

Fortnightly

# The Truth International

Islamabad - Karachi

15<sup>th</sup> - 31<sup>st</sup> May 2024

ABC Certified

Coalition Govt and PPP  
PPP's entry in cabinet carries significant implications for political landscape

24<sup>th</sup> IMF Programme  
Talks for EEF programme amid hopes and fears are on

Israel's War on Palestine  
Israel Army entered the Rafah a day after the Palestinians accepted mediated ceasefire

## All is not Well



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24<sup>th</sup> IMF Programme  
Talks for \$1B programme amid hopes and fears are on  
Babar's last day in Pakistan  
Board have named the 5-day a day after the Parliament accepted amended resolution

**All is not Well**

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# Dynamics Between PML-N and PPP: Cabinet Inclusion, Leadership Transition, and Political Maneuvering



By Kanwal Munir

In the intricate tapestry of Pakistani politics, the relationship dynamics between the Pakistan Muslim League-Nawaz (PML-N) and the Pakistan Peoples Party (PPP) emerge as pivotal drivers shaping the nation's political journey. Recent events, marked by intense discussions surrounding PPP's prospective inclusion in the federal cabinet and the noteworthy transitions in leadership within the PML-N, have ignited fervent interest and speculation among political observers and the public alike. This article embarks on a journey to unpack these compelling developments, peering into the complexities of PPP's potential cabinet participation, exploring the solidarity between the influential Sharif brothers, and contemplating the wider ramifications for Pakistan's ever-evolving political terrain.

## PPP's Potential Cabinet Inclusion

Speculations are rife regarding the Pakistan Peoples Party's (PPP) potential inclusion in the federal cabinet, particularly following a significant meeting between Prime Minister Shahbaz Sharif and PPP Chairman

Bilawal Bhutto Zardari. Reports indicate that PPP has been approached with offers to join the cabinet, with Prime Minister Shahbaz Sharif allegedly proposing the foreign affairs portfolio to Bilawal Bhutto Zardari. However, the ultimate decision lies with PPP's Central Executive Committee (CEC), underscoring the party's ongoing internal discussions and deliberations regarding the timing and terms of their potential cabinet participation. These developments signify a critical juncture in Pakistani politics, as stakeholders weigh the benefits and implications of PPP's possible entry into federal governance amidst evolving political dynamics and coalition negotiations.

## Factors Influencing PPP's Decision

Several factors may influence the PPP's decision on cabinet inclusion, including the party's objectives, bargaining power, and internal dynamics. While discussions within the PPP indicate a leaning towards cabinet participation, the party must carefully weigh the benefits against potential challenges, considering the implications for governance, coalition dynamics, and electoral positioning. Consultations are under-

way to determine the portfolios to accept and the proposed candidates, reflecting a meticulous approach to decision-making within the leadership of the PPP.

## Implications of PPP's Entry

The PPP's potential entry into the federal cabinet carries significant implications for Pakistan's political landscape. While it could enhance inclusivity and consensus-building, providing an avenue for PPP to influence policy and address the constituents' concerns, it may also alter power dynamics within the ruling coalition and shape voter perceptions ahead of future elections. The decision-making process within PPP underscores the complexities of coalition politics and the delicate balance between pragmatism and principle.

## Unity Among the Sharif Brothers

Central to PML-N's strategy and coherence is the unity between Nawaz and Shahbaz Sharif. Recent developments, however, indicate a transition in





PML-N's leadership, with Prime Minister Shahbaz Sharif stepping down as party president and calls for Nawaz Sharif to resume leadership. This shift in leadership dynamics raises questions about the future direction of PML-N and the extent of alignment between the Sharif siblings, particularly in navigating the party's role in opposition and coalition politics.

## Assessing Nawaz and Shahbaz's Alignment

The transition in PML-N's leadership signals a pivotal moment for the party, with Nawaz Sharif poised to reassume leadership amid calls for unity and rejuvenation. While Nawaz and Shahbaz Sharif have historically presented a united front, differences in leadership style or strategic approach may influence their alignment on critical issues, including coalition partnerships and opposition tactics. The upcoming central committee meeting presents an opportunity to gauge the Sharif brothers' unity and the party's future trajectory.

## Navigating Political Maneuvering

As PML-N experiences a leadership transition and PPP considers cabinet participation, both parties face a landscape rife with political maneuvering and strategic calculations. While short-term dynamics are influenced by alliances and negotiations, the broader context of governance, accountability, and public trust looms large. The decisions made by PML-N and PPP in the days ahead will not only shape their individual trajectories but also profoundly influence Pakistan's political landscape for years to come. How they navigate these challenges will determine not only their immediate political fortunes but also their long-term credibility and standing among the populace. In a nation where political stability and effective governance are vital, the choices made by these parties carry significant weight, impacting not just their own futures but also the direction of the country as a whole.

## Additional Context and Analysis

Expanding on the developments regarding

PPP's potential entry into the federal cabinet, it's essential to consider the historical context of coalition politics in Pakistan. PPP and PML-N have a history of both cooperation and competition, often driven by pragmatic considerations and electoral imperatives. The decision-making process within PPP, particularly the role of the Central Executive Committee, reflects the party's commitment to internal consultation and consensus-building, highlighting its democratic ethos and organizational discipline.

Furthermore, the implications of PPP's cabinet inclusion extend beyond immediate governance considerations. They also



speak to broader issues of representation, accountability, and democratic legitimacy. By participating in the federal cabinet, PPP may seek to leverage its position to advance key policy priorities and address the concerns of its constituents, thereby enhancing its credibility and electoral prospects. However, the party must also contend with potential backlash from its political rivals and internal dissent, as cabinet participation inevitably involves compromises and trade-offs.

Meanwhile, the leadership transition within PML-N adds another layer of complexity to the political landscape. Nawaz Sharif's impending return to the helm signals a resurgence of his influence within the party, potentially reshaping its strategic priorities and engagement with

other political leaders. The central committee meeting scheduled for May 18 will provide insights into the party's direction under Nawaz's leadership, including its stance on coalition dynamics and opposition strategy.

## Conclusion

The ongoing developments between PML-N and PPP underscore the dynamic and complex nature of Pakistani politics. From discussions of cabinet inclusion to leadership transitions and political maneuvering, stakeholders are navigating a complex terrain of negotiations, alliances, and strategic decisions. As these



developments unfold, they shape the future trajectory of political landscape of Pakistan, influencing governance, democracy, and political discourse. Whether through cooperation or contention, the actions and choices of key political players hold significant implications for the nation's direction and the aspirations of its people. In this fluid environment, the interplay between PML-N and PPP reflects not only the immediate challenges and opportunities but also the enduring complexities inherent in Pakistan's political dynamics. As stakeholders chart their course, they must navigate competing interests, ideological considerations, and public expectations, recognizing the profound impact their decisions will have on the nation's journey forward.



# Pakistan's Political Future Hangs in the Balance Over Reserved Seats

By Nimra Atiq

The political skies over Islamabad are growing increasingly turbulent, as dark clouds gather to threaten the ruling coalition's coveted two-thirds majority in the National Assembly. The once-clear horizon of political dominance is now shrouded in uncertainty, as the winds of opposition blow stronger with each passing day.

At the eye of the storm is the reserved seats controversy, Pakistan's political landscape has been plagued by a contentious issue regarding reserved seats in the National Assembly and provincial assemblies. The controversy has pitted the ruling coalition against the opposition, particularly the Pakistan Tehreek-e-Insaf (PTI), which has been fighting for reserved seats in parliament.

With a simple majority of 169 seats required to form a government, and a two-thirds majority of 224 votes needed for constitutional amendments, the reserved seats can make or break a party's chances of wielding power. The ruling coalition's ability to secure a two-thirds majority hangs in the balance, pending the outcome of the PTI's appeal.

The recent decision of the Punjab Assembly to suspend 27 lawmakers elected on reserved seats has created a challenge for both the current political situation and the ruling coalition's goal of maintaining a two-thirds majority in the National Assembly. This move has raised concerns about the government's strong presence in the house. If the Supreme Court revokes the reserved seats from the ruling alliance, it could significantly impact the balance of power and jeopardize their ambition of maintaining a two-thirds majority.

The matter at hand, currently under consideration by the Supreme Court, pertains to the allocation of reserved seats for women and non-Muslims to political parties other than PTI-SIC. PTI-SIC has raised concerns, contending that this allocation violates Article 51(6)(d) & (e) of



the Constitution. PTI-SIC has asserted that the ECP has recognized their party as a parliamentary party with 82 general seats in the National Assembly, making it eligible for reserved seats.

In response, the ECP has clarified that reserved seats must be allocated based on proportional representation, and only to parties that have participated in the general elections and secured at least one seat. The ECP has cited Articles 51 and 106 of the Constitution to support their argument.

## Political Fallout

The reserved seats controversy has reached a critical juncture, with the Supreme Court poised to deliver a verdict that will have far-reaching implications for Pakistan's political landscape. At the heart of the issue is the Election Commission of Pakistan's (ECP) stance that PTI-SIC, which did not contest the general elections, cannot be considered a political party in terms of the Constitution.

If the Supreme Court rules in favor of the ECP, the government may lose its two-thirds majority in the National Assembly, significantly weakening its position and curtailing its plans to freely amend the Constitution. Renowned political experts warn that such a loss would be a significant setback for the government, and potentially

"embarrassing" as it would hinder future legislation. As the nation awaits the court's decision, the ECP has distanced itself from media reports, clarifying that it has not expressed any opinion on the development nor directed its legal team to take any step, in an effort to maintain neutrality and avoid perceived bias.

The opposition leader has meanwhile argued that the elections of key political figures, including the PM, NA speaker, and deputy speaker, as well as the president, have become controversial and may need to be re-conducted. Ultimately, the Supreme Court's verdict will have a profound impact on the country's political trajectory, and all eyes are on the court as it prepares to deliver its decision.

The coalition government, comprising the Pakistan Muslim League - Nawaz (PML-N), has lost its two-thirds majority in the National Assembly, which is critical for enacting significant legislation and implementing substantial changes to the political landscape of the country. The loss of this majority will likely impede the government's ability to advance its agenda, given the prevailing economic crisis and mounting internal security challenges.

Experts suggest that individuals voted not for independent candidates but for the PTI. Since voters anticipate receiving all the





supplementary benefits associated with the political party they support, the PTI was entitled to the reserved seats as part of the comprehensive election package.

They highlighted that the SIC could be granted reserved seats according to Sub-Section 4 of Section 104 of the Elections Act, which states: "If, at any time, the party list is exhausted, the political party may submit a name for any vacancy." Advocate Supreme Court Kashif Ali Malik, on the other hand, referenced the apex court's remark that "this is a case of first impression; therefore, the Supreme Court will scrutinize all aspects concerning the allocation of reserved seats."

This development has also presented an opportunity for the Pakistan Tehreek-e-Insaf (PTI) led by Imran Khan to form a government either independently or in collaboration with other political parties. The PTI was previously prevented from participating in the February 8 elections under its traditional electoral symbol of a cricket bat on technical grounds. However, the party subsequently formed an alliance with the Seraiki Insaafian Party (SIP) to secure reserved seats in the parliament. With the Supreme Court's ruling, the PTI has the potential to form a government, which could potentially reshape the political landscape of the country.

The political impact of the Supreme Court's decision is already being felt, with the opposition parties gaining momentum and



the ruling party facing increased pressure to compromise and negotiate. As the country heads towards a crucial budget session, the political landscape is likely to remain fluid and unpredictable. There has been a growing concern over the Senate elections recently held, particularly with regard to the participation of legislators currently occupying challenged seats. If the Supreme Court were to invalidate the Election Commission of Pakistan's (ECP) decision, it is possible that the Senate election could be further challenged on related grounds. This could have significant implications for the government, further weakening its already precarious legitimacy. Should such a situation arise, the ECP would be held accountable.

It is evident that the entire electoral process, from the polls and announcement of results to the formation of assemblies and Senate

elections, has been marred by issues. The electoral watchdog has been preoccupied with uncovering faults and imposing penalties on a single party, which has left it unable to adequately address the numerous challenges that have arisen. The lack of impartiality and transparency in the process has further eroded public trust in the electoral system, and has resulted in a significant setback for democratic institutions in the country. The need for comprehensive electoral reforms has become increasingly urgent, in order to ensure that future elections are conducted fairly, transparently, and effectively.

The Supreme Court's decision has sent a clear message: that the rule of law and democratic principles will be upheld, and no single party or individual can manipulate the system to consolidate power.







# Navigating Political Turmoil: ISPR's Firm Stand and PTI's Resilience

By Daniyal Wali

In a landscape fraught with political tension and uncertainty, the recent developments between the Inter Services Public Relations (ISPR) and the Pakistan Tehreek-e-Insaf (PTI) have brought to light the intricacies of power dynamics and accountability in the country. The press conference held by ISPR Director General Maj-Gen Ahmed Sharif, alongside the steadfast response from former Prime Minister Imran Khan and the PTI, have underscored the complexities of governance and national security in Pakistan.

Maj-Gen Sharif's address delved into multifaceted issues, ranging from demands for accountability regarding the May 9 riots to Pakistan's geopolitical challenges with neighboring Afghanistan and India. At the heart of his message lay a clear precondition for any potential dialogue with the PTI—an earnest public apology, a commitment to constructive politics, and the abandonment of anarchic tendencies. This precondition reflects the gravity of the divide between the military establishment and the PTI, highlighting past events that have strained national unity.

The May 9th incident, a pivotal moment in Pakistan's recent political history, was brought into sharp focus during the conference. Gen Sharif emphasized the paramount importance of accountability, stressing that justice must be served to maintain trust in Pakistan's judicial system. He highlighted the irrefutable evidence linking certain political elements to orchestrated attacks on military installations, underscoring the need to uphold the rule of law.

Furthermore, Gen Sharif's remarks extended beyond domestic affairs to Pakistan's relations with neighboring Afghanistan and India. The revelation of a plot originating from Afghan soil to attack Chinese engineers underscores the transnational nature of security threats faced by Pakistan. Despite diplomatic efforts, the continued spillover of terrorism from Afghanistan remains a pressing concern, necessitating



collaborative action to address the root causes of instability.

On the eastern front, Gen Sharif highlighted Pakistan's readiness to counter multiple threats from India. He condemned Indian aggression along the Line of Control and in occupied Kashmir, citing evidence of targeted killings orchestrated by Indian agents on Pakistani soil. Such provocations, he emphasized, only serve to escalate tensions and undermine regional peace efforts. Moreover, Gen Sharif reiterated Pakistan's unwavering support for the Palestinian cause, emphasizing the country's commitment to advocating for the rights of oppressed communities on the global stage. This reaffirmation of solidarity underscores Pakistan's principled stance on international issues, rooted in the values of justice and humanitarianism.

In addressing concerns about freedom of expression and media accountability, Gen Sharif struck a delicate balance between constitutional rights and national security imperatives. While acknowledging the importance of free speech, he underscored the need to prevent propaganda aimed at destabilizing the state, highlighting the

delicate balance between protecting individual liberties and safeguarding national interests.

## PTI's Resilient Response

However, the ISPR's stance was met with a resilient response from the PTI and its leadership. Former Prime Minister Imran Khan stood resolute in the face of demands for apology and accountability regarding the May 9 riots. Khan's refusal to apologize and willingness to face inquiry underscored the PTI's unwavering stance on accountability and transparency. He emphasized his commitment to Pakistan's interests over personal gains and expressed readiness to subject himself to inquiry regarding the 2014 sit-in.

PTI spokesperson Raoof Hasan echoed Khan's sentiments, dismissing ISPR's press conference as contradictory and devoid of rationale. Hasan highlighted the intensity of attacks targeting the PTI and emphasized the need for evidence-based inquiry to ascertain culpability for the May 9 events. While welcoming the proposal for a judicial commission, Hasan stressed the inclusion of broader investigations encompassing





alleged rigging, attempted assassinations, and audio leaks.

The PTI's response underscores its unwavering commitment to upholding democratic principles and accountability, even in the face of formidable challenges. As the political landscape remains fraught with tensions, the PTI's refusal to capitulate underscores its resilience and determination to navigate the complexities of governance in Pakistan.

Furthermore, the opposition alliance, spearheaded by parties like PTI and JUIF, is gearing up for a major protest movement aimed at exerting pressure on the coalition government and demanding the restoration of the constitution. With Tehreek-e-Tahaffuz-e-Aain-e-Pakistan at the forefront, the opposition is mobilizing its supporters across the country to participate in nationwide gatherings and demonstrations. These protests signify a collective effort to challenge what the opposition perceives as the erosion of democratic principles and constitutional rights. By uniting under a common cause, the opposition aims to galvanize public support and send a strong message to the ruling coalition, highlighting grievances and demanding accountability. However, the escalation of street protests and political agitation also raises concerns about potential unrest and instability in the country. As tensions mount between the government and the opposition, there is a risk of further polarization and confrontations, which could exacerbate political turmoil and undermine efforts to address pressing national challenges. The success or failure of the opposition's protest movement will not only shape the future political landscape but also have significant implications for Pakistan's democratic trajectory and stability.

With Pakistan's future hanging in the balance, it is imperative for all stakeholders to prioritize the nation's interests above personal agendas. Whether it's the military, political parties, or civil society, a united front is essential to steer Pakistan towards stability and prosperity. As the nation navigates turbulent waters, the lessons of history must guide its path forward, ensuring that the sacrifices of past generations pave the way for a brighter tomorrow.

Furthermore, the role of international partners cannot be overlooked in Pakistan's journey towards progress. From economic cooperation to diplomatic support, Pakistan must leverage its relationships with the global community to address pressing challenges and seize new opportunities. By fostering mutually beneficial partnerships, Pakistan can chart a course towards sustainable development and regional stability.

At the heart of Pakistan's resilience lies the spirit of its people—their unwavering determination, resilience, and unwavering commitment to a brighter future. As the nation confronts adversity, it is this

economic growth, further exacerbating socio-economic challenges facing the country.

Moreover, the erosion of democratic norms and institutions, coupled with a breakdown in dialogue between the military and political leadership, can embolden extremist elements and undermine Pakistan's efforts to combat terrorism and extremism. In the absence of effective governance and consensus-building mechanisms, there is a heightened risk of political unrest and instability, which could have far-reaching implications for regional security and Pakistan's standing on the global stage. It is imperative that all



indomitable spirit that will carry Pakistan through the storm, emerging stronger and more united than ever before. From the bustling streets of Karachi to the majestic peaks of the Himalayas, Pakistan's diversity is its strength, binding its people together in pursuit of a common destiny. This alarming situation, characterized by escalating tensions between the military establishment and the PTI, poses significant risks to Pakistan's stability and democratic institutions. Firstly, prolonged political deadlock and confrontation can exacerbate existing divisions within society, fueling polarization and undermining public trust in the government and state institutions. Heightened political instability may also deter foreign investment and impede

stakeholders prioritize national interests over partisan agendas and work towards finding common ground through dialogue and reconciliation.

In the final analysis, the road ahead may be fraught with challenges, but Pakistan's journey is far from over. With courage, perseverance, and a steadfast commitment to the principles of democracy and justice, Pakistan will overcome its challenges and emerge as a beacon of hope for the world. As the sun sets on one chapter of Pakistan's history, a new dawn awaits—one filled with promise, potential, and endless possibilities. Together, let us embark on this journey with hope in our hearts and determination in our souls, knowing that the best is yet to come for Pakistan and its people.



# Political Economy of Dictatorship

*Pakistan's experiences \_ past and present*



By Naqi Akbar

As the current month ends, Pakistan's dealing with the IMF might well be finalized. That finalization will determine the necessary economic lifeline for the country soon after the general elections and fast-changing geo-political imperatives. Such packages for any nation-state have acted as a lifeline of last resort. Economies the world over are self-sufficient to the extent that IMF referral is sporadic and not a permanent feature.

Contrary to the 'best international practices' Pakistan's relationship with IMF during the last decade has taken the shape of a constant lifeline. That relationship has greatly compromised country economic managers' ability to steer the economy out of the crisis. That inability has squarely translated into a vicious circle of debt. The current situation as the title of the essay suggests is a far cry from the previous experiences. Pakistan's political history has not been like the Indian political history of 75 years and the revolutionary Iran of 45

years. Both countries having faced internal insurgencies, wars, and strife have never witnessed postponement of elections. There had never been any instances where the time schedule of the electoral exercise has been shifted or compromised.

As against the two experiences, Pakistan's history has been fraught with political instability, which has resulted in frequent military interventions or a greater role of military in the day-to-day affairs of the state, polity and economy. Pakistan development paradigm as well as political cultural development has been deeply influenced by these military interventions.

The early years of military interventions and the development strategy has been characterized by a sense of ownership by the international stakeholders and their close coordination with the local stakeholders; the internal dictatorship and external geo political jobs executors. Towards that end the western military complex led by the

United States practically treated Pakistan on the pattern of Marshall Plan; with the difference that the newly independent state of Pakistan was flooded with international assistance; which covered a wide array of tasks; the rebuilding of the armed forces on the basis of jet age weapon systems, the development of the irrigation system; the development of universities as well as specialized institutions like the Karachi IBA; Punjab University in Lahore, QAU in the newly constructed capital Islamabad during the era of the first military dictatorship were all channeled through the USAID and other foreign assistance arrangements.

