

The Business

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Expenditure for the poor

The prime minister and his ministers repeatedly claim about a rise in government expenditure for the poor as an indication of his focus on the plight of the poor and the down-trodden, including panahgahs, koi bhookanasoye, women's centres, graduation and interest-free loans, Ehsaasamdanprogramme, rural transformation for poverty, policy to support marginalized groups, one window Ehsaasprogramme, etc. Ehsaas also interacts with the private sector to engage non-government stakeholders, which as per its website is currently under review. These are all commendable programmes/initiatives; however, there is a need to compare the assistance envisaged for the PTI government's signature Ehsaasprogramme today with those budgeted by its predecessors. In the last 11 months of the PML-N government, 2017-18, total outlay on BSP was 113 billion rupees while the total budgeted outlay was 3763.9 billion rupees or a mere three percent of the total budget was allocated for the poor and vulnerable. In revised estimates of 2018-19's (the budget was presented by the ShahidKhaqanAbbasi government in May 2018 though the party was not in power during the entire fiscal year with caretakers from June 1 till August 2018 followed by the present government) - total allocation for BSP was 118.6 billion rupees.

Doubtless the PML-N would argue that the amount it allocated in its last 11 months in power was more appropriate as the rate of inflation was 4.5 percent in 2017-18 and 6 percent in 2018-19 (as per budget documents for fiscal year 2018-19) while inflation since then as per World Bank data registered 10.7 percent in 2019, 9.74 percent in 2020 and nine percent in 2021. The government in its defence may cite the launch and provincial-wide dissemination of SehatSahulat Card (SSP) - complete in Khyber Pakhtunkhwa with Punjab engaged in achieving 100 percent coverage. Again a great initiative however while one can understand the Prime Minister's desire to ensure all are covered under the SSP, a fact in European countries though not in the US, yet he would be well advised to consider the serious perennial funding issues facing the National Health Service in the UK and in European countries to provide universal health care (UHC).

One would like to see that till such a time as an actuarial analysis is carried out the programme maybe restricted to the poor and vulnerable. Undoubtedly, the government is constrained by lack of funding; however, in this context it is relevant to note that current expenditure, rise in pensions, civil administration and defence have risen from 2018-19's total outlay on current expenditure from 5589 billion rupees to this year's budgeted total of 7523 billion rupees. If one adds the 118.6 billion rupees to the 2018-19 total as that was not a component of current expenditure in that year or subtracts the allocation for BSP of 246 billion rupees budgeted under current expenditure by the present government, the rise in current expenditure is still nearly 32 percent.

How Nawaz and the opposition win 2023

MOSHARRAF ZAIDI

Last week I wrote about how PM Khan's five key bets can help him and the PTI win 2023. If he wins those five big bets he has made, there is little other than acts of God that will prevent him from securing a second term. But this is God's country. And those five bets are far from certain. What would need to happen for Nawaz Sharif and the Opposition to remove the PM from PM Khan's title?

Pakistan's opposition has been in a state of incredible and utter disarray since 2018. The convergence of a family-run political enterprise (PML-N) in generational flux, the genuine popularity of a new, untested leader (Imran Khan), the powerbrokers' rank and file's fatigue with traditional politicians and a marginal manipulation of election night outcomes was enough to evict the PML-N from power - an outcome that had seemed incredibly unlikely as recently as the spring of 2016. Things can change pretty fast in Pakistan, and as the Pandora Papers take over the public discourse, it isn't unironic that PM Khan has about as much time left in his term as PM Sharif did in 2016, when the Panama Papers were first released. About two years.

The Panama Papers, the so-called Dawn Leaks, and some foundational imbalances in civil-military power were ingredients in the stew that brought down the House of Ittefaq - but in a country where political fortunes turn, turn, and then turn again what would need to happen for the PML-N to help turn them as early as 2023? Three questions are going to be instrumental for the PML-N to make a comeback to Islamabad.

First, and by far the most important, is the question of balance. Can the PML-N manage its twin narratives without being torn apart? Can the half performative - half ferrealt dichotomy in the PML-N continue to deliver the fruit that may be its greatest strength? Can the PML-N's anti-establishment

soul continue to blossom and grow with its pro-establishment heart? Some folks among the powerful have liked the delivery aspect of the PML-N so much that they have spent over two decades trying to figure out how Shahbaz Sharif - the COO - may be enticed into abandoning Nawaz - the CEO. The two-pronged equation at the top of the PML-N has tended to work to good effect for essentially one reason: their bond is unbreakable. The Nawaz-Shahbaz connect is otherworldly. In a land of uncertain bets, this one is as close to a sure thing as any ever will be.

