

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



## Terrorist attacks

There is noticeable uptick in terrorist attacks in tribal areas and Baluchistan over the last few months, particularly since the Taliban took over in Afghanistan. Unlike the suicidal bombings in the past the prime targets now are military posts and casualties suffered by military personnel are quite substantial. On January 25, 10 military personnel were martyred in clashes with terrorists at Kech in Baluchistan; a week before seven military personnel lost their lives in a clash lasting 60 hours in Noshki, Panjgur. The latest clash took place in Birmal area of South Waziristan in which an army major and a soldier were martyred. In all these incidents terrorists suffer comparatively much more fatalities, but as of now there is no hard evidence suggesting that these losses have breached their determination to destabilize Pakistan and impose their doctrine-oriented missions, posing a challenge to government's thinking to promote geo-economics instead of making geostrategic interests as its foremost option. Will that happen? We are not certain given that prevailing atmospheres, as portrayed by resurgence of terrorism, are not conducive to such a dramatic alteration. Of the scores of terrorist outfits, some asleep and other awake, three most active are Tehreek-e-Taliban Pakistan (TTP), Baloch Liberation Army (BLA) and Islamic State (IS) – and all three are now closing ranks even when their messages hugely differ.

While some of their components are based in Pakistan their main strengths are ensconced in the adjoining border areas of Afghanistan. According to UN Analytical and Sanctions Monitoring Team, between 3,000 and 5,000 fighters of TTP are still active in Afghanistan despite assurances given by the Taliban regime. They also receive vicarious advice and help from al-Qaeda and Jammat Ansurulah. The TTP wants to recover its 'territory' in tribal region that it has lost to Pakistan forces. It has, therefore, reactivated its terrorist cells. The BLA, egged on as it is by India, has been tasked to sabotage the Chinese investments, particularly in Gwadar.

In order to stem resurgence of terrorism Pakistan has two options: one, to engage Taliban government in Kabul and two, to toughen implementation of National Action Plan. Given Islamabad's consistent support, both open and disguised, to Afghan Taliban over many years it is its earnest hope that now as the Taliban are in power they would deny Afghan soil to anti-Pakistan terrorist groups. In so many words this was conveyed by the then National Security Advisor Moeed Yusuf as he visited Kabul and conveyed Pakistan's concerns. He was given positive assurance, but nothing of that kind happened on the ground. Rightly then Pakistan is left with no option but to take on terrorist on its own.

## Khan's anti-American rhetoric

ABDUL SATTAR

The anti-American rhetoric employed by former prime minister Imran Khan at various public gatherings has prompted some people to describe the PTI chief as someone who vehemently opposes imperialism.

Some PTI leaders are trying to compare him with socialist leaders of the past and nationalist heads of states who valiantly fought against the dark forces of liberalism and market rapaciousness. For this purpose, they have gone to the extent of distorting history, lumping Khan together with these great personalities in a bid to boost the image of a person who believes in a naked form of capitalism.

It may be mentioned that socialist leaders like Salvador Allende of Chile wanted a strong participation of working-class people in politics. In fact, such leaders had dreamt of a government that would be led by labourers, peasants and others belonging to low-income groups. Khan has had no time for such people. Some years back, he had even ventured to say that the poor should not take part in politics because in his view if they did, they would want to make money. Khan asserts those who already have money are not interested in running after wealth. It seems he wants only people with deep pockets to run the affairs of the state or deal with the arduous task of politics.

This assertion is very fallacious. In reality it is influential political personalities and figures with heavy bank balances who have plundered this country ruthlessly. Look at the list of the over 273 bank defaulters, who secured loans from the government banks and did not bother to repay, dealing a severe blow to the national exchequer. None of these defaulters are from the bottom layer of social stratification. One would not find any clerk, peon, labourer, peasant, taxi driver, vegetable seller or a shop keeper in this list.

