

Instructions to Secure Good Marks in the Current Affairs Paper

Important Note: Marks will be awarded strictly on the following parameters: Content 60%, References 15%, Subject-specific language 15%, Graphs, charts & diagrams 10%.

Current Affairs

Key Guidelines: Each question should be attempted with 12-13 clear headings. The answer must be 8-9 pages (sides) in length to score above 15 marks per question. Questions usually contain 3-4 parts; each part carries equal weightage, so all parts must be discussed equally and proportionately.

Question part

Part - II

Privatization of state-owned Enterprises in Pakistan

Content & Argumentation: Always use examples from current and ongoing events to justify your arguments. Demonstrate strong analytical depth, not mere narration of facts. Support arguments with relevant data, reports, international indices, treaties, and recent developments.

Structure & Presentation: Begin every answer with an attractive, context-setting introduction. End with a forward-looking, well-linked conclusion that ties back to the question. Use headings directly derived from the question statement—pick words and phrases from the question itself.

Alignment with the Question: Each argument must be explicitly linked to the specific part of the question being asked. If your heading is not aligned with the demand of the question, the content—no matter how accurate—will not be rewarded. Avoid generic or unrelated headings; precision is key.

Language & Visuals: Use subject-specific terminology relevant to international relations, geopolitics, economics, and security studies. Incorporate simple graphs, flowcharts, tables, or maps wherever relevant to enhance clarity and scoring potential.

Good Luck for CE-2026  

and growing debt service obligations. Continuous bailout of loss-making SOEs are no longer sustainable under IMF conditionalities that emphasize structural reforms, fiscal discipline and reduction of state footprint in commercial activities.

SOEs Huge Burden on Pakistan's Budget

SOEs are a direct & indirect drain on Pakistan's budgetary & economy through; Annual operation losses, government guarantees, accumulated debt and opportunity cost of diverted public funds. Loss making entities like PIA & Pakistan Railway consistently require fiscal support, crowding out development spending in education, health and climate resilience.

Fiscal Deficit And SOEs

SOEs losses contribute significantly to Pakistan's chronic fiscal deficit, which remains above sustainable limit, government borrowing to finance these losses fuel inflation and increases debt-servicing costs, creating a vicious cycle of macroeconomic instability. SOEs have largely contributed to fiscal deficit of Pakistan from which burden on Pakistan's budget have increased lead to decrease in development in Education and health sector of Pakistan.

Budget under IMF Conditionalities

Pakistan's ongoing IMF programs explicitly demand: Privatization of SOEs, reduction in subsidies and improved governance and transparency. Failure to reform SOEs jeopardize external financing and balance of payments stability, making privatization a de facto

requirement rather than a discretionary choice. To fulfill conditions of IMF Pakistan opt to privatize state owned enterprises.

Inefficiency and Public welfare

As SOEs are meant to provide affordable services, As SOEs provide public good to people. But inefficiency resulted in poor service delivery despite heavy subsidies. For example, Pakistan's power sector continues to suffer from circular debt exceeding PKR 206 billion, despite state ownership. But issue of shortage of power in Pakistan state owned enterprises lead to ~~issue~~ decrease in production in industries and household to face the burden of shortage of power in country.

Privatization is Always a Solution?

Privatization is not inherently synonymous with efficiency. Pakistan's past experience reveal issues such as; Asset undervaluation, lack of transparency and crony capitalism. So we can say Privatization is not a solution, but method to overcome country's burden so as to solve issue of trade deficit. Moreover, privatizing natural monopolies without robust regulations may replace public inefficiency with private exploitation.

Social Costs and Employment Costs?

Privatization often leads to downsizing, layoffs and labor insecurity. In a country already facing high unemployment and poverty, abrupt Privatization without social safeguards can trigger unrest and inequality. Privatization can lead to rise in unemployment rate.

in the Country.

Examples Supporting Arguments

- Privatization attempt of PIA (2023-2024) highlights fiscal urgency but also valuation and buyer-confidence issues.
- Power sector reforms under IMF Privatization of DISCOs to address circular debt.

