

RECORDER REPORT

Too many holidays

While Pakistanis are bracing tough economic times to put the economy back on track the government appears oblivious of the hard work that is required to realize this goal in the absence of a focus on improving the work ethics of the nation. The absence of this realization is evident during the past eleven months and particularly from the announcement of Eid al-Adha holidays. The fact that the entire country was closed for business from Saturday 10th August till Friday 16th August because of the week-end combines with four days of holidays for Eid and Independence day falling on the second day after Eid, at a time when the Pakistan economy is in the doldrums is baffling. And irrespective of claims made by the Prime Minister and his 45 plus cabinet, special assistants and advisors, productivity is down and many a small and medium enterprise is laying off workers and, in some cases, shutting down their businesses as sales are down as the value of each rupee earned contracts due to high domestic inflation as well as imported inflation due to the erosion of the rupee vis-a-vis the dollar. Large scale manufacturing sector experienced negative growth last fiscal year, a trend that is unlikely to be reversed in the current year given the projection of only 2.4 percent growth rate in the current year. The private sector, unlike the public sector, which announced a raise in salaries of lower grade officials, has been unable to raise salaries, with some sectors actually cutting down pays and giving the option of redundancy or a salary cut to employees. Thus there has been a marked slowdown of the economy, a trend that was clearly visible during the four day Eid holidays with sales in general down and the number of sacrificial goats down. In this scenario to give four Eid holidays is not simply plausible.

The Prime Minister has made much of the economies that he has affected in the Prime Minister's house as well as in other ministries. Unfortunately though he needs to focus attention on the raise in the budgeted current expenditure: (i) mark-up has certainly risen due to flawed policies of the PML-N administration however it is relevant for the Prime Minister to take cognizance of the fact that the budget for the current year projects a 50 percent raise in mark-up on domestic debt – from the revised estimate of 1.68 trillion rupees last year to 2.53 trillion rupees in the current year; (ii) pensions have inexplicably risen by a whopping 23 percent; (iii) allowances to civil administration have risen from 115.4 billion rupees to 120.4 billion rupees; and (iv) subsidies have risen from 254.9 billion rupees to 271.5 billion rupees. This raise in current expenditure places the onus of achieving a more sustainable budget deficit on revenue generation measures with Pakistani taxpayers paying the bulk of the price and given the reliance on indirect taxes remains higher than on direct taxes, the onus on the poor is greater than on the rich.

Pakistan Railways suffered from serious delays which led to thousands not being able to reach their families to celebrate Eid. Railways Minister Sheikh Rashid in a video message during the holidays berated India and pledged that Pakistanis will support Kashmiri brethren till the last drop of their blood, and that he will participate in a 'Black Day' protest on Thursday in London and lamented that "we can feel the pain of Kashmiri people as they do not have access to food and medicines in the occupied valley." Sadly he did not bother to address those Pakistanis who were greatly inconvenienced by the delays in the trains during the Eid holidays. One would hope that the Prime Minister, as he has repeatedly pledged, takes cognizance of the appalling performance of several of his key cabinet members and takes appropriate measures to ensure that their portfolio be their primary focus and expressing solidarity with the Kashmiris not overwhelm them to a degree that they are unable to discharge the responsibility that the Prime Minister and the people of the country have bestowed on them.