

Instructions to Secure Good Marks in the Current Affairs Paper

Not Final Model - CA

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

Privatization Is Inevitable As State-Owned Enterprises (SOEs) Have Been

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.

A Huge Burden For Pakistan's Budget

Economy

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.

SOEs As A Burden On Pakistan's

Economy

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.

Massive Financial Losses

Pakistan's SOEs collectively inc

hefty financial losses. According to the economic survey by the Ministry of Finance, these losses exceed 800 to 900 billion PKR. This is equivalent to 2 to 3% GDP of the country. According to the Finance Ministry, the entities contributing to majority of these losses include Pakistan International Airlines (PIA), Pakistan Steel Mills, and Pakistan Railways.

Contribution To Circular Debt

Energy sector SOEs are primary drivers of the circular debt. These have surpassed 2.6 trillion PKR in the circular debt (Ministry of Finance). Inefficiencies such as losses in transmission lines, poor recovery, energy theft, etc contribute to this ~~growing~~ circular debt. Due to ~~these~~ reasons, the country is greatly welcoming the IPPs to curb the issue.

Political Interference In Governance

The appointments in the SOEs are largely based on patronage and

lack meritocracy. These SOEs also suffer from issues like overstaffing and weak accountability. These interferences and issues hinder the efficiency of SOEs significantly. The World Bank identifies weak corporate governance as the core reason for SOE underperformance in Pakistan.

Why Privatization Appears

Inevitable In Pakistan

Commitments with Monetary

Institutions

Pakistan's economy largely relies on aids and bailouts from international monetary organizations. These institutions condition financial assistance on SOE restructuring, and privatization of state-owned assets. IMF, in its bailout to Pakistan in 2025, emphasized selling and restructuring PIA to ensure the stability in economy of the country.

Unsustainable Public Debt

Pakistan's public debt is

rising exponentially and has reached
 75% of the country's GDP since the
 losses incurred by the SOEs are
 worsening significantly the public
 debt rising continuously. Call
 for privatization of the SOEs to
 ensure profit maximization and
 efficient working of the state-owned
 institutions.

Global Precedents

It is worth noting that
 the countries like UK, Turkey, and
 India have significantly improved
 their economic conditions by
 privatizing the state-owned enterprises.
 India, for instance, took the last
 bailout from the IMF decades ago
 and has now surpassed
 Japan in economy. It is now
 the world's fourth largest economy
 after 2025.

Recommendations for Effective Privatization

Keeping into consideration
 the aforementioned arguments, it

is clearly shown that since Pakistan is losing a significant part of its economy to losses incurred by the SOEs, it is indeed in the country's favor to privatize its major assets. This will result in reduction in fiscal deficits improved efficiency, and limited political interference. However, it needs to be a planned and gradual reformation to avoid any corresponding losses.

Phased and Selective Privatization

Privatization of SOEs should be gradual and in phases. Government should consider privatizing enterprises that are contributing significantly towards the economic losses. Such as energy sector and railways.

Keeping the Social Balance

Privatization should not be followed by sudden layoffs of employees. This will lead to social unrest exacerbating the social problems in the country. Instead, a gradual process during should be considered to ensure social balance.

Evidence

For example, the recent privatization of PIA where employees are given a one-year grace period where their employment will continue before any major restructuring.

Strengthen Corporate Governance

Restructuring shall follow the International guidelines given by the Organisation for Economic Co-operation and Development. Inculcating these guidelines can ensure smooth transition and strong corporate governance in the institutions by introducing strong auditing mechanisms, and transparency in operations.

Conclusion

Privatization in Pakistan is a fiscal and structural necessity. The SOEs are a huge burden on the country's economy. Their inefficient operational mechanisms and structural flaws have burdened the country's economy. These problems have made the privatization of these institutions inevitable. However, a balanced, gradual, and transparent approach

supported by regulatory strength offers a viable path towards the economic stability and sustainable growth.

Q. NO. 05

Pakistan-KSA Defense Pact - Its Far- Reaching Geopolitical Achievements and Economic Opportunities for Pakistan

Introduction

Pakistan and the kingdom of Saudi-Arabia share historical defense and economic relations. The two countries share religious affinity and strategic trust between them. In the evolving regional and global security dynamics, where the Middle East has unstable security and political dynamics, the formalization of Pakistan-KSA defense pact is an important development for both nations. It carries significant security importance and economic opportunities for Pakistan.