Privatization Truly inevitable

Privatization appears inevitable under current fiscal realities, but not a blanket policy. The real inevitability lies in SOEs reform, to which Privatization is only one tool. Without governance reform, even privatized entities may fail to deliver desired outcomes.

Recommendations

2) Selective and Phased Privatization

Privatization should be undertaken in a selective, phased and sector-specific manner, rather than a blanket policy. Persistently loss-making and non-strategic SOEs such as operating in competitive commercial sectors should be prioritized for privatization. At the same time, the state must retain control over strategically sensitive sectors related to national security, critical infrastructure & essential public service.

2) Strengthening Regulatory Frameworks

Privatization without strong regulation risks replacing public monopolies with private monopolies. Therefore independent and empowered regulatory bodies must be strengthened to ensure fair competition, consumer protection and price stability. Regulatory bodies should be autonomous, professionally staffed, & insulated from the political pressures.

3) ~~Public - Private Partnerships (PPP)~~

~~• Where outright privatization is politically sensitive or strategically risky, PPP should be adopted as an alternative reform mechanism. PPPs allow the state to retain ownership while leveraging private sector efficiency, technology and capital.~~

4) Social Protection for Workers

Privatization must be accompanied by robust social protection mechanisms to mitigate the impact on workers. This includes severance packages, retraining and skilling programs and employment transition support.

5) Depoliticization of SOEs

Regardless of ownership structure, SOEs must be insulated from political interference. Merit-based appointments, professional boards, and performance-based management systems should be institutionalized. Depoliticization is essential to prevent inefficiency, corruption and rent-seeking behavior within SOEs.

6) Parliamentary and Public Scrutiny

To enhance transparency and public trust, Privatization decisions should be subject to Parliamentary scrutiny & Public disclosure. Open bidding processes, third party audits, and regular reporting can reduce allegations of favoritism and corruption.

Conclusion

Privatization of SOEs in Pakistan is largely inevitable given the severe strain they impose on the budgetary economy. However, inevitability should not translate into haste or indiscriminate sell-offs. So Privatization should be based on transparency, regulation, social protection and strategic foresight. It is essential to ensure that privatization serves as a tool for sustainable economic reform rather than short term fiscal fix.

Question #4

Introduction

The Ukraine war, now extending beyond its third year, has evolved from a regional into a defining crisis for the global order. What began in February 2022 as Russia's military intervention in Ukraine has transformed into a geopolitical confrontation between Russia and the western alliance led by ~~NATO~~ Europe, NATO expansion & the principles of sovereignty and territorial integrity, while Russia and NATO ~~maintain~~ maintain outrightly opposing visions for ending the war. Political divisions within the western camp particularly the divergent stance of former US President Donald Trump from mainstream NATO leadership have further complicated prospects for peace. The situation demands a critical analysis of these conflicting approaches and their implications for Ukraine, Europe and global stability.

Russia's stance on ending the Ukraine war

Russia views the war as a security-driven conflict, arguing that NATO expansion towards its borders poses an existential threat. Moscow insists that any settlement must include; Ukraine permanent neutrality, recognition of Russian control over annexed territories (Crimea and part of Donbas) & formal guarantees against NATO enlargement. From Russia's perspective, military is a tool to force a revised European security order.

NATO's Stance on Ending the Ukraine War

NATO maintains that the war can only ~~stop~~ end on terms acceptable to Ukraine. The alliance emphasizes; restoration of Ukraine's territorial integrity, continued military, financial and diplomatic support to Kyiv and deterrence of future Russian aggression. NATO members argue that conceding to Russian demands would undermine international law and embolden revisionist powers globally.

Outright Opposition Between Russia & NATO

The stances of Russia and NATO are structurally irreconcilable at present. Russia seeks ~~security~~ security through exclusion of NATO, while NATO seeks security through expansion and deterrence. This zero-sum perception has prolonged the war and reduced space for diplomatic compromise.

Ukraine's Position Caught Between Competing Agendas

Ukraine insists on full sovereignty, territorial restoration and security guarantees. However, its reliance on ~~the~~ NATO military aid has ~~limited~~ limited negotiating space to western strategic calculations, limiting Kyiv's autonomy in peace negotiations.