Likewise, to a lesser degree, the two other military interventions of Zia and Musharraf too witnessed financial accommodation by the west. During the Zia years, the foreign assistance was able to cover up the growing budgetary deficits which blew up in the face of the economic planners in the post Zia period. During the Musharraf years, the





economy again witnessed greater ability of the government to spend and through the investment spending courtesy the Paris Club inspired monetary space, be able to push forward the wheel of the economy.

The ability of the economy to grow while the system was regimented and was under the Pentagon covered up much of the economy related unrest. The Afghan war of Zia years and war on terror of the Musharraf years culminated with undesirable systemic baggage for Pakistan; however, the economic growth benefited the people at large at the micro and macro level.

As against the rules of game during the early interventions between 1958 to 1999; the establishment changed its rules of engagement in a manner that the hybrid arrangement was the stakeholder on the international scene inclusive of dealing with the IMF. The 2008, PPP government was forced to rationalize the subsidy on POL, which resulted in a cost push price spiral during that period. Likewise, in a counter stroke the PPP tried to negotiate the Kerry Lugar Bill; the first radical departure in the Pakistani history when the civilian government instead of the military was the recipient of the foreign assistance.

The trend did not continue and the IMF intervention was much of the story during the transition from a PML N government into a proper hybrid arrangement under the civilian tutelage of PTI in the period between 2018-2022. That period can be termed as the prelude to what is being witnessed now; with the difference that complete control took the place of accountability.

Accountability has been an attractive buzzword for nation states the world over. In Pakistan, it has been translated under the assumption that politicians are bad and the military is best suited to lead the country. Today despite that fact that the so-called party for change credits itself to be the vanguard of radical change against the establishment; the fact remains that the establishment dug in deep during the same period.

The alienation between the party and the

establishment precipitated the political crisis of April 2022; which continues to stalk any serious bid to jump start the economy on any meaningful premises.

As against the military interventions on 1958, 1977 and 1999, the hybrid interventions on 2018 and again in 2022 and 2024 have proved that the political goals have taken precedence over any serious effort to activate the economic cycle.

The establishment backed economic wizards while building the growth paradigm on the basis of foreign investment conveniently forgot the fact that the lack of confidence of the domestic investor, bets visible in investment decisions in domain of real estate drives the foreign investor sentiments.



As the result; the current hybrid has been able to effectively push the international brands to rethink their stay in Pakistan, it has simply failed to attract new entrants in to the country.

As things stand and are developing, economy is only showing theoretical signs of recovery, with not much visible in the real sector to vouch for that. As the result, Pakistan is faced with a double extra ordinary situation where the political economy is fast moving towards a regime; where there are lesser opportunities for job creation; shirking space for collective and personal liberties and IMF doses for economy. The IMF doses are finalized without any imagination or stakeholder debate.

The haphazard withdrawal of subsidy suits the establishment as it ensures the foreign exchange injections needed for the import of the weapon systems; however, it plays or has already played havoc with the economy in general. The withdrawal of subsidy has precipitated a cost push inflationary cycle, where the cost of doing business has escalated. Firms are able to barely survive and breakeven; but are not able to grow in a sense which can create job creation.

A political economy afflicted with stagflation is bound to generate unrest, which can potentially upstage the system unpredictably. The economic wizards seem to be in dark or are unable to comprehend that the hybrid arrangement might be able to generate salaries for them to save for lean

times, the political and economic system is moving towards implosion.

The system at work is radically different from previous episodes. The political economy as managed by the men at the top has slim chances of any jumpstarting of the economy. The honest assessment of the ground situation suggests a radical movement of the political and socio economic tectonics; which might even be impossible to contain by the established order or even by the so called political forces siding with the establishment as well as those wishing reopening of channels by that very establishment.



# Pakistan needs a new political party

*Not surprisingly, our youth see no hope for the future*



By Dr Miftah Ismail

For the first time ever, many of us are not just apprehensive but frightened about the future of Pakistan. Daily survival is getting harder and harder for our people, our already ineffective governance is getting even worse, and our nation is drifting backward as the rest of the world is marching forward.

Not surprisingly, our youth see no hope for the future. When a ship going from Libya to Greece sank two years ago, more than half of those who perished were Pakistanis. This shows the desperation of our youth to find opportunities abroad, leaving behind their families and childhoods.

We are fast reaching the point of no return – and it is imperative we take a hard look at our ineffective governance that has failed our people. We need to radically restructure our governance so that we can finally give hope and opportunity to all our people.

For that to happen, we need leaders with vision. Unfortunately, our existing political leaders are outdated, out-of-touch, and devoid of any vision for the nation's future. I am sorry to say they lack both the courage

and the competence to change the course of this country.

All countries have problems and we do too. What is unique about us, however, is that our problems have been lingering for decades and our leaders, engaged in palace intrigues, have only added to our woes and not been able to solve a single significant problem in decades.

Since our long-unsolved policy mistakes are now all coming to a head, concerned Pakistanis are alarmed about the future of this country. This is why we are starting a new political party.

Four out of ten Pakistani men, women and children, live below the poverty line and millions of hungry children cry themselves to sleep every night. And things are getting worse, not better.

The enlightened among us realize that we are privileged primarily because of an accident of birth, and that – but for the grace of God – our own children could have been malnourished, stunted and roaming amid garbage in katchi abadis rather than

taking swimming or music lessons.

If living in a sea of worsening poverty, lawlessness and despair bothers you, and our leaders' failure to do anything about it frustrates you, then you understand the need for a new party.

When there are men and women, who have gone to school and college, who have completed Matric, Inter or BA, who leave home for work at 8am and come back home after dark – in short they did and continue to do what society asks of them – but they are not able to pay their electricity and gas bills, we think a change is needed in the governing priorities of this country that the current political leadership has been unable to provide.

When India, Bangladesh, and Sri Lanka have all gotten far ahead of us, when their children are studying IT and computer programming and have new employment opportunities and our working classes are forced to send their children to work in bicycle repair shops, then we need some fresh ideas and policy expertise to increase opportunities in the country. Do our





existing parties have that?

When only a few families and individuals have been engineered to rule over us for decades, when we go full circle from dharna to RTS to Form 47, when parties are run as dictatorships and fiefdoms, when everyone talks against corruption but it remains the grease that makes government works for the privileged, when Farah Gogis and Gullu Butts are an integral part of our politics, when politics is polarized but politicians fly in the same private planes of the few uber-rich – then this corrupt, crony political system needs to change and new political voices need to emerge.

When after 30 years and with 80,000 lives sacrificed, we still can't decide whether the Taliban are good or bad, when after 75 years and three wars we still don't know whether or not to trade with India, when the fulcrum of our foreign policy is just getting the next foreign loan, when we find it expedient to refer to a genocide as a 'conflict' – then we think Pakistan needs a change in direction that only a clear-headed and educated leadership can provide.

Pakistan needs a government run by men and women of proven integrity and competence, who are not looking for shortcuts to power like leaders in other parties have done, and who have a demonstrated ability to deliver. Pakistan needs a better party.

We are forming a different kind of party with women and young people as part of

the leadership team, a party based on ideas and not personalities, a party that has professionals of integrity, competence and intellectual honesty, a party that belongs not to a province or a city but to the whole nation, a party that will constitutionally mandate term limits for its leaders, be internally democratic, and would never consider any individual or family to be indispensable. Most importantly, a party that speaks for the hopes and aspirations of all Pakistanis.

We want to present to our people a new vision of Pakistan, a nation focused on its people – especially the young. A country where population growth is under control and all our children go to quality schools that teach them how to read, write and think, where childhood mental and physical stunting ends, where infant and maternal mortality is brought under control, where schools and colleges give admissions on merit and not 'sifarish', where jobs are given to those with degrees and not with 'parchis', where our youth and women have business opportunities, where people in public service exhibit competence and integrity and where the disease of VIP mentality ends.

We want to raise the living standards of our labour, give fair prices to farmers but not starve the urban poor, make Pakistani manufacturing and information technology industries competitive, get rid of terrorism and religious and ethnic strife across our

land, and have horizontal and vertical equity in our tax systems.

We want to have constitutional local governments, entrusted with responsibilities for health, education, water and sanitation, and roads and transportation. We want directly elected mayors who run local jurisdictions and who cannot be replaced until a successor is elected. This one move will improve health, education and other services provided to our people and allow newer, younger faces to emerge as political leaders. Societies can only advance if the rights and obligations of citizens are clearly demarcated and enforced. We have a dilapidated legal system that is unable to provide justice. We must have an effective legal system and an independent judiciary. This is the best guarantee of a Pakistan where we are free to elect our leaders, speak our minds, and pray in our own ways.

We are optimistic that if deep-seated reforms are undertaken and the government's footprint is reduced we will see rapid improvement in our lives. Economic growth of eight per cent over 18 years can quadruple our national income. This is the central idea of our party: economic opportunity for all.

A promise before I end: if we ever come to power, it will be only through your votes and not through any backroom deals.

Courtesy The News

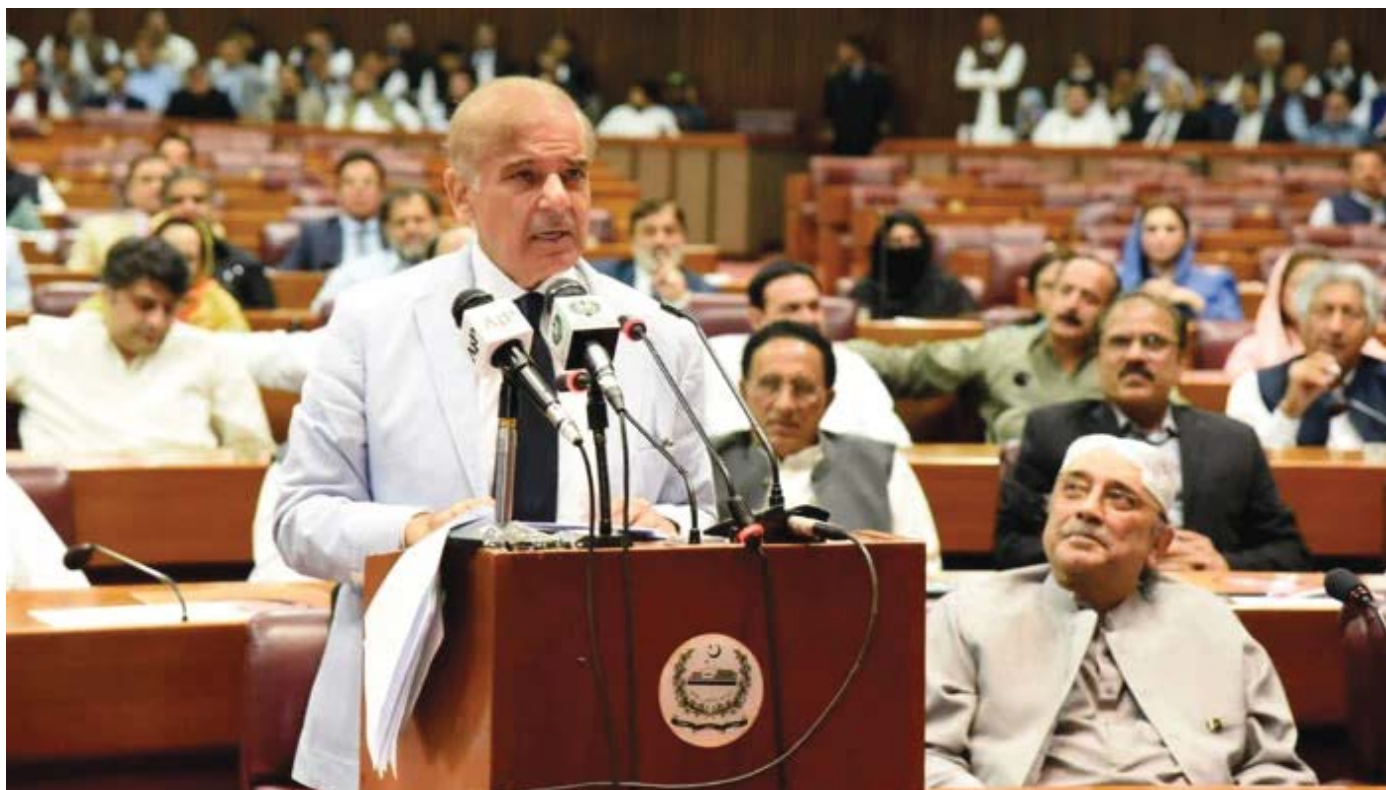






# The challenge of make-believe

*There is a prime minister but everyone, including him, knows that he has no mandate to sit on that high-backed chair in the PM House*



By Shafqat Mahmood

**W**e live in a world of make-believe. All elements are there to present a wholesome picture but all are fake.

There is a prime minister but everyone, including him, knows that he has no mandate to sit on that high-backed chair in the PM House. There is a National Assembly with all the right images – speaker, deputy speaker, leaders of house and opposition, and soon standing committees, with chairpersons spread around all parties. The image of a legitimate parliament is complete. Yet everyone knows, including those taking part in the charade, that this picture-perfect arrangement is a total fake.

Yet, kudos to those who put it all together. It does not matter to them whether it is real or fake. What is important is the image of business-as-usual. What is important is all elements of the constitution are visibly intact. Whether they are a true reflection of reality does not matter. Like the election tribunals that take forever to decide the

truth, let those questioning the arrangement go to the appropriate forum and wait for their turn. It may be another world before the truth comes out – and by then who cares.

So, the game goes on. The without-mandate PM is running around the Middle East being PM. His reception may be somewhat diminished as the hosts know the reality too. His engagements may generally be of a level lower than his august perch. And, there may not be much to show for all the rhetoric being pumped. But this is not important. There are still enough salutes to beam an image of the right protocol back home. PM being PM at a minimum requires some pomp and show even if reduced. This is what these unnecessary jaunts provide.

Parliament is happy playing its designated role as a masquerader of appearance for reality. Much vociferous speechifying is done on trivialities. Even walk-outs are

tolerated and the opposition lured back in by the traditional false promises. All this being the normal to and fro of functioning parliaments and the right image. But the stark reality peeps through whenever a rubber stamp is required. The matters that really matter are rushed through without debate. Even the lack of quorum is no deterrence. What is to be done is done, paying no heed to those shouting foul.

Parliament thus creates the perfect cover; appearance of constitutional propriety over the harshness of brutal reality. Again, kudos to those who thought this through. If anyone wants a perfect demonstration of an iron hand in a velvet glove, our legislatures are there for all to see. The government also does its part but its fakeness is too visible. Parliament has enough pots and pans banging around for the volume of truth to be muted. Parliament is a splash of colour in a bland grey landscape that flatters to deceive.





This picture-perfect arrangement was supposed to be complete by the judgments of those wearing the moral cloak, however tattered. As in the past, they were to wrap the unpalatable in a megabyte of legalese. The pyrotechnics of Kelsen's theory and the doctrine of necessity being their stellar contributions to Pakistani jurisprudence and its dismemberment. No one thought it would be different this time. And for a while that is the way it was. Denial of the election symbol to the PTI required much obscure reasoning and brazen disregard of evidentiary propriety. But sadly, and I say sadly because of the widespread cynicism, this was bound to happen come what may.

This has changed somewhat – or a lot; only time will tell. The six judges of the Islamabad High Court have not only stopped the wheel but are beginning to turn it around. Other high court judges and even some in the subordinate judiciary have begun to speak up. Justice Babar Sattar is playing on the proverbial front foot holding factotums to account. The Lahore High Court is overturning the blatant afterthought of recounts reinstating many sent packing after declared victories. The Sindh High Court is asking serious questions regarding the throttling of social media app X (Twitter). Judges in Peshawar have reinforced

their already visible notes of defiance.

The world of make-believe is being challenged from the most unlikely of quarters. Those that had never stood up in the past are beginning to find their legs. Those that had always endorsed every blatant disregard of law and constitution are showing early signs of defiance. It is too soon to tell whether this is sustainable. Some within are actively pulling them down. Others outside are sharpening their knives. Where it will end is uncertain. If history is any guide, it is an uphill battle, but then the tide is only turned through victories in uphill battles.

In the midst of all this has emerged the intention to change the procedures of judges' appointments. Is this the thin end of the wedge to stop the dissenters in their tracks? The message is not veiled once the verbiage is wiped clean. If a constitutional amendment is possible, then judicial conduct or its interpretations are also not off the table. The law minister coyly hums and haws when planted questions are asked about the CJ's tenure. This from a party that had loudly opposed any such proposal in the past. While kite flying may be and should be awkward for the incumbent, it serves a purpose. It shows that there is no

limit to what can be done.

While we wait for the outcome of this (may be) history-making battle, cracks are beginning to appear in the world of make believe. Those planted in power have started to find fault with those who ostensibly put them there. The most amusing has been the fracas between Hanif Abbasi and Anwaarul Haq Kakar. Accusations of mega corruption by Abbasi on Kakar got Form 47 thrown on his face. And this from someone who is actually responsible for whatever happened in the February 8 elections.

There can be no greater star witness than Mr Kakar.

It will never come to witnessing because the origins of both are the same. It is a domestic quarrel that will be internally resolved. Being roundly abused in the farmlands of Punjab, the PML-N is itching to blame someone else but it won't come to that. This minor storm will abate as will others. But storms will continue and it is only a matter of time before the PPP screams murder and threatens to quit. The make-believe world will keep tottering on a knife's edge until reality strikes.

Courtesy The News



# Crucial talks begin for new IMF bailout program amid hopes and fears

*The IMF warns that any policy slippages, along with reduced external financing, could jeopardize the country's path to debt sustainability and put pressure on the exchange rate*



By Javed Mahmood

Pakistan and the International Monetary Fund have started a crucial round of meetings to evolve a new bailout package for the country amid hopes and fears. The ruling elite believes that the new package of the IMF would stabilize the economy of the country while the masses fear the imposition of more taxes and hikes in the tariffs of electricity and gas after the withdrawal of subsidies which will further create difficulties for the people.

The government and the IMF did not indicate the actual size of the new loan program, however, analysts and institutions believe that Pakistan can obtain around 6-8 billion dollars package from the Fund for the next financial year.

Federal Minister for Finance and Revenue Muhammad Aurangzeb recently hosted a delegation from the International Monetary Fund (IMF), led by IMF Mission Chief Nathan Porter. The maiden meeting, held on May 13, 2024, at the Finance Ministry, initiated discussions on further engage-

ment with the Fund. Notable attendees included the Governor of the State Bank of Pakistan, the Chairman of the Federal Board of Revenue, and senior officials from the Finance Ministry.

During the meeting, the Finance Minister informed the IMF team about the significant improvement in macroeconomic indicators during the SBA period. He also reaffirmed the government's commitment to continuing and expanding the reform agenda to enhance Pakistan's economic resilience and stability.

## Pakistan can get \$8 billion package from the IMF

Meanwhile, Citi, a leading Wall Street bank, has expressed optimism about Pakistan's upcoming agreement with the IMF, anticipating that Pakistan will finalize a new four-year program with the IMF, potentially amounting to up to \$8 billion, by the end of July. This follows Pakistan's recent completion of

a short-term \$3 billion Stand-By Arrangement with the IMF, indicating Islamabad's intention to secure a longer-term program to address its economic challenges effectively. Nikola Apostolov, an analyst at Citi, highlighted the positive outlook for Pakistan's Eurobonds, particularly the country's 2027 international bond.

Apostolov's optimism stems from the potential for a larger and longer IMF Extended Fund Facility (EFF) program, projected to reach \$7-8 billion over four years, along with the prospect of increased Saudi investments. Citi's assessment is based on discussions during a visit to Pakistan, where their team engaged with policymakers, including Finance Minister Muhammad Aurangzeb. Citi's positive projections align with the IMF mission's visit to Pakistan, which aims to initiate discussions on the financial year 2025 budget, policy reforms, and potential initiatives under a new program.

Additionally, Citi identified investment



opportunities in Pakistan's international 2027 bond, noting its attractiveness to investors due to liquidity and substantial upside potential as default risks diminish. Currently trading at 87.292 cents on the dollar, the 2027 maturity offers investors a favorable entry point. Additionally, shorter-dated bonds maturing in 2025 and 2026 have appreciated significantly since late last year, trading between 91 and 96 cents. This marks a notable improvement from the lows of 2022 when Pakistan's international bonds traded as low as the mid-20 cents range.

Meanwhile, the IMF and Pakistan's economic teams also discussed the upcoming budget for the next financial year (2024-25). The consultations, expected to last about two weeks, will address both the new loan program and the budget.

Pakistan is seeking a significant bailout package exceeding \$6 billion from the IMF to bolster its economy and address pressing fiscal challenges. Sources indicate that the Finance Ministry's economic team has thoroughly prepared for the negotiations, ensuring all necessary groundwork is in place for productive discussions. Key topics include discussions on the Extended Fund Facility loan program, for which the finance ministry has prepared a detailed working paper. Additionally, the 24-member IMF mission will engage in consultations on the formulation of the national budget for the upcoming financial year.

