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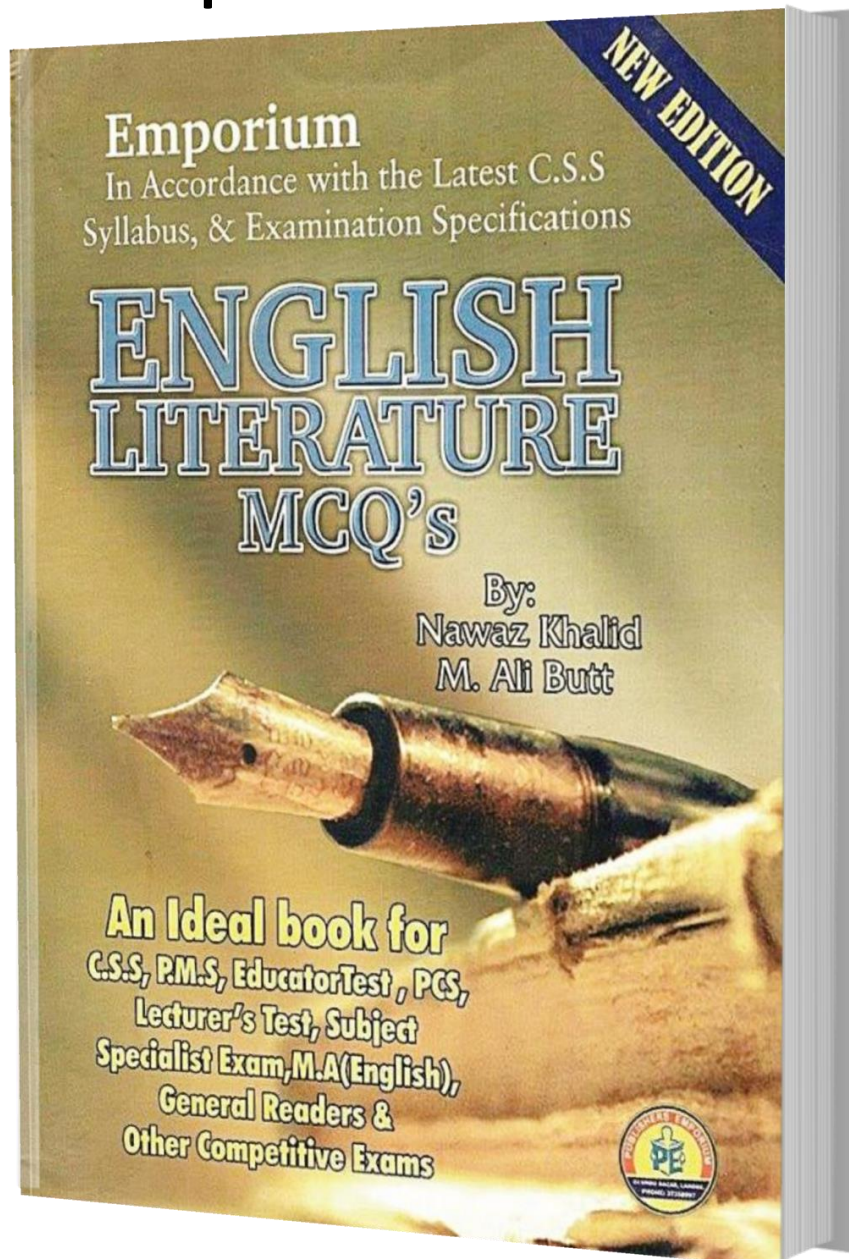
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PAKISTAN

Towards Water Security | Editorial

THE direction of Prime Minister Imran Khan for start of physical construction work on three important hydro projects – Diamer Bhasha Dam, Dasu hydropower project and Sindh barrage has come as a breeze of fresh air for people of Pakistan who have been waiting anxiously for the auspicious moment for decades. The PM gave orders for the purpose during a meeting he chaired on national water security and his Special Assistant on Information and Broadcasting retired Lt Gen Asim Saleem Bajwa rightly called the announcement “historic news”.

Water is the lifeline for our economy and ecology but unfortunately the issue of water security did not receive the kind of priority it should have from the successive governments in the past. Apart from the growing threat of drinking water in different parts of the country, the need to ensure uninterrupted supply of adequate water to the world’s largest contiguous irrigation network in the form of canals, distributaries and water courses should have propelled timely programmes and plans for preservation and storage of water but that did not happen mainly because of political wrangling on purely economic issues, lack of commitment and required vision and failure to line up funding. This is evident from the fact that the then President Pervez Musharraf announced a water vision in 2002 envisaging construction of five mega hydropower projects including Diamer-Bhasha, Kalabagh and Dasu by 2016 and also performed ground-breaking of Diamer-Bhasha in 2006 but the project did not move at the desired pace despite the fact that unlike Kalabagh it was non-controversial plan. It is cumulative effect of criminal negligence that today Pakistan is a water scarce country and if the situation continues, i.e., population keeps on increasing at the same rate and the water resources remain constant, it will be touching the absolute water scarcity line by 2025, which is not far away from now.