Geopolitical Significance of The Pact for Both countries

Strategic Balance in Volatile Middle East

The Middle East is experiencing severe volatility due to a number of kinetic rivalries. These include, Iran-Saudi rivalry, Yemen issue, Red Sea and Gulf security threats. Pakistan, with a large and professional military, provides KSA with strategic depth as well as training, advisory, and capacity-building support for its militia. KSA, on the other hand acts as a security stabilizer for Pakistan in the region.

Strengthening Islamic World's Security

The Saudi-Pakistan defense pact reinforces collective security among Muslim nations while increasing their overall strength. The pact aims at enhancing cooperation under

platforms such as Islamic Military Counter Terrorism Coalition (IMCTC) headquartered in Riyadh. The pact aims at uniting the Muslim world and acting against terrorism, cyber warfare, and nuclear proliferation.

Strategic Autonomy for Saudi Arabia

Pakistan is a nuclear power with strong militia and defense. It provides cost-effective military training, defense equipment, and nuclear deterrence against any countries planning to target Saudi Arabia. This reduces KSA's reliance on external powers for defense and security.

Enhanced Regional Standing for

Pakistan

The pact reinforces Pakistan's position as a key security actor in the Muslim world. It also strengthens Pakistan's diplomatic leverage with Gulf Cooperation Council and the broader Islamic bloc.

Economic Opportunities for Pakistan

Beside the strategic implications, the Saudi-Pak defense pact also carries significant economic opportunities for Pakistan.

Growth In Defense Industry

With the focus of pact in improving and strengthening defense alliances between the two countries, it can become a source of expansion and growth in the defense industry of Pakistan. Pakistan produces AT Thunder, small arms and armed vehicles. These can find a major market in USA thereby boosting Pakistan's defense economy. This also aligns with the Saudi Vision 2030, which aims at localization of defense production.

Prospects for Increased Saudi

Investment

Strategic defense trust

often translates into economic confidence. This increases the prospects for Saudi investment in important sectors including Energy, Infrastructure, Mining, and IT industries. Pakistan already hosts Saudi-backed projects such as oil refineries and petrochemical initiatives. The pact increases the prospects for expansion of these economic initiatives.

Energy Security and Economic Stability

The strategic alliance increases the prospects for energy security in the country. Saudi Arabia is an oil-rich country. Harboring trust and alliance with it can strengthen oil supply assurance in the country. Pakistan can also be facilitated from deferred oil payment facilities from this alliance. This directly supports Pakistan's balance of payments and security.

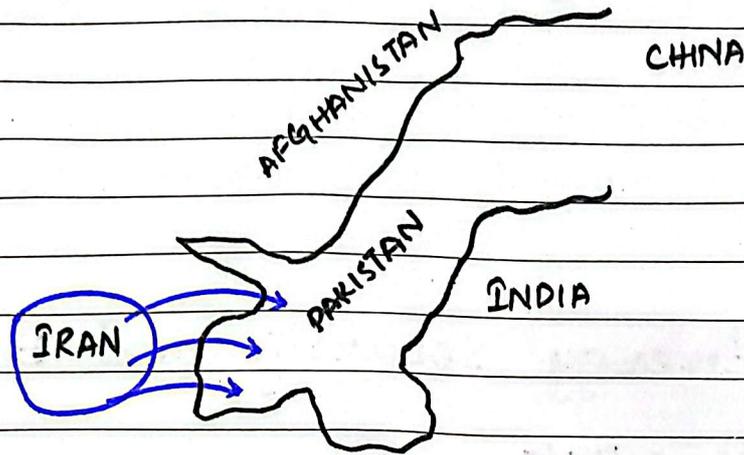
Challenges Associated with the ^{energy} Pact

Pact

Despite its numerous positive

implications, the pact also carries a significant number of risks with it.

Regional Sensitivity



The pact aims at defense and security alliance between Pakistan and Saudi. Saudi shares a rivalry with Iran, the immediate neighbor of Pakistan. Over militarization can lead to hostility between Iran and Pakistan thereby creating regional imbalance. Thus, Pakistan needs to maintain regional balance while taking due care of regional sensitivity.

Domestic Economic Capacity

Almost 75% of the Pakistan's populace lives below the poverty

line. The defense pact will require the country to spend more on military and defense. This poses significant risks of social inequality and exacerbating the poor economic dynamics of Pakistan.

Policy Recommendations for Pakistan

→ Formalize Defense Cooperation Framework

→ Link defense ties with economic diplomacy.

→ Maintain Strategic neutrality

→ Foster long-term investments.