Moreover, the International Monetary Fund has also expressed concerns over ongoing political uncertainty in Pakistan following the February 8 elections, highlighting potential implications for economic reforms. Despite the formation of a new government, the IMF has underscored challenges in implementing policy reforms amidst a complex political landscape.

According to the IMF, the new government has committed to upholding policies outlined in the standby arrangement. However, the IMF cautioned that political instability, inflation, and social tensions could hinder the implementation of reforms.

## IMF wants an end to subsidies

Senator Saleem Mandviwalla pointed out that the International Monetary Fund (IMF) has not demanded that Pakistan raise energy prices but has instead urged the withdrawal of subsidies across various sectors, including energy. Senator Mandviwalla stated that the IMF mission chief is scheduled to arrive in Pakistan on May 15 for a two-week stay, with the expectation that "things will be finalized" during this period. He emphasized, "The IMF has not imposed any new conditions," and clarified that they have not instructed Pakistan to alter the prices of petrol, gas, or electricity. "Their main condition is that these commodities are sold in compliance with international standards," he explained.



The senator elaborated that the IMF's primary request is to end subsidies in various sectors, including energy, without specifying any particular price changes. "They haven't told us to increase or decrease prices by a certain amount, but they have given us a formula," he added.

Regarding the impact of cutting subsidies on the general public, Mandviwalla noted that these subsidies primarily benefit specific sectors rather than the average citizen. He mentioned the IMF's support for subsidies in projects like the Benazir Income Support Programme. On the subject of the budget, he acknowledged that providing relief to the people would be "difficult" in the upcoming budget, as the government lacks sufficient fiscal space.

Mandviwalla also mentioned that the IMF team might want to meet with the main opposition party, the PTI.

## Proposal to levy tax on all pensioners for the first time

The IMF has urged Pakistan to implement taxation on both civilian and military pensioners and to withdraw income tax exemptions from various pension schemes in the upcoming budget. This recommendation comes ahead of the IMF mission's arrival in Islamabad. Meanwhile, on Friday, some IMF team members arrived in Islamabad to start discussions on the proposed package for Pakistan while the IMF mission Chief Nathan Porter joined the team on May 13. Taxing pensioners is



among several recommendations from the IMF for the upcoming budget, aiming for additional tax recovery equivalent to 0.5% of the Gross Domestic Product (GDP) from salaried and business individuals.

If Pakistan agrees to tax retired individuals, it could generate additional annual income tax revenue of Rs22 billion to Rs25 billion. Pakistan is seeking two separate loan programs: the Extended Fund Facility (EFF) for structural reforms and the Resilience and Sustainability Facility (RSF) to address climate change-related challenges. This marks the 24th bailout package for Pakistan, indicating past failures to achieve objectives. The size and duration of the IMF program are yet to be finalized, with Finance Minister Aurangzeb mentioning

that it would take some time to finalize the RSF facility.

Notably, Pakistan's annual financing requirements range from \$25 billion to \$30 billion, posing a significant burden on the government. Government sources indicate that the 24th program is expected to be one of the toughest, focusing heavily on enhancing revenue, with new taxes amounting to Rs1.3 trillion proposed, half targeting salaried individuals. The IMF recommends Pakistan eliminate income tax exemptions for pensioners and tax their pensions and gratuity from the new fiscal year starting in July 2024.

Additionally, it proposes ending income tax credits for voluntary payments to workers' participation funds. These measures could negatively impact Pakistan's fixed-income population, already grappling with double-digit inflation. Despite rising tax burdens over the years, salaried individuals and pensioners have little influence. The IMF also advises Pakistan to review income tax and pension regimes for sole proprietors benefiting from social security and pension contributions. In the last budget, the government increased the burden on pensioners by taxing contributions to private-funded gratuity and pension schemes. Income tax exemptions for retired government servants and military personnel are estimated to cost over Rs12 billion annually.

## IMF seeks cut in expenditures

The International Monetary Fund (IMF) requested that Pakistan immediately cut expenditures by Rs163 billion to Rs183 billion to ensure the achievement of a primary budget surplus this year. This request coincides with the government's decision to appoint Ali Pervez Malik, a Member of the National Assembly, as the Minister of State for Finance and Revenue. Ali Malik, known for his unconventional legislative approach, comes from a political family from Lahore. He is the son of the late PML-N MNA Pervez Malik. During the initial interactions, the IMF reiterated its firm stance on achieving a primary budget surplus of 0.4% of Gross Domestic Product (GDP), equivalent to Rs401 billion. The issue was discussed on the first day of program talks after the Federal

Board of Revenue (FBR) reported a possible revenue shortfall of about Rs180 billion for the current fiscal year ending in June due to week-long holidays because of Eidul Azha.

During meetings, the FBR assured the IMF that it would attempt to recover Rs20 billion to Rs25 billion through administrative measures under Statutory Regulatory Order (SRO) 350, which targets fraudulent or undue sales tax refunds. The FBR also informed the IMF that its direct tax collection was exceeding the target with a growth rate of over 40%. Despite a reduction in imports, customs duties were growing at a 13% rate. However, Rs215 billion remains stuck in court cases.

Previously, Pakistan had assured the IMF that these court cases would be resolved by April-May. However, the proceedings have taken longer, and now authorities have assured the IMF that decisions might be announced starting in June. The apex court has issued guidelines to high courts for the timely disposal of taxation-related cases. Petitioners have challenged the government's imposition of a super tax, tax on real estate, and tax on windfall gains made by commercial banks—measures included in the last budget. Of the Rs415 billion in additional tax measures taken by the previous government, nearly half are now stuck in the courts.

The IMF emphasized that to cover the revenue shortfall, Pakistan needs to reduce expenditures by an equivalent amount. The government, already under fiscal strain, has limited options for expenditure cuts, with development spending being the most viable area for reduction. In its last staff-level report on the Stand-By Arrangement, the IMF stated that strict adherence to the FY2024 target and further adjustments beyond FY24, while protecting development needs and the social safety net, are essential for alleviating external and domestic pressures and ensuring fiscal sustainability.

The report highlighted Pakistan's commitment to achieving an FY24 general government primary surplus of at least Rs401 billion or 0.4% of GDP, which will require steadfast efforts. The IMF also noted that the annual FBR revenue target remains unchanged at Rs9.41 trillion, but warned of

potential shortfalls in April and May 2024 due to holidays affecting port operations and revenue collection.

## IMF highlights downside risks to the economy of Pakistan

The International Monetary Fund (IMF) has issued a cautionary note regarding Pakistan's economic outlook, emphasizing that downside risks remain exceptionally high. In its staff report released ahead of upcoming discussions with the Pakistani government for a longer-term program, the IMF highlighted several challenges that could potentially hinder Pakistan's economic recovery. The report underscores that while the new government has committed to continuing policies under standby arrangements (SBAs), significant political uncertainty persists. This uncertainty, combined with the high cost of living, could impede policy implementation.

The IMF warns that any policy slippages, along with reduced external financing, could jeopardize the country's path to debt sustainability and put pressure on the exchange rate. Additionally, the IMF identifies external factors such as higher commodity prices, disruptions in shipping, and tighter global financial conditions as threats to Pakistan's external stability. These challenges compound the already precarious financial situation faced by the cash-strapped nation. The IMF emphasizes the importance of timely disbursements of external financing post-program. Pakistan recently completed a short-term \$3 billion IMF program, which helped avert sovereign default. Despite stabilizing the economy after completing the last IMF program, Pakistan continues to grapple with a high fiscal deficit.

While import control measures have helped curb the external account deficit, they have also contributed to stagnant economic growth, projected to be around 2% this year compared to negative growth last year. Looking ahead, Pakistan is seeking up to \$8 billion in financing from the IMF under the Resilience and Sustainability Trust to address its economic vulnerabilities and support long-term growth prospects.



# IMF doubts Pakistan's repayment capacity as support team arrives in Islamabad

*Global lender observes the country needs gross financing worth \$123 billion during the next five years*

By Ashraf Malkham

The International Monetary Fund (IMF) has claimed that the crisis-hit and cash-strapped Pakistan faces debt-repayment challenges.

The development came hours after an IMF support team reached Pakistan on Friday to hold talks regarding the South Asian nation's request for a fresh bailout package under the Extended Fund Facility (EFF).

In its staff report on the country issued earlier this month, the Washington-based lender said: "Pakistan's capacity to repay the fund is subject to significant risks and remains critically dependent on policy implementation and timely external financing."

"Exceptionally high risks — notably from delayed adoption of reforms, high public debt and gross financing needs, low gross reserves and the SBP's net FX derivative position, a decline in inflows, and sociopolitical factors—could jeopardise policy implementation and erode repayment capacity and debt sustainability," read the report.

It further said that restoring external viability was critical to ensure Pakistan's capacity to repay the fund, and hinges on strong policy implementation, including, but not limited to, external asset accumulation and exchange rate flexibility.

Geopolitical instability is an additional source of risk, even as uncertainty surrounding global financial conditions has declined somewhat since the last review, it added.

The global lender noted that the country needed gross financing worth \$123 billion during the next five years, adding that Pakistan was expected to seek \$21 billion in fiscal year 2024-25 and \$23 billion in 2025-26.

The report further said that the crisis-hit country is expected to seek \$22 billion in



2026-27, \$29 billion in 2027-28 and \$28 billion in 2028-29.

IMF mission will arrive in Pakistan 'next week'

According to sources privy to the matter, a support team of the global lender will discuss the first phase of the next long-term loan programme with the country's financial team.

Moreover, they said that the advance party had reached Pakistan for talks while the IMF mission would arrive on May 16.

The team will receive data from different departments and will also discuss the upcoming budget for the fiscal year 2025 (FY2025), with the Ministry of Finance officials.

The sources also revealed that the team would stay in Pakistan for more than 10 days.

Pakistan sought a next bailout package in the range of \$6 to \$8 billion for the three years period under the EFF with the possibility of augmentation through climate financing, The News reported last month.

Last week, Reuters reported that the mission would discuss the FY25 budget, policies, and reforms under a potential new programme for the welfare of all Pakistanis.

"Accelerating reforms now is more important than the size of the program, which will be guided by the package of reform and balance of payments needs," the IMF statement had said.

Earlier, Finance Minister Muhammad Aurangzeb, while speaking to Reuters, said that "Pakistan hopes to agree" on the contours of a new IMF loan in May.

"We expect the IMF mission to be in Islamabad around the middle of May — and that is when some of these contours will start developing," he added.

The finance czar declined to outline what size programme the government hoped to secure, though Pakistan is expected to seek at least \$6 billion. Aurangzeb added that once the IMF loan was agreed, Pakistan would also request additional financing from the global lender under the Resilience and Sustainability Trust.

# Full reserve banking

*Currently, a staggering 60 per cent of government revenue is being wasted on interest payments, The plan aims to ensure financial stability, control inflation, and promote economic prosperity, Depositors who want to profit from their savings will transfer their money to banks to invest in any business venture*

By Qanit Khalilullah

Pakistan's significant debt servicing problem can be resolved through full reserve banking, eliminating high inflation, huge government domestic government debt, and interest costs. Full reserve banking represents a transformative shift towards financial stability, economic growth, and inclusive prosperity; and it clearly overlaps with Islamic principles.

Currently, a staggering 60 per cent of government revenue is being wasted on interest payments. The expenditure on debt servicing has increased from less than Rs400 billion in 2003-04 to a staggering Rs7300 billion in 2023-24. People generally think it is going outside Pakistan to the IMF, World Bank, or other countries; however, ironically, 90 per cent of interest costs are for servicing domestic loans, not foreign ones. Interest expenditure on domestic debt exceeds several times that of government, development expenditure, and social protection expenditures.

The impact of a 1.0 per cent increase in SBP policy interest rate is around Rs300 billion, which is more than the total expenditure on the construction of metro bus infrastructure in all metro cities of Pakistan. It is almost equal to the total expenditure on the social security programme. The SBP has set its policy interest rate to over 20 per cent, and a huge 60 per cent of government revenue is being wasted on this. After the allocation of provincial share and interest expenses, the total annual revenue of the government has turned into negative territory.

Due to the SBP's high interest rate policy, the government has had to take out large loans from banks to cover substantial interest costs. Consequently, both government debt and deposit money are increasing rapidly. The excess money supply has led to a significant depreciation in the value of the rupee and a decrease in purchasing power in real terms, resulting in massive inflation that severely impacts our poor people.



The SBP's high-interest policy, implemented to curb inflation, has proven counterproductive and resulted in diametrically opposite results. Per the Pakistan Economic Survey 2022-23, interest rates and inflation have been increasing simultaneously with a positive correlation. According to a recent World Bank Report, financing the fiscal deficit mainly because of high interest on domestic debt through bank borrowing has rapidly increased the monetary base, contributing to inflationary pressures.

There is widespread consensus among economists and public policy experts regarding the adverse impacts of high interest rates on employment. This sentiment is echoed in the Pakistan Economic Survey, which highlights the significant negative effects observed, particularly in the large-scale manufacturing sector, due to the SBP's high interest rate policy. The consequences are particularly pronounced given that a substantial portion of the workforce is employed in this sector.

In the modern banking system, there are two types of money: banknotes (created by the central bank) and bank deposit money created or increased when banks issue loans. From the perspective of businesses and households, bank deposits are equivalent to having cash in hand. In a practical

sense, bank deposits are money. Banks create new money in the form of the numbers (bank deposits) that appear in bank accounts through the accounting process used when making loans. In the words of the Bank of England:

"When a bank makes a loan, for example, to someone taking out a mortgage to buy a house, it does not typically do so by giving them thousands of pounds worth of banknotes. Instead, it credits their bank account with a bank deposit of the size of the mortgage. At that moment, new money is created." (Bank of England Quarterly Bulletin, 2014 Q1)

With their profit-maximizing objective, banks aim to issue as many loans as possible. With a 5.0 per cent reserve requirement, banks may issue loans leading to unsustainable monetary expansion, as a 5.0 per cent reserve ratio may have a 20x multiplier effect. However, inflation resulting from their money expansion is controlled by the central bank through a high-interest rate policy to discourage loan-taking activity. As mentioned above, a high-rate policy is not effective in Pakistan since the largest borrower from commercial banks is the government itself, which is not in a position to repay the loans.



Ironically, despite having legal ownership of money creation powers, the state of Pakistan is borrowing huge loans/money from private banks to pay interest, resulting in high money expansion. It is a continuous process; the government takes loans to pay interest, which increases government debt, and as a result of interest payments, deposit money increases – a vicious circle. Over the last 20 years, both government debt and money supply have been simultaneously growing due to this reason and have increased from less than five trillion to crossing the 30 trillion mark. We are facing inflation due to the enhanced money supply, and our future generations will have to pay the debt.

Over the past fifty years, the growth of broad money (banknotes and bank deposits - M2) in Pakistan has exceeded 1000 times. This is because the government of Pakistan has heavily relied on budgetary borrowing from banks, leading to an unsustainable money expansion. The growth rate of broad money has even surpassed nominal GDP growth. Real GDP has increased only nine-fold, while nominal GDP at current prices has increased 644-fold. This implies an inflation of 71 times during the last fifty years. The inefficiencies in monetary and fiscal policies have contributed to the continued devaluation of money.

Due to the fractional reserve system, debt levels have increased at an alarming pace worldwide. Household debt, almost zero in 1950, reached around one-third of world GDP in 2022. Total private debt, including household debt, has increased from 35 per cent in 1950 to 146 per cent of GDP in 2022. Global public debt increased from 100 per cent of world GDP in 1950 to 238 per cent in 2022. The massive increase in debt has resulted in continued financial instability and rising inequality worldwide.

An innovative economic solution to Pakistan's grave problems is the implementation of full reserve banking. The proposed system seeks to eliminate the colossal government debt burden and huge interest costs through a more streamlined financial system.

The plan aims to ensure financial stability, control inflation, and promote economic prosperity. The fractional reserve system,

responsible for money supply fluctuations and economic instability, can be efficiently replaced with a full reserve system, creating a stable economic environment.

The new system would operate on a straightforward principle – completely segregating money/deposits from credit/loans. By doing so, as mentioned above, it aims to eradicate all of Pakistan's domestic debt residing on bank deposits and significantly reduce the substantial interest burden, which currently consumes over 60 per cent of government revenue. With the State Bank of Pakistan (SBP) gaining complete control over money creation and supply, the need for a monetary rather than interest rate policy of the SBP, which is a main issue, would cease to exist. This proposed system offers comprehensive protection for monetary holdings and promises financial stability for our economy.

Full reserve banking advocates a reform to the banking system that would prevent banks from being able to 'create money' in the form of bank deposits whenever they issue loans. In this reform, known as a 'Sovereign Money or full reserve system', the power to create money would be removed from the banking sector and transferred to a public body, such as the SBP. New money would be created only by the SBP, up to the level of GDP growth to avoid inflation, and then transferred to the government, which could then use this money to finance public spending primarily to remove unemployment.

The full-reserve banking system is based on two fundamental and simple principles: one, banks cannot invest or lend the funds held for safekeeping, which may be reimbursed by the depositor anytime. Instead, banks must first acquire funds transferred to them for investment in businesses. And, two, individuals will not earn a profit on the amounts deposited by them for safekeeping and available for their payment at all times. They must invest their savings and assume the associated risks to earn a profit.

In the current fractional reserve system, commercial banks retain sovereign or SBP-created money in two forms: cash in the vaults to pay to their customers on

demand and reserves in digital form with the SBP for inter-bank settlements when their customers issue cheques to the customers of other banks. They retain just a fraction of the deposits (around 10 per cent) in these two forms, and the remaining is passed on to their customers for loans.

In the proposed system, the SBP will enhance the reserve requirement of sovereign money to 100 per cent against depositors' money entrusted to banks. To meet the 100 per cent reserve requirement, they would need sovereign money equal to their deposits. They would then raise the requirement from the SBP, and further reserve/sovereign money would be created and issued to them to equal the current level of deposits.

This additional money will not result in inflationary pressure because it will exclusively be in the hands of banks for inter-bank settlements and not in the hands of the general public for purchasing goods and services.

Against the SBP-created reserves for deposit accounts, the current government debt/securities on the balance sheets of commercial banks will be taken over by the SBP. After the taking over of government bonds and treasury bills by the SBP, they will either be canceled or their interest rate will be set to zero, thereby eliminating the total government debt currently residing on the banks' balance sheets.

To explain it simply, the SBP will create and issue sovereign money to replace the interest-based debt currently held by the banks. Subsequently, the status and treatment of both bank money (deposits) and banknotes will be the same as the state will create both without any corresponding debt and interest obligation.

Technically, implementing full reserve banking and eliminating government domestic debt is a straightforward and seamless process. According to existing laws and procedures, the State Bank of Pakistan (SBP) would need to increase the reserve requirement on deposits from six per cent to 100 per cent. The Nobel laureate and the most renowned monetary economist, Milton Friedman, saw little difficulty in converting to the Full Reserve system. As he put it: "There is no technical problem in

achieving a transition from our present system to 100% reserves easily, fairly speedily, and without any serious repercussions on financial or economic markets.” As for Friedman’s use of the word “speedily”, he was correct in saying that the conversion could be done more or less overnight.

Banks could still invest, but they would do so by first receiving pre-existing Sovereign Money from savers for investment purposes without creating any new money in the process. Banks would then become true intermediaries (intermediaries between savers and businesses) rather than the creators of new money.



The banks currently perform two conflicting functions simultaneously: money deposit for safekeeping and transaction purposes; and investment to earn profits and returns on behalf of the investors as an intermediary. Full Reserve Banking would remove the conflict that is inherently built into the current system. The separation of core functions (payment services and Investment/lending) would allow specialized institutions/sections to focus on each, potentially increasing competitiveness in the sector.

Investment banks/trusts will earn profit/-commission on their desired work – to act as true intermediaries between actual savers and businesses.

Deposit banks will provide all other services to their customers except lending. Banks' significant control over payment functions offers ample opportunities to earn

commissions from retail customers during transactions. They may be allowed to charge around a one per cent annual fee on deposits either from the depositors or the SBP to ensure their commercial viability. Anyway, it will not be a material amount compared to the enormous benefits the system is promising.

In the current system, approximately 70 per cent of bank investments and loans extended to the government of Pakistan are not accessible to private businesses due to a crowding-out effect, leaving only 30 per cent available to them. Further, a major part of lending to the private sector across

the world does not contribute to GDP, and much of it may be harmful to the economy – unconstrained lending for property was a prime cause of the housing bubble that triggered the 2007-08 in the US.

With the introduction of Full Reserve Banking and the segregation of deposit and credit functions, alongside existing credit available to the private sector, a significant additional sum from depositors seeking profit-driven investment opportunities is anticipated to become available. This proactive step will effectively increase the pool of funds accessible for private investment by more than 50 per cent.

In the current fractional reserve system, depositors are gaining profit and interest without parting with their money or taking any risk at the cost of overall instability and inherent risks within the system. Although banks offer profits on deposits, the return

on deposits is invariably lower than the inflation or depreciation in the money's value.