Major water crises have been averted because of mad exploitation of ground water that has played a major role in increasing the overall cropping intensity in the country from about 63% in 1947 to over 120% in 2018. It is the only reliable

resource that provides resilience against droughts and climate change impacts but the way we are pumping out the ground water, this source is also going to deplete soon. Under these circumstances, all projects and programmes aimed at preservation and storage of water should receive immediate attention even at the cost of diversion of resources from some other sectors because of enormous economic benefits that would accrue to the country from accelerated implementation of these projects. The announcement of construction of actual work on Diamer-Bhasha and Dasu has at the most opportune time when the country is hit hard by Covid-19 and major initiatives are needed to boost economic activity and provide employment opportunities to the people. It is appreciable that two major hurdles of land acquisition and roadmap for mobilization of financial resources have been addressed in respect of Diamer and the project is ready for initiation of physical construction work. The direction of the Prime Minister for maximum utilization of local material would also be instrumental in supporting the domestic industries, especially cement, steel and stone crushing. In the case of Bhasha alone, it will create 16,500 jobs and utilize a large quantity of cement and steel, in addition to its main purpose of water storage and producing 4,500 MW of cheap and affordable electricity. The 6.4 million acre feet (MAF) water storage capacity of the dam will reduce the current water shortage in the country of 12 MAF to 6.1 MAF.

It will add 35 years to the life of Tarbela Dam by reducing sedimentation and an area of 1.23 million acres of land will be brought under agriculture. Credit for overcoming hurdles and making visible progress on almost all hydro projects surely goes to the visionary Chairman of Water and Power Development Authority (WAPDA) retired Lt. General Muzammil Hussain and his hardworking team who have made a difference and are delivering on fronts that remained a dream in the past. We would also urge the authorities concerned that apart from large dams, work should also be expedited on small and medium scale reservoirs the sites of which already stand identified in all the four provinces, Gilgit-Baltistan and Azad Kashmir. General Asim Bajwa, as Chairman of the CPEC Authority, may also take up different projects and programmes with China for their implementation under the framework of CPEC especially when Chinese have enormous expertise of harnessing water resources to their optimum.

Source: <https://pakobserver.net/progress-towards-water-security/>

Terrorism Along Pak-Iran Border By Malik Muhammad Ashraf

Reportedly an improvised explosive device (IED) hit a vehicle of the military personnel in Buleda (district Kech) Balochistan near the Pak-Iran border on May 8, killing one major of the Pakistan Army and five soldiers who were returning to their base after conducting a routine patrol in the area. The Balochistan Liberation Army, which has bases on Iranian soil, claimed responsibility for the attack.

It was in the backdrop of this regrettable incident that COAS General Bajwa called his Iranian counterpart Major General Bagheri on Tuesday to express his concern over the attack by the militants. According to a press release of ISPR both of them resolved to enhance security measures on either side of the border. General Bajwa rightly told the Iranian General that Pakistan had started fencing the border but would require mutual cooperation to ensure border security and stem smuggling activity which was also used by terrorists and narcotics traffickers to cover their movement.

Unfortunately, this is not for the first time that the militants based in Iran have carried out attack against the security personnel. A similar attack was carried out by the militants on 18 April 2019 at Buzi top on the coastal highway when militants wearing uniforms barricaded the road, stopped 3-4 buses travelling from Ormara to Gawadar and killed 14 people including 11 personnel of Navy, Air Force and Coast Guards. Pakistan lodged a very strong protest with the Iranian government saying that the intelligence reports regarding the bases of the militants in Iran and their activities were shared with the Iranian authorities.

It was in the backdrop of the tense situation created by the Ormara incident that Prime Minister Imran Khan immediately paid a two-day visit to Iran and met its leaders. As a result of the mutual interaction, the two countries agreed to set up a Joint Rapid Reaction Force to fight terrorism and guard the common border between the two countries and vowed not to allow their territories to be used for terrorist activities. Relations between the two countries were under great stress following terrorist attacks on both sides of the frontier. It was then hoped that setting up of the joint force and fencing of the Pak-Iran border by Pakistan would

help in preventing the recurrence of such incidents. In the context of bilateral relations, the two sides also resolved to enhance cooperation in a number of social and cultural domains besides expanding economic relations. But unfortunately militants continue to attack.