Conclusion

The Pakistan-Saudi defense pact has the potential to be a strategic force multiplier. It can foster regional stability and streng-

With the architecture of the Islamic world. For Pakistan, the benefits extend beyond strategic alliances and security. The pact fosters prospects for economic well-being of the country. However, for the participants need to maintain clear borders and regional neutrality to avoid any associated shortcomings arising from the pact.

Q. NO. 06

Trump's pullout from Paris Climate Agreement Would Have Far Reaching Geopolitical Implications On Future Climate Efforts

Introduction

The Paris Climate Agreement (COP-21), signed in 2015 under the United Nations Framework Convention on Climate Change (UNFCCC), represents the most comprehensive global effort to combat climate change by limiting the global temperature rise

to well below 2°C , with efforts to restrict it to 1.5°C . The decision by Donald Trump to withdraw the USA from the agreement initially in 2017 and then again in 2025 has far-reaching implications for global adaptation and climate governance.

Far- Reaching Implications of USA's Withdrawal From Paris Agreement

Erosion of Global Climate Leadership

The USA is the largest historical contributor to the greenhouse gas emissions. Its withdrawal undermines the moral and political legitimacy of collective climate action and weakens multilateral environmental governance. This retreats that even the global economies will prioritize short-term economic interests over global environmental responsibility. This encourages climate inaction by other countries as well.

Weakening of Emissions Reduction Momentum

The withdrawal of the USA from Paris Agreement slows global mitigation efforts by reducing the emission reduction momentum. Climate models at UNFCCC indicate that the absence of the USA commitments could lead to additional warming of up to 0.3°C by the end of the century.

Issues Of Climate Finance

The USA had pledged 03 billion USD to the Green Climate Fund (GCF) for critical assessment of developing countries in adaptation and mitigation. Its withdrawal creates financing gaps and delays climate sustainable infrastructure's development. This particularly affects vulnerable countries like Pakistan and Bangladesh.

Fragmentation of Climate

Governance

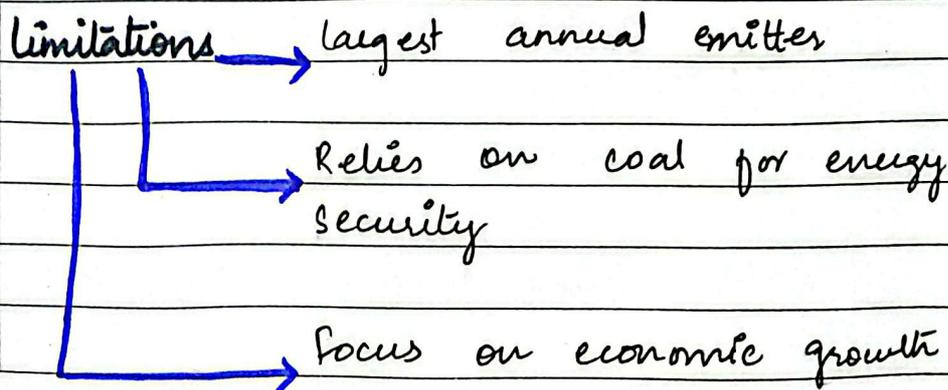
The disengagement of the

USA risks turning climate action into a fragmented, region-specific effort rather than a universal one. This undermines the cooperative spirit of COP-21 and reduces enforcement through diplomacy.

China and Europe In Achieving COP-21 Commitments

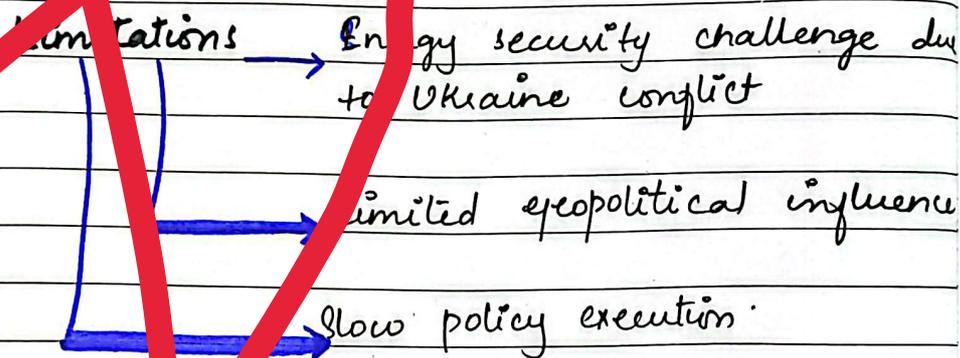
Contributions of China

China is the world's largest investor in renewable energy, electric vehicles, and green infrastructure. It has pledged to peak emissions before 2030 and achieve carbon neutrality by 2060. It dominates global clean-energy supply chains, reducing costs worldwide. It has significant potential to lead climate governance and fulfil commitments of COP-21 after the Trump pullout.



