

Political parties yet to share economic agendas

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LAHORE: With elections less than 10 weeks away, no political party has outlined its economic agenda though some have given an outline of what they intend to do without elaborating the actual mechanism.

Today Pakistan's main problems are high dependence on borrowing, and increasing current account deficit because of lower export growth. The exports have grown by 13.65 percent during the first 10 months of this fiscal ending April 2018.

The imports have increased by 14.02 percent during the same period. It is however heartening to note the surge in exports has been in double digits during March and April 2018, as they grew by five percent and two percent, respectively.

Still the gap between the exports and imports is very high and would take 15-18 months to balance foreign trade if the high trend witnessed in two months is maintained throughout the next 15 months. The potential to match imports is there if the entire exporting sectors are facilitated by the government instead of few sectors led by textiles. The next government would have to take some bold decisions to ensure that the country does not go to the International Monetary Fund (IMF). We have seen that IMF recipe has never worked in any country.

Its conditions bring misery for the masses. Our governments are also to blame for aggravating the problems for the common man. We should in fact do what the IMF originally wants us, that is to improve our economy. The IMF after committing to support us in crisis continues to pay money in quarterly instalments if the revenue generation remains in line with its projections. This is because the institution is basically interested in recovering the loan.

To get that money, if it is agreed that x amount of money would be generated by eliminating wasteful concessions. In case the government fails to do so, it resorts to increasing the sales tax or customs duty rates, which generates needed revenue, while the reforms remain on the back burner.

The increase in indirect taxes or on petroleum levy hurts the poor more than the elite. The businesses recover the higher levies and taxes from the consumers but the poor have to compromise on some vital consumption as they cannot increase their incomes. If the next government after assuming power operated the same way as the previous governments have been doing, the status quo in economic affairs would continue. Pakistan has passed through so many crises that it cannot bear the burden of more.

The new government would have to eliminate waste of resources caused by corruption and bad governance. Every public office holder and the bureaucracy should be accountable for their deeds.

There should be no room for incompetence. Monitoring teams led by persons with highest reputation on honesty and delivery should assess the performance of each department and ministry and as first steps immediately remove those that performed below par or are incompetent.

Then those that have done wrong should be persecuted and punished within 30 days. This purge should continue till we have competent people appointed on merit in place. The public sector companies should be asked to perform or fold up. When similar enterprises are performing well in the private sector, why can they not perform as public entities?

The best solution is to privatise these public sector entities. However, if this is not possible due to political reasons, then these entities should be purged of non-performers and corrupt especially those inducted without merit. There should be no bureaucrat in public sector companies and all these companies should be managed by a purely private sector board. The board members should be selected under a defined criterion transparently. There should be no political appointee in this board. The next government immediately after assuming power should do away with concessionary SROs that provide relief to specific, individuals, companies or sectors and deny level playing field to all others.

The tax net should be broadened by taking full advantage of digitalised data available with different government agencies. All incomes should be equally taxed. After increase in minimum tax slab all small farmers would automatically be exempted from income tax.