But the Maryam Nawaz Sharif factor is relatively new, and it complicates the Sharif brothers' equation from ballet to breakdance. From classic and traditional (boring) to fresh and unpredictable (thrilling). Unburdened by any real understanding of the compromises and hard work that enabled her father and uncle to rule the country for substantial stretches, the Princess Queen of the PML-N has a more linear and direct approach to politics: power shared is no power at all. She won't share. Especially not with unselected public servants. But maybe not even with the relatives to whom she and her father owe their technical political capability.

Technical political capability is what happened in the Cantonment Board elections - where the PML-N won a scary large share of the overall votes, and a not-too-shabby number of seats. Technical political capability is what PTI wallahs know as electables - a shorthand among the old school In-safian crowd, for the smelly, non-reformist traditional politicians whose money and vote banks are valuable enough to justify as a means to the PTI's supposedly reformist ends. The single greatest luxury that Uncle Shahbaz and Cousin Hamza afford Maryam Nawaz Sharif is an in-house stable of 'electables' that are not only long-standing members of the PML-N, but that are largely (though not permanently) loyal to the man that puts the N in PML-N. The complex weave of patronage, electoral calculation, curry-

ing favour with the local uniformed officials, management of the local bar association and the local press club and engagement with the relevant Pir and Sufi order is an innate strength that needs a national 'story' to hang its hat on. For three decades, this 'story' has been coherent and unified - the Sharifs deliver: money for patronage and roads to get to where Punjabis need to get to. But Nawaz Sharif's disqualification from office in July 2017 has caused a major twist in the story. The Sharifs are now a two-narrative party: the party that delivers, and the party that will ostensibly deliver Pakistan from the institutional disequilibrium that is ostensibly the country's single largest challenge. Can the PML-N manage its twin narratives without being torn apart?

Second, is the question of big tent coalition management. From the moment Shaheed Benazir Bhutto was assassinated in December 2007 to roughly the middle of his last turn as PM, Nawaz Sharif became the principal guardian of Pakistani federalism. There were two things that were informing this new role. The first was the terrorist assassination of SMBB - leaving a gaping hole in national leadership. The second was the lessons of the 1990s and the spirit of the Charter of Democracy. Between 1999 and 2007, Nawaz Sharif genuinely came to understand the fallacy of centralised power in the Pakistani polity. His friendships with the likes of Mehmood Khan Achakzai, Hasil Bizenjo and Pervez Rashid were not a product of political expediency, but of a genuine evolution in his mindset. Former President Asif Ali Zardari rightly gets a lot of credit for the 18th Amendment, but it was Nawaz Sharif's steady federalism that delivered both the amendment and the 7th NFC Award. Shades of the same federalism are omnipresent in how the PML-N has sought to engage with a diverse array of actors, from PkMAP, to the JUI-F, to the JUI-N, to BNP-M, to even the PTM.

The difference is the capability to

demonstrate federal principles. From 2008 to 2013, as the rulers of the Punjab, the Sharifs were able to demonstrably put their money where their mouth was - surrendering a substantial portion of fiscal claims to win Balochistan over during the NFC negotiations. Today, it holds no purse strings other than the Sharifs' private wealth. Can the PML-N generate enough trust and confidence among at least half a dozen smaller parties to establish enough electoral and narrative coherence for a big tent coalition in 2023?

Third is the question of the regionalisation of the PML-N. Some may say the PML-N was never much more than a party of the heartland of Punjab. Yet the party has consistently been able to win a small but significant number of seats in Khyber Pakhtunkhwa, and in 2013 even in Balochistan. One long-term worry for Pakistani democrats and federalists should be the regionalisation of both traditional mainstream parties: the PPP, reduced not only to Sindh, but more specifically to rural Sindh; and the PML-N reduced, not just to Punjab, but to central and northern Punjab.

The big question is whether the PML-N can resist and prevent itself from becoming a regionalised faction rather than a national party. Can it find, invest in, and cultivate a coherent set of PML-N leaders in southern Punjab? Can it fill the vacuum that was left by the MQM in Karachi, in a free and fair election? Can it reignite the imagination of traditional PML-N strongholds in Khyber Pakhtunkhwa, like the Hazara Belt? In short, can it continue to be a credible national political party?

