

The Business

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Horror in Kabul

It appears there is no end to the terror and violence that haunts the people of Afghanistan. In a particularly horrific attack on Friday morning – and one that has brought up terrifying memories of APS Peshawar – at least 30 persons were killed and more than 80 injured in an attack on a private educational center in the Dasht-e-Barchi area of Kabul. The area is mainly a Hazara Shia neighbourhood and those killed in the attack, which is being blamed on the IS-Khorasan, were mostly girls and young women. They were planning for an exam. The attack has left the community devastated and the Hazaras believe they may have been the main target and that the Taliban will do nothing to protect or save them. This is an awfully grim situation and one that the international community including Pakistan need to help the Afghans deal with.

This is the first track by the Islamic State. In April this year, bomb blasts in front of a school in the same neighbourhood killed 12 students. In May 2021, 85 people were killed in attacks on schools in the same neighbourhood. And in 2020, an attack on a maternity hospital killed 24 persons, including newborn babies. According to Human Rights Watch, the Islamic State has killed or injured 700 people since the Taliban takeover in Afghanistan. While the Taliban and the Islamic State are rivals, many belonging to minority communities such as the Shia Hazaras believe that they are linked in their ideology and that the Taliban will do nothing to protect the vulnerable people of Afghanistan. The attack on the educational centre seems to be an effort to prevent further progress in the country and hold back girls still further – preventing them from acquiring any kind of education. Distraught parents say that the attack means that they now know that their daughters are no longer safe even at private educational centers across the country. Given the choice of neighbourhood for the attack, one that has just been struck again and again, it seems sectarian violence too continues unabated in a country that just can't seem to see peace.

We have seen a pattern of violence in Afghanistan over the years, first under Nato/US control and now under the Taliban. But the rise of the Islamic State could spell trouble not just for the people of Afghanistan who continue to suffer through relentless terror but also for those claiming to be the rightful rulers of the land – the Afghan Taliban. The question for the world is how to keep the people of Afghanistan safe, particularly minorities and women who have for years fought to acquire some kind of equality and some kind of status as people with talent and skills in Afghanistan of today. This is a question that the Taliban setup must now think about. If they wish to be taken as bona-fide rulers of Afghanistan, they need to own and protect all Afghans – women, minorities included.

CPC: Socialism with Chinese characteristics

BY DR MEHMOOD UL HASSAN KHAN

The 20th National Congress of the Communist Party of China (CPC) will be held very soon in China. Hopefully, the CPC Central Committee, under the supervision of Chinese president Xi Jinping will fully review the country's major socio-economic achievements and its constant structural reforms. Moreover, it will also announce integrated policies, programs and projects to meet China's new strategic development goals in the new era and elect China's new central leadership.

It seems that the 20th National Congress of the CPC will be a milestone in the modern national history of China which will play an important role in the social modernization and economic sustainability of the country to achieve the rejuvenation of the Chinese nation, and the building of a community with a shared future for mankind. Definitely, the upcoming 20th National Congress of the CPC will be a great success in building socialism with Chinese characteristics. Unfortunately, the world is entangled with unilateralism-induced crises that have threatened global peace, socio-economic prosperity and even sovereignty of the developing countries.

On the other hand, China continues to be a socio-economic stimulator, a magnetic force of an equitable and prosperous world injecting a stable, developmental and cooperative momentum. Over the last decade, China, under the strong leadership of the Communist Party of China (CPC), and XI has achieved great success in all sectors of economy, politics, civility, foreign policy and last but not least, social development. It is crystal clear that during the last 10 years, China has achieved great success in promoting social economic development, eliminating absolute poverty, and conducting active cooperation with the rest of the world in combating the COVID-19 pandemic.

It is a matter of great pride and satisfaction that China accounted for over 30 percent of the global economy in 2022, remaining the world's second-largest economy, injecting important impetus into global recovery against the backdrop of the pandemic, is really commendable. Furthermore, Chinese victory against poverty by lifting nearly 100 million rural residents out of poverty and completing the building of a moderately prosperous society in all respects, which contributed to the world poverty reduction and eradication agenda has become a global icon of immense and integrated social development under the CPC and

of course Xi. In this regard, since the 18th National Congress of the CPC which was held in 2012, the CPC has made major breakthroughs in advancing China's governance, systems and practices. Now it has become a model of global good & corporate governance which are the backbones of its economic stability and financial integrity in the country. Obviously, these remarkable achievements have fully demonstrated the immense comparative advantages of socialism in the world which has further enhanced China's international recognition. During all these long years, the policy makers of China and the CPC strived hard to build a community with a shared future for mankind. Now, by sharing its vision and wisdom of conflict resolution, the CPC has set a stellar example for and offers enlightening experience to the global community in its long-term endeavours to human progress.

It is true that the Chinese President Xi's book entitled "The Governance of China" plays an important part in the introduction of the theoretical innovation of the CPC and the practices of unleashing the hard-working spirit of the Chinese people. It also facilitates the global community with a unique look into China and builds a better understanding of its vision for the future. It seems that China's pledge to further open up is beyond question. China has pursued an open, interactive, productive, and participatory development strategy, and openness has become a Chinese trademark of socialism. China's reform and opening-up over the past 40-odd years has now become an epic journey for the Chinese people, the region, and the world alike.