Similarly, most of the rich who stashed away their money in foreign banks are not from the working-class areas of this country. Landless peasants have never tried to evade taxes. The only tax that they are legally bound to pay is sales tax which they pay regularly. There are government reports in the past suggesting that feudal and capitalists are involved in electricity theft. It is they who whitened their money by securing amnesty schemes. Some of these were also showered in favours during Khan's regime.

Socialist and nationalist leaders strongly believed in the nationalization of one's country's resources

and industries but the Kaptan has been an ardent supporter of naked capitalism where everything has to be at the mercy of the market. For instance, the late former prime minister of Iran Mohammad Mosaddegh, whose government was toppled in 1953, was battling the nefarious influence of the Anglo Iranian Oil Company that was allegedly backing the most reactionary elements of Iranian society besides siphoning off Iranian wealth. The company would earn more than \$200 million at that time, giving back very little to Tehran. Mosaddegh demanded more profit for the government which technically owned the oil refineries and other resources but the British concern refused to do so. Instead the UK and the US orchestrated a coup, imposing a monstrous dictatorship on the country.

Unlike Mosaddegh, the champion of change in Pakistan doled out the Reko Diq contract at a throw-away price. He wanted to ignore all climatic vulnerabilities in Karachi's Bundal and Buddo Islands. His government launched a massive propaganda scheme to appease foreign capital. No regard was given to the lives of indigenous people whose livelihood would have been devastated had Khan's regime been successful in implementing this anti-people project. Timely resistance of the people defeated this voracious greed of local and foreign capital that was bent on turning a blind eye to the possible catastrophic impacts of this environmentally destructive project. Unlike Mosaddegh, Khan was trying to do it to appease the foreign capital.

Allende of Chile, Sukarno of Indonesia, Patrice Lumumba of Congo, Jacobo Arbenz of Guatemala and a number of anti-American leaders not only fought against Western oil, gas, fruits and other types of companies but also challenged the hegemony of local capitalist collaborators who worked for international private capital. Khan, since coming to power, kept on rewarding such money-makers. He doled out over a Rs1000 billion bailout package for the money grabbers of the country besides showering favours on construction and other industries. The Pakistan Stock Exchange also benefited from his pro-capitalist policies. Socialist and nationalist leaders around the world made hectic efforts to extend help and succour to the poor of the country. For instance, the revolutionary government of Cuba, despite all American machinations, multiple Bay of Pig type conspiracies and ruthless sanctions, managed to achieve 100 percent literacy, making Cuba the most literate country of Latin America as well as being the first state in the world to prevent the transmis-

sion of HIV from mother to child. Its human development indicators are among the best in low-income countries with the socialist country also having one of the lowest mortality rates in the world. America bankrolled the Contras in Nicaragua against the Sandinistas, pushing the country towards a civil-war like situation and imposing crippling sanctions to weaken the socialist government which was elected by the people in 1979. Despite all these odds, the socialist government demonstrated miracles in health and education, prompting UN agencies to heap eulogies on government policies. Mosaddegh and Sukarno also tried to divert resources towards the uplift of people; Lumumba was not given enough time.

These leaders were able to extend some sort of relief to their people because they fought capitalists internally and externally. Imran Khan never expressed a desire to curtail the powers of private capital. On the contrary he heaped scorn on late Mairaj Muhammad Khan for his anti-capitalist approach. Khan naively believes that private investment generates wealth. But if that were the case, all 195 countries of the world would have been in the category of high-income states and not only 77.

Unlike these socialist leaders, Imran Khan is yet to make any drastic plan for the poor of the country. Poverty under his rule increased despite his tall claims to serve the underprivileged. The phenomenon of stunted growth is still haunting over 44 percent of Pakistani children. More than 60 million are still living in poverty. Around 80 percent of the population is yet to have access to pure drinking water.

