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Lebanon Is Paralyzed by Fear of Another Civil War

During the 30 years since Lebanon's civil war, the neighborhoods of the capital Beirut have been split on sectarian lines, mirroring the country's sect-based power-sharing constitutional system. But this political edifice has been under challenge for months. In October, Lebanese people from across the religious spectrum came out on the streets and demonstrated against their political leaders, whom they described as a corrupt and self-serving elite. Last month when an explosion ripped through the city and left some of the dominantly Christian neighborhoods in ruins, it blew the lid off the country's sectarian fault lines.

Lebanon's various communities are more suspicious of each other than at any time in recent memory. At the center of tensions, holding the key to both chaos and peace, is Hezbollah. It's not clear how these vitriolic sectarian tensions will be resolved. No one wants the situation to escalate into another civil war.

At a coffee shop in Ouzai, a Shiite-dominated southern suburb of Beirut barely 3 kilometers from the downtown neighborhood at the epicenter of the protests, a group of Hezbollah supporters accused the protestors of being foreign agents. Abu Ali, the owner of the cafe in his mid-50s, claimed the protestors were a front for Israeli—and by extension, American—interests, and that they had crossed a red line when they hung a noose around the effigy of Hezbollah's leader, Hassan Nasrallah, demanding the group give up its weapons.

Hezbollah's weapons, he said, were necessary protection for the Shiites, traditionally Lebanon's poorest community, both against Israel and in a nation riven with sectarian divisions. The Shiites' subordinate social position dates back centuries, and reflects the support traditionally given to Christians by Western powers, and the greater wealth and influence of Sunni Muslims, particularly under their coreligionist Ottoman overlords. The rise of Hezbollah, feared by both of those other communities, is a matter of pride for many Shiites.

Abu Ali identified himself as a supporter, rather than member, of the group—Hezbollah’s fighters rarely speak to journalists and present themselves as civilian supporters rather than as taking direct orders from leadership. However, two hours into a contentious interview with Foreign Policy, he revealed his identity on the condition of anonymity, admitting that not only was he a fighter with the group who had fought in the 2006 war against Israel, but that his elder son also fought in the Syrian war alongside Hezbollah, whilst the younger was in training. As evidence, he produced half a dozen photographs: of himself at the border in army fatigues with a Hezbollah flag fluttering near him; of his 23-year-old in the Syrian battlefield posing with an AK-47 and an M16; and of his younger, 13-year-old boy, lying on the ground with his finger on the trigger of a gun and taking aim from their home in southern Lebanon at invisible Israelis.

“Of course he knows how to shoot. He needs to be able to guard the house if my elder son and I are not at home,” he said of his teenage son. “My sons and I fight against Israelis, and we can never make peace with them. But most of these protestors are backed by Israel’s friends in Lebanon and are on the payroll of Western embassies.”

Abu Ali tried to back up his theory by pointing to the visible economic disparity between the largely middle-class protestors and relatively poorer Shiites who could neither afford the cosmopolitan lives of their neighbors nor buy laptops, some of which Hezbollah’s supporters stole—or as Abu Ali liked to put it, “confiscated”—from protestors. “They chant slogans against our Sheikh Nasrallah and then drink whiskey and party. If they are poor then how come they have laptops?” Lifestyle apart, he added, all is fair game if the protestors crossed Hezbollah’s red lines, “There will be a price. Red lines are red lines.”

Hezbollah has already clashed on several occasions with the protest movement. Most analysts assume that protest leaders and opposition factions will not want to provoke it much further, unclear as to what price Hezbollah could extract. Many Lebanese outside the Shiite community, and some within, want Hezbollah to merge with the army, but know from bitter experience that loud opposition to the group’s independent control of its weaponry comes with high personal risk. Professor Nasser Yassin of the American University of Beirut said the group would not shy away from taking over the streets, as it did in 2008, if attacked physically. “If, and

that is a big if, some groups (Sunni, Christian, or Druze) carry arms against Hezbollah, and should the Lebanese Army be reluctant to crush them, then the group will take a swift action to control the country, 2008-style.”

In 2008, a Saudi-supported Sunni prime minister in the country dared to shut down Hezbollah’s communications, giving the group the provocation it needed to demonstrate its power on the streets. Within days, Hezbollah’s supporters had flooded Beirut. The Sunnis have since been on the back foot. Ziad Allouki, a Sunni militia commander from the northern city of Tripoli, has fought in sectarian clashes in the past but said that now his political overlords were keen to avoid escalation. Allouki last saw action when Syria’s civil war briefly spilled over into Tripoli between 2011-2014, and his Sunni fighters took on members of the city’s small Alawite community, coreligionists with President Assad. Alawites are generally regarded as an offshoot of Shiism.

After those clashes, he was arrested, along with hundreds of others, and only released on condition of a promise to keep the peace. As his fighting force was enfeebled, the same happened to the leading Sunni Muslim party, the Tayyar Al Mustaqbal or Future Movement (FM). Even when a UN international tribunal last month found a senior Hezbollah member guilty of the 2005 assassination of the FM’s former prime minister, Rafik Hariri, men like Allouki could do nothing, even if they wanted.

“Al Mustaqbal decided not to go down to the streets, to avoid clashes with Hezbollah, to avoid the possibility of a civil war,” Mr Allouki said. The general perception among Sunnis in Lebanon is that their leadership both in Lebanon and in the region, led by the Saudis, have abandoned them to the whims of Hezbollah and its patron, Iran. “The absence of armed activity is due to the concessions made by our leaders,” Mr Allouki told Foreign Policy. Bahaa Hariri, Rafik’s son and older brother of former Prime Minister Saad Hariri, said the party was not ready for confrontation. “We called for restraint because we said we don’t want any issues,” said Hariri on the phone from the United Kingdom. When asked how it intended to disarm Hezbollah, something both his father and brother failed to do, he answered: “We need to get our act together.”

There are those in Lebanese society who would prefer the Western powers to somehow take responsibility for disarming the group. “What can we do against

their arms? America has the power, not us,” said a middle-aged lady in Gemmayze, one of the neighborhoods heavily damaged in the port blast. She refused to give her name but identified herself as a supporter of the right-wing Christian faction, the Lebanese Forces. This group, disempowered since the civil war, strongly aligns itself with America and is accused of wanting to make peace with Israel.

Over the last two months, the protest movement has both dwindled and, particularly since the explosion, become more sectarian in tone. “It would be best if the Christians got a separate country and Hezbollah got their own,” the woman said, reflecting an increasingly common sentiment in Christian areas, even if one rarely spoken on a public stage. Dozens of Lebanese protestors told Foreign Policy that their movement to seek structural change and economic reform had been infiltrated by sectarian forces, including both Hezbollah and the Lebanese military.