If the PML-N can answer the question of a balance between Nawaz-Shahbaz, the ability to build a wider national coalition, and the ability to appeal to voters outside of Sialkot, Gujranwala and Lahore - then its case for 2023 will be much stronger than it is today.

A renewed compact between the Sharifs and the establishment is (eventually) a foregone conclusion. The real challenge will be whether the PML-N can develop a compact with the



Pandora economy?

Prime Minister Imran Khan now faces one of the most formidable challenges of his political career. His failure to act, just like his predecessors who ruled after the evidence of graft surfaced surrounding members of the ruling coterie, will be devastating for his future.

FARHAN BOKHARI

This week's exposure of Pakistan's rich harbouring massive wealth in offshore tax havens is neither surprising nor ultimately groundbreaking.

Similar exposures, notably the 'Panama papers' which eventually cost former prime minister Nawaz Sharif his job, have surfaced in the past. But beyond this high-profile political casualty, it is hard to be optimistic over the fate of the latest revelations as most of those named previously were neither sufficiently shamed nor forced to come entirely clean. The details of offshore assets under the name of some of the country's political figures and powerful people revealed in the 'Pandora papers' have yet again raised questions over the ultimate source of their wealth. These revelations follow an almost three-decade-long ill-fated journey which was based on the poorly advised policy of 'no questions asked', first championed by Nawaz Sharif as prime minister during his maiden rule. But successive governments must be held equally culpable for conveniently ignoring this major cover that only facilitated money laundering in the extreme.

In the long term, the immunity given to depositors of onshore foreign currency accounts from revealing their sources of funds has brought recurring misery for Pakistan. The repeated failure of Pakistani authorities to improve tax collections has been caused by a variety of factors notably including the 'no questions asked' policy.

Notwithstanding the closure of the 'no questions asked' convenience granted to onshore depositors, existing loopholes today may inadvertently grant a convenient cover to individuals with illegal wealth. While the government in Islamabad and the central bank in Karachi have tightened the space surrounding instruments like prize bonds, these bearer instruments are still being illegally traded in the open market as a convenient tool for money laundering. Besides, the amnesty scheme that was announced for the construction industry (relating to the national housing policy) and that let investors to jump in under a 'no questions asked' mechanism remains perhaps the most controversial step during PM Imran Khan's tenure.

For years, every government, including the present one, has repeatedly touted its commitment to reforming one of the world's poorest performing tax collection systems. But such promises have eventually come to naught.

Prime Minister Imran Khan now faces one of the most formidable challenges of his political career. His failure to act, just like his predecessors who



ruled after the evidence of graft surfaced - surrounding members of the ruling coterie, will be devastating for his future. The credibility of Khan's promise to create a 'naya' or new Pakistan based on justice and transparency is already in tatters. The failure to act in the wake of the Pandora papers will only push the government's credentials further south. The Pandora papers have also triggered fresh questions over Pakistan's economic direction at a time when the country's population suffers the most in its history. While the ruling class optimistically welcomes a coming economic upturn, the reality is qualitatively different.

Pakistan's low to low-medium income households continue to suffer excessively as prices of utilities keep rising. On the other hand, food items are increasingly subjected to unreasonable price hikes. In stark contrast, the current account deficit fuelled by growing imports was driven in part by the inflow of luxury items keeps escalating. While some of the more expensive items like exclusive automobiles have arrived to serve the taste of the rich, undernourished children with stunted growth patterns roam across poor neighbourhoods. These two opposite images strike at the heart of Pakistan's biggest economic challenge - the failing ability of the state to force the rich to pay their dues.

This deep dilemma in today's Pakistan mimics similar journeys undertaken in other countries and regions with devastating consequences. The radicalism in parts of south and central America in the 1980s emerged from what could best be characterised as the proliferation of the hacienda economies of the 1970s. These 'haciendas' were large and semi high-tech farming estates in that part of the world; rampant poverty surrounding them became temporarily invisible. But eventually, discord with bloodshed follows in situations of such extremes. For Pakistan's policymakers and the ruling class who appear to be poor students of history, there are many precious lessons to be learnt from history.

