

# The Business

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## Ehsaas for the poor

It is a matter of satisfaction that Pakistanis are one of most charitable people in the world when they come to helping less fortunate members of society. But there is no shortage of cheaters. Actually, the first phase of the Ehsaas Emergency Cash Programme for the disbursement of Rs 12,000 to daily wagers and piece-rate workers was worst affected by the coronavirus lockdown. The amount was barely enough to help the poor and jobless to make ends meet. But in the initial stage, reports soon started emerging of several beneficiaries complaining of unauthorised deductions. At least 25 people, including a police officer, have been arrested from different parts of Sindh for stealing money from the poor. In Dadu, nine people were arrested and five CNICs and 25,000 recovered from their possession. It is good to note that action was swift unlike the laxity that characterizes official attitude under normal circumstances. After the second phase, in which the remainder of the 12 million eligible beneficiaries are to receive cash assistance, it may become necessary for the government to extend the programme to the next quarter, i.e., if lockdowns are to continue in some form.

This being the first time such large-scale distributions of cash were made, problems were likely to crop up, as they have. A major flaw appears to be in the mode of distribution. A per the plan, deserving families are to receive cash hand-outs through over 18,065 sale points of two private banks, for which provincial governments were asked to provide open public spaces for setting up disbursement arrangements, as well as management of crowds. That created opportunities for unscrupulous elements to take advantage of the recipients. This is amply illustrated by the example of the arrested police officer.

According to media reports, although posted at the Counter-Terrorism Department in Karachi, the police officer was also working as an authorized agent of a bank for which he had set up a centre inside his home in Khairpur, where he took a certain amount out of poor people's relief fund. Also cause of concern is the number of distribution points, which falls far short of the requirement. People have been standing long hours crowded closely together in long queues – in utter disregard of social/physical distancing – leading in one instance to a woman's death from sheer exhaustion. The government needs to review this system. It should consider using the services of mobile operators for the disbursement of funds. That is imperative to create ease of access for the recipients and also cut out the role of corrupt intermediaries who think of nothing to deceive even the poor of the poorest.

## Matters of honesty

RAMESH KUMAR

National Honesty Day is celebrated on April 30 throughout the United States. The purpose of the day is to encourage everyone to be honest in all fields of life, especially politics, relationships, business and historical facts. Honesty Day is attributed to the anniversary of the first inauguration of great legendary leader George Washington, held on April 30, 1789. The presidency of George Washington started on April 30, 1789, when he was elected unanimously during the first presidential elections. No doubt, honesty is a great virtue, and every religion urges the followers to maintain highest levels of honesty at any cost. Like every religion, one of the significant core values of Hinduism is to ensure honesty for the sake of betterment of the society. It is believed that if a person is honest and truthful then, despite facing temporary troubles, he/she will be successful at the end of the day.

Hindu scriptures, while defining about truth, emphasize that "Where there is truth, there is religion; where there is religion, there is light; and where there is light, there is Happiness, peace and prosperity." On the other hand, the way to falsehood and cheating leads to darkness, sorrow, grief and destruction. A good human-being, therefore, never ever tries to engage in immoral activities. Once a good person recognizes his/her mistake, sincere apology is offered openly to seek repentance. Contrary to this, a person who doesn't have such human virtues is

rejected by the fellows, once his/her cheating exposes. Such person is neither considered a trustworthy friend material nor a faithful companion. This is a universal fact that nobody is interested to keep relations with someone who breaks the trust intentionally and practices unethical ways. In order to maintain honesty and truthfulness, it is urged to follow four principles in daily conversations: (i) keep quiet instead of speaking nonsense; (ii) ensure the truth at any cost; (iii) use soft and pleasant words; and (iv) speak that which is in conformity with religion. It is therefore very necessary for every person to adopt a pleasant way of talking while expressing truth. Since my entry into parliamentary politics 18 years ago, I have seen that our national politics is revolving around achieving personal gains. Obviously, there are a good number of honest politicians in parliament. However, after winning elections, many politicians forget all public promises and start focusing on their personal agenda. This is indeed a very painful situation for all genuine politicians, who believe honesty is the best policy. In my view, we must follow Quaid-e-Azam, who succeeded in maintaining the highest standards of honesty during his entire tireless struggle. Honesty Day demands every one of us to ensure best ethical practices in our entire life. We must speak the truth. We must not forget that our real well-wisher is one who identifies our mistakes. Today, we must be thankful to the media for all the criticism. However, the media must also highlight positive steps by the government in an