Trump's Different Stance from NATO Leadership

Trump has repeatedly criticized NATO, questioned U.S. financial commitments and suggested that he could "end the war in 24 hours" through negotiations. His stance differs markedly from NATO leadership by advocating ~~to~~ reduced U.S. military aid to Ukraine, emphasizing burden-sharing by European allies and showing openness

to negotiations that may involve territorial concessions
This position reflects an "American First" approach
rather than alliance-based multilateralism.

Trump Implication of Trump Stance

Trump stance has created uncertainty within NATO.
and fear is increased between European allies. As
stance by Donald Trump reduced security
guarantees, strategic fragmentation within the alliance
& increased Russian leverage. A potential return of
Trump to power raises questions about long-term cohesion
of NATO.

Why War Persists

The persistence of the war stems from all NATO's
continued arms deliveries to Ukraine from 2023-2024.
as there is maximalist objectives on both sides. As
there is absence of a mutually acceptable end to
Russia's deepening military and economic ties with
China and Iran which lead to persistence of the
war. Another reason can be US domestic political
debates over Ukraine aid which lead continuation
of war between both countries.

Risks of prologed conflict

If war continued for more time lead to escalation
into a broader NATO-Russia confrontation. As
prolonged conflict result in global economic instability,
especially energy and food security. It will also
weaken the international institutions and
increased militarization of global politics.

Negotiation Settlement Possible?

A negotiated settlement remains possible but politically costly. To make negotiation successful compromise would require Ukraine's consent, security guarantees acceptable to both Russia and NATO, & domestic legitimacy for leaders to involve. Trump's rhetoric simplifies the complexity of such negotiations, making his proposed solutions appear impractical without structural changes.

Recommendations

1) Revive Structured Diplomacy

Initiate sustained diplomatic engagement through neutral platforms such as the UN, OSCE, or credible non-aligned states to reopen negotiation channels.

Such structured diplomacy can help institutionalize dialogue, reduce misperceptions, and prevent inadvertent escalation between nuclear-armed factors.

2) Establish a Ceasefire Framework

A phased ceasefire linked with confidence-building measures can reduce violence and create space for dialogue. This framework should include international monitoring mechanisms to ensure compliance and build trust among the conflicting parties.

3) Address European Security Concerns

Develop a broader European security architecture that includes Russia, Ukraine and NATO to move beyond zero-sum logic. Addressing mutual threat perceptions & arms-control concerns is essential for achieving long-term stability on the continent.

4) Maintain NATO unity while Allowing Policy Flexibility
NATO should preserve collective deterrence while accommodating internal debates to prevent fragmentation. Strategic flexibility within unity would enable the alliance to adapt to changing political dynamics without undermining its credibility.

5) Promote Ukraine's Strategic Autonomy
Ensures that Ukraine remains a ~~political~~ principal actor in negotiations rather than a proxy in great-power rivalry. Empowering Ukraine's agency will enhance the legitimacy and durability of any eventual peace settlement.

Conclusion

Ukraine war is not merely a military confrontation but a clash of strategic visions shaping the future of global order. Russia & NATO's opposite stances reflect deeper insecurities and power struggles, while Trump's divergent position exposes fractures within western alliances. Without political courage, strategic compromise and inclusive diplomacy, the conflict risks becoming a prolonged war of attrition with global consequences.

Question #5

Pakistan - Saudi Arabia strategic convergence

Introduction

Pakistan and the Kingdom of Saudi Arabia (KSA) share one of the most enduring and multidimensional relationships in the world Muslim world, rooted in shared religious identity, strategic trust, and long-standing defense cooperation. Over the decades, this relationship has evolved from symbolic brotherhood into robust strategic partnership encompassing defense, diplomacy, energy, labor and financial cooperation.

In contemporary geopolitical environment marked by the Middle East instability, great power competition, Iran-Saudi rapprochement and shifting US commitments. The proposed Pak-Saudi Defense Pact assumed renewed strategic significance. Such a pact is not merely a military arrangement, rather, it represents a convergence of geopolitical interests and economic imperatives.