So, the reason why the US opposed these socialist leaders and nationalist governments lay in their [the latter's] economic policies. Almost all of them opposed unbridled capitalism. All these leaders believed in nationalization and controlled capital. All wanted to rein in local capitalists. Imran Khan on the other hand wanted ruthless neoliberal policies that were imposed by Latin American dictators on their people. Therefore, it is fair to say that his anti-Americanism is chimerical. He does not differ with the Western model of capitalism. His anti-Americanism is very similar to one espoused by Hungarian leader Victor Oban, Iranian clerics, the Afghan Taliban and Tayyab Erdogan. All these leaders want capitalism, liberalism, deregulation and privatization. Therefore, it is fair to say that Khan's anti-American sloganeering can best be described as pseudo anti-imperialism that wants to oppose imperialist countries but loves to embrace their obnoxious economic system.

## Money back guarantee

RAFIA ZAKARIA

According to the State Bank of Pakistan, the month of March brought in a record number of foreign remittances into the country — \$2.8 billion, a month-on-month increase of 28.3 per cent.

As is usually the case, the greatest remittance amounts were sent by Pakistanis living in Saudi Arabia and UAE, followed by those in other countries. Analysts have said that some part of the increase could be attributed to Ramadan- and Eid-related expenses.

Even if the Eid holidays are factored into the calculation, it represents a continuation of increased amounts being contributed by overseas Pakistanis to the nation's coffers. The PTI government that is no more had targeted over \$30bn and appeared to be on track for reaching its goal before the intervening political events. Apart from other issues, the PTI government leveraged its support among overseas Pakistanis and politicised it. Even as their government fell, memes and TikTok videos made fun of the inordinate amount of interest that overseas Pakistanis were showing in the events taking place at home.

It is also true that once their government did fall, processions were brought out in various cities around the world to protest first the Supreme Court's decision to reinstate the assemblies and then against the successful motion of no-confidence itself. Since former prime minister and PML-N leader Nawaz Sharif also resides in London, ongoing demonstrations denouncing him are being held outside his home too.

Reading all of this certainly gives one the impression that much of what takes place in Pakistan happens out of the country itself. The clans of various political families have indeed taken up residence in either London or Dubai and similar such places which is where they stay until it is their turn to show up at home and make some pretence at governing the country.

Remittances, however, are sent by an entirely different kind of Pakistani; it could even be argued that a significant percentage

of the Pakistani upper middle class and middle class now resides abroad, with many being breadwinners for families at home.

These are the people that Pakistan could not absorb into its own fledgling and often failing economy. These are the doctors, computer engineers, petroleum and electronic engineers, ship captains, marketing managers, advertising executives and other similarly skilled people who could not find jobs in Pakistan. To avail better opportunities and to support their families, they go abroad and send money home.

The PTI with its anti-feudal message managed to attract this constituency to its fold. It capitalised on their frustration with the feudal mindset and their dissatisfaction with a system that doles out opportunities based on the father and uncle and son. The election of former prime minister Nawaz Sharif's brother Shehbaz Sharif as prime minister and of his son Hamza Shehbaz as chief minister of Punjab only underscores this point and angers overseas Pakistanis. Having done well in other countries where they are judged on merit is, after all, a constant reminder of what they could have achieved had Pakistan been a fairer place.

It is easy to see why these overseas Pakistanis fell for a party that promised to make the country a fairer place. With the end of the PTI government, there are now questions as to whether overseas Pakistanis should still be allowed to vote in Pakistani elections. More generally, there is an issue as to whether this constituency, which is not physically present in Pakistan and not enduring the woes of the population left behind, should have an inordinate level of influence on the political system of the country.

The answer is yes, and it hinges on money. As the past several years have revealed, inflows of aid from various countries are not only unreliable but also encouraging of corruption. Middlemen and women who act as go-betweens for aid-granting agencies and local communities have plenty of opportunities at graft and feel a responsibility to aid grantors rather than

the recipients. It is why so many development projects fail; schools built are abandoned, healthcare clinics never open, teachers never show up in classrooms. The wheel of aid, however, keeps turning as does the corruption that comes with it.