# Getting smart

KHURRAM HUSAIN

A number of developments that are happening around the world could play out in significant ways here in Pakistan in the days to come. Several countries, along with some states in the US, have announced that they will be easing their lockdowns going forward. In at least one case, that of France, the prime minister has explicitly said that the country must "learn to live with Covid-19" because the country has to walk a fine line from now on. "A little too much carelessness, and the epidemic restarts. A little too much caution, and the entire country sinks," said the French prime minister in his address to parliament announcing the decision to start easing the lockdown.

Spain and Italy also announced at the start of this week that they are ready to start easing the lockdowns. Italy had one of the most intense outbreak of the virus and for weeks was a near-doomsday scenario for the rest of the world. Spain had one of the strictest lockdowns in the world, along with an outbreak. For these countries to now be talking of an 'exit strategy' from the lockdown is a big moment undoubtedly. But it is important to listen to the warnings that their leaderships are continuing to sound.

In addition, many states in the US are either about to issue orders to lift the lockdowns, or simply let them expire when

their term ends. At one point the American lockdowns had almost 90 per cent of that country's population confined to their home, and the number of cases shot up to cross one million. But some states, and in some cases a few cities, have leaderships that now feel they can afford to start easing the terms and allowing some movement to take place. More than 26m people there sought unemployment protection, meaning the rate of joblessness climbed to 16pc of the population.

This is approaching the levels of unemployment created by the Great Depression. The reason why it is important to be aware of these developments is that sooner or later you will hear somebody from this government come on the screen and make the case that 'even the countries of the West are lifting their lockdowns because they have learned they cannot sustain them'. In slightly different words, the prime minister has already done this, though there is still room to draw the linkage directly. When that happens, here are some things you should know.

In each of the countries or territories, the decision to start easing the lockdown has been made after they saw a sustained period of declines in daily infection rates. In France, to take one example, the biggest spike in the number of daily infections was on April 3 (according to Worldometers), when they saw 17,355 positive cases in one day. Up till April 16 that figure fell,

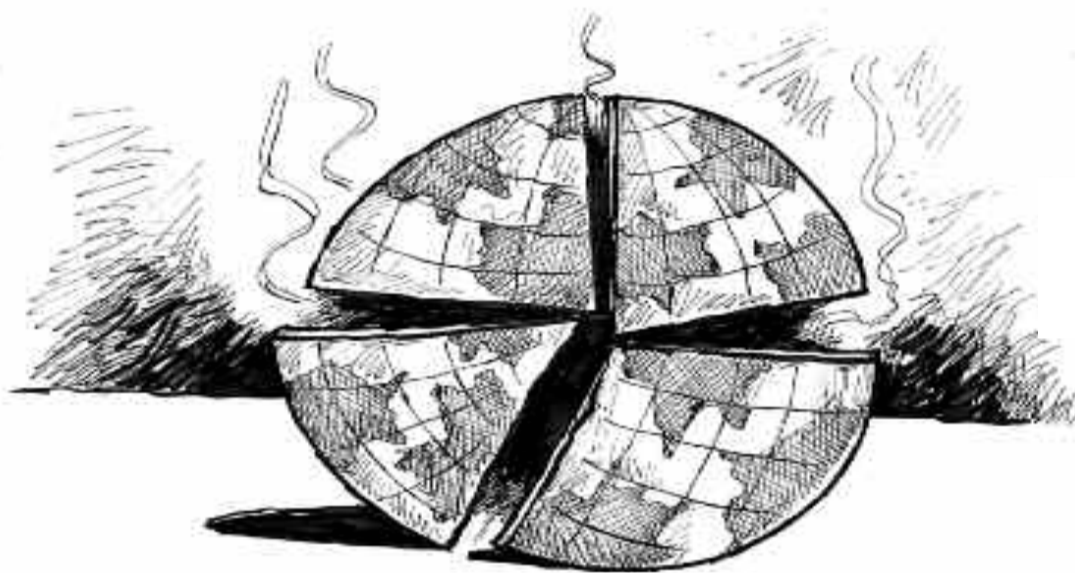
but still remained in the thousands, ranging from a low of 2,455 (on April 12) to a high of 8,728 (on April 7). Even as the French prime minister stood before parliament to announce the easing of the lockdown, France saw 2,638 new cases. The virus still haunts, but the direction of its spread was clearly downward. Likewise with Spain, where the number for daily new cases has halved since April 24, with the direction still moving down. Or Italy, which at the peak of its outbreak in the middle of March was seeing close to, or more than, 6,000 new cases per day, but has since brought this number down gradually to around 2,000 in the past few days.

