistan's position reflects its historically principled support for the Palestinian cause, emphasizing justice, sovereignty and human rights.

تاریخ: ___/___/___

1- **Support for Ceasefire and Humanitarian Peace Initiatives:**

Pakistan has welcomed the efforts aimed at ending hostilities and alleviating humanitarian suffrages in Gaza. The Army Chief publicly expressed hopes that the peace initiatives could lead to lasting regional pace, affirming comittment to a two-state solution with an independent Palestine.

2. **Distancing from US Draft:**

Critically, Islamabad stated that Trump's 20-point Peace Plan was not Pakistan's draft, and that suggested amendments from Muslim countries were ignored.

3. **Condemnation of Violations:**

When Israel resumed attacks that violated the ceasefire agreement, Pakistan strongly condemned such actions and urged adherence to peace terms.

4- **Seven Point OIC Plan:**

Earlier in 2025, Pakistan proposed its own seven point peace plan, at OIC, calling for a ceasefire, humanitarian acces, reconstruction, and condemnation of Israeli military occuption reflecting Islamabad's proactive diplomatic engagement.

5- **Refusal of deployment involving Disarmament of Hamas:**

Pakistan's defense establishment publicly rejected participation in arrangements requiring Hamas disarmament, balancing regional allegiances and domestic sentiments.

- **Conclusion:**

The Gaza Peace Plan 2025 represents a significant diplomatic push to end a devastating conflict and offer a roadmap to ~~end~~ reconstruction and stability. However, Pakistan's response underscores a balance b/w principled support for Palestian cause and engagement with global peace initiatives. In essence, Gaza Peace Process is at crossroads: short-term peace: if implemented with balance and inclusivity, is attainable; but durable peace demands political justice and genuine participation by all stakeholders.

___/___/___ :تاریخ

Question 04:

Privatization is enevitable to State Owned Enterprises have been a burden for budgetary economy of Pakistan.
Analyze the Statements and give recommendations:

- **Introduction:**

Pakistan's fiscal crisis is not merely a consequence of low revenue generation, but largely a result of persistent structural insufficies, particularly State Owned Enteprises (SOEs). For decades, SOEs have drained public finances, Through continued bailouts, operational losses and political interferences. According to IMF, " Pakistan SOEs incur annual losses of hundreds of billion of ruppees, significantly contributing to fiscal defial and public debt accumulation. In this content, Privatization is viewed as an inevitable, aiming at restoring economic efficiency, and meeting structural reform conditions imposed by international lenders.

- **Why State Owned Enterprises are a Burden on Pakistan's Budgetary Economy:**

1. **Chronic Fiscal Losses:**
Major SOEs such as PIA, Steel Mills, and Railway have consistently operated at losses due to poor governance, outdated infrastructure and inefficiencies. These losses are absorbed by federal budget.

2. **Fiscal Drain through Bailouts:**
Successive governments have injected billions of ruppees in subsidies, and loans to keep SOEs afloat, crowding out spending on health, education and development.

3- **Contribution to Public Debt:**
Government guarantees for SOEs borrowing add to contingent liabilities, inflating Pakistan's public debt and weakening macroeconomic stability.

4- **Political interference and Governance failure:**
Appointments based on patronage rather merit have undermined professional management, leading to corruption, inefficiency and poor service delivery.

5- **Energy Sector Circular Debt:**
Loss-making power distribution companies (DISCOs) contribute to circular debt, a major macroeconomic threat, linked directly to SOE mismanagement.

- **Why Privatization Appears Inevitable:**

1- **IMF led Structural Conditionalities:**
Privatization is a recurring condition in IMF Programs, seen as essential

for reducing fiscal deficits and improving economic governance.

2. **Unsustainable Status Quo:**
Given Pakistan's narrow tax-base and debt obligations, continued SOEs bailouts are fiscally unsustainable.

3. **Efficiency and Market Discipline:**
Private ownership introduces profit incentives, accountability and operational efficiency, often absent in state-run enterprises.

4. **International Precedents:**
Countries such as Turkey, Malaysia and even China have used privitazation to improve SOE performance and fiscal outcomes.

- **Case Study: Privatization of PIA (December 2025):**
PIA has long symbolized SOE failure in Pakistan suffering from mounting

debt, operational insufficies and declining service quatily. In December 2025, government formally advanced the privatization process of PIA which followed:

- Separation of core aviation assets from liabilities.
- Policy level approval to reduce fiscal exposure.
- Alignment with broader SOE reform and IMF commitments.

- **Recommendations for Effective Privatization Strategy:**

1- **Transparent and competitive process:**
Privatization must be conducted through open bidding, independant evaluation and parliamentary oversight to restore credibility.

2. **Regulatory strengthening:**
Strong regulatory bodies are essential to prevent monopolistic practices and

تاریخ: ___/___/___

and protect consumers post -privatization

3. **Labour protection and safety nets:**
Introduce golden handshakes, retaining programs, and job training mechanisms to mitigate social fallouts.

4. **Institutional Reform Framework:**
Establish an independant SOE management authority insulated from political cycles.

5- **Gradual and Sector Specific Approach:**
Not all SOEs should be fully privatized. Options include:
- ✓ Strategic Partnership.
- ✓ Partial Privatization.
- ✓ Public Private Partnership.

- **Conclusion:**

Privatization in Pakistan is not an ideological preference, but an economic necessity driven by fiscal reality. SOE has become structural burden on budgetary economy, undermining growth, stability and development priorities. However, privatization is not a silver bullet, when poorly executed, it can deepen inequality and erode public trust. Ultimately, the goal should not be privatization for its own sake, but economic efficiency, fiscal stability, and public welfare.