Historical Context of Pakistan-KSA Defense Cooperations

Pakistan has played a pivotal role in Saudi Arabia's defense since 1960s. Pakistani military trainers, advisors and contingents have long been deployed in the Kingdom, while Saudi Arabia has consistently supported Pakistan during economic crises. The historical trust forms the foundation for a formalized defense pact.

Strategic Rationale Behind the Pakistan - KSA Defense Pact

It is rooted in the converging security and geopolitical needs of both countries. For Saudi Arabia, the pact represents an opportunity to diversify its security partnerships beyond traditional western alliances, ensuring a more reliable and regionally aligned defense framework. For Pakistan, it offers a chance to strengthen regional alliances and enhance strategic depth and persistent economic & fiscal constraints. Moreover, both countries share mutual concerns over regional instability, including the threat of non-state actors, extremist networks and spillover from neighboring conflicts.

Geopolitical achievements for Pakistan.

It helps Pakistan to increased diplomatic leverage. This pact elevates Pakistan's status in Middle East and it is also enhancing Pakistan's role in OIC and muslim world diplomacy. Moreover, it also help Pakistan in balancing regional power dynamics. As it closer defense ties with KSA help Pakistan balance its relations with Iran, Gulf states and extra regional powers.

Geopolitical Achievements for Saudi Arabia

This pact help KSA to enhanced strategic autonomy. As this pact reduces Saudi overdependence on western security guarantees by integrating a reliable muslim majority military partner. It also help strengthening regional deterrence by Pakistan's conventional strengths and nuclear deterrence enhance Saudi's strategic depth in volatile middle east.

Impact on Middle East Security &c

This Pact contributes to a multipolar Security Framework in the Middle East by reducing the region's exclusive reliance on United States for security guarantees.

By strengthening indigenous and regional defense, the pact encourages burden-sharing among allied countries, promotes collective security arrangements and enhances strategic stability. This alignment also enables both Pakistan and Saudi Arabia to act as mediators in regional disputes.

Defense Cooperation and military Modernization

Joint exercise, intelligence sharing and defense technology collaboration under the pact significantly enhance interoperability between Pakistani & Saudi armed forces. Moreover, these initiatives provide Pakistan with opportunities for military modernization through technology transfer, joint ventures and training program.

Economic opportunities for Pakistan.

This pact help Pakistan to expand exports of defense equipment, training services and military consultancy to Saudi Arabia. This pact can catalyze Saudi investment in Pakistan's energy, infrastructure, mining and defense-industrial sector under the vision 2030.

Employment & Remittances stability

Strengthened strategic ties between Pakistan and Saudi Arabia ensure continued employment opportunities for Pakistani expatriates.

Particularly in Construction, Services and Skilled Sectors. These jobs are critical for sustaining remittance inflows, which constitutes one of Pakistan's largest sources of foreign exchange and help offset balance of Payments pressures.

Energy Security and Economic Relief

Saudi Arabia's oil Supply on deferred payment terms, along with planned investment in refineries and energy infrastructure, directly strengthens Pakistan's energy security and helps to stabilize its balance of Payment. These arrangements reduce the fiscal burdens of costly imports, lowers the risk of energy shortages and provide predictability in Pakistan's fuel energy supply.

Potential Challenges and Strategic Cautions

Despite its benefit, the Pakistan-KSA defense pact, poses several challenges that require careful management. Pakistan must maintain balanced relations with Iran to prevent regional tensions and avoid being perceived as siding exclusively with one bloc. Additionally, the country should steer clear of entanglement in broader middle Eastern conflicts, which could undermine its security and international standing. Ensuring strategic autonomy and neutrality is critical to preserving Pakistan's freedom of action in foreign Policy.

Conclusion

The Pakistan - KSA Pact holds the potential to deliver far-reaching geopolitical achievements for both countries while unlocking substantial economic opportunities for Pakistan. However, success depends on strategic prudence, regional balance and institutional norms.