Pakistan stands in stark contrast. Here the number of new cases is climbing very steeply. It is in the second half of April, in fact, that the graph for new cases begins to climb in Pakistan, first touching 500 new cases per day, then approaching 1,000 new cases by April 23, only to fall again. But the fall seems to owe more to an overall decline in testing rather than a slowing down in the spread of the infection. Data shows that from April 24, other than the province of Sindh, the number of tests done in all other provinces and sub-federating units like Gilgit-Baltistan and AJK, actually went down. Punjab's health minister appeared on TV on the night of the 28th to argue that they are retooling their testing strategy and are holding back in the meantime, but only days earlier the plan-

ning minister, Asad Umar, had appeared on the same show and argued that testing is about to be ramped up very fast across the country. For a province like Punjab, it is reasonable to expect that there should be 10,000 tests being performed daily, but according to Yasmin Rashid, they were at 2,000 only on the 28th. By contrast consider that as part of France's easing of the lockdown, they intend to take up their daily testing rate to 100,000 per day by May 11, the date when the easing of the lockdown is set to begin over there. France has a total population of 67m, whereas Punjab has 110m. I hope the difference is clear. A country with anaemic testing capacity, that has done very little work on the local epidemiology of the virus or ramped up its contact tracing capacity in any significant way, is not ready to start toying with its containment strategy.

Even those European countries that are easing their lockdowns have been warned by the World Health Organisation that doing so carries grave risks of restarting the outbreak. "This is not the time to be lax," WHO said in a statement on April 21, the day after Germany opened some shops. "Instead, we need to ready ourselves for a new way of living for the foreseeable future." Without being able to see the movement of the virus through our general population, to map its spread in granular detail, it would be a mistake to move away from social distancing.

HALF OF GLOBAL WORKERS TO BE RENDERED JOBLESS: ILO



## Looking at the economy

IMRAN BATADA

Pakistan's economy is already in a critical condition and Covid-19 has the power to destroy the economy even further. According to initial estimates, the country is set to feel an economic loss that equates to Rs1.3tr from the coronavirus alone.

The worldwide economic fallout due to the coronavirus could see recessions in Japan, US and European areas. China is reporting its slowest growth ever, standing at a lost output of \$2.7 trillion. However, China can sustain this because of their enormous reserves.

The rate of inflation in Pakistan stands at 12.93 which is horrifying and indicates that there will be more price increases whilst the money of the middle class and poor will remain the same. Due to flights being cancelled all over the world, several Pakistanis who were working abroad are now stranded. And, considering the economic condition and seizure of economic activities, the UAE government has allowed private firms to lay staff off that are not seen as high-ranking workers. It should also be noted that there is no new recruitment and some employees are being sent on unpaid leave.