Many protesters say the question of Hezbollah’s weapons has divided the public and that they preferred it be addressed nationally only when a new governing system was in place. Gilbert Doumit, a civil society activist who stood in the last election and lost, blamed not just Hezbollah but all sectarian leaders for bringing Lebanon back to the edge of a cliff. “Since 1990, there have been warlords who have imposed on citizens the same tradeoff: We protect you and in return, we steal from you,” he said. “Any time you threaten our interests we provoke a civil war under the pretext of protecting the sect.”

Analysts say that while sectarian mistrust is increasing, there is no threat of a civil war just yet —unless Hezbollah decides it wants one. Hezbollah and its main Shiite ally, the Amal Movement, have recently staged a number of their signature motorbike parades, waving flags of Shiism’s founding father, Imam Hussain. Shiites are currently commemorating the holy day of Ashura, during which they mourn Hussain’s killing. This might normally be seen as a harmless expression of religiosity, but most Beirutis nowadays see it as an assertion of Hezbollah’s power: a veiled message that its boys can, if they want, take over the streets again.

Back at the coffee shop, Abu Ali says that Hezbollah does not want a civil war and that its supporters are merely trying to maintain law and order, and ensure sectarian tensions do not break out. “If there were civil warlike conditions, then Hezbollah would attack Israel. It is the head of all those who want violence in the country,” said Abu Ali.

Internal peace, however, comes at the cost of accepting the hegemony of Hezbollah and its allies. That would trap Lebanon in the crippling status quo: a failed economy and ineffective sectarian politics.

By: Anchal Vohra

Source: Foreign Policy Magazine

The writer is a freelance correspondent for Al Jazeera and regularly writes for Foreign Policy. She is a Beirut-based journalist covering the Middle East and South Asia.

Mega Lecture

U.S. and China should seek a truce in tech cold war

It would be easy to dismiss the Trump administration's campaign against Chinese apps TikTok and WeChat as part of an election strategy to attack China from all angles. The moves, however, as well as China's counter-response, are contributing to a deeper problem at the heart of the global economy — one that can't be resolved unless the world's two biggest economies work together.

Just as oil opened new possibilities for trade in the last century, data has become the lifeblood of trade growth in the 21st century. Trade in digital services, including apps such as TikTok, is booming. Data flows increasingly underpin trade in physical goods, too, supporting complex global value chains and emerging technologies such as blockchain, artificial intelligence and the "internet of things." The amount of cross-border bandwidth in use increased 148 times between 2005 and 2017, according to consultants McKinsey and Co.

Meanwhile, however, global trade rules have barely changed since the 1990s. In effect, the world is trying to run a 21st-century, cloud-based economy on the equivalent of Windows 95.

In the absence of shared global norms on how data flows should be governed, domestic policymakers everywhere are developing their own "patches" to regulate data and protect national security and their citizens' privacy. The European Union implemented its General Data Protection Regulation (GDPR) in 2018. China has passed a sweeping cybersecurity law and, like India, is working on a major data protection law.

If the U.S. has been slower to regulate data, this is partly because it still dominates the industries and network architecture that handle global digital flows. Yet, given rising concerns about China's access to Americans' personal data, the tide of opinion there, too, is turning.

According to the OECD, the number of data regulations has risen from around 50 worldwide in the early 2000s to just under 250 in 2019. The overall degree of data control, as measured by the European Centre for International Political Economy's Digital Trade Restrictiveness Index, has doubled in the past decade.

The patchwork nature of these rules is creating complexity for firms and friction between nations. Just since the start of July, aside from Trump's executive orders

against TikTok and WeChat, India has banned 59 Chinese apps, and the European Court of Justice struck down the Privacy Shield mechanism, which U.S. firms such as Facebook Inc. and Twitter Inc. had been using to handle personal data from the EU. Meanwhile, the U.S. is locked in disputes over digital taxation with several European countries.

Different countries naturally have different views, values and capabilities regarding data governance. All should have the right to regulate data as they see fit for purposes of national security. At the same time, the world needs to lay down some common rules for how to manage data, or such conflicts will only proliferate and stifle interoperability, investment and innovation.

Some bilateral and regional agreements have begun to forge such common standards. The e-commerce chapter in the Comprehensive and Progressive Agreement on Trans-Pacific Partnership (CPTPP) allows members to regulate data flows in a rules-based way that minimizes barriers to trade. If China were to join the agreement — an idea gaining traction in Chinese policymaking circles — this would help align the country with next-generation data governance norms and support the aspirations of Chinese technology firms to “go global.”

What’s really required, though, is a multilateral data governance regime that includes both China and the U.S. The first step is to complete ongoing World Trade Organization negotiations on e-commerce. These talks should aim to set global ground rules and exceptions for data, while upholding the centrality of the WTO system.

Next, the G20 should build on last year’s Osaka Declaration on Digital Economy, which affirmed the need for international policy discussions to maximize the benefits of digitalization. A “Digital 20” (D20), comprised of the world’s 20 largest digital companies, should bring together figures from government, industry, academia and nongovernmental organizations to develop a workable, fact-based approach that safeguards national security while providing consumers with trust and privacy, and businesses with clarity and predictability.

The U.S. and China are home to most of these big tech companies. Rather than treating each other’s firms as national security threats, leaders in both countries should seek industry consensus and best practices that can be used to establish global standards.

To reassure security hawks on both sides, the world will need clear standards to judge what constitutes secure data management practice. Countries should be encouraged to use international standards as benchmarks for domestic approaches, such as ISO 27000 information security standards.

Rules-based free trade was crucial in helping the global economy recover from the ravages of World War II. We now face the worst global recession since then. It is time to haul our multilateral trade rules into the 21st century and stem the tide of digital protectionism so that data flows can be a source of growth and opportunity, not discord.

By: Wang Huiyao

Source: The Japan Times

The writer is founder and president of the Center for China and Globalization in Beijing and vice-chairman of the China Association for International Economic Cooperation.

The US is standing firm with Taiwan, and it's making that point very clear

When a United States guided missile destroyer sailed through the Taiwan Strait on Sunday, it marked the second such transit in less than two weeks -- and among the clearest signals yet of Washington's willingness to stand up for Taiwan in the face of Chinese aggression.

On Monday, the US went further still, taking the cover off previously classified commitments it made to Taiwan during the Reagan administration. Known as the Six Assurances, they spell out how US arms sales and diplomatic support to Taipei will move forward without regard to pressure from Beijing.

Though the US has remained a decades-long ally of Taiwan following the island's split from mainland China in the wake of a civil war, policymakers in Washington have traditionally refrained from overt displays of support.

