

The Business

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Division of resources

The federal cabinet has issued directives to the provinces for the constitution of Provincial Finance Commissions (PFCs) in order to arrive at Awards for the equitable distribution of resources among them. Minister of Information, Shibli Faraz, revealed during a press conference after the cabinet meeting that matters pertaining to the PFCs in Punjab, Khyber Pakhtunkhwa (KP) and Balochistan would be supervised by Minister for Planning and Development, Asad Umar. Three provinces have Pakistan Tehreek-i-Insaf governments or allied ones. The significant omission is Sindh. Not that it can be realistically envisaged that Asad Umar would be able to play the same role regarding the PFC in Sindh, given the state of continuing acrimony between the Centre and the province. Nevertheless, the issue of PFCs is deeper and of longer standing than the current political lay of the land. Just as the National Finance Commission (NFC) Awards ensure a consensus equitable distribution of resources vertically and horizontally amongst the Centre and the provinces, the PFCs are required to play a similar role vis-à-vis the Local Governments (LGs) within the provinces.

This architecture of resource distribution is fundamentally tied to the existence and healthy functioning of LGs. However, the track record of LGs and PFCs in our history remains a sorry one. Consequently, the PFCs that are supposed to issue consensus Awards for resource distribution to these LGs were never formed. Even the Pakistan People's Party (PPP), the champion of provincial autonomy and the devolution of powers from the Centre to the federating units through, for example, the 18th Amendment, has more often than not failed to carry through the devolution logic from the provinces to their LGs. In fact, it could be said of the whole political class that they have consistently shown a marked reluctance to devolve powers from the provinces to the LGs for fear of 'diluting' their hold on their constituencies.

If and when the directive of the federal government is put into effect, the provincial governments may be confronted with long standing competing claims on resources by LGs, districts, rural and urban communities, different ethnic groups and developed versus underdeveloped areas within the respective provinces. The Sindh urban-rural conflict, therefore, also assumes the hues of an ethnic divide, making it more combustible than usual. Southern Punjab has been complaining of neglect and underdevelopment in comparison with central and northern Punjab for years. KP wrestles with its own Pashtun-Hazara ethnic divide on the same lines, as does Balochistan with its Baloch-Pashtun cleavage. All this requires patient, tolerant, democratic consensus building amongst competing political parties, communities and ethnicities. Can the present government find the reserves of goodwill and vision required for this consensus-building task?



W T WHITNEY

Food availability was the top concern of 21 percent of Cubans responding to a recent opinion survey. The question thus comes to the fore of how the US economic blockade affects the supply of food that Cubans eat.

The US State Department liked the idea of a blockade in 1960 because it would lead to deprivation

Food in Cuba

and suffering. That happened in 1992 with the so-called Cuban Democracy Act. Under that law, which is still in effect, foreign partners of US companies are prohibited from exporting goods to Cuba, including food and agricultural supplies.

Food supply in Cuba is precarious now, along with Cuba's economy. What's going to happen will depend on how the government manages agriculture and the economic toll of the Covid-19 pandemic. But the US economic blockade is the crucial factor. There's no quick fix for some problems. Sugarcane monoculture took a toll on soil fertility. The woody marabou plant, useful only for making charcoal and requiring heavy machinery to remove, has invaded 4.2 million acres of Cuban land – 18 percent of the total. Cuba has recently experienced severe drought conditions interspersed with

intense rains and flooding; 60 percent of the land is at risk of desertification. The agricultural sector accounts for 40 percent of the financial losses due to hurricanes.

According to one report, disempowerment of women in rural areas "impedes progress in the agricultural sector." Agricultural work lacks appeal for many of Cuba's highly-schooled young people. More Cubans live in cities these days – 77 percent of the population – and the burden of feeding them has increased accordingly. Cuba has long had to import 60-80 percent of food that is consumed there – at an annual cost of \$2 billion.