More than 50 per cent of depositors in Pakistan are keeping their money in non-re-munerative current accounts, causing them to lose a significant amount of money value in the current system. In a full reserve system, the money value of bank depositors will be protected against depreciation caused by private banks' ongoing expansion of the money supply in the form of loans.

Instead of keeping cash, depositors prefer to continue storing their money in banks despite nominal associated fees, if any. This trend has been evident over the last 20-30 years in Japan and the Scandinavian countries amidst almost zero interest rates and bank fees.

Depositors who want to profit from their savings will transfer their money to banks to invest in any business venture. Most people want to spread their risks, storing some of their wealth (liquid and otherwise) in very safe forms while taking on more daring or risky ventures with another portion of their wealth.

The main reason people prefer savings checking accounts in the current system is due to the government's protection of deposits in commercial banks. This allows ordinary depositors to enjoy total safety and availability of funds at all times while earning interest. Why opt for an account that pays no interest when you can earn interest and profit at taxpayer cost?

Discussions around Full Reserve Banking have revived after IMF research published in 2013 by the two economists Benes & Kumhof (2012). In their paper, the authors set up a DSGE model using real US data encompassing four sectors: banks, households, manufacturers, and government. According to the outputs, full reserve banking could significantly reduce business cycle volatility caused by rapid changes in banks' attitudes towards credit risk. It would eliminate bank runs and lead to an instantaneous and significant reduction in government and private debt levels.

The results for the banking sector do not seem to indicate a restrictive credit supply. More importantly, macroeconomic effects



are impressive. The post-transition economy exhibits a huge output gain approaching 10 per cent of GDP. This is mainly driven by a 27 per cent increase in investment and an almost 5.0 per cent increase in consumption.

As a result of implementing the full reserve proposal, colossal domestic debt and a huge interest cost of over 6,000 will be eliminated and saved. On top of that, the state will benefit from creating new money on par with GDP growth without any demand-side inflation. A 5.0 per cent increase in the current money level will provide additional finance of around 2,000 billion to the government in addition to taxes.

Furthermore, this will not create any loans for the government because instead of borrowing to fill the fiscal deficit from private banks, the newly created sovereign currency will be used, which is free from any corresponding debt. Currently, private banks are creating new money while giving loans of over Rs6,000 billion to finance the fiscal deficit, causing significant inflation in the economy.

The newly created sovereign money and funds saved from implementing full reserve banking would be allocated to initiatives aimed at eradicating unemployment and maximizing labor utilization. The concept emphasizes that the wastage of labour time due to unemployment poses a greater threat than budget deficits, particularly in a full reserve system where there is no risk of government default. An integral component of this approach is the job guarantee programme, which ensures that anyone willing to work receives a genuine job opportunity at a fixed basic wage, thus establishing a minimum labour price in an economy.

A well-executed job guarantee programme would incur no additional cost, as the increased production of goods and services would enhance national output. Without competing with the private sector, a job guarantee programme would focus on critical areas such as infrastructure investments, food security, education and healthcare, environmental sustainability, small business support, and affordable housing. Empirical evidence supports the viability of

this concept. In brief, full reserve banking aims for zero unemployment along with zero inflation, zero domestic debt, and interest.

Currently, most agreements in Islamic banking practices are, in substance, debt-based contracts rather than equity-based profit-sharing arrangements. Their profit is linked to the policy interest rate of the central bank, which is the primary determinant of interest rates across an economy. A deeper examination of the concept of full reserve banking reveals a clear overlap with the principles and aspirations of Islam.

At its core, this model advocates for a financial system devoid of debt-based money creation, resonating with Islamic finance's emphasis on avoiding *riba* (interest). Unlike conventional fractional reserve banking, where money is lent into existence by private banks and money supply can fluctuate with the quantum of debt issued, 100 per cent reserve banking ensures that currency issuance is assigned to a sovereign state and is tied to real economic growth and tangible assets, thereby promoting stability and confidence in the monetary system.

Furthermore, the principle of 'no return without investment and sharing risk' for the depositors closely mirrors Islamic finance's concept of *Amanah*, or trust. Deposits are treated as an *Amanah*, or safekeeping, and cannot be utilized for lending without the explicit consent of or transfer of money from the depositor. This aligns with Islamic finance's emphasis on transparency and accountability, ensuring that funds are used in accordance with depositor explicit permission. Moreover, the stability of the currency's value is maintained through the prohibition of creating money "out of thin air" by the private banks in the fractional reserve system.

In the domain of investment banking, institutions operate as genuine business partners rather than mere credit creators. Investment banks engage in profit and loss-sharing arrangements by receiving savings and channeling them into investments in businesses. This alignment with Islamic finance principles fosters a closer connection between the financial sector and

the real economy, promoting economic stability and sustainable growth. Overall, the principles underlying 100 per cent reserve banking resonate deeply with Islamic principles, promoting fairness, transparency, and stability in the financial system. By embracing these principles, our economy can strive towards more equitable and sustainable growth, aligning financial practices with ethical and moral considerations.

Currently, a significant part of government finance is being wasted on interest payments, and the huge government debt has hindered the government from undertaking any constructive work for the common people of Pakistan who are living a miserable life. The government is taking huge loans from private banks to pay interest to them – a vicious circle that is increasing debt on one hand and money supply on the other, resulting in high inflationary pressure, particularly for poor people.

Implementing a full reserve system in place of the fractional reserve will quickly eliminate government debt and interest costs. An enhanced reserve requirement of sovereign money to 100 per cent against deposits would allow commercial banks to hand over government debt to the SBP against receiving sovereign money, resulting in debt elimination without any inflationary pressure. The transition process to 100 per cent reserves is easy, reasonably speedy, and without severe repercussions for financial or economic markets, as confirmed by renowned monetary economist Milton Friedman.

The proposal for full reserve banking in Pakistan is more than a financial blueprint; it is a call to action for a nation grappling with the dual challenges of economic instability and the quest for ethical banking. The proposal extends beyond the immediate benefits of eliminating government debt and its huge servicing costs. It encompasses a broader ambition of fostering a financial system that is not only stable but also inclusive and aligned with Islamic economic principles. The proposal shines as a beacon of hope, offering a glimpse into a future where economic stability and ethical banking practices converge.

Courtesy The News

# Making the NFC work

*Our political trajectory has been characterized by continuous wrangling between centre and constituent units*



By Hafiz Abdul Majid

The recent demands from multilateral institutions such as the IMF and the World Bank to revisit the National Finance Commission (NFC) Award have ignited a fresh debate on resource distribution in the country.

Our political trajectory has been characterized by continuous wrangling between the centre and constituent units over the decentralization of political and fiscal powers. The Hamood-ur-Rehman Commission, established in the aftermath of the Bangladesh crisis, underscored the unequal and unjust distribution of financial resources as a fundamental factor contributing to the alienation of East Pakistan.

The 1973 constitution was an effort on the part of the political leadership to accommodate the concerns of the provinces. The last NFC Award and the 18th Amendment passed in 2010 were sequels to such endeavours to alleviate the concerns of the provinces and meet their demands for more political authority and fiscal space. However, despite these endeavours, controversies between the centre and the federating units

persist, underscoring the need for a more harmonized and inclusive political framework.

The 7th NFC Award was overwhelmingly skewed in favour of the provinces. The main features of the award, which make it pro-provincial, included raising the share of the provinces in vertical distribution between the centre and the federating units. The federal share was reduced to 42.5 per cent, while the provincial share was increased to 57.5 per cent. In horizontal distribution, the award was designed to address the disparity among the provinces by adopting a more inclusive approach to resource allocation.

Instead of solely considering population size, the award incorporated various indices to ensure a fairer distribution of resources among the provinces. This adjustment aimed to address the longstanding grievances of smaller provinces and promote a more equitable sharing of resources. Given the largest population, in the previous awards Punjab would get the major chunk of the resources, leaving the

smaller provinces discontented.

The 7th NFC Award addressed this demand of the provinces by including other factors for the distribution of resources. The indicators and weightage attached to them are reflected as follows: population (82 per cent); poverty/Backwardness (10.5 per cent); revenue collection/ generation (5.0 per cent); and inverse population density (2.7 per cent).

Another essential feature of the award, widely hailed by Khyber Pakhtunkhwa and Balochistan, was recognition of their specific considerations. In the case of KP, the award, while recognizing the role of KP as a frontline province in the 'war on terror', earmarked 1.0 per cent of the divisible pool for the province. Similarly, while recognizing the special development needs of Balochistan, the award enhanced the share of the province to 9.01 per cent and also protected the minimum share of Rs83 billion.

KP and Balochistan further benefited from the recognition of their demands for arrears



of hydel electricity profits and arrears of the Gas Development Surcharge. Under these heads, KP was to receive Rs119 billion in five years, while Rs10 billion was to be transferred to Balochistan in the same period. Further, to maximize the size of the divisible pool, the award slashed the collection charges of the federal government from 5.0 per cent to 1.0 per cent; this amount was further added to the divisible pool.

The above-mentioned measures taken in the 7th NFC Award drastically reduced the size of the available finances of the federal government. As a result of this award, not only was the federal share in the divisible pool reduced, but some taxes that had been hitherto collected and used by the federal government were now made part of the divisible pool. Furthermore, the sales tax on services was also given to the provinces to collect and enhance their tax base. This has immensely shrunk the size of the national kitty, making it hard for the center to fulfill its commitment to service its debt and fund the defense and development expenditures.

There is a strong urge at the federal level to revisit the award. Critics of the award think that the distribution formula was finalized without taking into account the future financial needs of the centre, especially debt servicing, defence needs, and other exigency-based expenditures. Due to the limited fiscal space the 7th NFC Award has left to the centre, the federal government has no other option but to resort to internal and external loans to service the outstanding debts.

Similarly, the federal government finds itself in a tight corner when the need for unforeseen expenditures arises. Natural disasters like floods in 2022, locust attacks before that, and the Covid-19 pandemic posed challenges that required colossal funding. The federal government was financially too weak to cope with these crises without seeking foreign assistance.

Over the years, a host of proposals have been discussed to meet the expenditure requirements of the federal government. One such proposal is to shift the financial burden of subsidies on energy and the Benazir Income Support Program (Ehsas) to the provinces. For national security

requirements, the federal government wants the provinces to forgo at least 7.0 per cent of their share in favour of the federal government. However, this is easier said than done.

First, any such changes in the resource distribution formula would require a constitutional amendment, which is not easy. The amended Article 160 (3A) now bars the successive National Finance Commission from reducing the allocated share of the provinces allowed by the preceding finance commission.



The 18th Amendment enhanced the fiscal powers of the provincial government by transferring certain taxes to the provinces -- sales tax on services and taxes on immovable property. Without an amendment to the constitution, these powers can not be withdrawn from the provinces. Any such move would inevitably be resisted by the smaller provinces and some large political parties like the PPP, which has been the strongest advocate of the 18th Amendment and the 7th NFC Award.

In such a scenario, one may wonder what options are left with the federal government to meet its pressing financial needs. Luckily, the constitution empowers the president to intervene and favour the federal government without resorting to any amendments in the constitution. Article 160 (6) of the constitution stipulates that: "the president may, by Order, make such amendments or modifications in the law relating to the

distribution of revenues between the federal government and the provincial governments as he may deem necessary or expedient."

There is a strong likelihood that the president may use his powers to add or delete any tax in the divisible pool, as empowered under Article 160(6), to compensate for the federal revenue losses. In a similar move, in 2018 the federal government invoked this provision and imposed a levy on petroleum products by declaring it a non-tax revenue.

Besides, the federal government may beef up its efforts to enhance its tax-to-GDP ratio. The whole edifice of the fiscal distribution mechanism of the 7th NFC Award was constructed on the premise that the federal government would achieve a tax-to-GDP ratio of 15 per cent. Unfortunately, instead of achieving 15 per cent tax-to-GDP ratio, the revenue from taxes has plummeted to 9.0 per cent.

The provincial governments have equally failed; their tax-to-GDP ratio has fallen from over 1.0 per cent of GDP to 0.8 per cent during FY2022-23. As such, there is a strong need for both federal and provincial tax-collecting agencies to optimize their tax-collection efforts. Once the size of the pie is increased, there will be enough resources for both the provincial and federal governments to satisfy their expenditure needs.

Courtesy The News

# Did SBP and IMF get inflation wrong?

*Following the onset of post-pandemic inflation in 2021, economists swiftly diverged into two camps*



By Yousuf Nazar

Following the recent approval by the International Monetary Fund (IMF) Executive Board to release the final tranche of SDR828 million (approximately \$1.1 billion) under the standby agreement for Pakistan, Deputy Managing Director and Chair Antoinette Sayeh made the following statement: “The State Bank of Pakistan’s tight monetary policy stance remains appropriate until inflation returns to more moderate levels.”

Ms Sayeh, although an experienced professional, lacks a background in macroeconomics, holding a PhD in International Economic Relations. She served as Liberia’s finance minister before joining the IMF in 2008. She has not published research in any notable economic journal and possesses limited experience in the private sector or financial markets.

Her statement reflects the cookie-cutter approach often adopted by the IMF in implementing macroeconomic stabilization programmes. Implicit in her remarks is the assumption that interest rate hikes in Pakistan were the primary driver behind the significant drop in Pakistan’s inflation rate. This assumption suggests that strong aggregate

demand was responsible for Pakistan’s highest inflation levels in about fifty years.

Following the onset of post-pandemic inflation in 2021, economists swiftly diverged into two camps: those attributing the inflation to excessive aggregate demand resulting from large recovery packages, and those arguing that the disturbances were transient and self-correcting.

Nobel laureate economist Joseph Stiglitz, in November 2023, published ‘A Victory Lap for the Transitory Inflation Team’, asserting that the “self-correcting” trajectory of car and house prices indicates that inflation was transitory all along. Stiglitz and others posit that the issue lay in supply disruptions, not excessive demand. This perspective suggests that the Federal Reserve’s substantial interest rate increases were not primarily responsible for the inflation slowdown in 2023.

The rise in oil prices by about 40 per cent during the first six months of 2022, following the Russian invasion of Ukraine in February 2022, led to a global inflation surge. This energy price shock and supply disruptions in the post-pandemic world particularly affected energy-importing

countries like Pakistan. Although commodity prices, including wheat, initially soared, international wheat prices have since decreased by about 40 per cent from their peak in the spring of 2022.

Pakistan experienced a sudden spike in its year-on-year consumer price inflation (CPI) rate, jumping from 13.8 per cent in May 2022 to 21.3 per cent in June 2022. In June, the CPI rose by 6.34 per cent, with 81 per cent of this increase driven by food, utilities, and transport. Similarly, in October 2022, the CPI increased by 5.1 per cent in just one month, with food prices accounting for 59 per cent of the rise and electricity and gas utilities charges accounting for another 32 per cent.

These examples underscore that inflation in Pakistan was not due to a surge in demand for food items or home utilities but was driven by supply-side factors and higher energy prices.

Pakistan’s annual average inflation rate surged to 21.32 per cent in June 2022 from 9.65 per cent in just twelve months. During this period, international oil prices skyrocketed by 66 per cent, contributing to



Pakistan's current account deficit ballooning to \$17.5 billion from \$2.82 billion in the previous fiscal year. Energy imports accounted for 50 per cent of the increase in the import bill, with an additional 20 per cent attributed to higher imports of medicines due to Covid-19.

In the subsequent twelve-month period (July 2022 to June 2023), Pakistan's currency depreciated by 44.2 per cent, while the year-on-year inflation rate reached a 50-year record high of 38 per cent in May 2023.

The significant deterioration in the current account balance was primarily a consequence of high energy prices, leading to a substantial decline in foreign exchange reserves and ultimately culminating in a full-blown currency crisis in the summer of 2023. Pakistan's failure to secure a timely bailout from the IMF, partly due to its insistence on maintaining an artificial exchange rate, exacerbated the currency crisis, bringing the country to a near default.

The State Bank of Pakistan (SBP) raised its policy rate from 12.25 per cent in April 2022 to progressively 17 per cent in January 2023 and to 22 per cent in June 2023, with the most significant increase being the 300 basis points hike in March 2023. This sharp increase came despite the SBP's comments about the contraction in economic activity

made in its January 2023 monetary policy statement:

"Sale volumes of automobiles, POL, and cement declined significantly in December on a y/y and m/m basis. On the production side, the large-scale manufacturing (LSM) output declined by 5.5 per cent in November 2022. Going forward, production cuts by firms and supply constraints could pull LSM growth further down. Moreover, the latest data on cotton arrivals point to lower crop production than anticipated earlier. This could potentially weaken the agriculture sector."

The escalation in interest rates was not solely motivated by concerns of an overheated economy or robust aggregate demand, as suggested by the SBP's own statements. Rather, it was either based on an erroneous assessment of the causes of inflation or, more likely, driven by the perceived necessity of rate hikes to secure IMF financing.

Shortly before the March 2023 rate hike, the central bank's foreign exchange reserves plummeted to \$3.8 billion from a comfortable level of \$16.4 billion just a year earlier. The fallout from the energy crisis exacerbated by the Ukraine War underscored Pakistan's vulnerability to oil shocks, reminiscent of the challenges faced in 2008 when oil prices surged to \$147 per barrel.

Pakistan secured the IMF's standby facility in July 2023. Oil prices also stabilised to around \$80 per barrel. Consequently, the currency stabilised and the inflation rate began to decline.

The headline inflation typically responds to interest rate hikes with a time lag, often taking 18 to 24 months to subside. Remarkably, Pakistan witnessed a rapid decline in the inflation rate, dropping from 38 per cent in May 2023 to 27.4 per cent in August 2023, then 20.7 per cent in March 2024, and further to 17.3 per cent in April 2024, representing a roughly 20 percentage point decrease in just 11 months.

According to Claudia Sahm, former Fed economist, inflation was a supply, not demand, issue. "If this was all about demand, we would be in trouble. We would be in a situation more like the 1970s."

Given that Pakistan's inflation surge was largely a consequence of supply-side factors rather than excessive aggregate demand, and there has been a significant contraction in economic activity and industrial production, Pakistan should make a case to the IMF for a gradual easing of monetary policy and cuts in the policy rate throughout the remainder of the year to facilitate economic recovery from the shocks experienced in 2022-23.

Courtesy The News



# UN general assembly calls on Security Council to admit Palestine as member

By Raffi Berg

The UN General Assembly has enhanced Palestine's rights within the organisation and urged it be accepted as a member following heated debate.

Palestine has had non-member observer state status since 2012, which allows some rights short of a full member.

Membership can only be decided upon by the UN Security Council.

Friday's vote can be seen as a gesture of support for the Palestinians by the full UN body, despite strident Israeli opposition.

Palestinian President Mahmoud Abbas welcomed the resolution, saying it supported Palestinian efforts for another vote on the issue by the Security Council.

"Palestine will continue its endeavour to obtain full membership in the UN," he said in a statement.

Israel's ambassador to the UN, Gilad Erdan, said the body had welcomed a "terror state" into its ranks.

Addressing the assembly Erdan shredded a copy of the UN Charter - accusing members of having metaphorically done just that by passing the resolution by 143 vote to 9.

"You are shredding the UN charter with your own hands," he said. "Yes, yes, that's what you're doing. Shredding the UN charter. Shame on you."

Nations voting against the resolution were the US, Argentina, the Czech Republic, Hungary, Israel, Micronesia, Nauru, Palau and Papua New Guinea. The UK was one of 25 nations to abstain.

Palestinian envoy Riyad Mansour told the General Assembly before the vote that a "yes" vote was "a vote for Palestinian existence, it is not against any state. It is an investment in peace".



"We want peace, we want freedom," Mr Mansour told members.

The vote comes as several European countries reportedly plan to recognise a Palestinian state.

EU foreign policy chief Josep Borrell told Spanish broadcaster RTVE on Thursday that Spain would do so on 21 May. He has previously said Ireland, Slovenia and Malta would also take the step, without confirming the date.

Friday's UN resolution confers additional rights on Palestine at the world body, allowing it to take part fully in debates, propose agenda items and have its representatives elected to committees.

It will still not, however, have the right to cast a vote - something the General Assembly does not have the power to grant and would have to be backed by the Security Council.

The issue of Palestinian statehood has vexed the international community for decades.

In 1988, the Palestine Liberation Organisation (PLO), the main representative of the Palestinians, first declared the establishment of the State of Palestine.

According to the Reuters news agency, Palestinian statehood has been

recognised by 139 out of 193 UN member states - although this is largely seen as symbolic.

In practice, the Palestinians have limited self-government through the Palestinian Authority (PA) in parts of the Israeli-occupied West Bank. The PA lost control of the Gaza Strip to Hamas in 2007. The UN considers both territories as occupied by Israel and comprising a single political entity.

Israel does not recognise Palestinian statehood and the current Israeli government opposes the creation of a Palestinian state in the West Bank and Gaza. It argues such a state would be a threat to Israel's existence.

The US endorses the creation of an independent Palestinian state alongside Israel - the so-called two state solution to the Israel-Palestinian conflict - but says such a state should only come through direct negotiations between the two sides.

