

The Business

Chief Editor

Irfan Athar Qazi

E-mail: editorthebusiness@yahoo.com
thebusinesslhr@gmail.com

Tijarat House, 14-Davis Road, Lahore
0423-6312280, 6312480, 6312429, 6312462
Cell # 0321-4598258

1270-B, Peoples Colony No I, Off: Chenone
Road, Faisalabad, Ph: 041-8555582

ISLAMABAD / RAWALPINDI
N-125 Circular Road, Ph: 051-5551654,
5532761, Cell # 0300-8567331
KARACHI
3rd Floor Kehkashan Mall 172-I Block II PECHS
Opp Rehmania Masjid Main Tariq Road
Ph: 021-34524550, Cell # 0300-8251534

RDA accounts

Roshan Digital Account (RDA) 100,000 accounts have been opened from over 100 countries with a deposit of \$671 million. Half the amount arrived in the last eight weeks. At this pace, the number may cross \$1 billion mark within a few weeks. Some say that higher rate offered on the Naya Pakistan Certificate (NPC) is the prime reason for attracting funds to RDA. That is partially correct, but this is not the only reason for RDA's success. In 2019, Pakistan Banao Certificate (PBC) was introduced where the returns on government bonds were in line with what NPC is now offering but it was a complete failure. At that time, the product was launched half-heartedly. No heed was paid to the operational glitches, nor was there any effort to market the product. In the case of RDA, the State Bank of Pakistan (SBP) took the product very seriously and relentlessly worked with the government, Pakistan diplomatic missions abroad, other expatriate forums and commercial banks to make this product work. At the start, eight domestic commercial banks were selected for opening RDA accounts. Some of them were found lacking in zeal to push this product and the central bank received complaints to this effect that it took seriously and nudged the errant to deal promptly with operational hiccups.

The 1998 debacle (freezing of foreign currency accounts) are still fresh in the peoples' mind and they harbour fears about the strength of implicit sovereign cover. These concerns were taken seriously, as they should be and numerous webinars were conducted, where expatriates' issues and fears were addressed by the central bank. When the money started coming in, banks began to fathom the potential of this new avenue of deposits and options for cross-selling. Many banks started marketing RDA in Pakistan and outside. A race between the banks started to capture RDA accounts. The number of participating banks has now increased to 10 and another bank is soon to be on board. Banks are now offering leveraging products on NPC and their own products to expatriates. However, there still exist some reservations amongst the expatriate as well as resident Pakistanis who can invest their declared assets outside Pakistan in the RDA.

An educated guess is that about 10 percent of RDA at present is from resident Pakistanis; the potential for increased participation from them is even bigger. Both resident and non-resident Pakistanis demand more transparency and granularity in data. The SBP should start making details public. This will help in assuaging the lingering fears that investors may still possibly have.

The information available is patchy. There should be a separate update tag on the SBP website where regular updates on RDA should be available. The SBP should also bifurcate the data based on non-resident and resident Pakistanis – how many accounts are opened by both and how much amount has come in them.

Democracy doesn't happen easily

IKRAM SEHGAL

Pakistan's democracy has been shaken again by the Senate elections. A majority is important for the ruling government coalition because laws passed by the National Assembly (NA) have to be approved by the Senate as well. Controlled by the opposition till now the Senate was preventing this, severely impairing the political effectiveness of the govt.

Many years of "horse trading" in Senate elections has shown that secret voting promotes corruption and bags with cash change hands before the vote taking place. Ethical flaw aside it is also impairing the principle of proportionality in the Senate because party members of one party vote for another party and so the relative strength of the parties in the NA is not mirrored in the Upper House. The insistence of the Election Commission of Pakistan (ECP) to stick to the provisions of the 1973 Constitution for a secret ballot despite pledges by PPP and PML (N) in the "Charter of Democracy" caused the usual corrupt practices to be repeated in the Islamabad open seat that was won by Yousuf Raza Gilani getting 48 votes against Abdul Hafeez Shaikh's 44.