China continues to view the self-governing democracy of almost 24 million people as an inseparable part of its territory, and has vowed to unify the island with the mainland.

For decades an uneasy status quo governed cross-strait relations. But in recent years, under President Xi Jinping, China has reasserted its perceived claims to the island, threatening military action in response to what it considers to be growing calls for formal independence.

On Tuesday, a Chinese government spokesperson called Washington's Six Assurances "illegal and invalid," according to the state-run Xinhua news service.

"Relying on the so-called 'Six Assurances' by the United States to seek 'Taiwan independence' will only lead to self-inflicted disasters," said Ma Xiaoguang, a spokesperson for the Taiwan Affairs Office of the State Council in Beijing.

Western analysts say the reveal of the Six Assurances, the Taiwan Strait sailings, US arms sales, the recent visit of a US Cabinet secretary -- the highest-ranked US government official to step foot in Taipei in decades -- are very visible and deliberate shows of support for the island.

"The US is attempting to make its assurances to Taiwan very clear at a time when it views China as destabilizing the Taiwan Strait," said Meia Nouwens, research

fellow for China defense policy at the International Institute for Strategic Studies in London.

With the upcoming US presidential election likely to further destabilize an already volatile US-China relationship, Washington is looking to leave Taipei no doubt on where it stands.

"The US is conducting its Taiwan engagement very, very overtly," said Drew Thompson, a former US Defense Department official now at the Lee Kuan Yew School of Public Policy at the National University of Singapore.

"To deter Chinese aggression, the US has to be transparent."

Allegations US planes land in Taiwan

A US Navy spokesperson on Wednesday pushed back on a report in the state-run Global Times late Monday that a US-marked EP-3 reconnaissance plane may have been on Taiwan over the weekend, an event Beijing would see as a direct threat to its sovereignty.

China is aiming to double the size of its nuclear arsenal, Pentagon report says

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"I can confirm that a US Navy EP-3 did not take off from or land in Taiwan on Sunday," Cmdr. Reann Mommsen said. She said she could not confirm allegations of a previous flight, on August 18, for security reasons.

Taiwan's air force command released a statement Monday calling the US recon plane flight allegations "fake news and completely contrary to facts."

But China has played it up. The story was atop the Global Times website on Tuesday morning.

"US intends to force China to 'fire first shot' over Taiwan," the headline read. Citing military analysts on the Chinese mainland, it said if the US had sent reconnaissance planes over Taiwan, Chinese military action could be justified.

"If military cooperation between the US and the island was discovered and poses real threats to the mainland and challenges the sovereignty of China, the People's Liberation Army (PLA) will be forced to take effective action to eliminate that threat

and may even realize reunification by force once and for all," the Global Times story said, citing military analysts.

Thompson said he was highly doubtful of the Global Times report -- especially in light of the recent openness from Washington.

"This story doesn't ring true," he said. "That would be quite a dramatic shift in policy if the US were to start using Taiwan as a base for operations."

Thompson also says Washington wants to contrast its word to that of Xi, who, for instance, said China would not militarize the South China Sea then built fortified islands there.

"Their rhetoric is difficult to take at face value when they have reversed themselves repeatedly," Thompson said of the Chinese leadership.

Offensive vs. defensive

Western analysts say Taiwan poses no threat to the Chinese mainland, at least in a combat sense. Even though Taipei is buying new US-made weapons like main battle tanks and F-16 fighter jets -- all to be paid for with an increase in the island's defense budget announced by President Tsai Ing-wen last week -- it isn't going to be sending any of that military muscle across the Taiwan Strait.

"Taiwan's military is so small that announcing increases doesn't threaten China's People's Liberation Army in a conventional sense," Thompson said. "What is threatening to Beijing is the leadership of Taiwan doubling down on its defense of the island."

This is something policymakers in Taipei will be acutely aware of. Since coming to power, Xi has refused to rule out the use of force in claiming Taiwan -- even though the ruling Chinese Communist Party (CCP) has never in its history exerted control over the island.

Xi has also come down hard on another threat to Beijing's leadership: democracy protests in Hong Kong, passing a National Security Law with a global reach to silence anybody who might challenge Chinese authority over the city.

"He's been ruthless in addressing those perceived threats," Thompson said of Xi.

But the Chinese leader would be taking a chance in pushing Washington too far over Taiwan, said Randall Schriver, former US assistant secretary of defense for Indo-Pacific security affairs.

Washington has responded every time the island has come under threat since the end of the years-long Chinese civil war in 1949.

"If you're going to gamble everything on the United States not being there, I think it's a pretty risky gamble," Schriver told a webinar with the National Security Institute at George Mason University last week.

"If I was in Xi Jinping's shoes, I certainly wouldn't want to make the wrong bet" on US willingness to come to the aid of Taiwan, he said.

The analysts say a forcible takeover of Taiwan could be a bad bet for Xi either way -- US help or not.

Defensive posture

Taiwan is well situated to defend itself, with a stretch of the Pacific Ocean -- the Taiwan Strait -- sitting between it and the mainland.

"Eighty nautical miles of water ... is a pretty good opening bid before you buy a single weapons system," Schriver said.

And while Beijing could do a lot of damage to Taiwan with its superior arsenal of missiles and bombers, destruction does not equal conquest.

"You have to have soldiers on the ground with rifles and bayonets taking ground and holding ground in order to actually exert sovereignty," Schriver added.

"They (the PLA) still have to get hundreds of thousands of people across the Taiwan Strait in order to prevail."

Even though Taiwan's defense budget is dwarfed by Beijing's, modest spending can make a big difference when you're playing defense.

Hardware like coastal defense and surface-to-air missiles are relatively cheap compared to the massive capital outlays Beijing would have to make to field an invasion force, like large amphibious assault ships and the escorts needed to protect them from incoming missiles or torpedoes, or mines laying in wait below the surface of the sea.

"I think Taiwan is very defensible if they buy the right things and (the US) does what (it) needs to do to support them," Schriver said.

Nouwens, the IISS analyst, said the idea that Beijing could prevail in a conflict over Taiwan is not even supported by senior mainland defense experts.

"Recent publications from China's (National Defense University) and Academy of Military Sciences by senior experts still argued that the US should not be underestimated, and that any attempts to take Taiwan by force would equate to China throwing all its eggs into one basket -- which it could ill afford and would likely lose," Nouwens said.

"Engaging in a military conflict over Taiwan and losing would be catastrophic for the CCP, so I don't think this is something that can be easily provoked."

To be sure, the Taiwanese military has its problems. With its small population, filling military billets can be a struggle. In recent war games, Taiwan has been trying to give its conscripted reserves -- who only serve short four-month stints in uniform - - bigger roles in, and more realistic, training.