Last month, the US used its veto as one of the five permanent members of the Security Council to block a widely backed Algerian resolution seeking Palestine's admittance as a state, calling it "premature". Security Council resolutions are legally binding, whereas General Assembly resolutions are not.

Courtesy BBC



# South Africa asks ICJ to order Israel to withdraw from Gaza's Rafah



**S**outh Africa seeks new emergency measures over Israel's latest offensive against the southern city in Gaza.

South Africa has asked the International Court of Justice (ICJ) to order Israel to withdraw from Rafah as part of additional emergency measures over the war in Gaza, the United Nations's top court said.

In the ongoing case brought by South Africa, which accuses Israel of acts of genocide against Palestinians, the ICJ in January ordered Israel to refrain from any acts that could fall under the Genocide Convention and to ensure its troops commit no genocidal acts against Palestinians.

Israel has repeatedly said it is acting in accordance with international law in Gaza, and has called South Africa's genocide case baseless and accused Pretoria of acting as "the legal arm of Hamas".

In filings published on Friday, South Africa is seeking additional emergency measures in light of the continuing military action in Rafah, which it calls the "last refuge" for Palestinians in Gaza.

The city in the south of Gaza is crammed with hundreds of thousands of displaced Palestinians living in dire conditions and there have been warnings that an Israeli ground offensive would trigger a humanitarian catastrophe for civilians.

South Africa's application said Israel's

operation against Rafah poses an "extreme risk" to "humanitarian supplies and basic services into Gaza, to the survival of the Palestinian medical system, and to the very survival of Palestinians in Gaza as a group," the UN court said in a statement.

"Those who have survived so far are facing imminent death now, and an order from the Court is needed to ensure their survival," South Africa's filing said.

South Africa also asked the court to order that Israel allow unimpeded access to Gaza for UN officials, organisations providing humanitarian aid, and journalists and investigators.

Israel's 401st Brigade entered the Rafah crossing on Tuesday morning, a day after the Palestinian group governing Gaza said it accepted an Egyptian-Qatari mediated ceasefire proposal. Israel, meanwhile, insisted the proposal did not meet its core demands.

Tanks and planes pounded several areas and at least four houses in Rafah overnight, killing 20 Palestinians and wounding several others, according to Palestinian health officials.

Some 110,000 Palestinians have fled Rafah in recent days, according to the UN Relief and Works Agency for Palestine Refugees (UNRWA). The UN also noted that the Israeli army's takeover of the Rafah border crossing has shut down the entry of aid into

Gaza for the past three days.

Israeli Prime Minister Benjamin Netanyahu has said the Rafah offensive was needed to defeat Hamas.

At least 34,943 people have been killed and 78,572 wounded in Israeli attacks on Gaza since October 7. The death toll in Israel from Hamas's October 7 attacks stands at 1,139, with dozens of people still held captive in Gaza.

South Africa brought a case against Israel to the ICJ in January, accusing the country of committing genocide against Palestinians in Gaza.

The top UN court has ruled that there was a plausible risk of genocide in the enclave and ordered Israel to take a series of provisional measures, including preventing any genocidal acts from taking place.

The court rejected a second South African application for emergency measures made in March over Israel's threat to attack Rafah.

The ICJ, also known as the World Court, generally rules within a few weeks on requests for emergency measures. It will likely take years before the court will rule on the merits of the case. While the ICJ's rulings are binding and without appeal the court has no way to enforce them.

Courtesy [www.aljazeera.com](http://www.aljazeera.com)

# Crack in US-Israel alliance for first time in decades

By Tom Bateman

President Joe Biden upended part of one of the world's most significant strategic relationships this week.

It happened in a TV interview, when Mr Biden was asked what would happen if Israel went ahead with a planned invasion of Rafah. "I'm not supplying the weapons," he replied.

Arms shipments are the bedrock of the US-Israel alliance. For the first time in four decades, a crack appeared.

Mr Biden has been under sustained pressure at home and abroad to help prevent further major civilian casualties and a worsening humanitarian crisis in Gaza.

He finally crossed the threshold of withholding arms shipments to Israel, America's closest strategic ally in the region - a move not seen since President Ronald Reagan in the 1980s.

Since the start of the war, Mr Biden has been caught in a political divide between an unquestioningly pro-Israel Republican party, and his own deeply divided Democratic Party, says Aaron David Miller, a former State Department analyst and veteran Middle East peace negotiator.

Until now, the president has appeared reluctant to do anything seen to damage the US-Israel relationship, Mr Miller says.

What changed was Mr Biden's view that the Israelis were close to a decision to invade Rafah.

On Monday, Israel said its ground forces were starting "targeted activity" in the east of the city, with Israeli tanks said to be massed close to built-up areas. Residents reported the constant sound of shelling and said barely functioning hospitals were overwhelmed with the wounded.

The UN says more than 100,000 people have fled the fighting, and are facing dire shortages of shelter, food, water and sanitation services.

Prime Minister Benjamin Netanyahu has repeatedly vowed to launch a full ground



invasion of the city, home to more than a million displaced Palestinians. He says a major operation is required to destroy four remaining Hamas battalions hiding there, and will be carried out regardless of whether any ceasefire talks succeed.

Washington has repeatedly urged him not to, pressing for a more "targeted operation" in Rafah against Hamas. Mr Miller says the president fears a Rafah invasion "would fundamentally undermine any chance of de-escalating the war and freeing hostages".

The former official, who spent years advising administrations in which Mr Biden served, says the president also wants to avoid a crisis with neighbouring Egypt. There is also the risk that an invasion would spark more angst and divisions in the Democratic Party, he says.

"So he sent a signal," says Mr Miller.

In the run up to Mr Biden's TV interview on Wednesday, the US put a "pause" on an arms shipment to Israel - just one consignment of 2,000-pound and 500-pound bombs.

A senior administration official told me there was particular concern on the "end use" of the high payload weapons and the impact they could have in dense urban

settings, "as we have seen in other parts of Gaza".

The 2,000 pound bombs are among the most destructive munitions in Israel's arsenal. Its military argues such munitions are necessary to eliminate Hamas. Also under review were shipments of Joint Direct Attack Munitions (JDAM) kits which convert unguided bombs into guided ones, the US official said.

On Friday, the state department issued a report ordered by Mr Biden earlier this year, which said Israel may have used American-supplied weapons in breach of international humanitarian law in some instances during the war in Gaza.

But the report said that it did not have "complete information" in its assessment, meaning military aid could continue.

Colonel Joe Buccino, a former US army artilleryman who rose to become a senior official at Centcom, the US military command in the Middle East, points out that the Israeli military could "level" Rafah with the munitions it already has.

Washington supplies Israel with \$3.8bn of military assistance a year. Congress recently added to that a further \$17bn worth of weapons and defence systems - Israel is



cumulatively the world's largest ever recipient of US lethal aid.

Col Buccino says the paused shipment is "somewhat inconsequential" to any assault on Rafah.

"It's like a little bit of a political play for people in the United States who are... concerned about this," he says.

Whether that is the case or not, it has not blunted the political fallout from Mr Biden's move. In the halls of the US Senate, Republicans were seething.

"I think that pause is absolutely outrageous," said US Senator Pete Ricketts, speaking to me outside a meeting of the Foreign Relations Committee. "The president really has no business doing this."

When I put it to him that Israel still has the means to carry out its stated planned assault, he replied: "This is about supporting our ally Israel against a terrorist organisation."

Another Republican Senator, John Barraso, said that Israel had a right to "do what they want to do to protect their sovereignty". For him Mr Biden's move demonstrated one thing: "A weakness of this president."

But within Mr Biden's own party, there has been a warmer reception for the shift.

Democratic Senator Chris Coons two months ago called for restrictions on military assistance to Israel if it launched an assault into Rafah "at scale", without significant changes in how Palestinian civilians were treated and protected.

"The conflict in Gaza... has led to a lot of painful reflection for many of us who count ourselves as strong supporters of Israel but are also very concerned about suffering and the humanitarian conditions," he says.

He believes the president has tried "over and over" to restrain Mr Netanyahu but that tensions have grown because the Israeli leader relies on the political support of ultranationalists who oppose humanitarian aid going to Gaza and want to expel Palestinians from the West Bank.

"This may be the first real break," says Mr Coons.

The "break" with Mr Netanyahu also comes at a critical moment in attempts to reach a ceasefire in exchange for the release of hostages held by Hamas. Talks in Cairo broke up earlier this week without apparent resolution.

Some Israeli commentators have suggested that Mr Biden's move will compromise the hostage negotiations - that any attempt to blunt the threat of an Israeli assault on Rafah would benefit Hamas.

The running details of the talks are, however, mostly opaque, making it hard to definitively assess the claim. The biggest stumbling block is over Hamas' demand for a permanent end to the war, which Israel rejects.



The relationship between Mr Biden and Mr Netanyahu goes back five decades, and has been turbulent for just as long.

When they were both young men, Mr Biden said he signed a picture which later sat on Mr Netanyahu's desk, writing: "Bibi, I love you, but I don't agree with a damn thing you have to say."

Mr Netanyahu has often praised the president for his support of Israel, but they have fallen out frequently over major policy issues relating to the Palestinians.

Less than a fortnight after the October 7 attacks, Mr Biden flew to Israel and embraced Mr Netanyahu on the tarmac in Tel Aviv.

I was there as Mr Biden emerged from a meeting with the Israeli leader and his war cabinet and stood at a podium to assert his unstinting support for Israel. But he had a warning: Don't repeat the mistakes we made after the 9/11 attacks. And he spelled out what he meant: "The Palestinian people are suffering greatly as well, and we mourn the loss of innocent Palestinian lives like the entire world."

Mr Biden's wartime trip takes on further significance in hindsight: the start of an attempt to prevent a near unprecedented break in the US-Israel relationship, which inched closer this week.

On Thursday, the day after Mr Biden announced the weapons shipment pause,

Mr Netanyahu fired back. The prime minister has long understood that he can rally his own base with shows of defiance to US pressure. "If we need to stand alone, we will stand alone. I have said that if necessary we will fight with our fingernails," he said.

I put Mr Netanyahu's statement to Chris Coons, the Democratic senator. "They don't need to fight with their fingernails," he said. "They will and should fight with modern weapons systems that they have developed in many cases jointly with us, that are provided in many cases by us."

"But they should do it in a way that minimises civilian casualties," he said.

Courtesy BBC

## US report finds possible Israeli violations of international law in Gaza



**R**eport says that incomplete information from Israel made it difficult to assess specific cases of possible violations.

A report from the administration of President Joe Biden has found that Israeli forces likely used United States-supplied weapons in a manner “inconsistent” with international law, but it stopped short of identifying violations that would put an end to the ongoing military aid.

In the report, released on Friday after a delay, the US State Department indicated Israel did not provide adequate information to verify whether US weapons were used in possible violations of international law during its war in Gaza.

The Biden White House had issued a national security memorandum, NSM-20, in February requiring Israel and other countries receiving military aid to provide written assurances that all US-supplied weapons were used in a manner consistent with international law.

The US would then make a decision about future military aid based on those written

assurances. Friday’s report is a byproduct of that memorandum.

“It is reasonable to assess that defense articles covered under NSM-20 have been used by Israeli security forces since October 7 in instances inconsistent with its IHL [international humanitarian law] obligations or with established best practices for mitigating civilian harm,” the report said.

The report nevertheless adds that the Biden administration believes Israel is taking “appropriate steps” to address such concerns.

### Political backlash

The US has been a consistent ally to Israel throughout its seven-month-long military campaign in Gaza, which began on October 7.

That war, however, has spurred international outcry as humanitarian concerns mount.

Nearly 35,000 Palestinians have been killed in Gaza, many of them women and children, and the head of the United

Nations World Food Programme has declared a “full-blown famine” in the northern part of the narrow enclave.

Still, Israel’s siege on Gaza continues, with access to food, water and electricity severely limited. UN experts have repeatedly warned of a “risk of genocide” in the territory.

As a result, the Biden administration has faced pressure, particularly from the progressive flank of the Democratic Party, to address the humanitarian concerns by placing conditions on military aid to Israel.

After the report’s release on Friday, progressive lawmakers expressed disappointment with its conclusions.

Senator Chris Van Hollen, for instance, stated it “fails to do the hard work of making an assessment and ducks the ultimate questions that the report was designed to determine”.

Meanwhile, Republicans blasted the report as undermining Israel in its campaign against the Palestinian group Hamas.

Senator Jim Risch, for instance, called the



document “politically damaging” and said it would do long-term harm to US allies beyond Israel.

“NSM-20 is aimed squarely at Israel in the near-term, but the additional highly-politized reporting requirements will eventually be aimed at other American allies and partners across the globe, further impeding the delivery of security assistance and undermining our ability to deter China and Russia,” he wrote in a statement.

## Impediments to the report

Friday’s report acknowledges limits to the US State Department’s findings, pointing out that the information that Israel provided was not comprehensive.

“Although we have gained insight into Israel’s procedures and rules, we do not have complete information on how these processes are implemented,” the report reads.

It also said the war itself creates barriers to understanding what is happening on the ground.

“It is difficult to assess or reach conclusive findings on individual incidents” in Gaza, the report said, citing a lack of US government personnel on the ground.

It also echoed Israeli accusations that Hamas could be manipulating civilian casualties for its own gains.



Gaza, the report said, represents “as difficult a battlespace as any military has faced in modern warfare”.

## Tracing the flow of aid

The report also sought to assess whether Israel was impeding the flow of aid into Gaza, another possible violation of international humanitarian law, as well as US law.

It found “numerous instances during the period of Israeli actions that delayed or had a negative effect on the delivery of aid to Gaza”.

Nevertheless, the report concluded that it could not assess that the “Israeli government is prohibiting or otherwise restricting the transport or delivery of US humanitarian assistance within the meaning of section 620I of the Foreign Assistance Act”.

Humanitarian groups, however, have reported for months that Israel systematically blocks large portions of aid from entering the Gaza Strip.

Overall, the report said that US intelligence agencies have “no direct indication of Israel intentionally targeting civilians”, but they assessed that “Israel could do more to avoid civilian harm”.

In addition, the State Department pledged to continue to monitor the situation in Gaza, particularly with regards to the delivery of aid.

“This is an ongoing assessment and we will continue to monitor and respond to any challenges to the delivery of aid to Palestinian civilians in Gaza moving forward.”

Courtesy [www.aljazeera.com](http://www.aljazeera.com)



# UK revokes visa of law student who addressed pro-Palestine protest withdraw from Gaza's Rafah



**D**ana Abuqamar says her comments at a rally last year which raised suspicion were mischaracterised.

The United Kingdom has revoked the visa of a Palestinian student after she participated in a pro-Palestine demonstration at her university.

Dana Abuqamar told Al Jazeera that the Home Office withdrew her visa casting her as a “national security” threat, following remarks she made at the protest last year.

“During this genocide, the UK Home Office decided to revoke my student visa following public statements supporting the Palestinian right to exercise under international law to resist oppression and break through the siege that was illegally placed on Gaza for over 16 years,” said Abuqamar, who leads the Friends of Palestine society at the University of Manchester.

“Freedom of expression is a fundamental human right, but it seems to not apply to ethnic minorities, particularly Muslims and Palestinians like myself.”

Last year, the 19-year-old law student revealed that she had lost 15 family members during Israel’s war on Gaza.

Abuqamar, who is in her final year of study, spoke of a sense of “pride” at a pro-Palestine event last year, following Hamas’s October 7 attacks in Israel.

“We are really full of joy at what happened,” she said.

However, she later told the BBC that her comments were misconstrued and that the deaths of any “innocent civilian should not be condoned, ever”.

Hamas, the group which governs Gaza, launched an unprecedented incursion into southern Israel on October 7. During that assault, 1,390 people were killed and hundreds were taken captive. It sharply escalated the historic Israel-Palestine conflict, setting off Israel’s latest and deadliest war on Gaza.

To date, about 35,000 Palestinians have been killed in the strip, much of which is reduced to rubble.

A Home Office spokesperson told Al Jazeera in a statement that it does not comment on individual cases.

They added, however, that permission to stay could be revoked in “instances where people have engaged in unacceptable or extremist behaviour, such as activity that fosters hatred, which may lead to inter-community violence, or where the person is associated or has been associated with people involved in terrorism”.

In recent weeks, activists across British universities have joined the global student-led movement calling for an end to the war from their campuses.

But the encampments, where calls are centred on universities divesting from companies aiding Israel’s war efforts, are drawing criticism from officials and some

Jewish groups on allegations of anti-Semitic abuse at protests.

On Thursday, British Prime Minister Rishi Sunak urged university bosses to take a zero-tolerance approach to discrimination and announced 500,000 pounds (\$626,000) in funding for the University Jewish Chaplaincy service to provide welfare services to Jewish students.

“Universities should be places of rigorous debate but also bastions of tolerance and respect for every member of their community,” Sunak said.

“A vocal minority on our campuses are disrupting the lives and studies of their fellow students and, in some cases, propagating outright harassment and anti-Semitic abuse. That has to stop.”

Britain has not witnessed the kind of violent scenes on campuses that the United States has, including heavy police crackdowns and clashes between protesters and counter-protesters.

The British students say their rallies are peaceful and are joined by many Jewish undergraduates and scholars.

Earlier this week, the Cambridge University Jews for Justice in Palestine group and the Jewish Society at the School of Oriental and African Studies in London pledged their support for the pro-Palestine demonstrations.

Courtesy [www.aljazeera.com](http://www.aljazeera.com)



# Escalating Tensions: Navigating the Israeli-Palestinian Conflict, Arab Countries Response, and US Legal Standoff



By Romana Afsheen

Against a backdrop of enduring tensions and sporadic outbreaks of violence, the Israeli-Palestinian conflict seizes global attention as hostilities escalate. Recent weeks witness a tragic surge in casualties, with both Gaza and Israel bearing the brunt of the violence. As airstrikes and rocket attacks intensify, humanitarian crises deepen, compelling thousands to flee their homes and seek refuge from the chaos. In this tumultuous landscape, diplomatic maneuvers, legal proceedings, and international condemnations underscore the complexity and urgency of finding a lasting solution to one of the world's most entrenched and divisive conflicts.

According to updated figures, at least 35,034 people have been killed and 78,755 wounded in Israeli attacks on Gaza since October 7. The revised death toll in Israel from Hamas's October 7 attacks stands at 1,139, with dozens of individuals still held captive.

Thousands of Palestinians are currently being forced to flee from various parts of Gaza, including Jabalia, Beit Lahiya, and Rafah, as Israeli forces reinvade areas that have already been heavily affected by conflict.

In a significant move, the Egyptian foreign ministry has declared its intention to formally join South Africa's lawsuit against Israel at the International Court of Justice. The lawsuit accuses Israel of violating its obligations under the Genocide Convention within the Gaza Strip, adding another layer of international legal scrutiny to the ongoing conflict.

US Secretary of State Antony Blinken has defended the decision to pause the delivery of 3,500 bombs to Israel. This decision was made due to concerns that these munitions could potentially be used in the southern city of Rafah. Blinken emphasized that Israel lacked what the US deemed as a "credible plan" to protect the 1.4 million civilians currently seeking shelter in Rafah.

Turkish President Recep Tayyip Erdogan has criticized both the US and Europe for what he perceives as insufficient pressure on Israel to agree to a ceasefire in Gaza. This criticism comes despite Hamas accepting a ceasefire proposal put forward the previous week, highlighting the ongoing diplomatic challenges in the region.

Meanwhile, the Israeli military has

reported conducting airstrikes on two areas from which Hezbollah had allegedly launched rockets targeting northern Israel. This action underscores the regional complexity and the involvement of various actors in the ongoing conflict dynamics.

The European Union has condemned Israeli evacuation orders in eastern Rafah, where hundreds of thousands of individuals are once again being compelled to flee.

Moreover, the United Arab Emirates (UAE) delivered a strong criticism to Israeli Prime Minister Benjamin Netanyahu, following his remarks hinting at the Gulf state's potential role in governing Gaza post-war.

Despite maintaining diplomatic relations with Israel throughout Gaza's prolonged conflict, the UAE's response highlighted escalating tensions in their relationship.

Foreign Minister Sheikh Abdullah bin Zayed Al Nahyan publicly denounced Netanyahu's statements, in a post on X, emphasizing the UAE's firm rejection of any attempt by the Israeli leader to influence the region's political landscape.

Sheikh Abdullah stressed that Netanyahu lacked the legal authority to make such proposals and vehemently opposed any plan that sought to legitimize Israel's presence in Gaza.

Affirming the UAE's dedication to supporting the Palestinian cause, Sheikh Abdullah reiterated the nation's readiness to support a Palestinian government aligned with the aspirations of its people, particularly in their pursuit of independence.

Netanyahu's suggestion of potential involvement from the UAE, Saudi Arabia, and other nations in establishing a civilian administration in Gaza post-war was met with skepticism and disapproval from Emirati officials.



Sources indicated that Abu Dhabi's relationship with Netanyahu had significantly deteriorated during the military campaign, resulting in infrequent communication between Emirati officials and the Israeli Prime Minister.

The strain between the UAE and Israel underscores the intricate dynamics of the region, especially in the aftermath of prolonged conflicts like the one in Gaza.