Contributions of Europe

The European Union (EU) has emerged as the normative leader of global climate governance. The EU Green Deal targets climate neutrality by 2050. It has strong regulatory mechanisms such as Emissions Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM). It is also a growing contributor to climate finance and just transition.



Conclusion

Trump's withdrawal from the Paris Climate Agreement significantly undermines global climate governance. While China and Europe can help sustain the spirit and partial implementation of COP-21, they cannot fully compensate for the US's disengagement due to certain limitations.

Q. NO. 08

Gaza Peace Plan and its Chances Of Success

Introduction

The Gaza Peace Plan is largely shaped by the USA-backed diplomatic efforts and supported by selective Western and regional actors. It aims at ending hostilities between Israel and Hamas through ceasefire arrangements, humanitarian access, and post-war governance framework for Gaza. However, given the asymmetry of power dynamics, unresolved Palestinian statehood and deep mistrust among stakeholders, the plan remains highly contentious.

Overview Of The Gaza Peace

Plan

Broadly, the proposed peace framework includes:

1. Phased ceasefire between Israel and Hamas.

2. Release of hostage and prisoners.
3. Humanitarian and aid access.
4. Post-conflict governance for Gaza
5. Security guarantees for Israel with disarmament of Hamas.

Absence of a Palestinian Statehood Path

The Gaza Peace plan largely avoids firm commitments to a sovereign Palestinian state based on pre-1967 borders. Without addressing the core issue of self-determination, there is a risk of the ceasefire becoming temporary pause rather than durable peace. This undermines the UN resolutions and the two-state consensus.

Power Asymmetry and Enforcement Deficit

While Israel retains overwhelming military, economic, and

diplomatic leeway, Palestinians lack equal bargaining power and enforcement guarantees. Peace plans with such asymmetrical political dynamics tend to institutionalize occupation rather than resolve it.

Marginalization of Palestinian Political Agency

Hamas is being treated by the USA as a security problem rather than a political reality. The Palestinian community is marginalized and the external actors risk rejection by local populations.

Humanitarian aid without Justice

The Gaza Peace Plan emphasizes on aid delivery and reconstruction without holding Israel accountable for civilian casualties. This risks normalizing cycles of destruction followed by donor-funded rebuilding.

A Realistic Assessment On The Chances Of Success Of The Gaza Peace Plan

Positive Indicators

1. There's international pressure on both Israel and Palestine to prevent regional escalation.
2. The humanitarian catastrophe and mass casualties create urgency for ceasefire.
3. Arab states are seeking de-escalation to protect regional stability.

Challenges Of The Plan

1. There is entrenched mistrust between parties.
2. Exclusion of Palestine, a key stakeholder, from meaningful negotiations.
3. There is no binding international mechanism for the plan's implementation.

Islamabad's Policy Regarding The Gaza Peace Plan

Principled Support for Palestine

Pakistan has consistently rejected Israel's occupation policies and always supported the formation of a Palestinian state with Al-Quds Al-Haqiqi as capital. It views the plan as unjust, favouring Israeli security and nationhood over rights of Palestine.

Alignment with International Law

Pakistan has consistently supported UN resolutions, ICJ opinions and OIC consensus for peace in Gaza. It rejects normalization or engagement frameworks without Palestinian consent.

Resistance To Pressures

Unlike some Muslim states, Pakistan has resisted external

pressures to recognize Israel and endorse US-led peace initiatives. This preserves the ideological consistency yet has implications over diplomatic ties with the West.

Possible fall-outs for Pakistan

- 1- Strengthened credibility in the Muslim world.
- 2- Moral leadership on global justice.
- 3- Domestic political cohesion as public opinion rejects Israel.
- 4- Diplomatic friction with the West.
- 5- Limited role in mediation as compared to states having ties with both sides.

Conclusion

The Gaza Peace Plan, while necessary to halt the humanitarian crisis, is structurally flawed due to its failure to maintain neutrality. It has

failed to address the concerns
 of Gaza at large. The chances
 of long-term success will remain
 fragile due to more inclusive political
 dialogue and power asymmetry.
 Netanyahu has the similar views
 on the Gaza peace plan and
 resists any political pressures from
 external entities aimed at
 disrupting the moral standing of
 the country.