People power problems extend to even what would seem to be coveted jobs, like fighter pilots.

When the 66 F-16s Taiwan is purchasing from the US start showing up, there remains an open question whether there will be pilots to fly them.

"This sale will require Taiwan to recruit 107 additional pilots. And in the past nine years Taiwan has only increased its F-16 pilots by 21 officers," Nouwens said. "We'll need to keep an eye on this in the next few years."

By: Brad Lendon

Source: CNN

China's vaccine R&D is not in a nasty US rat race

What happens if a novel coronavirus vaccine had gone through all clinical trials and been approved for public use? By then, the world's economic and social life may finally get back to normal in a real sense. Unfortunately, this beautiful vision is not in the eyes of American media outlets, as they tend to view this as a cutthroat competition for power and prestige by asking: what if the US loses the race for vaccine research and development (R&D)?

US media outlet Politico published an article on Monday entitled, "What Happens If China Gets the Covid-19 Vaccine First?" The author, Elizabeth Ralph, raised a series of questions in it, including: what if China refuses to give a safe vaccine to the US and instead uses it as a bargaining chip to combat US power? What if the Trump administration, or a Biden administration, refuses to accept it? And will US' closest allies scratch their head and ask "is the United States really going to be there when China comes knocking" with a vaccine?

Ralph represents quite a few US' political analysts, and her view even reflects that of many American politicians. If they follow this line of thinking, it means they intend to do so themselves - turning a US-developed vaccine into a geopolitical bargaining chip and use it to boost US' influence.

The US cares too much about its No.1 position in the world. This is why it is trying to sabotage any possibility in which China could take a lead in any given field.

China has no intention to fight the US to become the No.1 in COVID-19 vaccine R&D. Chinese scientists are working around the clock, but they are not rushing to win the holy grail of being the first. They emphasize safety and effectiveness. But the US does not believe so. It is keen to keep its overwhelming advantage in most sectors in the world. It overlooked the fact that quite a few countries are attractive without being the No.1 in any specific area.

As Ralph wrote, China winning the race would be "a nightmare scenario" for the US, as the latter's prestige could falter, and "the world will have to rethink its alliances." Today's US looks like a once handsome guy heading toward a nostalgic and sentimental midlife. It is deeply concerned about losing its attractiveness.

This explains why the US is obsessed to describe the vaccines R&D as a national strength's triumph comparable to the moon landing. Even though China has

underlined multiple times it will make its COVID-19 vaccine a global public good when it is ready, the US, which is witnessing record-breaking infection surges and obviously needs the vaccine more than China does, still shows this attitude: the significance of defeating China in the geopolitical game far outweighs its people's lives.

But instead of focusing on developing its own vaccines, the US is smearing and hindering other countries' efforts. It groundlessly accuses Chinese hackers of seeking to steal COVID-19 vaccine research from the US, sanctions a Russian research institute that was developing coronavirus vaccine, and even attempted to buy a German firm to secure exclusive rights to a possible vaccine the company had been working on.

Washington is not only filled with political calculations toward the outside world - it also has domestic calculations at home. In August, Trump said the US would have a coronavirus vaccine before November 3 election. What a coincidence. He knows well that the vaccine may be a life-saving straw that could save his approval ratings amid US' disastrous response to the epidemic so he has conveniently created the release date. No wonder Politico raised the concern, "the US might prematurely approve a vaccine as a kind of Cold War propaganda triumph."

The US, once shimmering like a knight with charm, is now grumpy and seeking by hook or by crook to get its groove back, as it realizes that it loses the control of reality, with its dream becoming hard to reach. It is losing its charm to others. Yet it cannot help but coerce its allies to follow its suit.

For China, vaccine R&D is not a geopolitical competition. Nor is this a race China has to win. For China, it is about patients waiting to be cured and a world waiting to go back to normal. It does not matter if the US believes so. But if the US does care about its own influence or attractiveness, it should know charm emanates from the inside. And it can hardly be obtained with a rat race, coercion, or calculation.

By: Ai Jun

Source: Global Times

The paradox of China's Grand Strategy

Ever since I landed at Beijing airport, on a yearlong journey of discovery years ago, my infatuation with the Middle Kingdom has resulted into numerous visits and interactions. One feels that in most cases the Chinese perspective gets clouded amidst the cacophony of anti-China noise. For better comprehension of the hydra-headed dragon, this column deals with Chinese Grand Strategy.

Great powers have grand strategies focused on the long term, and framed in broad terms. Grand strategy is “the process by which a state relates [its] long-term ends to means under the rubric of an overarching and enduring vision to advance the national interest(s).” A nation's interests can be classified as core/vital, important and peripheral. A state generally goes to war in order to protect its vital or core interests.

Grand strategy results from a holistic assessment of a country's strengths and vulnerabilities; its security environments and major threat(s) emanating from the environment in near to long-term. In the strategic construct, nations respond to threats through a developmental strategy (near to long-term) involving acquisitions for and reorganisations of forces. Threat(s) dictates whether a nation's grand strategy is predominantly land-based (continental), maritime or air-based or a combination thereof.

The grand strategy of the Peoples' Republic of China (PRC) is discerned from a wide range of literature. The Chinese Communist Party (CCP) and Peoples Liberation Army (PLA also includes PLA Air Force, Navy and 2nd Artillery) have decades of experience — as a revolutionary politico-military movement — in formulating, articulating, and implementing strategies ever since the revolution. Today the Chinese behemoth is a party-army-state.

It was the re-evaluation of China's security environment in the early 1970s under Mao Zedong and other senior PRC leaders that Beijing turned away from an erstwhile friendly Soviet Union. Chinese leadership had assessed the USSR to be a greater threat to China than the United States. Later, the honeymoon with the US ended with the events of Tiananmen Square in 1989. Today's environment makes China and the US hostile powers, although both continue to cooperate on a wide array of issues.

Beijing accuses the US for being duplicitous about “one China policy” undermining PRC’s claim over Taiwan; its tacit support for Hong Kong protesters; undermining Chinese economic interests (particularly the Huawei episode); the US muscular policy in dealing with Chinese claims in South and East China Seas; encouraging “splittism” in Tibet (Chinese call it Xidan) and elsewhere; and the bogey of human rights violations, etc. However, maintaining cordial and cooperative relations with the US — mainly to access technology and markets — remain a top PRC interest.

China considers America’s Sino-specific policy objectives comprising political evolution, economic engagement and military containment; to which China responds with its own strategy of “prevention and utilisation”. Preventing conflict with the US, preventing American cultural and economic domination, and preventing US military containment. China prefers utilising US technology, market and management experience. Strategically, China considers peace and stability in Asia-Pacific and the Korean Peninsula; the War on Terror (and its evolution towards peace); WMD proliferation; and economic relations as bedrock of its US policy.