China has grown by embracing the rest of the world, and the rest of the world has benefited from China's opening up. Moreover, most recently, the Chinese president Xi introduced The Global Development Initiative, Global Security Initiative, Shared Prosperity, Global community development and South-South Dialogue along with initiation of BRI & CPEC all clearly indicate CPC and China's positive, productive and participatory plans for the world countries and communities alike. In this connection, during the last 40 years, China's GDP increased to 12 trillion US dollars from 175 billion, with an average annual economic growth of 9.5 percent and the size of China's economy increased by 35 times. Moreover, China's GDP per capita reached 8640 US dollars from 156 US dollars. The percentage of the China's GDP in the world economy has increased from 1.8 percent to 15 percent. Even Chinese urban per capita income and rural per

capita net income tremendously increased by over 100 times. Primary medical insurance and old-age insurance covered 1.35 billion and 900 million of population respectively in 2017-2018 which clearly shows immense social development in China. Free compulsory education has been implemented in urban and rural areas. The gross enrollment ratio of secondary and higher education has reached 88.3 percent and 45.7 percent respectively. Despite western propaganda, China has been a major stimulator and driving force for the world economy. With rapid economic growth, China has contributed over 30 percent of global growth in recent years and made a significant contribution to mitigating the influence of Asian financial crisis and the global financial crisis.

Interestingly, China is now the largest trading partner of more than 120 countries. China's imports have increased 170-fold, reaching 1.85 trillion US dollars last year, supporting tens of millions of jobs worldwide. Chinese companies have actively invested abroad, which set up 372,000 businesses in 190 countries and different regions, with a total investment of 1.36 trillion US dollars. According to Chinese official data from 2013 to 2017, trade between China and countries along the BRI exceeded 5 trillion US dollars. Chinese investment in these countries topped 70 billion US dollars. Chinese companies have paid 2.2 billion US dollars in tax and fees to host countries, and created 240,000 local jobs. As the largest developing country in attracting foreign investment, China has continuously provided economic dividends to foreign enterprises, which highly promoted the development and growth of foreign enterprises in China. Now China is focusing on a smarter and knowledge based economy with high-quality development is picking up and has played a great role in the Chinese GDP. That is why, in the next 15 years, China is expected to import 24 trillion US dollars in goods, attract 2 trillion US dollars overseas direct investment and invest 2 trillion US dollars overseas. Thus China will bring greater opportunities to every country in the world while deepening its reform and opening up. It suggests that the policy makers of China and political gurus of the CPC should prepare and follow comprehensive and holistic policies to achieve a win-win strategy of opening-up, adopt high-quality policies to advance trade and investment liberalization and facilitation, and move toward nationwide opening-up that coordinates the coastal and inland areas and connects the eastern and western regions to the outer world.

LEAKS....



Swindling small investors – the legal way

MUHAMMAD ALEE & UMER IJAZ GILANI

Pakistan's 'rooftop solar community' is up in arms against the government. The reason behind the outrage is a one-word amendment recently proposed by Nepra in its regulations – to be precise, the Nepra (Alternative & Renewable Energy) Distributed Generation and Net-Metering Regulations, 2015. The proposed amendment will change the per unit price at which utility companies are supposed to buy excess power produced by rooftop solar power producers. While these excess units were previously supposed to be purchased according to the 'average power purchase price', they will now be purchased at the 'average energy purchase price'. This is much lower – Rs9 as opposed to Rs19 per unit. This means that the rate being offered to rooftop solar producers has been halved in one go. The financial deal between the state authorities and the entire 20,000 strong rooftop solar power community in Pakistan have been reworked through a one-word delegated legislation.

Like many other concerned citizens, my colleagues and I attended the public hearing conducted by Nepra to understand the regulator's motive behind this proposed move. From what we could gather after the hearing, the motive is something akin to "wealth redistribution". The Nepra chairman noted with great concern the plight of the ordinary citizen who doesn't have solar power and is purchasing electricity from the government at exorbitant prices. However, instead of reflecting upon Nepra's own mistakes in okaying

long-term deals with mega-generation companies, all its ire was directed towards the rooftop solar community. It was contended by Nepra that in the wake of sharp rise in electricity prices, the rooftop solar community is benefiting considerably from its timely investment in alternative energy. Nepra intends to, essentially, 'tax away' the unforeseen gains of investors in rooftop solar and redistribute the same to the 36 million other electricity consumers who were not able to invest in solar panels. This logic fails on at least three grounds.

First, the math behind this 'redistribution of wealth' argument is quite ridiculous. According to most estimates, rooftop solar generators are selling less than 20MW to the national grid, for a total of Rs9.2 crore per month. This is less than one percent of the country's power basket. Whether these units are underpriced or overpriced doesn't actually make a difference to the plight of the ordinary consumer. The plight of the ordinary consumer is the direct result of the tariff being given to the mega-generation companies, the Independent Power Producers (IPPs) which is between Rs25 and Rs34 and is set in dollar terms. We are now paying Rs1,400 billion to these IPPs per year, by way of capacity payments alone.