World health indicators are continuing to emphasize the lockdown and Pakistan cannot afford to follow suit as it is already facing massive shortfall in revenue and limited resources in this collapsing economy. The lockdown of Karachi will cause major loss of revenue according to the Federal Board of Revenue and if this continues until June tax losses will reach Rs380 billion. The secretary of commerce has indicated that exports could face losses in the amount of \$2-\$4 billion as orders are cancelled. The UN has estimated that international

tourism will fall three percent due to the virus which equates to \$50 million globally; this is further bad news for Pakistan as the government has been committed to increase tourism to the country. The Planning Commission of Pakistan has estimated that Pakistan's GDP is likely to lose 10 percent, estimated at Rs1.1 trillion, due to Covid-19. In March 2020, the Pakistan Bureau of Statistics (PBS) estimated that the total exports of Pakistan were Rs287.7 billion. China, Germany, Netherlands, UK, and the US make up 40 percent of the total exports. However, all these countries have been affected by the Covid-19 outbreak. Therefore, the Ministry of Commerce has estimated that the decline in exports of Pakistan may go up to 20 percent.

In March 2020, the PBS reported that Pakistan imported a total of approximately Rs525 billion. However, the import sector is expecting to decline due to the corona outbreak, particularly as China accounts for almost 21 percent of the total imports on its own, but this is not all bad news as the decline in imports will have a positive impact on the current account deficit. Remittances also make up an important aspect of Pakistan's economy. Most of the remittances come from Saudi Arabia, UAE, and the US. However, due to Covid-19, delays in sending and receiving the remittances are inevitable and have a further effect on Pakistan's economy. Investors across the globe fear that the Covid-19 outbreak will destroy economic growth. In this instance, the travel industry has been one of the most badly hit industries. The same is the case with the hotel industry. The virus is either a boon or a bane for companies around the world. Firms across the globe have sent their workforce home. This has

opened new avenues of transformation. This may be the start of a new disruptive revolution. Although movie theatres have been closed across the world, people are still watching movies and their favourite shows through digital platforms. Although news channels have been running their operations, we have also seen TV talk shows being shot at homes. Physical classes have ceased as academic education facilities have been shut down. But the option of online classes has been explored by almost all institutions. Distant learning in the post-corona world is going to create disruption. Due to the large amount of lay-offs across the globe, people have realized how vulnerable they are. Therefore, alternative sources of income are being explored. One of these sources is freelancing. Digital technology has been playing a key role for effectively fighting the coronavirus. For instance, interactive maps are being utilized globally for monitoring the virus spread. Following the epidemic this closely with such a precision is crucial to eradicate it. Developers at the Johns Hopkins University have already created an online dashboard to visualize and track the reported cases. Technology has made it possible for scientists to diagnose the coronavirus in patients, by examining a small amount of vital DNA taken from patients' saliva or a blood sample.

We do not know whether the unemployed will find jobs after the Covid-19 outbreak is eliminated. We are standing on the verge of recession, where countries across the globe will be bankrupted, leaving behind vast numbers of people who will have lost their jobs. The financial crisis we are experiencing is different, and worse, because it is caused by a health crisis.

## Workers, pandemic and president

DR PERVEZ TAHIR

For the formal sector workers, every May Day for the past two decades has been worse than before. But today, in the midst of the corona pandemic, is the worst of all. From strikes and lockouts, it is now the world of lockdowns. Complete, partial or smart, the labour is still smarting from the wounds. In the Rs1.2 trillion relief package announced by the Prime Minister over a month ago, an amount of Rs200 billion was earmarked for labour. A lot of concern has been expressed by the Prime Minister himself about the unregistered workers. In trying to figure out how to reach out to them, as many as 80% of the lot, the registered workers have been subjected to avoidable suffering. The latest decision of the cabinet to ask Special Assistant on Poverty Alleviation and Social Safety Dr Sania Nishtar and Industries minister Hammad Azhar to devise a mechanism to disburse Rs75 billion to labour, adds insult to the injury. The quickest transfers were to the richest and the poorest, the former comprising the claimants of tax refunds in the Federal Board of Revenue records and the latter included those already registered in the Category One of the Ehsaas Emergency Cash Programme (the erstwhile Benazir Income Support Programme). In both cases, registration served early decisions. A similar beginning could have been made with the registered 20% labour.