For the US, rapid expansion of Chinese economic power, enhanced market share and global dependence on Chinese manufacturing; PRC’s growing military might; strategic initiatives like OBOR (and its flagship CPEC); China’s increasing footprint in Asia (especially South Asia and Afghanistan), Africa and even the Middle East; China’s greater convergence with Russia; Beijing’s response to Covid-19 and its global support to countries, etc., are disconcerting strategic developments.

China’s core national interests remain its territorial integrity, protection of the system (called socialism with Chinese characteristics and rule by CCP) and uninterrupted economic and social development (labeled China’s peaceful rise). During Sino-US Strategic and Economic Dialogue (2009), the then state councillor, Dai Bingguo, outlined China’s three core interests as: maintaining basic system and national system; national sovereignty and territorial integrity; and continuous, stable economic and social development. President Xi Jinping while meeting PLA’s delegates to the National Peoples’ Congress (NPC) in 2014, highlighted China’s national sovereignty, security and development interests. These can be grouped as ideological, territorial, political and economic interests.

Ideological and/or security interests (maintaining a basic political system, and CCP rule) can be challenged by increasing social unrest, serious natural disasters and

accidents including public health incidents like Covid this year. This warrants monitoring and censoring internet and social media platforms and any subversive role by foreign governments.

The second core interest — national sovereignty, territorial integrity, and national unity and stability — is undermined by “splittism” in Tibet, East Turkistan, Taiwan and now Hong Kong; and Chinese claims in South and East China seas (Senkaku Islands). Any violation of this interest generates a robust response from China.

The third category, i.e, development interests concern a sustained growth of Chinese economy, including uninterrupted supply of raw materials, access to markets, open sea lines of communication, and protection of other resources critical to the nation’s sustained development. A 2013 defense white paper takes account of certain additional aspects, like China’s overseas interests including energy resources, strategic maritime routes and its citizenry.

China, particularly the PLA, assesses the US threat through American hard power — US military might and economic clout; and US soft power — subversive ideas and concepts regarding individual liberties and Western style democratic political institutions, which — China argues — be culturally relevant and appropriate for Chinese conditions. Beijing believes that the superior US high technology remains a key advantage for Washington in both areas; hence it is narrowing the gap.

The evolution of China’s grand strategies since 1949 are sometimes bracketed as 4R; the revolution (1949–1977), recovery (1978–1989), rising (1990–2003), and rejuvenation (2004–present). However, certain enduring strategic objectives can be discernible across decades.

The evolving Chinese strategic construct, therefore, includes (1) restoring and maintaining China’s territorial integrity; (2) preventing Asia-Pacific domination by another power; (3) creating a favorable international environment for China’s economic development; (4) asserting in shaping the evolving global order; (5) political control and social stability at home; and (6) advancing science and technology. Some Chinese academics consider world peace and regional stability also forming part of “important” national interests, requiring strengthening and modernizing national defense.

Cultural and traditional influences under the precepts of Kong Fu (Confucius) also provide grounding to Chinese strategic framework. The wise Middle Kingdom has so far defended non-interference as a principle. However, it cannot remain the erstwhile 'hesitant power' in the evolving international order, if it is to protect the cited interests. China under President Xi seems destined to resolve this paradox, as the dragon has woken up.

By: Inam ul Haque

Source: The Express Tribune

Mega Lecture

Gupkar Declaration proves Kashmir is experimental lab for politicians

After almost a year, the resolve of all major political parties in Jammu and Kashmir to reiterate the demand of the implementation of the Gupkar Declaration of 6th August 2019, has finally reflected the signs of dissent against the “unconstitutional” and “unilateral” abrogation of Articles 370 and 35 A.

On 6th August 2019, the meeting, presided over by 82-year-old Dr. Farooq Abdullah, was attended by Mehbooba Mufti, president, JKDPDP [Jammu and Kashmir Peoples Democratic Party], Patron, PDP, Muzaffar Hussain Beg, Abdul Rehman Veeri, general secretary, PDP, Suhail Bukhari (PDP), Sajad Ghani Lone, chairman, JKPC [Jammu and Kashmir People’s Conference], Imran Reza Ansari, Abdul Ghani Vakeel, Taj Mohiudin, vice president, JKPC [Jammu and Kashmir Pradesh Congress Committee], Omar Abdullah, vice president, JKNC, and Members of Parliament Justice Hassnain Masoodi, Mohamad Akbar Lone, provincial president, JKNC, Nasir Sogami, Ali Mohammad Sagar, JKNC, Muzaffar Shah, ANC [Awami National Conference], Uzair Ronga (PUF), M.Y. Tarigami, CPI(M) [Communist Party of India (Marxist)], and Shah Faesal, PUF [People’s United Front].

The representatives of the political parties resolved to remain together and stand united in their struggle for safeguarding the identity, autonomy, and special status of the State. However, even before they could have employed the decision of the Gupkar Declaration in their discussion with the centre, most of them were thrown in jails or were kept under preventive detention with the abrogation of Article 370. For a year, no political activity was seen in Jammu and Kashmir, except some membership drives by Bhartiya Janta Party (BJP), which acted as an invincible entity, because the governor run administration had imposed strict restrictions on any kind of political activity, despite the fact that India is a democratic country.

Many political leaders, including former chief minister and president Jammu and Kashmir Peoples Democratic Party (JKDPDP) Mehbooba Mufti are still under detention, while some have been released after signing a bond of compliance with the government. Slowly and steadily, the political activities in Jammu and Kashmir, after more than a year, appeared to have resumed with the meeting of leaders of six major political parties in the erstwhile State at the residence of three times chief minister Dr. Farooq Abdullah at much secure and posh area of Gupkar, wherein all the members unanimously decided implementation of Gupkar Declaration, which

was passed in 2019. The members also decided to launch a peaceful agitation opposing the nullification of Article 370 that provided special rights to the citizens of J&K.

Though it is certain that the BJP ruled government at the Centre would never reverse its action that has received accolades from all over India and other countries.

The leaders stated during the Gupkar Declaration “Let (PDP chief) Mehbooba ji be released, all of us will sit together and decide our way ahead, but let me assure you that our struggle will be peaceful. We don’t believe in stones and bullets. There is no room for stones and bullets. It will be a Gandhian way of struggle.” The Gupkar Declaration enlists three points (demands) only in 122 words as mentioned next.