It would perhaps be pertinent to have an insight into the history of relations between the two countries. In 1947, Iran was the first country to recognise Pakistan after its independence. The two countries were members of the Baghdad Pact known as CENTO which was an alliance against USSR during the cold war era. Along with Turkey, they formed RCD, which later became a larger group known as the Economic Cooperation Organisation (ECO). The warmth and depth of ties between the two countries can be judged from the fact that during the 1965 war with India, Iran sided with Pakistan. It also helped in controlling the insurgency in Balochistan.

However, the events of 1979, including the invasion of Afghanistan by Soviet Union and the revolution in Iran, drastically changed the situation in the region as well as within Pakistan, which also affected relations between the two countries. Iran though opposed to the soviet invasion and joined hands with Pakistan in supporting the Afghan Jihad, always looked askance at the growing relationship of Saudi Arabia and US with Pakistan.

The consequent imposition of sanctions on Iran by the UN on the nuclear issue also limited the scope of trade relations between the two countries. The Iran-Pakistan-India (IPI) gas pipeline also became a casualty of tensions between US and Iran and India withdrew from the project under American pressure. However, it is pertinent to mention that successive regimes in Pakistan, except General Zia have always strived for cordial and brotherly relations with Iran.

Pakistan rightly refused to be drawn into conflict in Yemen, the sectarian crisis in Bahrain and the diplomatic row between Saudi Arabia and Iran after the execution of Shia religious scholar by Saudi Arabia. It rather preferred to play a mediatory role to lessen the tensions. This stance stemmed from the considered view that It was in Pakistan's utmost interest to remain neutral in any conflict between Saudi Arabia and Iran.

Prime Minister Imran Khan also played a mediatory role in defusing tensions between Iran and Saudi Arabia which had been brewing since the drone attack

on oil facilities in Saudi Arabia on September 20, 2019. He paid visits to Iran and Saudi Arabia in October. Both Iran and Saudi Arabia welcomed the initiative. The Prime Minister himself acknowledged his mediatory role when he visited New York to attend the UN General Assembly session. It was probably in recognition of Pakistan's importance in the region and the efforts that Prime Minister Imran Khan was making for regional peace that even President Trump asked him to help defuse tensions with Iran.

Having cordial relations with both Saudi Arabia and Iran is imperative for Pakistan to avoid any adverse backlash on the domestic front as well as for boosting the efforts for sustained economic development which undoubtedly depends on the prevalence of peace within the country as well as in the region.

Iran is our immediate neighbour and has been a close ally. It can also help Pakistan in diluting the energy crisis by providing oil, electricity and gas through the IP gas pipeline in case it becomes feasible to construct. We also need the cooperation of Iran in bringing peace and security to the region, particularly in resolving the conflict in Afghanistan and the elimination of the scourge of terrorism for the collective benefit of the countries of the region. The economic and political interests of both Iran and Pakistan are inextricably linked and their geographical proximity and common religion provide a solid base for protecting and strengthening those interests. They both need each other to realise that objective.

Pakistan, under the stewardship of Prime Minister Imran Khan, is all-out for recalibrating cordial relations with its neighbouring countries, particularly Iran and playing a role of a facilitator in resolving regional conflicts. It is hoped that Iran in the interest of the required bonhomie, would see to it that the militants are no more able to use its soil for attacks against Pakistan.

Malik Muhammad Ashraf

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Source: <https://nation.com.pk/15-May-2020/terrorism-along-pak-iran-border>

COVID19: A Blessing in Disguise For Pak-Russia Ties By Omar Shahkar

AFTER the formalization of diplomatic relations between the two nations in 1948, the history of Soviet-Pakistan, and subsequently Russia-Pakistan, relations has been characterized by distrust and mutual competition. Pakistan's close ties with America and the West during the Cold War, culminating in the Soviet invasion of Afghanistan, meant both countries continued to view each other with hostility and distrust. Russia's continuing support for India, both before and after the Cold War, including its frequent arms deals with New Delhi, have done little to improve bilateral ties between Moscow and Islamabad.

However, in recent years, Russia and Pakistan have put aside some of these differences and the COVID-19 pandemic could accelerate this process of reconciliation. In the recent past, natural disasters have acted as a catalyst for closer ties. In the wake of the devastating earthquake in 2005 that ravaged northern Pakistan, Russia was one of the first to provide assistance to Islamabad. Shortly thereafter, a Russian trade delegation visited Pakistan and overall bilateral trade rose by \$270 million and subsequently by \$520 million while Russian energy giant Gazprom signed a Memorandum of Understanding with the Pakistani Ministry of Petroleum and Natural Resources.