Despite prior diplomatic endeavors to foster cooperation, the differing interests and viewpoints of key stakeholders have strained relations and complicated prospects for future collaboration.

Furthermore, a group of twelve Republican senators from the United States have issued a warning to the International Criminal Court (ICC), threatening sanctions if the court proceeds with potential arrest warrants for senior Israeli officials. The

letter, obtained by the online news website Zeteo, was addressed to ICC Prosecutor Karim Khan, asserting that any such warrants against Prime Minister Benjamin Netanyahu and others are considered illegitimate and lacking legal basis. The senators vowed severe sanctions against both Khan and the ICC if these warrants are pursued. The letter emphasized a stance against any moral equivalence between Israel's actions and terrorism perpetrated by groups like Hamas.

Signatories of the letter include Senators Tom Cotton, Marco Rubio, Mitch McConnell, Katie Boyd Britt, Marsha Blackburn, Ted Budd, Kevin Cramer, Bill Hagerty, Pete Ricketts, Rick Scott, Tim Scott, and Ted Cruz. The threatened sanctions would

extend to ICC personnel and their families, including visa restrictions.

In response, Democratic Senator Chris Van Hollen criticized the Republican senators, likening their actions to "thuggery" and accusing them of interfering in judicial matters. Van Hollen argued that while it's acceptable to express opposition to potential judicial actions, it's improper to intimidate judicial officers and their families.

Notably, neither Israel nor the US recognizes the ICC's jurisdiction, while Palestine became a member of the court in 2015. The ICC has refrained from commenting on the potential warrants publicly but expressed concerns about threats against its staff, emphasizing its independence and impartiality.

Although the White House has maintained that the ICC lacks jurisdiction over Israeli

officials, it has opposed threats against the court's personnel from US lawmakers. Meanwhile, Israel's military actions in Gaza have sparked international scrutiny, including accusations of genocide at the International Court of Justice. An interim ruling in January found it plausible that Israel is committing genocide in Gaza and ordered measures to halt such acts and ensure humanitarian assistance to civilians.

The Israeli-Palestinian conflict continues to be marked by violence, displacement, diplomatic tensions, and legal disputes. The recent escalation in hostilities has resulted in significant loss of life and widespread suffering, particularly among civilians in Gaza.

International efforts to address the conflict have been met with challenges, including differing perspectives on ceasefires, legal actions against Israeli officials, and strained diplomatic relations between key stakeholders such as the United States, Israel, and regional actors like Egypt, Turkey, and the United Arab Emirates.

The involvement of the International Court of Justice and the International Criminal Court reflects the gravity of the situation and the quest for accountability for alleged violations of international law. However, the politicization of legal proceedings and the threat of sanctions against judicial institutions raise concerns about the impartiality and effectiveness of international mechanisms in resolving the conflict.

Moving forward, a sustainable resolution to the Israeli-Palestinian conflict will require genuine commitment to dialogue, negotiation, and respect for the rights and aspirations of all parties involved. This includes addressing the root causes of the conflict, such as territorial disputes, access to resources, and the recognition of the rights of both Israelis and Palestinians to self-determination and security.

Ultimately, achieving lasting peace in the region will necessitate bold and courageous leadership, supported by a collective effort from the international community to facilitate meaningful dialogue, promote reconciliation, and advance the cause of justice and peace for all inhabitants of the region.



# Indian elections

By Aizaz Ahmad Chaudhry

The Islamophobic rhetoric being employed by Narendra Modi for this election campaign has become shrill. Pakistan has nearly always been an electoral issue in India.

However, this time, it is Indian Muslims who are bearing the brunt of the Indian prime minister's hate speech. Speaking in Rajasthan last month, he called Muslims "infiltrators" and said they produce too many children. In Gujarat, where, as chief minister, he had overseen the massacre of Muslims in 2002, he accused the Congress of seeking to "loot" India's wealth and redistribute it among Muslims, and of organising a 'vote jihad' against his leadership. Later, he accused the Congress and Muslims of stealing Hindu wealth and property.

Modi's inflammatory rhetoric was followed by the BJP's campaign video portraying Muslims as outsiders who plundered India's wealth. As concerns grew about communal violence, the video was removed. These allegations are a sequel to Modi's public referencing of earlier conspiracy theories of 'love jihad' (Muslims forcibly converting Hindu women and marrying them to increase the Muslim population) or 'land jihad' (capturing land to construct religious structures and gaining control of India's territory). Concerns that his rhetoric might incite further violence against Indian Muslims are increasing.

Ordinarily, since Hindus are in a majority in India, it may be difficult to question the rationale of creating a Hindu state. However, two observations are in order. One, the expansionist designs of the cherished Hindu state seek the creation of an Akhand Bharat, a Hindu right fantasy, which would violate the territorial integrity of Nepal, Bangladesh, Pakistan, and Afghanistan, as per a map displayed in the new parliament building. This is not acceptable to the aforementioned independent states.

Two, though the creation of a Hindu state should not translate into discrimination against minorities, regrettably this will be the case. The works of French political scientist Christophe Jaffrelot illustrate how Muslims, 14.5 per cent of India's population, are grossly underrepresented in bureaucracy, the judiciary, police, and legislative organs. They are second-class citizens.

The Muslim-majority area of Indian-occupied Jammu and Kashmir is also being subjected to demographic engineering. The destruction of the centuries-old Babri Masjid by Hindu zealots in 1992 and the construction of a temple in its place has set a precedent that might be followed for other historic mosques. This contrasts sharply with the UAE's gesture of permitting a Hindu temple in Abu Dhabi.

Modi's anti-Muslim rhetoric is raising concerns of violence.

Analysts are also pointing out the fascist tendencies of the BJP regime, a steep decline in democratic values, and a departure from the moorings of pluralism and secularism on which modern India was founded. In her book *The Incarcerations*, Alpa Shah contends that Modi's India is using its national security apparatus to



incarcerate ordinary citizens for their dissenting views. Commenting on the book, Arundhati Roy stated that this was about criminalisation and incarceration of dissent itself.

Strikingly, the Modi regime has also used art and culture to project the Hindutva philosophy. Kunal Purohit's book *H-Pop: The Secretive World of Hindutva Pop Stars* shows how Hindutva pop stars and influencers are being used to spread the message of Hindu supremacy and create acceptance of Hindutva's core beliefs.

Apart from this, Modi is playing on his government's accomplishments: making India the world's fifth largest economy; the construction of 50,000 kilometres of national highways; boosting India's military spending; building Vikrant, India's first domestically built aircraft carrier; and the Chandrayaan-3 moon landing.

His prospects of winning a third term have been bolstered by a weak opposition. Despite the formation of the Congress-led 37-party INDIA coalition, there is no real challenge. What has bolstered his outreach is India's enhanced global standing. In his book *Why Bharat Matters*, S. Jaishankar presents India as a leader of the global south and makes a case for the rejuvenation of India as a civilisational state.

There are some lessons that Pakistan could learn from India's electoral process. One, despite the large scale of India's elections (969 million registered voters; 1m polling stations) and the use of electronic voting machines, election results are largely accepted without much ado. Two, there is no caretaker government, as the incumbents become 'caretakers' in a way, and refrain from announcing major policy decisions or sanctioning expenditure for development schemes.

If Modi wins a third term, he is likely to maintain his pro-Hindutva, anti-Muslim, and hegemonic attitude towards regional countries, particularly Pakistan.

Courtesy Dawn

# India's illiberal election



By Maleeha Lodhi

General elections are underway in India in a phased voting process that concludes on June 1. Prime Minister Narendra Modi is widely predicted to win a third term in office. The Bharatiya Janata Party's (BJP) goal is for its National Democratic Alliance to secure 400-plus seats in the 543-member Lok Sabha — a target encapsulated in the party slogan *abki baar 400 paar*. There are doubts this can be achieved, especially as voter turnout has been lower in the first three phases of the election compared to 2019. Election outcomes are never foregone conclusions.

In the 2019 election, the BJP won 303 seats. With its allies, its support in the Lower House swelled to 352 seats. This time, it hopes to win 370 seats on its own as it does not see the opposition as much of a challenge. Although the party secured comfortable parliamentary majorities in the previous two elections to enable it to rule unhindered in its decade in power, well over half the electorate did not vote for BJP. In 2019, BJP polled around 38 per cent of the popular national vote; in 2014 it was less than 31pc. This indicates its real support, even though the first-past-the-post

electoral system gave it an outsized share of Lok Sabha seats.

The BJP has benefited from a weak, divided and regionally fragmented opposition. The Congress party looks jaded and bereft of new ideas. Leading an opposition alliance called 'INDIA' (Indian National Developmental Inclusive Alliance), Congress has been unable to capture the public imagination or offer a credible alternative to the BJP's narrative. It has struggled to counter Modi's extravagant claims about his government's achievements. Positive developments on India's economic front have not all resulted from the Modi government's policies but are entirely attributed to him by the BJP's vigorous social media and propaganda campaign.

Modi's carefully cultivated strongman image has yielded significant political dividends. This rests on claims of providing firm and incorruptible leadership, achieving economic development, benefiting India's poor, and 'connecting' to ordinary people. More importantly, the Hindutva agenda is woven into his cult of personality, with the party portraying Modi as the champion and

saviour of Hindu nationalism. His anti-Muslim actions and rhetoric have served to burnish those credentials.

The outlook for India-Pakistan relations is troubled if Modi returns to power.

Modi has sought to mobilise electoral support on his economic record, welfare and infrastructure projects, as well as his Hindu supremacist ideology. Even though rising unemployment and the soaring cost of living will weigh on voters' minds, Modi is seen by many Indians to be a better bet on the economy than his opponents. He enjoys the backing of big business, for which the opposition accuses Modi of pandering to India's super rich. In campaign speeches, Modi has repeatedly stated he has enhanced India's international standing and helped to attract more foreign investment. He has even cast the election to be about making India "a major world power".

The opposition's attack on Modi has principally focused on his authoritarian conduct and policies. Certainly, democratic backsliding during his 10 years in power has been substantial and far reaching. This,



his critics say, has turned India into an illiberal democracy. Judicial independence and media freedom have been undermined and civil liberties eroded. Modi's government has muffled dissent, intimidated the media, harassed and incarcerated journalists and mounted extraordinary pressure on the opposition. Two state leaders allied with Congress, Arvind Kejriwal and Hemant Soren, have been jailed on dubious corruption charges. In March, the Congress party's main bank accounts were frozen. Opposition leader Rahul Gandhi was expelled from parliament last year on the charge of defamation for ridiculing Modi's name. Later, his jail sentence was suspended by the supreme court.

Modi has pledged to push ahead with his Hindutva agenda, for which the party points to several actions taken by the government, including construction of the Ram temple, a citizenship law disadvantaging Muslims, and revocation of Article 370 of the constitution, which gave Jammu and Kashmir special status. Modi has used toxic anti-Muslim rhetoric throughout his election campaign. He has called Muslims "infiltrators" and said they "have too many children" in an effort to scare Hindu voters into believing Muslims will eventually outnumber them. He has repeatedly accused the Congress party of favouring Muslims and conspiring to transfer wealth "looted" from Hindus to Muslims. The BJP has also posted videos containing these allegations. This prompted the Congress party to petition the election commission to act against this violation of election laws.



But nothing has deterred Modi from using inflammatory, Islamophobic language to demonise Muslims. He has even said his target of winning 400 seats is to prevent Congress from reviving Article 370 and putting the "Babri lock" on the Ram temple. Declaring "India is at a crucial juncture in history", he has said the choice is between 'vote jihad' or 'Ram Rajya'. He went further to say, "In Pakistan, terrorists are threatening jihad against India, and here the Congress people have also declared to 'vote jihad' against Modi, asking people of a particular religion to unite and vote against Modi."

Along with Muslim-bashing, Pakistan too has been targeted by Modi's incendiary rhetoric. He has contrasted his muscular approach in dealing with terrorism allegedly emanating from Pakistan with the infirm response of his predecessors. "Earlier, weak governments used to send dossiers to Pakistan after terror attacks, but we hit

terrorists in their homes" — a reference to India's air strikes on Balakot in 2019. Describing his government's "new India policy of looking an adversary in the eye and speaking the truth rather than resorting to stealth," he has warned of launching cross-border strikes in response to terror attacks on India. He has also ridiculed Pakistan by saying "a supplier of terrorism is now struggling for flour".

This makes the outlook for Pakistan-India relations a troubled one if Modi returns to power. Some may dismiss Modi's Pakistan-bashing as election politics, but words have consequences. Moreover, anti-Pakistan and anti-Muslim themes are a part of his and the BJP's deeply held beliefs. This may not preclude some form of post-election India-Pakistan re-engagement, but it is unlikely in the near term to lead to any significant movement toward normalisation of ties.

Courtesy The News





## Modi won't go down sans a fight



By Jawed Naqvi

Most neutral observers are sanguine that Prime Minister Narendra Modi is winning a third term. Let's put it this way, it isn't a foregone conclusion that Mr Modi is losing the election, which crossed its fourth of seven phases on Monday, despite compelling pointers he could. The assumption of his defeat is based on broad headcounts computed by seasoned analysts.

On the other side is the unceasing clamour from 'Modi channels', amid communal dog-whistling by anchors, that he is winning 400-plus seats. That's a two-thirds majority with which we are told he would change the constitution. Adding weight to the claim of a Modi victory is psephologist Prashant Kishore's assessment that the BJP could become the single largest party in West Bengal and Odisha. He says the BJP could make inroads for the first time in Tamil Nadu or at least its vote share in the state would hit double digits. That's good news for Modi, but Kishore does have a mixed reputation at predicting poll outcomes.

We can discuss both sides of the claim and draw our respective conclusions. The question is, would Mr Modi accept defeat if it does come calling. Or would he take the Donald Trump route on losing, whipping up a terrifying frenzy instead? There are many variables to say just what the verdict could be at the hustings, not least because publishing the findings of exit polls is officially banned until the last vote is cast. Exit polls would come on June 1, although there can be no certainty about their veracity either. That's what experience shows. Thus, we must wait for the outcome till June 4.

But let's hear from Yogendra Yadav, veteran former psephologist who recently became a member of Rahul Gandhi's cross-country unity march for democracy. He said in a TV analysis on Monday after visiting key battleground states and noting the relatively low voter turnout that Mr Modi was likely to lose. "Election karvat le raha hai," he said. (The election is changing course.)

The phrase is commonly heard on YouTube channels watching the elections from the ground, a far cry from regular TV channels that have already declared a victory for Mr Modi. Bunching the states in the fray including those that scored the maximum for the BJP in 2019, Yadav estimated those where Modi could lose a few, not least because there was no way to increase the tally from 100 per cent wins as in Gujarat or Rajasthan and Haryana or Delhi. The bulk of Mr Modi's losses are expected from Maharashtra and Bihar, he says. Maharashtra is where Modi ditched the Shiv Sena and split the former ally to form a state government with the BJP. Now Shiv Sena leader Udhav Thackeray and Sharad Pawar, both members of the INDIA opposition alliance, are campaigning with doubled energy on the plank of defeating the 'ghaddaars', or traitors.

Would Modi accept defeat if it does come calling? Or would he take the Donald Trump route, instead?

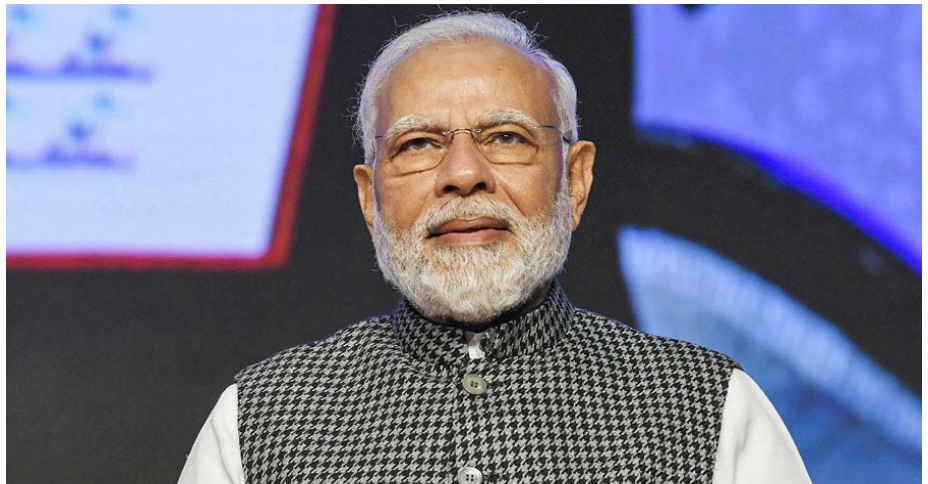
With Thackeray's Shiv Sena, the BJP



secured 41 of 48 seats in Maharashtra in 2019. Without Thackeray, Yadav sees a loss of 20 seats at least. Bihar is where Chief Minister Nitish Kumar quit an alliance with Lalu Yadav's party to go back for a third or fourth time to the BJP. Kumar is lampooned widely as 'dal badloo', a party hopper. The BJP and Kumar had 39 of 40 seats in Bihar last time. Yadav says they could lose 15.

Mr Modi's tally could shed 10 in today's Congress-ruled Karnataka where BJP had 26 of 28 seats in 2019. In West Bengal and the northeastern states, estimates Yadav, the BJP could be losing 10, which is at variance with Kishore's reading. In Uttar Pradesh and Uttarakhand where the BJP held 69 jointly, it could lose 15. The BJP could gain five seats from the cluster of Tamil Nadu, Kerala and Telangana, and 10 from Andhra where it has an alliance with a local party. All told, Modi and allies at current reading could land 268, four short of majority.

Let's consider both scenarios, Modi winning or losing. Lending weight to Yadav's estimates is Nilanjan Mukhopadhyay, author of best-selling biography of Modi at the start of his Delhi sojourn. In an article last week, he said what could hurt Modi. "Reduced turnout, near absence of the famed cadre of the Sangh Parivar, lacklustre campaign of Modi, and the need to resort to ... divisive and communally polarising spiel — all suggest the Modi



script of 2024 has gone awry." Despite Yadav's headcount, if Modi does go on to win cleanly then he has won a third term. What if he loses?

According to Parakala Prabhakar, author of a best-selling Modi critique and husband of Finance Minister Nirmala Sitharaman, the BJP could try to steal the elections. It has too many skeletons in the cupboard waiting to tumble out. Besides, 2025 is the centenary year of the Rashtriya Swayamsevak Sangh. They wouldn't want not to be in power to celebrate. Yet, analysts also claim it is the RSS that may be dragging its feet on handing a great victory to Mr Modi. The dice, says Prabhakar, is loaded and potentially spiked. "The regime has eliminated the role of the supreme court in the selection and appointment of the election commissioners. Whether the

government-appointed election commissioners will do the regime's bidding is a matter of speculation or suspicion."

Mr Modi moved to freeze the bank accounts of the Congress party, crippling its putative challenger. He put two chief ministers in prison. But for the supreme court giving interim bail to Delhi Chief Minister Arvind Kejriwal, the Modi regime had rendered the opposition's onslaught that much weaker.

"There is every likelihood that the present dispensation would, therefore, try to do everything to steal this election. Unlike the earlier general elections, the present election is unlikely to conclude with the conclusion of polling on June 1 and declaration of results on June 4."

Courtesy Dawn





# Mega Wheat Scam, Form-47 'Clash' and Big Losses to Farmers



By Javed Mahmood

The mega wheat scam has been the talk of the towns in the country and abroad for the past few weeks. The scam has not only bankrupted wheat growers but also exposed the ruling elite involved in this massive scam and the apathy of the government that is unable to take action against the powerful culprits who have minted billions of rupees. A few weeks ago, a wheat scandal hit the limelight in the Pakistani and international media when the farmers raised a hue and cry over their unsold wheat crop and sale of wheat at a throwaway price, far below the indicative/support price of Rs 3900 per maund (40-kg). How much exploitation, wheat growers have faced this year, can be judged from the fact that in 2023, Pakistani farmers sold their wheat crop at the official support price (Rs 3900/maund). However, this time, the price has crashed to Rs 3000/40-kg and even below this level just because of the caretaker robbers who had ordered the import of wheat worth one billion dollars, setting aside the anticipated bumper wheat crop.

Notably, the federal government first decided to summon the former caretaker Prime Minister Anwarul Haq Kakar to probe him regarding the

wheat scam. Nonetheless, the government had to abandon the decision when Kakar said that he would spill the beans about Form-47. He indirectly threatened the government to expose the Form-47 fraud that enabled the PML-N and PPP to form their government in the center.

## Wheat Thief and Form-47 clash

Hanif Abbasi, a leader of the Pakistan Muslim League Nawaz (PML-N), and former caretaker prime minister, now a sitting senator, Anwar-ul-Haq Kakar, engaged in a heated exchange over the wheat import scandal during Kakar's caretaker government, which allegedly caused a delay in wheat procurement, leaving farmers in uncertainty. The confrontation occurred at a private hotel in Islamabad where Hanif Abbasi and Anwar Haq Kakar met face-to-face.