Employers are eyeing the Rs125 billion left out of the amount of Rs200 billion to pay the wages of the formal workers. They are also asking the government to utilise the funds of the various social protection windows and to suspend employers' contributions during the pandemic. There is little chance that they will avail the concessional credit line offered by the State Bank to avoid laying off workers. The Sindh government's attempt to legally force the employers to keep their workforce employed is unlikely to succeed without

federal cooperation. Instead of working through the employers, the Federal government should access the workers through the Employees Old Age Benefit Institution (EOBI), Workers Welfare Fund (WWF) and the respective Employees Social Security Institutions of the provinces.

Working with these institutions during the pandemic will have the advantage of generating useful learning for moving eventually towards the time-tested system of universal social protection through a single agency with just two tasks — unemployment benefits and pensions. The health of the workers is better left with the public health system, itself seizing on new opportunities. Chapter 2 of the Constitution provides the "Principles of Policy" for the establishment of the Riyasat-e-Madina. Meanwhile, Article 38 on the "Promotion of social and economic well-being of the people" bears repeating, especially these subsections: "(b) provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure; (c) provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means; (d) provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment."

The disregard of these constitutional provisions has been facilitated by unconscionably ignoring Article 29(3) requiring the President every year to "cause to be prepared and laid before the [parliament] a report on the observance and implementation of the Principles of Policy". The last such report was presented in the year 2015-16. Its shoddy contents displayed an utter disrespect to the welfare messages of the Principles. Will the President, please, rise to the occasion?

## Letters to the Editor

### When to reopen?

President Alvi in his recent meeting with ulema had hinted over reviewing the policy of lockdown. Prime Minister Imran Khan has also suggested in his addresses to the nation that it is preferable to save the poor from hunger rather than imposing a harsh lockdown. However, the developed, as well as developing countries which adopted strict quarantine measures, are now reaping the benefits by gradually opening-up their economies. It is time the government reassessed the gravity of the situation, especially the strain the growing number of virus cases could place on the healthcare system. Incidentally, the figures of infections could be much higher as many carriers are asymptomatic and thus

unlikely to be tested and counted. Once the spread is contained, the economy can be looked after in a better way.

Dr Najeeb A Khan  
ISLAMABAD

### Inordinate IPPs

Thermal IPPs were setup under the Benazir Bhutto's 1994 energy policy. These plants were to run on oil and were established for a temporary period of six years only. It was envisioned that cheaper alternatives like coal, solar and hydro power plants would be added during these six years. However, due to a number of reasons the other power plants were never established and Nepra used this excuse to renew the

contracts for the IPP's at the same high rates. Furthermore, during all this time Nepra failed to highlight the high contract costs, the low power producing capacity or cheaper coal and renewable energy options for Pakistan. The government must renegotiate these exorbitant IPP contracts with the aim of cutting costs. In addition, more investment must be channelled into cheaper alternatives such as renewable energy.

Shahryar Khan Baseer Engr  
PESHAWAR

### SOP breakers

It has been reported that 80 percent of confirmed Covid-19 cases have been locally transmitted. This clearly indicates that

many are violating the SOPs laid down by the government to thwart the spread of the virus. The only way to effectively contain the pandemic lies in maintaining social distancing, which is the direct responsibility of every individual and his/her family.

At the workplace it is the obligation of the business owner/ employers to ensure that proper safety measures are adopted. It is high time we realized the gravity of the situation and corrected our callous attitude. The government needs to take stern action against those violating the instructions. The SOPs will only be effective when backed by punitive measures against violators, such as sealing of non-compliant business units and the imposition of heavy fines.

Saud Bashir Bajwa  
LAHORE