The subsequent election of the Senate Chairman exposed PDM's machinations of vote buying during the Senate elections. As the Presiding Officer for the Senate election Senator Muzaffar Hussain Shah rejected seven votes, these were not stamped as required inside the box against the candidate's name but on the candidate's name. Repeated verdicts of the Supreme Court (SC) expressed that the condition for a valid vote was the intention of the voter be clearly expressed on the ballot paper. In the subsequent voting for the Deputy Chairman PTI's Afridi got 54 votes against the PDM candidate Maulana Haideri 44. The PDM vote remained unchanged, thus undercutting their claims of majority, seriously undermining ECP's credibility and that of its Chairman in calling it a "fair election".

While electoral laws have to be continuously adjusted to new situations and unforeseen flaws have to be eradicated it is not only a problem of laws and their implementation

Elections have been the usual mechanism by which modern representative democracy has operated since the 17th century in Europe. The idea of election not being indigenous to the subcontinent was introduced here by the British colonial power after the mutiny of 1857 as a means to perpetuate their rule in the subcontinent. Pakistan in 1947 accepted

democracy as the most 'progressive' means to rule the modern State it intended to become. The repeated delay in and manipulation of general elections resulting in multiple military take-overs has shown that becoming 'modern' and 'progressive' is a difficult thing in a society that is strongly divided and has not had time to develop the democratic mind set based on equality needed for democracy.

Consecutive Constitutions developed by the feudal and tribal and religious leaders sitting in the National Assemblies (NA) were more interested in staying in power than how to represent the needs of the population of Pakistan which is mainly poor and uneducated. But though change is slow, things are changing.

40 years since 1973, Pakistan must reform the electoral system proven to be counterproductive to the requirements of our time. We need a more effective representation of the different parts of our population and more credibility. One pioneer for electoral reforms the Jamaat-i-Islami (JI) with their demand for "Proportional Representation" since the 1970s that would override the strict "winner takes it all" principle and allow smaller parties to be represented. To quote my article "Reforming Pakistan's Electoral System" dated Sep 11, 2014, "The Supreme Court (SC) ruled in June 2012 in the Workers Party Case that the British model FPTP system violated the principle of majority (citing over 40% of races in the 2008 elections won with under 50% of the vote and be replaced to ensure true representation of the people and rule of the majority by switching to Proportional Representation and adopting run-off voting for single seat elections, a second round being held if no candidate gets a clear majority," unquote. Musharraf's regime from 1999 to 2009 made several important changes, such as reducing the voting age to 18 years, increasing seats in legislatures, increasing women's reserved seats, making graduation a qualification for candidates, promulgating the Political Parties Order of 2002, redefining of the concept of foreign funding for parties, the scope of legislators' defection as well as affidavit and statement of assets and liabilities.

The main change made was the (re)introduction of the ground level of representation, the Local Bodies (LB). LBs have to play a ground-breaking role in making democracy and political participation tangible to broad masses. If run intelligently it is a way to solve local problems of people immediately, it is also a training ground for future politicians and voters. Reserved seats is an important means of representation in a highly diverse and segregated society like ours. Apart from seats reserved for

women there is a need to effectively represent the problems of religious minorities. Existing preoccupations make it necessary to ensure their interests by seat reservation. Ethnicity and within that tribal and biradri affiliations will continue to play a role in elections for the time being, this kind of division can only be eliminated at by resorting to a majority vote instead of winner takes all.

Ethnic political identities are reinforced, unfortunately, by ethnic policies of political parties and by regional elites that want to stay in power by that means. Given the grossly uneven socio-economic development of the different regions and ethnicities of Pakistan, a national policy aimed at overcoming those developmental differences will contribute to the weakening of regional separatism. The equality of and support to multiple cultures in Pakistan is a precondition to this. The Election Commission of Pakistan (ECP) is an autonomous, permanent and constitutionally established Federal Body responsible for organizing and conducting elections to the national parliament, provincial legislatures, local governments, and the office of President of Pakistan, based on the election laws consolidated in the Election Act 2017. They also demarcate the delimitation of constituencies and preparation of electoral rolls. A member from each province represents their respective interests headed by the Chief Election Commissioner. The Prime Minister (PM)'s recent outburst against the ECP about the Senate election's conduct only partly valid. While the ECP has to implement the secret voting as per the Constitution, it also has to prevent horse trading and corruption that undermines the credibility of the election process and the stature of the elected candidates. If this is found impossible then the ECP must ask the NA to change the electoral laws so as to ensure a process that can be properly supervised and corruption made impossible. Other loopholes in the electoral law pertain to the provision that spending by other than the candidate would be exempted from the legal ceiling of election spending and that corporate funding to political parties was also allowed, although it had been prohibited earlier.