1. That all the parties would be united in their resolve to protect and defend the identity, autonomy, and special status of J&K against all attacks and onslaughts whatsoever.
2. That modification, abrogation of Articles 35A, 370, unconstitutional delimitation or trifurcation of the State would be an aggression against the people of Jammu, Kashmir and Ladakh.
3. That the parties participating in the meeting resolved to seek audience with the president and prime minister of India and the leaders of other political parties to apprise them of the current situation and make an appeal to them to safeguard the legitimate interests of the people of the State with regard to the guarantees given to the State by the Constitution of our country.

The Gupkar Declaration has cleared its ideology of peace by mentioning that “We don’t believe in bullets and bullet and stone throwing politics”. They abjured violence of all forms, including pelting stones at the security forces. This is very significant as the Gupkar Declaration has separated itself from those fighting with arms. Therefore, the mainstream political parties again send a loud message that they do not subscribe to violence.

There is hardly any response to the Gupkar group by the Prime Minister Narendra Modi or his Minister of Home Affairs Amit Shah, who holds the reins of two Union Territories-J&K and Ladakh. Farooq Abdullah blamed the Prime Minister for creation of a new chapter of peoples’ alienation in J&K. Every decision is taken at

PM level. Only response to the Gupkar Declaration came from the J&K BJP president Ravinder Raina, who launched a scathing attack on the mainstream parties, especially the National Conference and the Congress for enacting the instrument of Gupkar Declaration to demand reversal of Abrogation of Article 370. While lashing out at its rival parties in the Union Territory, Rana charged that those who want to fight the nullification of Article 370 and demand for the restoration of special status to the erstwhile state are supporters of Pakistan.

Though, political parties in Jammu and Kashmir, especially National Conference and Peoples Democratic Party are up in arms against BJP, but the fact of the matter is that these two parties have always supported BJP to spread its roots in Jammu and Kashmir. Not only did Mohammad Mufti become Chief Minister with the support of BJP in J&K, but after his death his daughter Mehbooba Mufti also became Chief Minister.

The leaders of both the parties from J&K knew very well that issue of Abrogation of Article 370 was very close to RSS-BJP heart and they did it at the very first instant they got the requisite majority and surprisingly PDP did nothing to allay the fears of abrogation of Article 370, despite having this in the Agenda of Alliance, formulated by both the parties before wielding coalition.

Now, if these parties think that BJP would surrender before them to reverse it, it would be a naïve idea. And BJP knows that abrogation of article 370 has garnered huge support to the right wing political outfit outside J&K.

On the reiteration of the 'Gupkar Declaration', J&K Apani Party president Altaf Bukhari has said that it was not an overnight development, as these groups were grappling with confusion over the months, now somewhat they have "removed the ambiguity". His party will not sell dreams to the people but would keep in mind ground realities and make pragmatic policies.

Although J&K democratic parties have set apart their ideological differences to launch a struggle against abrogation of Article 370, still it does not show an encouraging future. The J&K administration proposes to go ahead with the delimitation of the assembly and parliamentary seats. Only last week, the election commission announced the formation of the Delimitation Commission (DC), which would start its exercise in the near future. It did not form DC during the past one year.

Much against the expectation of the Centre, the situation in J&K has deteriorated further and now Kashmir has three different kinds of dissenting voices, those believing in violence and are on the path to wage war against India to set Kashmir free, those believing in peaceful means and have been contributing in strengthening Indian democracy in Jammu and Kashmir since last many decades and those who want to assimilate Kashmir into Pakistan by triggering anti-India and anti-government protests.

Except for joint peaceful protests and agitation of mainstream political parties in J&K, there may not be much hope from separatists and militants, fighting for any cause. Therefore, people of J&K would continue to suffer politically, economically, and emotionally, with having little support or sympathy coming from any corner of the world including the Muslim world. However, it would be interesting to note how the Gupkar Declaration will influence the government at centre. The writer is a senior journalist and Indo-Pak peace activist.

By: Chanchal Manohar Singh

Source: Daily Times

The writer is a senior journalist and Indo-Pak peace activist.

Pakistan's early victories against coronavirus

As with all countries, the coronavirus pandemic has been a foremost concern for governments and societies seeking to strike a balance between preserving both lives and livelihoods. Although many countries continue to suffer exacting tolls, there have been some surprising winners in the battle against Covid-19, and Pakistan is one of those countries that scored early victories that have surprised a great many observers.

Indeed, at the beginning of the pandemic, the foreboding of Pakistan's predicament was very grim. Public health resources were meagre, the economy was facing paralysis, and national-level disease control measures were limited. Some early estimates worried that Pakistan would be especially vulnerable and that, without very strict lockdowns, by August 10 Pakistan would suffer 79,000 deaths.

Worse still, if adequate measures weren't taken, it was predicted that the toll thereafter would spiral to a colossal 2.3 million, harrowing by any account. Yet by mid-August, the actual death toll in Pakistan was less than 7,000 deaths, not even one-tenth of what was predicted in a worst-case scenario. This remarkable outcome stood in particularly stark contrast to other large countries such as the United States, India, and Brazil, whose deluge of cases continues unabated.

Both Pakistanis living within the country and overseas appear perplexed at this comparative success, and many ask why the contagion remained mercifully meek. Many of course attribute this to the grace of the Lord, and rightly so, but there are both structural and policy factors that together offer considerable explanatory power regarding Pakistan's early victories against Covid-19.

The foremost factor that stood in Pakistan's favour was its demographics. Although young people are not immune to the respiratory illness, their death rate is miniscule (<1 percent) compared to that of elderly patients (double-digit fatality rates). Any country with a comparatively young age structure could thus bear the brunt of contagion more readily. Certainly, with 70 percent of Pakistan's population below the age of 29, the demographic pyramid was an intrinsic blessing.

The second major factor favouring Pakistan was the low co-morbidity of factors such as obesity. Preliminary studies have indicated that obesity (and its

concomitant side-effects) significantly worsen outcomes for coronavirus patients. Fortunately, Pakistan ranks 148/191 countries with an obesity rate of just 8.6 percent, and China ranks even lower at 6.2 percent. By contrast, Brazil has an obesity rate of 22 percent and the United States has a whopping 36 percent obesity rate. This is not referring to overweight people but to the obese, a category still beyond, and more than one-third of Americans falling into this danger zone bodes very ill for their immune response.

A third factor speaks to the “non-specific immunity” that might have been generated due to existing vaccination programmes in Pakistan, specifically the BCG vaccine that has been actively immunising the population since 1965. BCG offers non-specific immunity to several horrible diseases such as leprosy and tuberculosis, and there is a compelling hypothesis (which still requires further scientific trials) that BCG vaccination in Pakistan might have provided an ancillary and non-specific protection to many Pakistanis.