Hanif Abbasi accused Anwar-ul-Haq of being involved in the wheat scandal, stating, "I swear you are a thief. You made money in the wheat scandal. I spoke the truth on the (TV) program." In response, Anwar Haq Kakar questioned if Abbasi came to arrest him, and remarked, "If I talked about

Form-47 (of the Election Commission of Pakistan), then the PMLN people will hide their faces," in an apparent reference to alleged tampering in Form-47, as claimed by the opposition Pakistan Tehreek-e-Insaf (PTI), whose members are part of the parliament under the name of the Sunni Ittehad Council (SIC).

## Wheat Scam and Probe

The first meeting of an inquiry committee, led by the cabinet division secretary, regarding the alleged import of wheat worth Rs330 billion, was held on Sunday. During the meeting, various aspects of the import and storage of the stocks were reviewed.

Information Minister Attaullah Tarar stated, "The committee worked today on verifying data and documents."

Responding to questions about summoning former caretaker Prime Minister Anwaarul Haq Kakar, ex-finance minister Shamshad Akhtar, and incumbent Interior Minister Mohsin Naqvi (ex-CM of Punjab) by the committee, the minister denied such reports, saying, "No person was called or interviewed, as is being



reported in the media.”

Regarding the content of the inquiry report mentioned in the media, the minister said, “The report is under preparation and has not been presented to anyone.” He clarified that reports of a meeting with Prime Minister Shehbaz Sharif were incorrect. Media reports suggested that the inquiry had revealed that between August 2023 and March 2024, wheat worth Rs330 billion was imported by the caretaker government, of which 1.3 million tonnes were found unfit for human consumption due to fungus.

However, the information minister insisted that the stocks were “completely safe and usable.” Reports stated that the previous Pakistan Democratic Movement (PDM) government, led by the PML-N, had postponed its decision on wheat import until July 2023.

According to the report, the last caretaker government imported 2.8 million tonnes of wheat for Rs250 billion, and during the present regime, 700,000 tonnes of wheat worth Rs80 billion reached the country. Overall, \$1.1 billion was spent on wheat imports.

While Prime Minister Shehbaz Sharif pledged to “protect the interests of farmers at all costs,” the federal government seemed reluctant to thoroughly investigate the alleged scam and take action against those responsible for the import. Currently, a fact-finding committee, led by Cabinet Secretary Kamran Ali Afzal, has been formed by PM Shehbaz to identify irregularities in the import. The committee is expected to submit its report to the cabinet next week.

Sources revealed that former Prime Minister Nawaz Sharif wanted the Shehbaz-led coalition government to take “indiscriminate” action against those involved in the alleged scam without considering their “strong political clout” and refer the matter to NAB or FIA. However, the Shehbaz government stated that no such decision was pending.

Earlier reports in the media suggested that Mr. Kakar and Interior Minister Mohsin Naqvi had been summoned by the fact-finding committee, prompting Kamran Ali Afzal to issue a clarifying statement. He

stated that the committee had not summoned Mr. Kakar and Mr. Naqvi, but former caretaker finance minister Shamshad Akhtar had reportedly been summoned. A few days ago, PM Shehbaz Sharif reviewed matters related to wheat procurement through PASSCO and formed a committee under the Ministry of National Food Security and Research to address farmers’ grievances within “four days” regarding selling their wheat and obtaining wheat bags.

The PM directed officials to monitor the wheat procurement process personally and ensure farmers receive their due payments on time. Sources revealed that this year the country received a bumper crop, as



predicted by the last PDM regime, but due to already stocked wheat in PASSCO’s storage facility, the government was hesitant to purchase the new crop from farmers at the reserved price. This has compelled growers to protest and sell their yield at a lower price in the private sector. The situation has become challenging for the current government to handle, as it cannot afford to upset the farmers, who are now supported by the main opposition PTI.

## Why the farmers are protesting?

In Pakistan, tens of thousands of farmers are staging protests in various cities due to the government’s decision not to purchase their wheat, causing significant losses in income. The farmers in Punjab, often referred to as the “bread basket” of Pakistan, are particularly affected. They are demanding that the government halt wheat

imports, which have flooded the market at a time when they were expecting bumper crops. In Lahore, the provincial capital, police forcefully dispersed protesting farmers on Monday, arresting dozens of them.

## What triggered the protests?

Farmers are angered by the import of wheat during the latter half of last year and the first three months of this year, leading to an oversupply of wheat in the market and a subsequent drop in prices. Agriculture is a crucial sector in Pakistan, contributing nearly 23 percent to the country’s GDP, with wheat alone constituting 2 percent.

After devastating floods in 2022, wheat farming was severely affected, causing a shortage of wheat in early 2023. Despite Pakistan’s annual consumption of around 30 million tonnes of wheat, only 26.2 million tonnes were produced in 2022, resulting in price hikes and long queues in cities for wheat purchases, even leading to fatalities due to overcrowding. Farmers blame recent wheat import policies for their financial troubles.

According to the Ministry of National Food Security and Research, between September 2023 and March 2024, over 3.5 million tonnes of wheat were imported into Pakistan from international markets where prices were lower. Consequently, by early April this year, when Pakistani farmers began harvesting their wheat, the national and provincial food storage departments held over 4.3 million tonnes of wheat in their stocks, exacerbating the oversupply issue.

## Wheat woes: plenty to precarious



By Dr Khaqan Hassan Najeeb & Dr Yusuf Zafar

**J**ubilations about the country achieving a historic bumper wheat crop have become short-lived and have instead been overtaken by the saga of slow sales and falling price levels, resulting in discomfort for the growers.

The Food Department of the government of Punjab is still contemplating whether to procure the wheat or compensate the farmers in some other manner. Late to the party, the federal government has directed PASSCO to procure a mildly higher amount than usual. Delays in decisions have led to the usual protests by the farmers and voices of concern from parliamentarians on both sides of the benches.

The traditional largest single buyer, the government, is on the sidelines with little warning – thus its set reference price is no longer the market benchmark. It is alleged that the flour mills, in connivance with commodity traders, are thus in a monopolistic position. This group is driving the market and offering lower prices to the farmers compared to the Rs3900 per 40k fixed by the government. The blame for the prevalent situation has been tactfully shifted to excessive imports of around 3.5

million tons of cheaper wheat from Ukraine and the Russian Federation at the start of harvesting wheat season. This is only part of the story.

Let us review some key facts. Harvesting commenced in Sindh in late February and early March 2023. After the devastating floods in 2022, agriculture in Sindh has recovered efficiently and thus there has been a record yield of around 50 maunds of wheat per acre in the current season. To the good fortune of the Sindh farmer, their entire crop was disposed of quite smoothly before the market jitters. It is pertinent to note that ships carrying imported wheat started anchoring in November 2023 in Karachi and after two extensions of import approvals the operation was completed by March 30, 2024.

Tragically, the events in Punjab are a bit more complex. We focus on deeper issues beyond popular rhetoric. First, undue imports given the bumper crop have created an excess supply. Second, is the impact of a commitment with the World Bank under a SMART loan of \$300 million by the Planning & Development department of the Punjab government in 2017-18 to

gradually withdraw from wheat procurement by the start of Rabi-2022. The hesitation on the part of the Punjab food department to procure more is thus understandable.

The third issue is the hurdle in wheat procurement due to the burden of existing loan liability of nearly Rs550 billion. This was obtained by the Punjab government for wheat purchase in the last season (2022-2023) from the central bank. A higher policy rate interest payment is itself a challenge along with securing a new line of credit. Lastly, some key changes that have exacerbated the situation include the transition from the policy of issuance of jute bags to farmers to a mobile-based application. Restricting the distribution of bags to farmers of less than six acres of land has resulted in confusion and an intended delay in the procurement process.

Taking a more macro view, it is clear that this season's import decision was taken in October 2023 ahead of the harvesting season as a routine affair. Pakistan has been a net importer of wheat for the last five years with an average cost of \$1 billion. High-quality quantitative analysis would



have pointed to exercising caution in imports in the current season. However, this was not the case.

Unfortunately, our ad-hoc policies have resulted in the country running a wheat deficit for the last many years. The stagnation in yields, inefficiencies of provincial food departments, smuggling of grains to the western neighbors, and above all over 2.5 per cent population growth are the key factors that have made imports inevitable. All these critical issues received little attention.

The provision of sufficient and healthy food to all the citizens of Pakistan is a constitutional obligation. The Covid-19 pandemic, conflicts in Europe and the Middle East disrupting supply chains, and the looming negative impacts of climate change have had a lasting effect on global commodity prices and availability. These factors, together with our productivity issues, have pushed the country from 92nd to 99th place in the Global Hunger Index-2023. The malnutrition percentage has climbed to 45 per cent. Consequently, the country is drifting away from SDG#2 of Zero Hunger to be achieved by 2030.

So where to from here? In the immediate, the authorities must move beyond high moisture content issues and hope that wheat storage issues can be managed using the private-sector storage facility, and secure credit for some buying to stabilize the prices. At the same time, authorities can

support opportunities for export or value-added export through the private sector. Additionally, some immediate governance arrangements are also essential. We must move away from repeated changes in executive appointments. We must get professionals into key areas of agriculture departments and make agriculture a high-priority area.

In light of research and the current crisis, it is time to change the way we do wheat business. Only a comprehensive policy, redesign of institutional mechanisms, and the aim of letting competitive markets work are required to fulfill the nutritional needs of the citizens.

A smooth wheat market overhaul is possible over several seasons with the following operations. First, accurate data collection and timely decision-making are vital to prevent future crises. Second, well-regulated free markets have worked in rice, corn, cotton, and vegetables and fruit commodities – they will also work in wheat.

Transitioning to a market-based solution is at the heart of solving the wheat issue permanently. Operationally this means withdrawing from fixing a support price and framing export policies. This would require supporting research and development, monitoring quality, and maintaining buffer stocks, so the market can stabilize without big fluctuations in flour prices.

Third, it's all about productivity. Increasing yield per acre through mechanization is essential. This can include expanding cultivation areas, giving farmers more training, and resources, and distributing certified seeds. This can help to meet the growing domestic demand for wheat and make our farmers competitive for exports.

Fourth, in its earnest desire to support the hardworking farmers, the country has to rely on direct subsidies. Direct cash transfers are the right way to reach the farmers. Fifth, an unimpressive system should be changed by gradually wrapping up PASSCO at the federal level and refocusing provincial food departments towards policymaking, supporting the growers, and maintaining strategic reserves in the warehouses in the private sector. The holding capacity of the grower and larger private sector would have to be developed along with building insurance mechanisms to manage price movements.

A reregulation of the wheat market with a gradual move to a competitive wheat market through the above-outlined steps is essential. A bigger role of the private sector in the wheat market can help distribute the burden of procurement and storage costs. This in the long-run will ensure price stability. Hopefully, the authorities are working on durable changes by fixing the underlying maladies this time.

Courtesy The News



# Caretaker govt's cabinet committee report: 'May 9 was an attempt to incite rebellion within armed forces in favour of PTI'

*Report said Imran Khan had long seen military establishment as, both, responsible for his ouster from government and only institution he was open to negotiating with*



By Ansar Abbasi

The caretaker government's report on May 9 said that it was an organised and dangerous strategy not only to pressurise the Pakistan Army for a political deal to meet Imran Khan's demands but a brazen attempt to incite rebellion from within the armed forces in PTI's favour.

"The party had been emboldened by a lack of firm response to its earlier violence by state institutions. A frontal assault on military installations was to weaken the army's morale and pressure it into political deal making. This was also a brazen and a mistaken attempt at inciting rebellion from within the armed forces in its favour," says the report. It added, "The events of May 9, 2023 were neither isolated nor entirely spontaneous. They were part of an organised and dangerous strategy to pressure state institutions into acceding to Mr Khan's demands."

The report said that the events of May 9, 2023 were the culmination of a narrative built around a personality cult, and a strategy that justified violence against his opponents as national service.

The caretaker government's cabinet committee, which probed the matter, noted with "profound pain" that a popular political party would elect to hurt national interest through such reckless plans. The Constitution guarantees the right of political association to advance the interests of the people, not to harm state institutions and national interests.

According to the report, "Mr Khan had long seen the military establishment as, both, the entity responsible for his ouster from the government and the only institution he was open to negotiating with. Mr Khan had repeatedly voiced his contempt for other political parties and their leaders and his constant refusal to even sit in Parliament with them. He had also expressed a desire to engage with the military establishment to find political solutions. Mr Khan refused to respect the constitutional role for the armed forces that require them to remain apolitical. He desired active engagement by the armed forces in politics in violation of their constitutional mandate. When the armed forces refused to be dragged into politics, Mr Khan and his party sought to create an

environment that would pressure them into engaging with him. This was augmented by a media strategy through local and external platforms. Mr Khan at no point denounced or disowned the May 9 event, rather twisted its facts to widen the divide between the people and the armed forces, nor he has publicly acknowledged the consequences of this event on the national security of Pakistan.

The report said, "A strategy was developed to demonstrate street power by attacking defense installations. This would, at once, allow PTI supporters to vent their anger for the no-confidence motion at the armed forces, and to pressure them into engagement with PTI. This strategy was based on a simple assumption that a clash between unarmed protesters and the military would generate anti-military sentiment, thus creating a gulf between the people and the armed forces. Such a gulf would corner the military into engaging politically and, perhaps, Mr Khan saw himself as a savior capable of bridging such a gulf."

Courtesy The News



# Rethinking policy

*A comprehensive rethinking of existing policies and institutional arrangements could foster climate resilience*

**Dr Abid Qaiyum Suleri**

It is often said that while natural calamities cannot be prevented, they can be stopped from turning into human disasters through the implementation of appropriate policies. In the case of Pakistan, the success of its climate resilience agenda extends beyond climate change policy. It also depends on various other policies, including those related to energy, water, agriculture, food security, health, disaster management, etc. The current fragmented and reactive state of Pakistan's policy response to climate change needs a rethinking to effectively address the escalating impacts of climate change on national development and our day-to-day lives. This requires a re-evaluation of policy, institutional and financing arrangements, especially for effective disaster management.

The re-evaluation of Pakistan's climate policy should begin with the acknowledgment that human actions have primarily contributed to the current state of climate change. Acknowledging our accountability necessitates a fundamental shift in the choices that have led us to this point. Maintaining the status quo will not suffice in mitigating the adverse effects of climate change.

Pakistan's climate strategy rests on three pivotal legislative achievements: the National Climate Change Policy of 2021 (an updated version of NCCP 2012); the Framework for Implementation of Climate Change Policy of 2013; and the Pakistan Climate Change Act of 2017. These frameworks are meant to integrate climate change mitigation and adaptation across the nation's most vulnerable sectors. However, the actual execution of these policies underscores a reactive rather than a proactive stance, characterised by broad, ambitious plans that fall short due to ambiguous mandates and insufficient resource allocation.

The NCCP and the FICCP, while comprehensive in scope, lack specific,



actionable strategies, clear priorities and pragmatic approaches to climate governance. Moreover, these frameworks fail to establish clear timelines or accountability measures, making it challenging to assess effectiveness and enforce responsibilities. This oversight is particularly evident in the FICCP, which categorises recommended actions into time-bound segments—from immediate priorities to long-term strategies—but does not provide a rationale for these temporal divisions, assign lead responsibilities or set qualitative and quantitative targets for monitoring progress.

The Ministry of Climate Change, the default coordinator for a wide array of climate actions, is burdened with responsibilities that span the entire spectrum of the developmental agenda without the requisite authority or resources to be effective. This indicates a policy orientation that seems more reactive to the unpredictable manner in which climate change impacts the country rather than proactively safeguarding human lives and ecosystems or fulfilling international climate commitments.

The recent increase in natural disasters, such as the devastating floods in recent years and the occurrence of droughts in various regions of the country, emphasises the need for a strong, adaptable and proactive climate strategy.

Although some of the independent actions, like advancements in disaster management, renewable energy, afforestation and public health were successful, they lack coordination and integration into a broader strategic climate policy framework. This leads to fragmented efforts that fail to leverage potential synergies.

Institutional solutions to give climate change a central consideration in decision-making were envisaged under the PCCA 2017, with the establishment of a high-power National Climate Change Council and the ongoing establishment of the National Climate Change Authority. The latter is being established after significant delays, prompted by the Supreme Court of Pakistan taking notice of the non-implementation of the PCCA2017.

Adopting a "whole of government, whole of policy" strategy is essential to transforming Pakistan's climate policy framework. This approach entails embedding climate considerations across all policy domains, not merely within the confines of the MoCC but as a cornerstone of national development planning. It involves a comprehensive rethinking of existing policies and institutional arrangements to foster climate resilience and sustainability.

For example, the NCCA should operate under the direct oversight of the

Prime Minister's Office rather than the Ministry of Climate Change, as envisaged in the Act. This structural realignment will provide the budding authority with enough teeth and muscle to implement a unified national climate strategy, enhancing the coherence and integration of climate policies across all facets of governance. Such an arrangement will also help in smooth coordination between the NCCA and existing disaster management authorities and the NCCA and the National Disaster Risk Management Fund.

The synchronisation of Pakistan's energy objectives with its climate change obligations can be facilitated by merging the energy and environmental portfolios into a single Ministry of Power and Climate. This could mitigate policy discrepancies such as some recent proposals to discourage solar power and other renewable initiatives. Such rethinking will also help Pakistan fulfil its commitments under its nationally determined contributions.

A futuristic approach to combat climate change challenges, including monitoring the success of reformed policies through clear, quantifiable metrics, is essential to reduce Pakistan's climate vulnerabilities. It should include specific emission reduction targets to be achieved by, say, 2030 and 2050; the proportion of agricultural land utilising climate-smart practices; a measur-

able increase in the share of renewable energy within the national energy mix; and a significant enhancement in resilient infrastructure to withstand climatic shocks, particularly in flood-prone and drought-affected areas. Each ministry with responsibilities related to climate action should be mandated to report progress against these metrics annually, enhancing transparency and enabling continuous evaluation of policy effectiveness.

A coordinated effort is essential to combat climate-induced disasters effectively. This requires clearly delineating the responsibilities of all stakeholders, including the relevant ministries and departments, the private sector, civil society and international partners, and nurturing robust collaboration among them. Such a strategy will not only augment our resilience but also project a strong, unified stance against climate challenges.

To enhance this approach further, every policy should give top priority to resilience building. Beyond investing in resilient infrastructure, there is an urgent need for a comprehensive policy framework that incorporates local communities into the decision-making process. Leveraging local expertise and traditional knowledge can generate solutions that are not only more relevant to the specific context but also more sustainable in the long term.

Additionally, Pakistan's reliance on agriculture calls for a transformation in agricultural practices. Promoting climate-smart agriculture—techniques that increase productivity and resilience and reduce emissions—should be the centrepiece of climate change policies. Initiatives like digitisation of agronomic practices, using big data in crop farming, crop diversification, heat-tolerant crop varieties and improved water management practices can substantially reduce vulnerability to climate variability.

Regional cooperation should be considered a strategic component of Pakistan's climate policy. Collaborating with neighbouring countries on transboundary disaster management, shared early warning systems and joint environmental initiatives can lead to synergistic benefits, enhancing resilience across the region.

In rethinking its climate policy regime, Pakistan stands not just to defend against the immediate threats of climate change but also to meet its international obligations under mechanisms like the Carbon Border Adjustment Mechanism. This strategic transformation will help turn the pressing issue of climate change into an opportunity for sustainable development.

Courtesy The News





# Pakistan Cricket Team's Tour of Ireland



By Ayesha Shaeban

The Pakistan Cricket Team's tour of Ireland in 2024 holds significant importance as they gear up for the highly anticipated T20 World Cup. This article provides an in-depth analysis of the tour, highlighting the team's preparations, performances, challenges, and the implications for their campaign in the tournament.

## Exploring Ireland:

Ireland, known for its scenic beauty and rich cricketing heritage, provided the perfect backdrop for the Pakistani team's preparations. The lush green fields and pleasant weather offered ideal conditions for intensive training sessions and match practice.

## Pakistan head coach, Azhar Mahmood:

- Our journey towards the ICC Men's T20 World Cup 2024 commenced with the home series against New Zealand, and now our focus is on adding the final touches to our preparations. We have solidified our game plans, strategies, and team combinations. The goal is to bring everything together.
- Although we have only faced Ireland once before, they pose a challenge as any team in T20 cricket can swiftly alter the course of a match with one exceptional over. These three T20Is will provide valuable insights into their

squad dynamics and their approach to T20 cricket. In the midst of our preparations, we received news that fast bowler Mohammad Amir will be absent for the first T20I due to visa issuance delays.

The previous encounter between Pakistan and Ireland in the ICC Men's T20 World Cup 2009 resulted in a victory for Pakistan, who secured a 39-run win. Kamran Akmal's outstanding performance earned him the player of the match award for his impressive 51-ball 57 and two stumpings.

Both Pakistan and Ireland find themselves in Group A for the upcoming ICC T20 World Cup 2024. They are scheduled to clash in Florida on 16 June. Joining them in Group A are India, the United States of America (USA), and Canada. The top two teams from this group will progress to the next stage of the tournament.