Beginning in 2008, Cuba's government instituted economic changes affecting the entire society, agriculture included. The government and Communist Party fashioned ambitious documents that outlined comprehensive reforms. In

Disembarking the container

MOSHARRAF ZAIDI

There are at least two areas in which this government, despite the odds, seems to have done some stellar work – the first is the diplomatic work by Mohammad Sadiq that is helping forge Pakistan's seriousness as Afghanistan's most reliable partner and neighbour, and the second is the work to contain Covid-19 by Asad Umar and the NCOC that has clearly eased the post Ramadan/Ramadan and Eidul Fitr spike of Covid-19 infections and fatalities.

Both represent major successes for Pakistan, tenuous and temporary as they may be. Yet PM Khan and his supporters will find little to no traction for celebration. Hardly anyone has even acknowledged these positive developments. It all seems a little unfair. The big question is: why?

Well, let's imagine Prime Minister Imran Khan waking up every morning to assess his stature as the country's undisputed leader. How would he be feeling? He has a cabinet in which members go after one another harder than they do the opposition. He has a press and media that has stopped gushing at his every smile and soundbite (for the most part). He has a regional security situation in which India's oppression in Kashmir is intensifying, with reports of thousands of RSS thugs being shipped to further intimidate and cow ordinary Kashmiris. He also has to consider the world after a US withdrawal from Afghanistan, with worrying reports of TTP consolidation and public threats being made by a mysteriously free and liberated Ehsanullah Ehsan.

Most of all, PM Khan is going to be held responsible, rightly or wrongly, for a broken and dysfunctional economy in which Covid-19 has wreaked untold havoc – scores of unemployed Pakistanis will either not be covered by the BISP/Ehsaas programme, or will not find a one-time Rs12,000 cash grant to be enough to survive on. If you think about all this from PM Khan's perspective though, it would

seem a little bit unfair. Covid-19 wasn't invented by PM Khan, and yet he has taken a lot of flak (for off-the-cuff speeches and misstatements) and received little credit (for relatively better than expected infection and fatalities numbers in July, and a swift passing of the post Ramadan/Ramadan and post-Eid spike).

India's annexation of Kashmir on August 5, 2019 was not enacted by PM Khan. Yet many question what the government and PM Khan have done for Kashmir and Kashmiris.

The economic mess that PM Khan inherited has certainly not been fixed, but prior to Covid-19 he and his team had certainly managed to lend greater stability to the macroeconomic numbers – leave aside the fact that I believe deficit reduction to be a misguided setting of tactics as strategic objectives (fiscal and external balances are tools to achieve policy goals, they cannot and should not be goals in and of themselves). In so many things, whilst this government has been ill-prepared to govern, incapable of grappling with the wider challenges, and undeniably bereft of a grip over its own ambitious reform agenda: it has not been terrible at everything. Indeed, in perhaps the issue that should matter most to all Pakistanis – the well-being of our fellow citizens – the expansion of the Benazir Income Support Programme (BISP) under the Ehsaas umbrella, has been one of the truly great moments in Pakistani statehood. With over 16 million households now having received an unconditional cash transfer of Rs12,000, the path to a universal basic income in Pakistan is now clearly defined. This alone can (and should) stand as an outstanding achievement for this government.

Yet Islamabad is abuzz with rumours. The intensity of the whispering ebbs and flows, but there certainly continues to be an intense sense of foreboding in the air. Smart money knows that the three pillars of the current regime are not going anywhere. But there is constant uncertainty and a wider sense of instability that makes the monsoon air thick with intrigue

and anticipation. Again, the big question is: why?

PM Khan and his supporters will claim that the criticism of the government is rooted in vested interests as he and his cabinet enact major reforms to the country's system of governance. When asked for proof, they will offer up the declaration of assets by the special assistants to the prime minister, and the publication of the sugar and wheat pricing scandals. But publishing these lists is neither a reform nor particularly reformist. From Hamood-ur-Rehman to Quetta, to Abbottabad to Faizabad, if the publication or leaking of facts and analysis was the same thing as reform, Pakistan would look very different than it is. This government either doesn't want to, or worse, is not capable of distinguishing between noise-making and system-making.