A fourth factor worth noting is in the urban design, a point that is quite subtle but important. Pakistan’s generally ad-hoc urbanisation is characterised by low-rise buildings as opposed to tall high-rises. This means that there are fewer points of concentration in residential zones, such as elevators or stairwells, where people would be forced to transit. Although low-rise urban sprawl may bring many drawbacks with it, from a contagion perspective it lowers the risk of concentrated hot-zones for large groups.

A fifth factor is cultural in nature and is attributable to the conservatism and traditionalism of the public sphere. In Pakistan, traditional gender roles are more prominently enforced, leading women to occupy a wider presence in the private sphere and men in the contrasting public sphere. In other countries, both men and women roam about in more equal proportions in the public sphere, making both genders a likelier vector for Covid-19. Yet in Pakistan, women were in a semi-state of de-facto quarantine through their ascription to domesticity, lowering the transmission rates considerably.

It may be gleaned from this that there were many structural factors and norms that were advantageous to Pakistan from the get-go, something that wasn’t factored into the dismal forebodings in early 2020. However, this alone wouldn’t have been enough, as can be seen in the disastrous mismanagement of the pandemic by

countries such as India and Brazil that share many of these structural traits with Pakistan.

The Government of Pakistan, unlike that of the United States or Brazil, took the pandemic very seriously from the beginning. There was enormous political will behind preserving both people's lives and their livelihoods. Hence, a thorough national coordination mechanism was created that involved the resources of the centre and the provinces, along with both civil and military expertise and manpower. Policies such as makhsoos-bandishein (smart lockdowns) and widespread public messaging further curtailed the virus' onslaught, and reflected the sobriety with which the government mobilised, despite its resource constraints.

Furthermore, the spatial confinement of people was such that they were largely grounded wherever they were at the time of lockdowns, and so rural transmission was not to become a major concern. Rural areas in Pakistan have deficient healthcare provision, and so a massive outbreak in rural areas would have borne a catastrophic outcome. Yet consistent testing has shown that rural cases have remained very low in the country. This is a marked difference with the mismanagement in India, where tens of millions of people were virtually heaved out of cities, including many carriers of the virus, to eke out a survival in the hinterlands. The path they collectively trudged offered a much wider dissemination of the virus beyond the urban areas through heavy community transmission.

In addition, and perhaps above all, there was a strong civil society response to the pandemic in Pakistan. Many charities and individuals set to work assisting the poor and the needy, wherever the state's resources fell short. This helped reduce the trade-off between lives and livelihoods to a considerable degree. Although much fake news circulated around the country, there were enough sane minds that understood the importance of government guidelines and took to assisting others without exposing themselves to viral transmission. Finally, as with many other countries, the doctors and nurses in Pakistan tirelessly worked day and night to save lives in a monumental and selfless effort.

In sum, when both the structural and policy factors are taken into context, it becomes evident that Pakistan's early victories against coronavirus were particularly noteworthy when juxtaposed with other large countries that continue to suffer at the hands of an invisible enemy. Surely there was the Lord's mercy, but

a careful analysis of the advantageous factors, both in prudent policy and the general social architecture, is also necessary.

That said, it is too early for us, or any other country, to celebrate as of yet. Several countries that thought they had eradicated the outbreak have seen it return with renewed vigour. It is important to remember that the battle against coronavirus is an ongoing one, and continued vigilance is required for the longer-term assurance of reprieve.

By: Dr. Usman W. Chohan

Source: The Nation

Mega Lecture

Land reforms now

Much has been said over the past few weeks about wheat shortage and imports to ensure regular supplies and fair prices but little attention has been paid to the poor state of agriculture, where the root of the problem lies, or the plight of the people who depend upon it.

According to the latest Economic Survey, agriculture recorded a growth rate of 3.2 per cent during the last fiscal year but for several previous years the farming sector of agriculture had been showing little or negative growth. Its overall performance rose due to the livestock sector's performance.

In 2018, government launched a Rs277 billion Prime Minister's Agriculture Emergency programme. The 10-point programme ranges from enhancement of productivity of wheat, rice, sugarcane and oilseeds and water conservation to backyard poultry farms. We are almost in the middle of the five-year programme and it should be worthwhile to find out how many of the objectives have been achieved and how much of the programme will survive post-pandemic planning. Earlier too, agriculture development packages including credit, price support and marketing facilities, were offered. While these measures did have a positive impact on the economy they did not touch the iniquitous land ownership pattern that is a major cause of the sluggish performance of agriculture.

Agriculture is important on three counts. First, it offers the means of guaranteeing food security. Secondly, it remains a significant contributor to the GDP. And thirdly, it accounts for a little over 33pc of the national labour force. A holistic approach to agricultural development will concentrate as much, if not more, on the well-being of the cultivators as on the promotion of state interest. It is essential to look at the hardship of petty landholders.

According to the latest agriculture census, farms less than an acre constitute 19pc of the total number of farms but the area covered is 1pc of the total; farms under five acres constitute 64pc of the total but the area under their command is only 19pc of the total farm area. On the other hand, farms of 25 acres to over 150 acres constitute only 5pc of the total number of farms but they constitute 35pc of the total area. There have been suggestions that land in the possession of bigger landlords has increased since the last land reform of more than 40 years ago.

The life of owners of tiny pieces of land is unmitigated misery. They cannot afford the essential inputs, nor can they use the machines. They have little access to credit. They are too poor to make any progress in social life and their use of educational facilities is limited.

The solution lies in serious and genuine land reform. Some well-meaning economists argue that the time for land reform has passed. Perhaps the world has fallen in love with corporate farming. However, the case for land reform was not based on the need for efficient farming alone; a more compelling reason was the urgency of reducing the peasantry's land hunger and that reason has not disappeared.

The genuine land reform that was promised before independence, at least to the people of Punjab, has never been carried out. There is little doubt in informed quarters that the land reforms of 1959 and 1970s benefited the landlords more than the deprived peasantry. If the land reform of 1977 touched some privileged landlords it was not implemented.

These days most people have stopped talking of land reform because of the fear of transgressing religious injunctions. This is so because in a judgement that has never ceased to confound students and practitioners of law, the Shariat Appellate Bench of the Supreme Court declared land reform un-Islamic in the 1980s. Now land reform can mean many things beside obliging landlords to part with land in excess of the prescribed limit but everything about land tenure has been given up. A petition questioning the bar on land reforms filed in the Supreme Court by senior lawyer Abid Hasan Minto in 2011 is still pending.

We are referring to land reform in the most comprehensive meaning of the term. It does include rationalisation of the anomalies in the fixation of upper ceiling of holdings. But the land reform being advocated here includes, besides fixation of ceiling on ownership, a host of other matters —from equitable division of output between landlord and tenant and standard agreements between landlords and commercial farmers (mustajirs), to guarantees against damage to soil fertility caused by unscrupulous and wanton exploitation of land, and minimum wages for farm labour. And of course the state's duty to ensure all farmers' access to credit and extension services, if such facilities have survived anywhere, is also included.