Remittances are a different breed. This money goes to actual Pakistanis who then spend it in the local economy, giving it a boost. They also use the money to set up business, entrepreneurial ventures or to purchase property. All of these acts are far less susceptible to revenue loss owing to corruption because of the greater familiarity the spenders have with the local market. Furthermore, they insulate the economy from local and often international shocks. It is notable therefore that remittance amounts have increased during the Covid-19 pandemic.

It would be a mistake for future administrations led by other parties to not court the affections of Pakistan's overseas citizens. Their attentions and affections can be a boon for the stability of any government. Indeed, it would even make sense to bargain for greater opportunities to export labour around the world rather than to beg for development funds.

When it is Pakistanis investing in Pakistan, the ability of Pakistan to protect its sovereignty increases. Existing superpowers like the United States and emerging superpowers like China are unable to strong-arm international financial institutions into denying Pakistan's requests by holding subsidies and other assistance hostage in exchange for access to Pakistan's territory or security apparatus. Pakistan's overseas middle and upper middle class abroad has meant increased class polarisation at home. They are either extremely poor and barely surviving or extremely rich and utterly uncaring. The small slice of middle class that remains is usually investing in going abroad. Any future political party that wishes to form a stable government in the present or future needs to take note of this and campaign accordingly. Pakistan cannot afford to upset those sending nearly \$30bn home.

## How rich are the richest?

SAM PIZZIGATI

How rich have America's richest become? These days, we like to think we know the answer. After all, we get from investigators at 'Forbes' every fall a detailed annual list of the fortunes of America's richest 400. And 'Forbes' also publishes an annual list of the world's billionaires — a scorecard Americans dominate — as well as a 'real-time' list of billionaire fortunes based on daily stock trading.

Our wealth stats don't end there. Business reporters at Bloomberg publish a competing 'Billionaires Index', with figures proudly "updated at the close of every trading day in New York." Eight of the ten richest billionaires on Bloomberg's list carry US passports. The combined fortune, at last look, of these eight: \$1.22 trillion.

The combined fortune of the entire 'Forbes' 400? 'Forbes' put that total last fall at a sleek \$4.5 trillion. Let's pause here a moment to reflect on that "trillion" piece. The typical American, the journalists at ProPublica point out, would have to labor for 25,000 years to make a mere \$1 billion. Those ProPublica journalists last year came upon what they describe as "a vast trove of Internal Revenue Service data on the tax returns of thousands of the nation's wealthiest people." America's wealthiest, ProPublica's initial analysis of that trove found, are paying in federal income taxes "only a tiny fraction of the hundreds of millions, if not billions, their fortunes grow each year."

ProPublica has just released a second analytical bite at that IRS data-trove apple, a much deeper dive into who

among our most affluent are pulling down the biggest bucks — and paying Uncle Sam the fewest bucks at tax time. The new ProPublica analysis has plenty to offer on both these fronts. From 2013 through 2018, the span the ProPublica data cover, tech billionaires pocketed 10 of the nation's 15 highest incomes. About a fifth of the highest 400 incomes belonged to hedge fund managers. None of the top 400 averaged less than \$110 million a year, and, together, the 400 paid an average 22 percent of their incomes in federal income tax.

At the same time, Americans who were averaging far less in income — between \$2 million and \$5 million — were paying an average 29 percent of their incomes in federal income tax. In the United States today, the closer you get to the rarefied air of the nation's richest, the smaller the tax bite on your income.

"In theory, our tax system is designed to tax the rich at higher rates than everyone else. That's not the way it works at the loftiest incomes," as ProPublica puts it. "The US tax system is making inequality worse."

What could ease that inequality, of course, would be a national commitment to seriously tax the wealth of our wealthiest. And such a commitment, the latest ProPublica numbers suggest, could raise substantially more revenue than tax-the-rich advocates have so far been calculating. Why? The standard media wealth scorecards may significantly underestimate the wealth at America's economic summit.

Excerpted: 'How Rich Are the Richest Americans? Much Richer Than We Thought'.