Parenting the parent

TAIMUR K BANDEY

I have served the education sector of Pakistan for almost 22 years now. Today if someone were to suggest that the most challenging aspect of that journey would be to deal with the troubling demands of my students, or the difficult task of maintaining teacher quality/ turnover or perhaps the rigid, shortsighted or business-oriented nature of the school management, I would disagree and say none of the above. Instead, I call parenting the parent as the most tedious, time consuming and demanding challenge of them all.

Parents were the most unexpected focus of my job both as a teacher and then later as the head of a programme. While there were many success stories in dealing with them, there were quite a few failures in making them understand a particular point of view. Like students, there came a varied lot of parental mindsets as well and there were many disagreements too, but then there were many agreements littered along the way as well.

The harder issue was not about convincing them regarding an administrative or a management related problem. The real battle was to convince them about an academic issue or non-issues in some cases. Statements or comments like, "but many others do it too", "somebody was saying", "but we or my cousin/friend/ sibling's child did it differently" or "I want to see more work in his/her copies" were the most common queries, discussions and deliberations. A few parents could not be convinced through any logic, fact, research or argument as they wanted to do what others did - and that too blindly and without any research. Some wanted me or my team to make all the decisions about their child as they couldn't be bothered to do their own homework/ research.

Then there were the parents who along with this were also hell-bent on breathing down the necks of their children or wanted to micromanage them forever. These helicopter parents would just not see another perspective and would not move an inch.

They refused to see how their children had different aptitudes, likes and dislikes than them or the kids they were constantly being compared to. These parents had to be told that their child's potential or mindset was very different from what they wanted it to be and forcing them to do something was perhaps not a good idea.

These poor kids fulfilled the rituals of a busy daily schedule of sports, tuitions, reading, extra-curricular etc but the essence behind most of them was lost because of this imposition and there was zero learning happening. Many such children went through major mental health issues that surfaced years down the line if not back then. The parent was making the child become what they as kids could not become or achieve.

My toughest battles were with those parents whose children would grow up, but the parents refused to grow up alongside. No effort was made to allow the child to be independent, responsible or simply accountable for their actions. Such children remained within the umbrella and sadly never realised their true abilities or even aptitudes as they just followed what their parents asked them to do or become - no matter how miserable they felt about it or how demotivated they were as their own liking was for another subject, profession, method of thinking and even play. But then there was a generation of parents who never raised their kids on their own and they were left at the whims of domestic help or others. These parents would rarely come to school or even know what their child did at school or, more dangerously, at home as well. This was a generation of young ones raised by their local or imported 'aayas'. Such kids were not just dropped and picked from schools by domestic help only, they were also left to them for their food, games and in some cases even study requirements. Many mothers and fathers did not even know the everyday milestones and failures of their kids and they began to pick up the language, etiquettes and mindset of those that were not family but were there as supplement help to them. Any effort to counsel the either too controlling or the too detached parents was a nightmare of

sorts and took a good chunk of quality time from me as teacher and more as a head of school. My standard suggestion to all parents was to get to know their child, spend time with her/him, let the child evolve into his/her natural talents and always listen to what they have to say and not just talk to them. My plea was to please allow them the space to tell you anything and everything as no topic should be off the table. I would beg them to let their young ones share their fears, their happiness, their inhibitions, their insecurities and their ideas with them. A parent's love is and should be unconditional and a child should feel free to be her/ himself not just physically, but emotionally as well. All this requires time, effort and a thought process on the part of the parents - and more importantly this is in no way a ticket for parents to walk in, stay and control the lives or decisions of their children.

Children ought to be trained to be independent beings and thinkers. They need to be told that it's okay to go wrong or to make mistakes or make wrong decisions; they need that confidence from their parents first to be able to survive in this very demanding and cruel world. All of these basic ideas are strangely one of the biggest roadblocks in the minds of today's parents and were a priority for me in my two decades of serving the education sector of Pakistan. How will a child learn to bike unless they ride one, fall, make mistakes and then pick them up? How will a child learn to eat from a spoon or put food in his/her plate from the main dish unless they try, drop or mess up?

How will a child learn not to own something that isn't theirs when parents continue to do their schoolwork/ projects and ask them to lie and own it in public? Why will a child learn mindfulness when they see a distracted parent busy on their mobiles when they want the parent to focus on them and them alone? These are the questions that bother me to this day. Towards the end of all arguments, I used to tell the parents to always remember that it is always about the child at the end of the day and everything else is and should be secondary. The child must always come first.