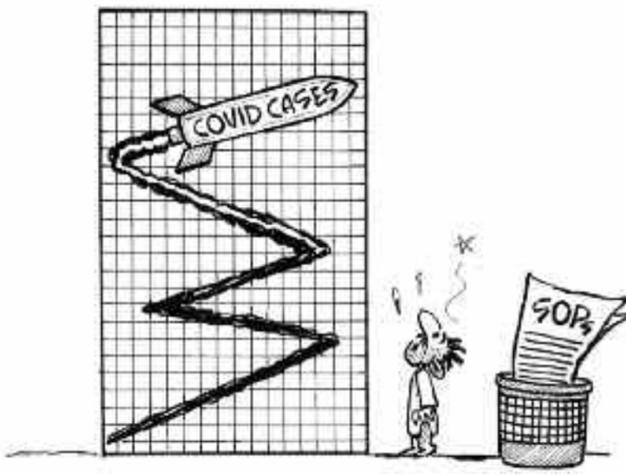
Another problem is the demand that any public office holder should be "Sadiq" and "Ameen", especially in a State that calls itself Islamic. In a landmark verdict the Supreme Court (SC) in 2018 ruled that disqualification handed down under Article 62 (1)(f) of the Constitution is for life. Heading the bench, Chief Justice Mian Saqib Nisar remarked before the verdict was an-

nounced that the public deserves "leaders of good character". Implementing the Sadiq and Ameen condition should have prevented Mr. Gilani to be accepted as a candidate for the Senate election. And while article 62 pertains to candidates running for elections to the Parliament it should be extended to all public office holders including the judiciary, ECP and others.

Recommendations about reforms were made in my article "Reforming Pakistan's Electoral System" dated Sep 11, 2014, "Major electoral reforms should include, viz. (1) All elections including the Senate by direct vote (2) Aspirants must first get elected at the basic community level but (3) cannot compete for more than one seat and (4) Must be registered income tax payer giving proof of residence with local taxes paid for at least 3 years (declaration of assets and that of their immediate family reconciling with their known sources of income) (5) the winner must get more than 50% majority, otherwise the first two candidates go through run-off elections, (6) Elections to the Assemblies and the Senate must be preceded by LB elections. With individual stakeholders self-governing at the grassroots level (7) No Assembly more than 4 years (8) 25% seats in the Assemblies above the present composition should be on the basis of Proportional Representation (PR) of party voters cast and similarly 25% reserved for the losing female candidates on party basis (9) The Presidential Elections must be by direct vote with candidates from political parties having not less than 10% of the popular vote in the National Assembly elections, the Governors of Provinces being similarly elected and (10) Accountability of all aspirants is crucial with initial scrutiny to be followed by a detailed one", unquote.

The credibility of elections of Pakistan over the decades has remained weak, for many citizens a power game of the ruling elite and of the 'establishment'. While electoral laws have to be continuously adjusted to new situations and unforeseen flaws have to be eradicated it is not only a problem of laws and their implementation. Political awareness and democratic mindsets have to be strengthened especially among our younger generation who are the custodians of a democratic Pakistan. The student's interest must be awakened to become active citizens of our country, the new National Curriculum Framework Pakistan from class six onwards must contain an extensive knowledge of the political system, its electoral laws and representative system.

The writer is a defence



Challenges for the FDE

SYED UMAIR JAVED

In 2018, the Federal Directorate of Education, which manages over 423 public educational schools and colleges in Islamabad, was transferred back to the Ministry of Federal Education & Professional Training (MOFEPT) after spending seven years under the disbanded Capital Administration & Affairs Division (CAAD).