Without comprehensive land reform you may have development that will leave the bulk of peasantry as badly off as ever but if development that includes the uplift of the cultivators is intended then land reforms must be carried out sooner rather than later. Talking of agriculture's rejuvenation without land reform will be like entering a race with a cart that has no horse before it.

Tailpiece: Because of a flaw in the law, the NAB chairman has been granted powers to make rules for the bureau's functioning with the approval of the president, that is, the government. For a long time, the NAB chairman did not want the rules to interfere with his whim and caprice. Obligated by the Supreme Court, he has submitted a draft of rules to the court. One does not know whether the government has been consulted. Media reports suggest that the rules have been designed to increase the chairman's powers beyond what is contemplated under the NAB Ordinance. If these reports are true, NAB will become a more horrible instrument of tyranny than it already is. Meanwhile, here are two recent headlines: 'Pakistan's problem is [lack of?] good governance' is attributed to Punjab governor Mohammad Sarwar, and 'Provinces cannot be administered by average leaders' to Federal Minister Fawad Chaudhry.

By: I.A Rehman

Source: DAWN

The debt trap

Around June 2019, Prime Minister Imran Khan announced the setting up of a debt commission to investigate the increase in debt over the period 2008-2018. The PM believed that the increase during this period was significant and without any justification. He attributed this increase to corruption – of course, the easiest manner to accuse your opponents. He promised the nation he would spare no one who had been responsible for the debt accumulated during those 10 years. This was in line with Imran Khan's consistent stand before coming into power. He repeatedly quoted various figures to justify his concern of massive borrowing by the two previous governments.

There was however no merit in what Imran Khan and the top PTI leadership believed regarding the debt increase during the period 2008-2018. Within a few weeks of the setting up of the debt commission, I wrote an article in this newspaper ('Debt Commission- a non-starter'). There is nothing wrong in investigating an important subject like debt but when the assumptions are all wrong and not based on any intelligent understanding or facts, the commission was bound to fail as predicted at the time.

Imran Khan as PM is not expected to be an expert on economic and financial matters but what does it say about the top financial gurus sitting in the cabinet or those advising him before the elections. It seems no one within the top hierarchy had even a basic understanding of economics and financial matters. That also explains the spectacular failure we have witnessed in the last two years.

The debt commission has failed – as we all expected. Rather than accusing its political opponents, the current government is now faced with the embarrassment of defending its own record in accumulating record debt in its first two years.

Let's review the numbers to understand it better. According to the State Bank, and also recently confirmed by the finance ministry, total public debt in June 2013 was Rs14.25 trillion. At the end of the PML-N's five years, total public debt was Rs24.95 trillion – an increase of Rs10.70 trillion. This is total public debt and includes both domestic and foreign debt. This does not include liabilities. Simply stated, during the period 2013-2018, the PML-N government borrowed an average of Rs2.14 trillion per annum.

Let's now compare this with the amount of borrowing during the past two years of the PTI government. Starting with a total public debt of Rs24.95 trillion, it now stands at Rs36.30 trillion – a staggering increase of Rs11.35 trillion in just two years. Let me also clarify something important here. The PM and senior leaders of the ruling party claim that the increase is abnormal because an amount of Rs5 trillion has been repaid during the last two years. Had that amount not been paid, the increase in debt would have been Rs16.35 trillion and not Rs11.35 trillion. So, this amount of Rs11.35 trillion is a net increase after repayments.

One hopes the PTI leadership, including the PM, will not play with such basic numbers to justify the abnormal increase. On an annual basis, the current government has borrowed Rs5.68 trillion compared to Rs2.14 trillion in the preceding five years. What looks better – Rs10.7 trillion borrowing in five years or Rs11.35 trillion in two years? Yet the PTI leadership does not get tired of accusing the previous government of unprecedented borrowing. If Rs10.7 trillion of borrowing required a debt commission, why not investigate Rs11.35 trillion borrowing in just two years.

The numbers are mind-boggling. A 45 percent increase in public debt within two years? This for a party which committed to reduce public debt from Rs24.95 trillion to Rs20 trillion. Instead, it now stands at a whopping Rs36.3 trillion. This commitment to reduce to Rs20 trillion was given in Feb 2019 by the PM himself. What does it say of the planning process or more specifically the understanding of the current leadership?

The PML-N government was also accused by the PTI for increasing debt-to-GDP ratio above 70 percent (72 percent, to be exact, at the end of its five years). During its two years in office, the debt-to-GDP ratio has now reached 87 percent – an increase of 15 percent in only two years.

Let's look at the main reasons for the unusual increase in borrowing. In the last two years, we have witnessed high fiscal deficits – 8.9 percent in 2019 and 8.1 percent in 2020. Back to back increase of more than 8 percent has never been seen in our history. The 8.9 percent fiscal deficit was the largest in the last 40 years. The large fiscal deficits naturally led to higher borrowings in both the years. The large fiscal deficits were primarily due to massive shortfall in tax collection – an approximately Rs2 trillion shortfall in two years against its own set targets.

Other reasons that contributed to significant debt accumulation included higher interest rates, steep currency devaluation and a 66 percent increase in debt of public-sector corporations.

When you consider total debt and liabilities, the increase is Rs14.6 trillion or 49 percent in two years. Only the second time in history have debt and liabilities as a percentage of GDP been higher than the size of the economy – to be exact, 106 percent of GDP.

As far as external debt is concerned, there has been an increase of 54 percent in two years. And this does not include the \$5 billion borrowed from Saudi Arabia and the UAE.

For a government which came into power on the promise of containing further increase in debt, the numbers given above are not only embarrassing but seriously worrisome. Like all other sectors, it had no preparations to manage the debt portfolio. When important people with no understanding of complex issues sit on judgement on serious matters like debt management or overall economic matters, the results will only be disastrous. Without consideration of the consequences, it allowed massive devaluation and a significant increase in discount rate. The massive revenue shortfall and increased expenditure has resulted in the highest ever accumulation of debt in two years.

The unprecedented increase in debt has not even contributed towards economic growth. On the contrary, the economy has nosedived in a manner never seen in our history. Rightly, people wonder what it was all about. What benefits did we get in return for this massive debt increase? Can we identify major infrastructure projects or new projects in the power sector or new motorways?

More than a year since the debt commission was set up, there is still no word from the PM or anyone in the government. What does it show? Some would say: poor governance, incompetence and a complete lack of understanding. Will anyone in the government come up with an explanation?

By: Mohammad Zubair

Source: The News

The writer is former governor Sindh and former minister for privatisation.

Mega Lecture