Question # 8

GAZA Peace Plan & Pakistan's Policy

Introduction

The Gaza conflict, reignited on a large scale in October 2023, has inflicted catastrophic humanitarian loss and destabilized the broader Middle East. In response, international actors have proposed various peace frameworks. The most recent and prominent of these is the 20-point Gaza Peace Plan, unveiled in late September 2025 by former U.S. President Donald Trump, supported by Israeli Prime Minister Netanyahu and shared several regional states. The plan aims to end the war through ceasefire, hostages exchange, demilitarisation and long-term reconstruction with international oversight, including a United Nations-mandated international stabilisation force. Pakistan's policy toward the plan reflects a balancing act between its principled support for Palestinian rights and regional & economic considerations, with potential implications for Islamabad's foreign relations & domestic politics.

Strategic Objectives of Gaza Peace Plan

The 20 point Plan seeks to achieve an immediate ceasefire and hostage release, with phased Israeli withdrawal and suspension of hostilities. Furthermore, it is to establish Gaza as a demilitarized "terror free zone" and deploy a multinational stabilization force to secure and support governance transition. It is facilitating reconstruction and humanitarian access.

Another objective is to lay foundations for a longer term political settlement, ideally progressing towards a two state solution.

Obstacles to Implementation

- 1) Lack of Inclusive Palestinian Buy in
Hamas the central to Gaza and representing Palestine resistance has been cautious or skeptical about elements such as demilitarisation & international force deployment, seeing these as undermining Palestinian agency. Arab states echo concerns about sovereignty & effectiveness.
- 2) Divergent Israeli and U.S Goals
Even within the Plan's backers, there are differing priorities. Israeli leadership sees full disarmament as a precondition for further steps, complicating timeline.
- 3) Erosion of trust and norms
Ongoing violation of ceasefire, intermittent airstrikes and humanitarian supply restriction weaken confidence.

In commitment without enforcement mechanisms,
Peace pledges risk becoming hollow.

4) Structural Political Friction

Deep mistrust, absence of mechanisms for Palestinian self-determination and conflicting national interests make sustained coordination difficult.

✱ Islamabad's Policy:

1) Support for Palestinian Rights

Pakistan has consistently condemned Israeli military operations and violations of international laws, calling for an end to hostilities and a two-state solution based on pre-1967 borders with Al-Quds as capital.

2) Cautious Engagement with the U.S. Plan

While Pakistan initially welcomed aspects of the 20-point proposal, especially ceasefire and humanitarian measures. It also clarified that the published U.S. version "is not our doctrine" and does not encompass all priorities articulated by Muslim nations. Islamabad emphasizes continued diplomatic coordination with other Islamic states to ensure concerns are included.

3) Military Participation Unresolved

Pakistan has stated it has ~~not~~ received no formal request to join the proposed international stabilization force & would decide any involvement based on sovereign considerations.

- 4) Domestic and Political Sensitivities
Within Pakistan, Political Parties and civil society voices have criticized the government's approach arguing that peace initiatives must centre Palestinian consent and rights rather than international impositions.

Possible Fallout for Pakistan

- 1) Diplomatic Repercussions
Engage with a U.S. led plan without robust safeguards for ~~Pakistan~~ Palestinian self-determination could strain ties with key partners in the Muslim world, particularly those aligned with more hard-line positions against concessions.
- 2) Domestic Political fallout
Perceived misalignment between government policy & public sentiment. Largely pro-Palestinian could fuel political criticism and social unrest potentially affecting domestic stability.
- 3) Strategic Balancing
Deep involvement in middle eastern peace mechanisms risks entangling Islamabad in intra-regional rivalries, complicating its relation with Iran, Turkey & Arab states unless approached through multilateral consensus.

Conclusion

The Gaza peace represents a significant diplomatic effort to halt one of the most devastating contemporary conflicts. While its humanitarian and conflict elements are necessary and welcome, its success will depend on assured due to implementation bottlenecks, conflicting stakeholder interests, and a fragile international environment. Pakistan's policy reflects a principled advocacy for Palestinian rights tempered by cautious engagement with international diplomacy. For Islamabad, the challenge lies in balancing geopolitical pragmatism with domestic expectations and long-standing foreign policy principles.

CONVIKE