While the FDE had several 'pre-existing conditions' at the time of the 18th Amendment, things became worse under a division that neither had the necessary expertise/experience of handling education departments nor could give the attention the latter required. As a result, the FDE returned to the MOFEPT as a department marred by ad hoc-ism, constant litigation, leadership struggles, pressure groups and, worst of all, skydiving education delivery and management standards. It also missed out on many of the reforms that were taking place in the provinces!

The challenges the FDE faces can be broadly categorized into the following: direction, management, capacity, fiscal and delivery. The FDE, for most of the last decade or two, has seriously lacked direction. Many at the FDE/ educational institutions are fixated in the pre-18th Amendment era where they enjoyed a much bigger role and influence in the national educational landscape. Others want a return to the 'Model College' era where some select educational institutions enjoyed complete autonomy under independent boards.

Every identifiable group (school teachers, model college professors, principals, FDE HQ employees) feels that only its members can successfully manage affairs at the FDE. Hardly a few are interested in what really matters: delivering universal quality public K-12 education to all children in Islamabad. Beyond day-to-day firefighting, the FDE as an institution has no idea where it is headed or what it wants to achieve.

This ties into the management issues. Since 2008, there has been no consistent leadership at the FDE. The director general has been changed 25 times in 13 years. This gives an average time of six months per DG, with many having served less than three months. Several reasons factored into this game of musical chairs: unclear rules of appointment, internal pressure/lobby groups, frivolous litigation, personal vendettas, a disinterested CAAD, and local ICT politics.

As a result, nothing has been constant apart from ad hoc-ism. At a more general level, FDE manage-

ment is inundated with low-level mundane tasks: transfers, postings, deputations, leaves, regularization, retirement etc. This leaves very little time for important things like policymaking, standard setting, recruitment & training of teachers, and student assessments etc. To make things worse, record keeping has historically been abysmal.

Compounding the management issues are the capacity constraints. Horrendously outdated recruitment and promotions rules have left the FDE HQ at the mercy of unqualified support staff that has wiggled its way into management and specialized positions. While the FDE has to perform corporate functions – it oversees an average annual spend of around Rs10 billion and has almost 13000 employees – there is hardly anyone with a degree or professional experience in areas like accounts, finance, human resources, legal, information technology, monitoring & evaluation, project management or even communication. At the same time, there are no education experts that can inform the technical policy angles highlighted in the previous paragraph. The general quality of human resource at educational institutions is no different.

Delivering public services requires fiscal resources. The overall budgetary allocations appear to be sufficient in nominal terms – after all, Rs10 billion is not a small amount. However, breaking it down further presents a rather humbling picture. A significant majority of the recurring budget is essentially employee-related expenditure (payroll, allowances, housing etc). A very small portion goes towards operational costs (textbooks, utility bills, cleaning, transportation, school projects, sports, extra-curricular etc) and almost none is available for maintenance and repairs.

In short, costs are ballooning (HR, textbooks, utilities etc) and with a nominal budgetary increase of 1-2 percent annually, there is increasingly less every coming year for meaningful operations. With the enactment of the Right to Free and Compulsory Education Act, 2012 in Islamabad, the FDE and its institutions are under an obligation not to receive any sort of contribution from students' parents for school/PTA Funds. At the same time, there has been no budgetary allocation in lieu of these funds.

As these funds were used for essential repairs, maintenance, and many other co and extracurricular activities, educational institutions are operating with severe fiscal limitations. The FDE has several challenges when it comes to the delivery

Curtain raises for PDM's act two

SAJID ZIA

After the Pakistan Democratic Movement (PDM) has announced to end the March 26 pre-scheduled long march to Islamabad, the entire political scene at the national level stands dramatically changed. The PDM alliance of 11-parties appears breathing its last but, in fact, this is not the actual case and the game is not yet over. The government of Imran Khan is quite satisfied and complaisant over pushing the dog of long march away from the door and for escaping the tension and problems which the PDM might have caused to it in case long march had materialized.