Rooftop solar generators are such tiny players in the power generation game that they cannot possibly be blamed for anything. Yet, it is astonishing that the regulator has become fixated with squeezing them – simply because they made the prudent decision of investing in alternative energy for their homes and of-

ices at the right time. The witch hunt against rooftop solar is either a thoughtless and terrible waste of regulatory time and effort; or, worse, it could be part of a sinister move to deflect public attention from the real disaster of the government's deals with IPPs. Second, by comparing the tariff of rooftop solar with mega solar power plants, the regulator seems to have missed the entire point why distributed generation and the net-metering system was introduced in the first place: to avoid line-losses and energy dissipation. Mega-power generation plants, thermal or alternative, are often located hundreds of miles away from the main consumption sites and therefore necessitate the dissipation of power during transmission. Tiny distributed power generators, on the other hand, are located right in the middle of the urban centers where most of the energy is being consumed. While their per unit generation cost might be somewhat higher, transmission and distribution costs are substantially lower. To equate the tariff being granted to rooftop with that being given to IPP is to miss the point entirely.

Finally, and most significantly, whoever proposed this amendment seems to have turned a blind eye to the legal aspect of the situation. Just when the citizen-investor who relied upon Nepra's policies has started earning profits on their investments, Nepra seems inclined to go back on its word. This is swindling pure and simple. As far as the law goes, these small investors have a legitimate expectation that at least during the currency of their seven-year licences, the price of their produce can be slashed, and their profits can-

not be 'expropriated' through clever amendments in rules. It goes under the fundamental right to property which is one of the core guarantees in our constitution. It is one of the most elementary principles of administrative law all over the world that vested rights cannot be taken away from citizens. This cannot be done through change of rules or even through legislative amendments. The Supreme Court has repeatedly held that the executive authority cannot exercise its rule-making power (whether such power is to make, amend, vary or rescind) to take away vested rights of the citizens, and any change which is destructive to rights so vested is without lawful authority and of no legal effect (PLD 1970 SC 439). This is actually the most important question in the present debate.

The plight of the rooftop solar energy community is actually only a part of the larger 'rule of law' problem in the country. State authorities seem to have become accustomed to taking policy U-turns, while remaining blithely oblivious to the effects these U-turns have on investors' rights, especially when it comes to small, disorganized, politically harmless investors.

The inspiring part of the story is that unlike in the past, these small citizen-investors are in no mood to be silently taken for a ride. The tide of rising discontentment was quite visible in the public hearing, one of the most well-attended in Nepra's regulatory history. One hopes authorities will heed the cries of the small citizen-investors and not compel them to go to the courts, the final recourse of the wronged.

Lessons from China's success on war against poverty

RANA TAHIR SHAHBAZ

China achieved remarkable victory in fighting against poverty with the stronger resolve and set a record of "largest poverty alleviation campaign in history". Now with zero poverty, China is embarking on a new journey towards a moderately prosperous society in all respects.

The government increased funding for poverty reduction, both on national and local levels. Financial institutions enhanced contributions to increase loans and provide assistance to local projects. By creating strict benchmarks and targets for local institutions, the government created a means of measuring goals and ensuring wise investment.

The clearly defined goals included investing in food security, education, health and housing, especially in rural areas. Providing easily accessible public services was also a useful way to achieve economic equality. By

registering the poor on a national database, the government was able to effectively monitor and implement domestic strategies. This registration system also allowed for a more targeted approach. Loans, subsidies and higher wages were economic means by adopting whom China created opportunities for local businesses and self-employed individuals.

Larger enterprises were also encouraged to invest in smaller businesses and development projects. There are number of lessons which other countries can learn and adopt for making their poverty-reduction projects very successful, as stated by Dr. Alessandra Cappelletti, Associate Professor at the Department of International Studies at Xi'an Jiaotong-Liverpool University. One of the keys to achievement for China's plan was the strong political determination and making it a priority. Amid COVID-19, China has accomplished its tasks for winning the battle against poverty and met the UN's poverty alleviation goal 10 years ahead of schedule. Once a country was lifted out of poverty, it would have been easy for officials to sit

back and congratulate themselves for a job well done. However, says Dr. Cappelletti: "Chinese policymakers think every solution generates 10 more tribulations. This is from the 'relational' worldview, which sees complexity in everything."

One of these new problems is maintaining wealth. "One strategy is to help farmers develop their own businesses. In a village in Sichuan, China Agricultural University in Beijing aided farmers to restore their houses and rent out rooms to tourists," she said. Over the years, Cappelletti explains, China has shifted its economic focus: "There was a push to upgrade the Chinese economic system from one based on cheap labour and dependent on coal, to an innovative technology-led model". The country also prioritised boosting the domestic market and reducing reliance on exporting. An indirect way to stimulate the local economy is to increase investment into education and healthcare, she explains, because when these services are more affordable to ordinary citizens, there's more disposable income.