These three T20Is against Ireland are set to be held at Castle Avenue on May 10, 12, and 14, respectively. Following these matches, the team will travel to Headingley, Leeds, for a four-match T20I series against England starting on Wednesday.

The Pakistan squad, under the leadership of captain Babar Azam, embarked on their journey to Dublin without Shadab Khan and Hasan Ali. These two players joined the team later in Dublin after fulfilling their commitments in the County Championship.

## Pakistan Squad:

Babar Azam (c), Abrar Ahmed, Azam Khan, Fakhar Zaman, Haris Rauf, Hasan Ali, Iftikhar Ahmed, Imad Wasim, Mohammad Abbas Afridi, Mohammad Amir (unavailable for first T20I), Mohammad Rizwan, Muhammad Irfan Khan, Naseem Shah, Saim Ayub, Salman Ali Agha, Shadab Khan, Shaheen Shah Afridi and Usman Khan.

## Ireland Squad:

Paul Stirling (c), Mark Adair, Ross Adair, Andrew Balbirnie, Curtis Campher, Gareth Delany, George Dockrell, Graham Hume, Barry McCarthy, Neil Rock, Harry Tector, Lorcan Tucker, Ben White, Craig Young.

## Schedule for Pakistan:

10 May, 2024: First T20I at Castle Avenue, Dublin

12 May, 2024: Second T20I at Castle Avenue, Dublin

14 May, 2024: Third T20I at Castle Avenue, Dublin

## Pitch and Weather:

Certainly! The pitch and weather conditions play a crucial role in cricket matches, influencing the strategies of both teams.

Regarding the pitches, the conditions in

Ireland can vary depending on the venue. Generally, the pitches in Ireland are known to be green and offer some assistance to seam bowlers, especially early in the match. However, as the game progresses, the pitches tend to flatten out, providing good batting conditions. Spinners may also come into play as the match progresses, especially if the pitch starts to deteriorate.

As for the weather, Ireland has a temperate maritime climate, which means that it experiences mild summers and cool winters. In May, when the matches are likely taking place, the weather in Ireland can be quite pleasant, with average temperatures ranging from 10 to 15 degrees Celsius (50 to 59 degrees Fahrenheit). Ground conditions may become damp, affecting the pace and bounce of the ball.



## Teams Preparations:

Both the Pakistan and Ireland cricket teams practiced extensively leading up to their matches;

- **Net Sessions:** Both teams conducted net sessions to allow their batsmen and bowlers to practice their skills. Batsmen focused on facing various bowling styles, while bowlers would have worked on their line, length, and variations.
- **Match Simulations:** The teams engaged in match simulations, where they replicate match scenarios in practice. This helps players to get accustomed to the pressure and intensity of actual matches.

- **Fielding Drills:** Fielding is a crucial aspect of modern cricket, and both teams dedicated time to fielding drills to sharpen their skills and agility in the field.
- **Analysis and Strategy:** The coaching staff and players analyzed the strengths and weaknesses of their opponents and devised strategies accordingly. This involve studying footage of previous matches and identifying key players to watch out for.
- **Fitness Training:** Fitness plays a vital role in cricket, especially in fast-paced formats like T20. Both teams focused on fitness training to ensure that their players are in peak physical condition for the matches.

- **Team Meetings:** Captains and coaches conducted team meetings to discuss tactics, team selection, and other important aspects of the game. These meetings help in building team cohesion and ensuring that everyone is on the same page.

Overall, both teams left no stone unturned in their preparations for the matches, aiming to put their best foot forward on the field.

## Ireland vs Pakistan 1st T20I Highlights:

"Ireland Surprises Pakistan with 5-Wicket Victory in 1st T20I, Led by Andrew Balbirnie."

Andrew Balbirnie showcased his talent with a resilient 77 runs off 55 deliveries, steering Ireland to a remarkable five-wicket triumph against Pakistan in the opening T20I clash of the three-game series held in Dublin on Friday. Despite formidable performances by Pakistan's captain Babar Azam, who scored 57 runs off 43 balls, and Saim Ayub, contributing 45 runs off 29 deliveries, Pakistan managed to set a target of 182 for 6. Additionally, Iftikhar Ahmed's rapid 37 not out off 15 balls provided crucial momentum to Pakistan's innings at the Clontarf Cricket Club Ground in Dublin, where the match unfolded. Ireland's Craig Young emerged as the standout bowler, securing figures of 2 for 27 in his allotted four overs.

## Ireland vs Pakistan 2nd T20I Highlights:

"Fakhar Zaman and Mohammad Rizwan Lead Pakistan to Series-Equaling Victory."

Fakhar Zaman hammered 78 runs off 40 deliveries, complemented by Mohammad Rizwan's unbeaten 75 off 46, propelling Pakistan to level the series 1-1 against Ireland. Following a defeat in the first match, Pakistan displayed an enhanced performance on Sunday, ensuring the series stayed alive by pushing it to the decider. Pursuing a target of 194 runs, Pakistan achieved victory in 16.5 overs. In the initial innings, Lorcan Tucker's brisk 51 off 34 deliveries had propelled Ireland to a total of 193 for 7.

## Ireland vs Pakistan 3rd T20I Highlights:

"Pakistan Secure 2-1 Series Victory Over Ireland in Three-T20I Showdown."

Pakistan clinched a six-wicket victory over Ireland, sealing the three-T20I series 2-1. Ireland set a target of 178/7 in 20 overs, but Pakistan successfully chased it down in just 17 overs. Although Ireland surprised Pakistan in the first T20I, their defense of 193 in the second match faltered as Pakistan chased it down with over three overs to spare. Pakistan's next challenge will be against England in a T20I series, serving as their final tournament before the T20 World Cup.



## Pakistan hockey team gets heroic welcome on return home



Pakistan hockey team on Sunday received a hero's welcome upon their return home after winning silver medal in the recently-concluded Sultan Azlan Shah Cup 2024, where they narrowly lost in the final to Japan on penalties, ARY News reported.

Japan were crowned the Sultan Azlan Shah Cup 2024 champions as they secured a nerve-testing 4-1 victory over Pakistan in the penalty shoot-out.

Pakistan and Japan, both unbeaten in the tournament, went hard at each other in the final and turned out to be inseparable by the end of the full time as their scores remained tied at 2-2.

Japan displayed a dominating performance in the penalty shoot-out by converting all four penalties while Pakistan could score one, which came in the third attempt when Ammad Butt successfully buried the ball in the nets.

For the unversed, this was Pakistan's first appearance in the Sultan Azlan Shah Cup final after a long 13-year hiatus. The national men's hockey team gave brilliant performances throughout the tournament defeat-

ing hosts Malaysia, South Korea and Canada while settling for a stalemate against New Zealand in the group stage.

Upon arrival at Lahore, the chairman of the Prime Minister's Youth Programme, Rana Mashhood Ahmed Khan welcomed the Pakistan hockey team.

They were greeted by a huge crowd, who presented the silver medalists' with garlands and bouquets at the airport. Some fans also held placards and banners congratulating the team for their performance. Talking to journalists, Rana Mashhood said that Pakistan's youth had

reconnected with the national sport due to the performance of the hockey side.

"We lost the match on penalty strokes otherwise these boys were unbeaten," he said adding that the future of the sport had revived in the country.

"The government of Pakistan will support them in future events, and the premier has called them over to PM House. Their services and efforts will be appreciated and rewarded accordingly," he said.

The chairman said PM Shehbaz Sharif had also announced Rs1 million award for each player.



# From Glitz to Gaza: The Met Gala's Clash of Glamour and Global Crisis



By Romana Afsheen

The Met Gala, renowned as the pinnacle of fashion events, unfolded in New York City, showcasing avant-garde attire worn by A-list Hollywood stars. Hosted by Vogue's editor-in-chief Anna Wintour, the gala serves as a crucial annual fundraiser for the Metropolitan Museum of Art's Costume Institute.

Perhaps the theme of the Met Gala should have been "The Hunger Games." In that case, attendees might have grasped the irony, though it seems many of them rarely pay attention to the themes anyway. Had they done so, they might have recognized the parallels between this year's theme and the current state of the world.

To recap, the theme of this year's Met Gala was "The Garden of Time," inspired by J.G. Ballard's 1962 short story of the same name. The story revolves around Count Axel and his wife, aristocrats who use magical "time flowers" in their garden to manipulate time and stave off a threatening crowd. However, their efforts ultimately fail, and they are left petrified by time's passage.

The story carries clear themes of class disparity and the transience of material wealth and beauty. Unfortunately, many Met Gala attendees seemed to only focus on the words "garden" and "time," missing the deeper commentary. Thus, we witnessed celebrities adorned in floral and time-related attire, while outside, protests in support of Palestine were underway.

As celebrities walked the red carpet and cameras flashed, the reality of conflict was starkly juxtaposed. Even as the Israel Defense Forces launched strikes in Gaza, many Gala attendees remained oblivious or indifferent. This dichotomy led many to draw comparisons to "The Hunger Games," where the wealthy indulge in extravagance while others suffer.

The Gala's spectacle raises questions about the role of art and culture in an unjust world. Some, like writer Aja Barber, refused to participate, citing the inappropriateness of celebrating luxury amidst tragedy. Yet, for others, life must go on, and jobs must be done.

However, by focusing on frivolity

while ignoring suffering, we risk becoming complicit in perpetuating inequality. In this analogy, the celebrities represent the elite, while those suffering represent the oppressed masses. By fixating on luxury and glamour, we become complicit in perpetuating a facade that shields the privileged from harsh realities.

In essence, the Met Gala becomes a microcosm of societal inequities, where the wealthy distract themselves with extravagance while the world outside burns. It's a sobering reminder of the power dynamics at play and the moral responsibility we all bear in confronting them.

A surge in collective efforts across TikTok and other social media platforms emerged following the Met Gala, aimed at urging celebrities to publicly address the conflict in Gaza. On TikTok, creators garnered millions of views for videos associated with hashtags like #celebrityblocklist, #letthemetake, and #blockout.

Numerous posts listed names of actors, musicians, and other prominent figures



whom the creators claimed had not adequately spoken out against Israel's actions in Gaza and suggested blocking them. There was a specific emphasis in recent days on identifying those who attended the lavish Met Gala.

One TikTok user mentioned creating a comprehensive list of Met Gala attendees, marking whether they had remained silent on the issue or used their platform to address the situation. This user highlighted celebrities like Zendaya, Nicki Minaj, Keith Urban, and Andrew Scott, labeling them as "SILENT" for not sufficiently speaking out.

Calls to boycott celebrity silence have been building momentum on social media for some time. However, the timing of the New York event, showcasing opulence and privilege, coinciding with the crisis in Gaza intensified the conversation.

The juxtaposition of the Gala's glamour with the unfolding tragedy in Gaza sparked widespread discussion and action. Even minor celebrities, such as social media influencer Hayley Baylee, faced backlash on TikTok for their perceived insensitivity.

The initiative to block celebrities on social media platforms, potentially affecting their advertising revenue, aims to pressure them to use their influence to address the violence in Gaza. However, while such actions may raise awareness, their effectiveness in driving substantive change remains uncertain.

Critics argue that focusing on celebrity silence rather than the core issue may obscure the desired outcome. Nonetheless, some celebrities have experienced a decline in followers as a result of these campaigns, though the impact may be limited for those with substantial platforms.

Blocking celebrities does not necessarily prevent them from participating in targeted advertising campaigns. Moreover, controversies involving celebrities often draw attention to social media platforms, potentially benefiting them.

Ultimately, while efforts to hold celebrities accountable may offer a sense of agency to those involved, their impact on resolving complex global issues like the conflict in Gaza remains unclear.

However, this year's gala faced significant criticism online due to the escalating situation in Gaza, where Israel's aggression reached alarming levels. Coinciding with the gala, Israel issued evacuation orders for eastern Rafah, raising fears of a potential ground invasion and sparking global concern.

UN Secretary-General Ant6nio Guterres' spokesperson, Stephane Dujarric, condemned the orders, citing safety risks, particularly with millions of Palestinians seeking refuge in Rafah while Tel Aviv reportedly positioned troops closer to the city.



Amidst the tragic developments in Gaza, including the looming threat of famine amidst widespread death and destruction, the stark contrast of the Met Gala celebration struck many as dystopian. Some likened the juxtaposition to scenes from "The Hunger Games," highlighting the jarring experience of witnessing images of injured children from Gaza amidst the gala's glamour.

Criticism also targeted the exorbitant cost of Met Gala tickets, priced at \$75,000 each, with some noting that the price of one ticket could facilitate the evacuation of multiple Gaza families.

Moreover, outrage ensued over high-profile events featuring Hollywood elites being perceived as distractions from Israeli aggression, with concerns raised that such gatherings allowed Israel to escalate bomb-

ing campaigns when the world's attention was elsewhere.

Celebrities attending the Met Gala faced backlash as well, with criticism directed at what some viewed as a flaunting of privilege and insensitivity amid the ongoing crisis in Gaza.

While some advocated for simultaneous awareness of both Gaza and the Met Gala, pro-Palestine protesters staged rallies near the event, drawing attention to the ongoing war in Gaza and resulting in several arrests.

Given the suffering in Gaza, many found it

difficult to focus on celebrity fashion, underscoring the importance of redirecting attention to the plight of those affected by the conflict.

In conclusion, the juxtaposition of the Met Gala's opulence with the tragic events unfolding in Gaza has ignited significant discourse and criticism. While the Gala itself serves as a platform for fashion and fundraising, its timing amid global crises highlights broader societal issues and the responsibility of influential figures to address them. The collective efforts on social media to hold celebrities accountable reflect a growing demand for awareness and action on pressing global issues. As discussions continue, it's imperative to prioritize empathy, awareness, and meaningful dialogue in navigating complex issues such as the conflict in Gaza.

# Coke Studio 15 welcomes newcomers

By Maheen Sabeeh

“You try so hard but you don’t understand/  
Just what you will say when you get home/  
Because something is happening here but  
you don’t know what it is.”

– ‘Ballad of a Thin Man’ by Bob Dylan

If Coke Studio 14’s primary goal was to showcase the young, talented, and contemporary artists from Pakistan’s burgeoning music scene, one could argue that the ongoing new season aims to unearth the raw voices from the folk traditions of the country.

The inaugural episode of Coke Studio 15 featured a collaboration between Noman Ali, Babar Mangi, Marvi, and Saiban. Each artist contributed their distinct talent, culminating in a song that reverently celebrated the rich heritage and cultural diversity of Sindh.

The arrangement and sound harmoniously blended modern and traditional instruments, creating a captivating fusion.

Was the success of the first episode merely a happenstance? Was Coke Studio responding to the primary critique of season 14, particularly the dearth of emphasis on folk music beyond a single song (‘Kana Yaari’)? It’s too premature to draw conclusions.

However, what is evident is that Coke Studio 15’s vision transcends genres and singular sonic motif. Perhaps in its endeavor to embody the tagline ‘Sound of the Nation,’ Coke Studio has embraced emerging talents and artists from diverse regions of the country, extending beyond the major cities like Karachi, Lahore, and Islamabad.

This is most evident in the second song released from season 15. The track ‘2 AM’ boldly delves into universal realities, where one artist presents a contemplation of the inherent restlessness within all of us, while the other artist responds, not overtly, but with a profound understanding of universal uncertainties, addressing love amidst anxiety, as he draws inspiration from Sarfaraz Ali’s poetry.

‘2 AM’ does justice to its title with its expressive lyrics examining various issues such as greed, deceit, and lies, yet



transcending them as the late-night hours offer a respite from it all, bringing a certain magic with them.

In the song ‘2 AM’, both of these artists showcase unforgettable voices that instantly captivate listeners, prompting an immediate desire to hit replay, and delve deeper into their music online. Their vocal prowess resonates deeply, leaving an indelible impression that lingers long after the music fades.

However, the episode’s greatest achievement – beyond the song’s inherent beauty, originality, sensitivity, and its impeccable sound structure – lies in the roots of both artists.

Star Shah, born Amir Shah, hails from Okara in Punjab, and he remains true to his roots, as does Zeeshan Ali, a third-generation migrant from India. “His musical heritage traces back to the spiritual rhythms of his upbringing and the ancestral echoes of his Sikh great-grandfather from Punjab.”

While the song is a marvelous blend of their musical expertise, both lyrically and sonically, you can truly see how the artists complement each other and flourish in Coke Studio 15 by watching the behind-the-scenes video that unveils their stories.

By introducing Star Shah and Zeeshan Ali to the growing roster of artists who have amassed significant followings since their debut on the show across various seasons and under different producers, Coke Studio has effectively addressed the lingering questions raised after Coke Studio 14. With

its first two episodes, Coke Studio 15 has offered clarifications: it aims not to replicate the success of its predecessor and create room for narratives and stories absent in previous seasons.

The success wouldn’t be complete without recognizing the entire team’s contribution, particularly art director Hashim Ali’s skillful execution of the music video’s concept (directed by Awais Gohar).

His work in striking a balance ensured the visuals aligned perfectly with the song’s theme, avoiding any unnecessary elements.

Whether it resonates with the audience or not is beside the point. Yet, the effort to move beyond a handful of contemporary names undoubtedly deserves recognition and invites repeated exploration of the audio-visual landscape crafted by a multitude of industry insiders under the meticulous guidance of producer Zulfiqar Jabbar Khan, also known as Xulfi.

Coke Studio 15 stands as a testament to the ever-evolving tapestry of Pakistani music, weaving together threads of tradition and innovation into a vibrant mosaic that captures the spirit of the nation.

In the song ‘2 AM’, both of these artists showcase unforgettable voices that instantly captivate listeners, prompting an immediate desire to hit replay, and delve deeper into their music online. Their vocal prowess resonates deeply, leaving an indelible impression that lingers long after the music fades.

Courtesy The News



# Not Talking to Anyone



By M A Niazi

One of the most profound political statements ever made came only last week when Imran Khan said he was ready to talk to anyone for the sake of Pakistan, except the PML(N), the PPP, and the MQM.

One of the points worth pondering is whether he rated his purity above Pakistan. If the sake of Pakistan demanded that he talk to the PML(N) or the PPP, or even the MQM, would he refuse? Or would simply tell his negotiators to go the PML(N), and thumb their noses at them while yelling, “Nyah! Nyah!”

You can’t be in a good place where one of the conditions of dialogue is that you can’t call anyone either a chor or a daku. And that was Imran’s next move if anyone had asked him why they were not to be spoken to. Unless you have watched a Tamil movie, you probably wouldn’t understand. I would think Imran has watched quite a few, and not just because of the similarity between their plots and some of the things the PTI has claimed have been done.

Just an aside, but I wouldn’t be surprised if Imran found inspiration in how a Tamil film scriptwriter became Tamil Nadu CM five times. Yes, Muthuvel Karunanidhi not only became Tamil Nadu CM five times, but he also passed on the headship of the DMK to his son, the euphoniously named Stalin, who is the current CM. He was named after Stalin because he was born

after the latter died, during a public condolence meeting Muthuvel addressed. Stalin was not into films, but his son Udhayanidhi was an actor and producer.

Tamil Nadu has had a close link between its cinema and its politics. The great actor M.G.Ramchandran became CM several times, from the platform of the All-India Anna DMK which he formed as a break-away faction in his split with the elder Karunanidhi. Dynastic politics took a new turn, reached (rose to? sunk to?) a new level when, on his death, he was succeeded not by the widow or a child, but by his mistress, the actress Jayalalithaa.

But getting back to the elder Karunanidhi, he may be the inspiration for all of the clever plots that Imran has been spraying about, in his attempt to single-handedly revive Pakistani cinema. Maybe Imran should use his time in jail writing the novels, biographies, stage plays and radio plays that Muthuvel did.

I think Imran was actually saying that he wasn’t willing to talk with anyone. Not unless they were willing to praise him to the skies. His real object is the establishment, but it is not willing to talk to him. This is amply shown by its refusal to let go of the May 9 incidents.

There are two views of the events of 9 May 2023, of which the first anniversary was observed last week. One is the PTI view, that there were spontaneous protests

against the crossing of the red line by the arrest of Imran Khan, and certain agents provocateurs made the mobs (presumably holding hidden guns against their kidneys) commit mayhem in military installations and against martyrs’ memorials. Another view is that it was part of a conspiracy to conduct a coup, bringing back Imran to office, and doing something drastic to senior commanders. In other words, there was to be a choice between loyalties. To one’s commander, or to Imran Khan. The truth has not yet come out in any court, open or in camera, because the Army wants courts martial, the PTI doesn’t. The Supreme Court is hearing the case.

Well, another case is probably going to go before the Supreme Court, that of the 3500 non-filers of income tax who have had their mobile phones cut off. They’ll probably get some income tax filer to get them a SIM.

It’s perhaps the price of having SIMs available so easily. In the good old days, you could only get a landline if you knew somebody. Now any Tom, Dick or Harry can get a mobile. Funnily enough, even when it was tightly controlled, non-filers weren’t caught that way. Now they are. In the days of landlines, it was nice to have a phone, but now it’s a necessity. It isn’t just being available at any time, anywhere. But you can use your phone to do so many things, because it’s actually a small PC, as powerful (probably more) as your first PC. So not having a mobile is a real hardship.



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