At the moment, it is the win-win situation for the PTI government and morale of its leadership is really very high, yet what is happening behind the scene is more than what meets the eyes. It is not one but 11 political parties in the PDM which have high stakes in politics and for survival of their liberty that both could jeopardize if any further follies are committed on their part.

It is a fact that the PDM parties are very shrewd and clever. And when a new dimension has been created after the PPP President Asif Ali Zardari refused to step down from the assemblies and sacrifice his party government in Sindh before the long march, many things have become clearer to the alliance as to who is who and who wants what. By refusing to resign its members from the Assemblies, Zardari has put the message across to the Alliance

that it would get the lion share in the long run. By providing a sigh of relief to the government and deflating the PDM high flying balloon, for the time being, he has also improved his tally in the eye of the power that is from negative to the neutral standing chance of becoming their 'selected' in place of the 'selected' he had termed him to.

However, it will amount to stretching a longbow, if it is conceived he has got any tacit nod from the power that be at this stage. The Opposition alliance must thank Allah Almighty that Yousaf Raza Gillani could not be elected the Senate Chairman otherwise Zardari would have become much more lethal and deadly equally for the Opposition and the government.

Proving heavyweight in the Opposition ranks, Zardari fully exploited the leadership vacuum of the PML-N as well as the craze of the N-vice president Maryam Nawaz for protecting her father and family against their corruption instead of doing politics of the people. She was so overwhelmed by the illusion of her party popularity that she wanted to sit in the driving seat to give a chaotic turn to the movement contrary to the wishes of the PPP that was inclined to do the politics of the parliament.

Zardari well saw through the PML-N and the JUI-F intentions which wanted to milk the PPP for their purposes through the politics of anarchy and agitation. Playing very smartly, the former President Asif Ali Zardari, in the first instance, cashed in on the

PDM parliamentary strength to get its candidate Yousaf Raza Gilani elected on the Senate seat while giving the PML-N lollypop of no-trust in Punjab (where the N-League is in a much better chance to rule in case of no-trust succeeded), and then showing its weight in the meeting for the long march. After Zardari has derived much now he has also made the PDM more dependent on his decision as the PDM components have entered the ally where their co-existence and unity has become a huge necessity. They all are sailing in the same boat wherein their politics in the masses and safety against the NAB actions is the shared concern. And the more chance is, Zardari's voice will now carry much conviction in the PDM for doing the politics of the Parliament for he dears to stay in power in Sindh and loss of the provincial government would mean the loss of everything and commitment to jail.

Now the second act of the PDM show has started when the damage control process has been started with telephoning of Zardari to the PDM head Maulana Fazlur Rehman and his 'sorry' to Maryam over what he said about her father Nawaz Sharif in the context of facing jail and others.

In the second part of the PDM's protest odyssey, things appear much changed. Maryam Nawaz has been called by NAB on March 26 while another case of plots allotment against Nawaz Sharif is under preparation while the NAB has also moved the La-

hore High Court to seek cancellation of bail earlier granted to Maryam Nawaz. Hamza Shehbaz Sharif is a free man after he was released on bail by the Lahore High Court and reports suggest, a similar relief is also being prayed to the Court for his father Shehbaz Sharif. So the political theatre is expected to have new faces to influence the PDM movement in this second phase.

Zardari who occupies a central stage at the moment, would now like to cleanse his image that had stained in the past by speaking against the establishment, and get rid of the extra luggage in his party to earn an acceptable position for himself. But the question how he would perform in the post-long march postponement phase.

The PTI government also needs to be on its guard. And deliverance to the masses out of price hike, providing them timely justice and solving their administrative problems, etc, and initiating politics of consensus and cohesion is now a must for the PTI government.

It is heartening to note that the government has already got the sense on this count and embarked on this mission. It has invited the Opposition to a 10-member committee to discuss reforms in NAB law, electoral laws, and sounds gearing up to address the woes of the common man. Experts say the PTI government will face no heat, tough time, and difficulty for smooth sailing through the power if it delivers to the masses and facilitates them in running their kitchen.