

It is not the economy, stupid

State of the Economy -IMF, FATF, Taxation, Interest and Exchange rates, Inflation, Energy prices, stock market, trade and tariffs - is hogging the public space. We too plead guilty to the charge of OD'ing on economic marijuana. Only occasionally have we forayed into weightier stuff - like the column on how a nation of 210 million is unable to produce world class athletes (In the last six Olympics we have not won a single medal. Our last gold medal, hockey, was in 1984)

The only matter competing for space is the reference against Isa, J. And suddenly now the deluge of arrests, making the wags tattle these have been choreographed to take the heat off the budget.

Eminence grises, Zardari and Sharif, may soon become footnotes of public discourse, the corruption-incompetence debate may have been muted for now, the weather may have subdued the interest in the World Cup, but our obsession with the state of the economy remains relentless.

Compulsive columnists apart, who are the ones talking incessantly of the economy, situating the discussion within the dismal contours of fiscal and current account deficits and GDP growth? Who really feel threatened as we struggle to balance the books?

As is often the case with lofty debates, proponents speak in the name of the 'common man'. They raise the spectre of unemployment and inflation: low GDP growth will mean fewer jobs; higher interest rates and weak rupee, along with the spike in energy prices, will break the back of the common man.

Already, numbers are being bandied about with gay abandon - so many have lost their jobs and so many have gone below the poverty line. Where they get their numbers from, and the supreme felicity with which they spout them, one can only marvel at.

The theory is that sustained high growth lifts people out of poverty. China is offered as the conclusive evidence. Concerns of Oxfam or Piketty or Stiglitz have been reduced to fodder for the academia, leaving Board rooms and Finance Ministries unmoved.

To those who are in the business of 'wealth creation' unconscionable inequality is just another number in the growth game. Capitalism is well and thriving, thank you. But where does Pakistan locate itself on this growth-poverty-inequality axis?

While it is true that we have not had the kind of sustained growth that spurs lasting poverty reduction, even in years of reasonable growth evidence of a virtuous effect on poverty has been quite tenuous.

It may be an under-studied subject but there are few visible signs of employment soaring or wages growing in the good years. Generally speaking, Private sector has had low investment-employment coefficients, and the slack has always been picked up by the Government and its subsidiaries - for which it is now fashionable to condemn the government.

Studies on poverty have by and large been of a celebratory kind: so many people pulled up from below the poverty line. Despite credible research testifying the 'band imperative' - 20% above and below the poverty line - we have been fixated on a flawed per day wage formula, generally ignoring those who are on the cusp and hugely vulnerable to even small shocks.

It may sound callous but the 'common man' has internalized the fluctuations in our economic fortunes. The lows he accepts as destiny; the highs don't reach his door. The fatalist in him is reconciled to being at the receiving end of all the 'pass-through' effects of taxation and exchange rates.

It is the haves, not the have-nots, who worry about the value of dollar, the price of petrol, or tax rates. The economic debate is for the worthies, who think economy is the cause of our woes - not the consequence of something more deep-seated that has persistently blindsided successive governments: the idea of justice

Unless PTI blundered into it, its founding fathers had intuitively touched the Holy Grail of Pakistani politics when they named their party a movement for justice. They sensed that without Insaf you can only have an exploitative economy, not inclusive development.

Sadly, the ideal lost to deals. The Party is now being looked upon as treading the same path as the others, the ones the common man wanted to turn his back on. The forces of status quo, always quick to present economic meltdown as the ultimate threat, have pushed the aspirations of insaf aside.

"No one is above the law" is a resounding rallying cry but becomes timorous when applied selectively. It negates the very essence of Insaf when in the name of law you seek to bludgeon into submission those who fight for their rights or uphold the supremacy of the Constitution.

The curious case of Isa, J puts the idea of justice into context.

No one would speak for him if the law was allowed to run its course. If he was on the wrong side of tax laws - Judges, or anyone, do not have immunity - let the axe fall, and you won't hear a whimper. However, by dropping the ball, deliberately or not, on the watch of a professional Chairman, FBR lost its credibility, if not the case.

Instead of 'leaking' to the media Tax Commissioner's note shouldn't the Chairman have asked for the Commissioner's explanation for not serving a notice on Isa, J, as required under the law, once those 'facts' became known?

By not following due process, which is what we mean when we talk of fair trial, dispensation of justice becomes controversial. It becomes self-serving. It gets touted as government using law as another tool to fix you.

A society that is pinnacled on justice subsumes all instruments of good governance, from institutions to an apolitical civil service to people asking for their rights without fear of retribution.

You take justice out and none of your economic models will work. Your economy will keep strutting from one foreign bail-out to another, and the distance between the rich and the poor will continue to grow, with the former looking for havens abroad and the latter for heaven hereafter.

The wetness that Iqbal alluded to when he talked of this fertile land he had the Islamic tenet of justice in mind. Without justice you lose faith in the system.

It's justice that we need to address before fixing the economy.

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