

Missing — national consensus on the CPEC

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Amidst all the chaos, conflict and controversies that ravage the media landscape, the China-Pakistan Economic Corridor (CPEC), arguably the most ambitious foreign investment project ever launched by any government anywhere in the world, presents Pakistan with an opportunity for resurrection in every sense of the word — Pakistan's ultimate Popeye moment. But, wait a second. Does Pakistan have the stomach for the \$46 billion truckload of spinach? What about all the Blutos who are out there to spoil the deal? Before building castles in the air, it's critical to discuss the political, distributional and security aspects of managing the CPEC lottery. There are optimists who believe in the present leadership of the country, and its vision and capacity to weather all storms. Behind an apparently subdued and unanimated prime minister, they perceive a shrewd and farsighted visionary, who is little distracted by criticisms of nepotism, a Punjab-centred political focus and diplomatic ineptitude. The CPEC is strictly business; and if nothing else, Nawaz Sharif knows how to make a business deal work. Well, let's hope all that is true.

What is apparent is the lack of interest the government has demonstrated in securing the confidence of other parties and potential stakeholders on many national issues like the NAP, the power sector's circular debt, the IMF loan programme, privatisation, the dubious LNG import case and the transparency concerns around the CPEC. The ad hoc manner in which the original route of the corridor was slanted towards Punjab at the expense of Khyber-Pakhtunkhwa (K-P) and parts of Balochistan caused reasonable discontent within the legislative assemblies of the aggrieved provinces. The governor of the State Bank of Pakistan had to express his confusion and demand clarification from the government about the details of energy and infrastructure deals. That eventually prompted the finance minister to appear before the media and "update" the public on the mysteries surrounding the mega project. The minister was, however, visibly upset with the "pseudo intellectuals" misguiding public opinion. Perhaps, it's the very nature of the parochial mindset of the party leadership which views deliberation and consensus-building as tedious formalities of the democratic process. Every minister appears to act like a king in his little kingdom. The petty squabbles that frequently erupt among ministers are a manifestation of that inflated sense of authority which reeks of a despicable attitude of self-gratification. Under the watchful eyes of a popular army chief, the PML-N finds itself in familiar territory — ruling without genuine authority. It's the price it pays for going solo; something the Sharifs seem to have a hard time learning. One is hard pressed to recall how many times chief ministers of provinces other than Punjab have accompanied the prime minister on his foreign visits. It is no coincidence that the minister for planning and development also feels more at home briefing the Punjab chief minister than other people of lesser consequence.

The importance of developing a sustained national consensus cannot be over-emphasised given the enormity of the potential impact of the CPEC on the region. This brings us to the distributional question of the CPEC, which lies at the heart of all political speculation. The projected returns from investments in infrastructure, communications and energy are anything but certain at the moment. Yet, even a casual glance at the project map reflects the fears and frustrations of smaller provinces, especially K-P's. One may argue it's time to stretch hope and foster national unity. But it takes more than public rhetoric, singing national anthems or painting house-walls and shop-shutters green to restore trust in state institutions. The apathy of the federal government towards these escalating voices of dissent can potentially explode into a full-scale interprovincial wrangle, jeopardising the whole scheme of things. The Chinese may have boundless money, but their patience for standing nonsense is less well known.

Even if the direct benefits of initiating productive activities, industrial parks, economic hubs and dry ports seem to evade some regions of the country on the grounds of security concerns, the federal government can at the very least reassure the provinces concerned that any gains arising from the corridor would be allocated in the best possible manner among all provinces. This will enable other provinces to pursue independent development strategies, specifically targeting their respective communities while strengthening cooperation with the federal government.

One possible, though highly improbable way of distributing the prospective gains arising from the multi-billion dollar project more evenly, is the adoption of a rigorous progressive taxation system to level the playing field for small local investors besides generating revenues for development expenditure. At 10 per cent, Pakistan's tax-to-GDP ratio is one of the lowest in the world. Many have brought up the issue of regressive taxation in these pages before; yet a staggering 68 per cent of our total tax revenue is still generated by indirect taxation — the tax we pay on goods and services which are largely imported or produced by fat-cat industrialists. Unless such exploitative economic structures are completely overhauled, political power will remain monopolised, retarding the growth of accountable institutions and stagnating development.

Security is the most challenging aspect of the CPEC puzzle. It's the ultimate guarantee even the most nominal investor seeks before placing his bets. Reportedly, some 8,000 Pakistani security officials have already been deployed to safeguard a Chinese workforce consisting of more than 8,100 personnel working on 210 projects across Pakistan. The security question has two dimensions: internal and external. The internal dimension relates very much to the successful implementation of the NAP. But as we know, the ramifications of large-scale 'clean-up' operations typically exude political tensions. Much ink has been spilt on the controversy around the Karachi operation. The stand-off cannot be allowed to drag on indefinitely. The external dimension of security may call for joint cooperation from both sides, i.e., China and Pakistan. While the traditional threat from our eastern neighbour may still loom large for the security establishment, the spread of global terror networks, notably the IS, may pose an even greater challenge. The recent arrests of IS collaborators in Pakistan confirms the group's presence here in some form. The infiltration and concentration of radical foreign elements must be contained and uprooted. The success of the CPEC is subject to a stable political, economic and security environment. It offers a rare opportunity for national reintegration, of eliminating regional biases and burying old narratives, and this opportunity must not be lost.

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