

Date: 4th Jan - 2026

Current Affairs

Day: Sunday

Misbah Fiaz (412)

SECTION - B

Question no 1:

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

ANSWER:

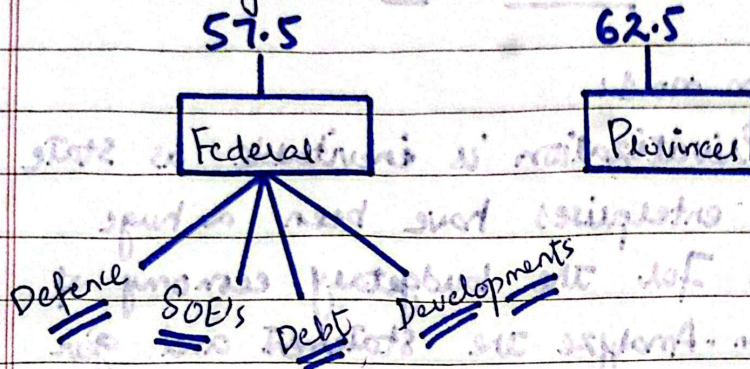
(1) INTRODUCTION:

SOE's have been a burden on Pakistan's economy due to low competition, political concerns and inefficiency of the management. A large portion of national budget is consumed in these enterprises. Despite this, these enterprises always seems to be in loss. Like PIA, steel mills etc. Privatization of these enterprises gradually can give a boost in economy of Pakistan, therefore it is inevitable. Gradual and transparent privatization, regulatory framework and public-private partnership are some possible ways to encourage privatization and strengthen national economy.

(2) Privatization is inevitable as SOEs are a burden on national Economy.

- (1) Large portion of National budget is consumed in SOE's.

According to the 7th NFC Award,



- As Federal budget is already low and main budgets are cut from Federal so SOE's is a burden.

- (2) Revenue generation is very low.

Despite spending a lot of budget the revenue generation of State's own enterprises is very low. Railways, steel mills and PIA have always been in loss.

↑ High spending = Low revenue generation ↓

Therefore, it is burden on national economy.

- (3) Low competition.

In privatization, owners of the companies generate revenue and struggle for ~~profits~~ maximum profits whereas public sectors and companies are less competent and seem in loss.

Despite getting profit, state has to bear loss and low productivity.

Low competition → Low productivity

- (4) Political concerns play a role in weakening these enterprises.

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Political interference in management makes state own enterprises inefficient. Alongwith, subsidies and price controls to make people happy upon government put it in loss. Delaying reforms also makes its productivity vulnerable. Therefore, it left as a burden for state.

(5) Inefficiency and poor performance:

Public sectors and companies often seems inefficient. People hired are mostly upon loyalty or relation rather than on merit. Permanent jobs make them lazy and performing poor. State has very low budget to spent upon these enterprises due to which performance can be affected.

(6) Global and regional trends:

In today's world, trends have been changed and privatization of SOEs becomes faster. Our neighbouring country India got successful in privatizing some industries in recent years. This trend shows a boost in the state's economy, and encouraging other states to follow the trend and reduce debt.

→ If we analyze all these points, we can take some possible measures to privatize the state's enterprises, and get profit from these places.

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(3) Recommendations:

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(1) Public - private partnerships:

Public private partnership is a best method to reduce the risk of issues stick with privatization. Due to this partnership, large capital is used, risks are shared, performance is far better and efficient use of resources is expected. Therefore public-private partnership should be encouraged.

(2) Gradual and transparent Privatization

Privatization should be gradual as urgent shift can cause huge unemployment and sudden sell-offs may result in loss. Privatization should be transparent and no manipulation, negotiation or underhand deals should be made. If this type of privatization is ensured, it will play a part in national economy.

(3) Regulatory Frameworks

Regulatory authorities should be well-performed and efficient in order to prevent monopolies and protect consumer rights in private sectors. Punishments in the form of taxes and bans should be enacted to maintain law and order and rights of consumers.

(4) Employee transition programs:

Due to a shift in the ownership of the company, huge number of people can lose their jobs, so, a transition

program should be present to adjust the unemployed workers. Management staff should be hired upon merit and people from previous staff should be prioritized. Skilled labour can provide a huge benefit to the company.