And this, at its heart, is the problem. The current government is not nearly as incompetent and incapable of governing as it seems. Its most profound and serious challenge is not Maryam Nawaz Sharif, or Bilawal Bhutto Zardari, or Maulana Fazlur Rehman, or any other political competition. This government's most profound and serious challenge is the undiagnosed and untreated case of verbal dysentery that afflicts almost every single member of PM Khan's inner circle, and especially aspirants to this inner circle.

This is a killer flaw, and it is why there is so much political uncertainty in Islamabad. On its merits, the Pakistani opposition today cannot even violate the gag orders that restrict the primary leaders of the most potent opposition party, the PML-N. They are not about to enact some grand scheme to take down PM Khan. But what the PML-N, PPP, JUI-F and every other opponent do have going for them is PM Khan himself. They know that, for example, a series of slogans shouted at him in the assembly can distract him from his agenda, and set him and his core PTI support base on a destructive path.

Opponents of PM Khan have figured out the killer formula. You don't

need to beat Imran Khan – indeed, given how power is configured in Pakistan today, you can't. All you need to do is let Imran Khan beat himself. And beat himself he will. The most important challenge facing the PTI government and its survival is not politics. It is economics. Covid-19 has exposed the foundational mess the economy is in. Daronomics, whilst perhaps unsustainable, and certainly costly, worked. It produced the one thing that this country needs more than any other thing: GDP growth. Ask PM Khan: what is your economic vision? You will get a flurry of feel-good soundbites. The word 'corruption' will appear early and often. Why? There is no vision. Ask PM Khan: how will Pakistan enact a jobs-heavy recovery from Covid-19? You will get more soundbites. More corruption blah-blah. Why? There are no jobs. Not now. Not in six months. Ask PM Khan: what is the plan for Pakistan to take advantage of the economic opportunities Covid-19 creates in international trade? You will get some feel-good soundbite about diaspora and the PTI's fundraising prowess. Why? There is no plan.

This government will not go down because it is incompetent. It is not dramatically more incompetent than any previous government. It will go down because it is stuck on a container, nearly six years after the container almost sunk the entire political capital of the PTI. Being PM or a member of the cabinet is not a performance on a container. It is real. The ultimate test of the Pakistani leader is how many jobs she or he helps create, and how much more money he can put in pockets, in showrooms and on the streets.

Take a good look at the words and actions of PM Khan and his cabinet and ask yourself: where will the jobs come from? Where will the growth come from? How will more money get into more Pakistani pockets?

Silence.

That's why this government is in trouble. The rest is just noise. And most of it is coming from the government itself.

A new social contract for a new era

ANTONIO GUTERRES

From the exercise of global power to racism, gender discrimination and income disparities, inequality threatens our wellbeing and our future. We desperately need new thinking to halt and reverse it.

We often hear that a rising tide of economic growth lifts all boats. But in reality, a rising tide of inequality sinks all boats. High levels of inequality have helped to create the global fragility that is being exploited and exploited by Covid-19.

The virus is shining a spotlight on inequalities of all kinds. It poses the highest risk to the health of the most vulnerable, and its social and economic impact is concentrated on those who are least able to cope. Unless we act now, 100 million more people could be pushed into extreme poverty and we could see famines of historic proportions.

Even before Covid-19, people everywhere were raising their voices against inequality. Between 1980 and 2016, the world's richest 1% captured 27% of the total cumulative growth in income. But income is not the only measure of inequality. People's chances in life depend on their gender, family and ethnic background, race, whether or not they have a disability, and other factors. Multiple inequalities intersect and reinforce each other across the generations, defining the lives and expectations of millions of people before they are even born.

Just one example: more than 50% of 20-year-olds in countries with very high human development are in higher education. In low human development countries, that figure is 3%. Even more shocking, some 17% of the children born 20 years ago in those countries have already died.

The anger fueling recent social movements, from the anti-racism campaign that has spread around the world in the aftermath of George Floyd's killing to the chorus of brave women calling out the powerful men who have abused them, is yet another sign of utter disillusionment with the status quo. And the two seismic shifts of our age – the digital revolution and the climate crisis – threaten to entrench inequality and injustice even more deeply. Covid-19 is a human

tragedy. But it has also created a generational opportunity to build a more equal and sustainable world, based on two central ideas: a New Social Contract, and a New Global Deal. A New Social Contract will join governments, their people, civil society, business and others in common cause.

Education and digital technology must be two great enablers and equalisers, by providing lifelong opportunities to learn how to learn, to adapt and take on new skills for the knowledge economy. We need fair taxation on income and wealth, and a new generation of social protection policies, with safety nets including Universal Health Coverage and the possibility of a Universal Basic Income extended to everyone.

To make the New Social Contract possible, we need a New Global Deal to ensure that power, wealth and opportunities are shared more broadly and fairly at the international level.

A New Global Deal must be based on a fair globalisation, on the rights and dignity of every human being, on living in balance with nature, on respect for the rights of future generations, and on success measured in human rather than economic terms.

We need global governance that is based on full, inclusive and equal participation in global institutions. Developing countries must have a stronger voice, from the United Nations Security Council to the Boards of the International Monetary Fund and the World Bank and beyond.

We need a more inclusive and balanced multilateral trading system that enables developing countries to move up global value chains.

Reform of the debt architecture and access to affordable credit must create fiscal space to generate investment in the green, equitable economy. The New Global Deal and the New Social Contract will put the world back on track to realise the promise of the Paris Agreement on Climate Change and achieve the Sustainable Development Goals – our globally-agreed vision of peace and prosperity on a healthy planet by 2030.

Our world is at breaking point. But by tackling inequality, based on a New Social Contract and a New Global Deal, we can find



Letters to the Editor

The wheat fiasco

Despite the resolve shown and directives issued by the government, the prices of palatable and safe flour remain high. Wheat was procured from growers at the rate of Rs1,400 per 40 kg but now the commodity is selling at the rate of Rs1800 to Rs2000 per 40 kg in the market. The losers are the tillers, and all those who consume wheat products, particularly roti. The winners are those the prime minister calls the mafia and hoarders. Instead of the flour price coming down anytime soon, there are signs that show it could continue to rise over the year. Federal Food Security Minister Fakhar Imam speaking in NA wondered how more than six million tons of wheat purchased from farmers after the harvest two months ago had just "vanished" in the market. In March, the PM warned profiteers that the government would take strong action against

them if they created an artificial shortage of wheat. Among other measures, he threatened to make use of the party's 'Tiger Force', basically formed to counter the coronavirus.

This apparently failed to discourage the wheat hoarders who knew the PM would not go beyond sermonising. Over the last three months of wheat prices going higher and higher, he had not gone beyond making ineffective harangues. The businessmen are now waiting for international prices of wheat to go down or the government to agree to buy costly wheat to sell it on subsidized rates before they start importing. As long as the government remains undecided, the price of flour will go on rising. Meanwhile, Pakistan's wheat will continue to be smuggled to neighbouring countries. Are those in the government cognizant about all these repercussions?

Qazi Jamshed Alam Siddiqui
LAHORE

Karachi in a candle

In this modern era, where countries are moving towards a higher standard of living, Karachi city seems to be moving back to the dark ages when people used candles and lanterns. K-Electric is a source of constant issues for the people and is pushing them to live their lives as though there is no electricity at all in the city. Karachi which was once known as the 'City of Lights' is turning into the city of darkness day by day because of loadshedding. Without electricity, there is no concept of development. Because all the industries, hospitals and other institutes depend on electricity. The government should take serious action about this matter. In this situation, it is only the people of Karachi that are suffering badly. How will our country and our people succeed without electricity?

Moiz Ahmed Siddiqui
KARACHI

Excerpted from: 'Trump Administration Wants to Deprive Cubans of Food'.
Counterpunch.org