(5) Ease of FDI:

Foreign direct investment should be attracted. A simple and transparent method for foreign direct investment should be present. It has been observed in Pakistan's recent development, SIFC the method of investment became very easy and many foreign players are interested to invest in different sectors.

(6) Focus on Strategic Sectors:

Beyond considering smaller sectors, focus should be on strategic sectors like defence, energy, security, water. These sectors should not be privatized completely. Non-strategic sectors should completely privatize. Loss-making sectors should be privatized. Government should ensure efficiency without compromising national priorities.

CRITICAL ANALYSIS:

Privatization where reduces fiscal deficits, ensures economic growth and attract FDI, it also increases the risk of unemployment, inflation, political opposition and monopoly.

Conclusion:

Privatization is necessary to reduce burden on national budget, improve efficiency and competition. But some measures should be taken in privatization like not privatize the strategic sectors completely, using gradual and transparent methods, and hiring the staff upon merit. It will ensure efficiency, economic growth and public trust. Moreover, the debt cycle of state can be reduced due to strong economy.



Question no 2:

Critically evaluate Gaza Peace Plan and the chances of its success. Also analyze the policy of Islamabad regarding the plan and its possible fallouts on Pakistan?

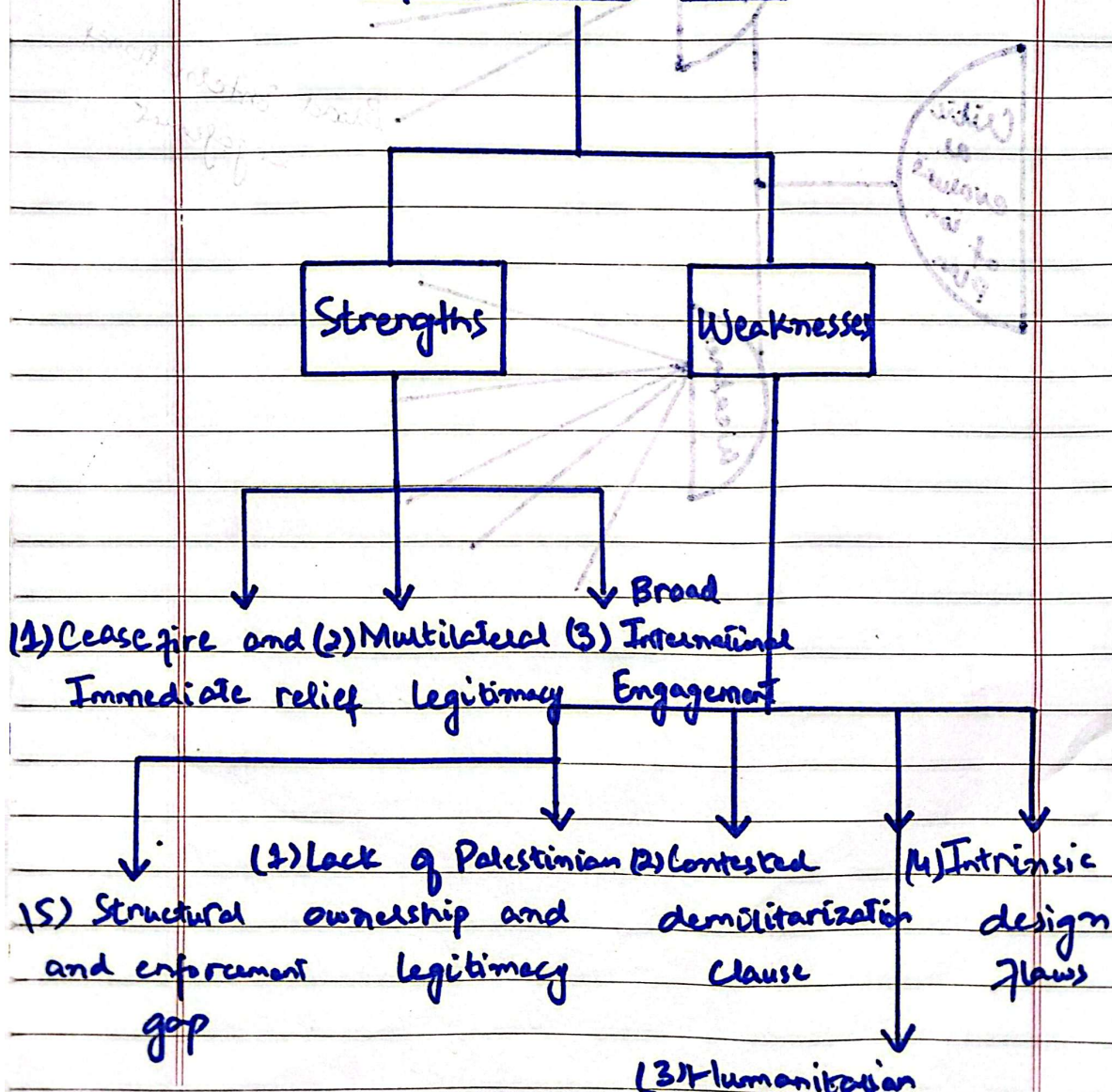
INTRODUCTION:

The Gaza Conflict, one of the most complex disputes in Modern Middle eastern history has witnessed recurring cycle of violence, humanitarian crises and failed diplomatic efforts. In response to huge genocide international actors US-president Trump and UN security Council proposed a peace plan of 20 points, aiming to establish ceasefire, aiming humanitarian aid and political

stability in Gaza. However, the plan has some structural flaws making the chances of success low.

Pakistan became a strong voice for Gaza and supporting the ceasefire. Islamabad also intended to send peace troops in Gaza. However, these decisions will definitely come with some fallout for Pakistan like geopolitical and domestic unrest.

GAZA PEACE PLAN



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KEY COMPONENTS OF GAZA PEACE PLAN

Immediate ceasefire

Hostages
release

Transitional governance

Vacating
Gaza land in
3 steps

Deployment of International
Stabilization

Disarming
Gaza completely

CRITICAL EVALUATION OF PLAN:

Ceasefire and Immediate Relief

The first step of plan is for ceasefire and immediate relief for Gaza's people. It is a temporary plan to give humanitarian relief and stop genocide. Moreover, the hostages will be free from both states.

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(2) Multilateral Legitimacy:

UN Security Council implement the resolution (2803) which compels Israel to follow and stop genocide in Palestine.

(3) Broad International Engagement:

A broad number of states have participating in creating the plan including US, and Muslim countries which is a good sign for global politics.

WEAKNESSES:

(1) LACK OF PALESTINIAN OWNERSHIP AND LEGACY:

The plan was negotiated and shaped by largely by external powers, while Gaza was not fully involved in creating terms. This undermines its legitimacy and grassroots acceptance.

(2) Contested Demilitarization Clause:

Disarming Hamas is a major stick because Hamas is not ready to disarm. This resistance

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shows coming violence and conflicts.

STRUCTURAL AMBIGUITIES AND ENFORCEMENT GAP:

The proposed International Stabilization Force has not formed and participating states remained uncertain about mandates. Moreover, the Muslim countries claimed that it is a different plan from the one upon which they agreed.

→ CHANCES OF SUCCESS:-

Chances of success are very limited and failure risks are very high,

Due to no sustainable political framework, ongoing hostilities and violation and ambiguous security arrangements.

ISLAMABAD POLICY ON GAZA PEACE PLAN:

- Support for Palestinian right
- Conditional Acceptance of Peace Effort
- Cautious Engagement with ISF
- Rejection of Extremist Interpretations.

POSSIBLE FALLOUTS FOR PAKISTAN:

- Relations with US and western bloc can ~~disturb~~ disrupt.
- Domestic political pressure
- Security and military implications.

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CONCLUSION:

While Gaza peace plan represent a significant effort to end the most destructive conflict but its limited design, contested legitimacy and fragile implementation mechanisms makes its long-term success doubtful.



CHALLENGES TO IMPLEMENTATION

ISRAELI POLICY ON GAZA PEACE PLAN

PALESTINIAN POLICY ON GAZA PEACE PLAN