After the 2010 floods in Pakistan, Russia again offered assistance and humanitarian aid, leading to President Vladimir Putin's public endorsement of Pakistan joining the Shanghai Cooperation Organization. An official visit by Russian Foreign Minister Sergey Lavrov to Islamabad soon followed. Aside from economic and political ties, there was also improvement in cultural ties and the "softer" aspects of diplomacy, including the publication of the world's first bilingual Urdu-Russian dictionary. These gradual improvements then led to the Friendship Drills carried out between the Pakistani and Russian armies, a step that would have seemed impossible a decade before.

The Pakistani Ambassador to Russia, Shafqat Ali Khan, has recently explored the possibility of purchasing ventilators from Moscow to help Pakistan's fragile healthcare system deal with COVID-19. Although he stressed that Pakistan has no immediate intention to ask Russia for help, the mere suggestion that Pakistan

may look to Russia for support is revealing. He also suggested that if Islamabad were to ask Moscow for help in tackling the outbreak, “Russia will be the first country to offer assistance.” In addition, Khan also expressed his desire to extend people-to-people contact between the two nations, including the possibility of sending more Pakistani students to Russia to study in prestigious Russian universities. Meanwhile, the last Friendship Drill between the two countries took place just last year, and after the Coronavirus pandemic it is likely we will see their resumption.

However, it would be over-simplistic to assume that the pandemic and Pakistan’s apparent interest in developing closer ties with Russia to help fight the outbreak will be enough to strengthen Islamabad’s relationship with Moscow. After the previous two natural disasters, bilateral trade increased, but is still far below where it should be. And Russia’s continued support for its traditional subcontinental ally, India, also continues. Just last month, India’s Ambassador to Russia, Bala Venkatesh Varm, said he expected Russia’s planned delivery of the S-400 air defence system to be taken place on time despite the global pandemic, something that will do little to please Pakistan.

Previous natural disasters have served to bring Pakistan and Russia closer together and Ambassador Khan’s assertion that relations are at their “strongest point” has a factual basis. However, Russia’s continuing support for Pakistan’s historic adversary and Pakistan’s refusal to recognize one of Moscow’s closest allies could hamper bilateral progress. However, if Pakistan does ask Moscow for help in tackling the Coronavirus, this will not only be revealing in itself, but will also provide the opportunity for further mutual cooperation.

Source: <https://pakobserver.net/covid19-a-blessing-in-disguise-for-pak-russia-ties/>

Almost Seven Decades of Sino-Pak Ties By

Yasir Habib Khan

A watershed moment arrives on May 21 when Pakistan and China celebrate their 69th anniversary of establishment of diplomatic relations, weathering all crises especially COVID-19. Chinese ambassador Yao Jing, in an interview to The Nation said that recently, G20 members adopted a debt service suspension initiative for the poorest countries. “China has supported Pakistan for its inclusion in the initiative. China is ready to communicate and coordinate with Pakistan via the bilateral channel, and to help Pakistan to concentrate resources to fight against the epidemic and stabilise the economy,” he stated.

Meanwhile, there are zero infections in the China-Pakistan Economic Corridor (CPEC) projects due to strict measures taken by both sides. The Chinese companies have not withdrawn themselves nor did they lay-off any local staff.

Moreover, with a view to stimulate the trade and investment connection between China and Pakistan, Chinese enterprises as well as other foreign investors will invest in Pakistan.

The China-Pakistan Free Trade Agreement (CPFTA) Phase-II has taken effect from January 1, 2020; the level of liberalisation between the two countries increased by more than double. Tariffs have been reduced sharply, the proportion of the tariff line of mutual zero tariff products increased from 35 percent to 75 percent. Under CPFTA Phase-II, 90 percent of China’s imports from Pakistan will enjoy duty-free treatment, while Pakistan will enjoy zero tariffs on 67 percent of its trade volume.

Duty-free products include cotton yarn, textiles, nuts and household accessories. China will also include the advantageous exports of Pakistan such as leather, clothing, shoes, hats, aquatic products and so on. That will give a huge boost to the Pakistan’s export to China.

In a display of confidence, Ambassador Yao Jing, said that CPEC projects will give a fresh impetus to Pakistan’s economy and help stabilise its financial condition in the midst of COVID-19.

On China-Pakistan relations and the cooperation between China and Pakistan in the fight against COVID-19, he said that China is deeply touched by the firm support it received from Pakistan in its effort to curb the epidemic. President Arif Alvi and Prime Minister Imran Khan sent letters of solidarity to President Xi Jinping and Premier Li Keqiang respectively. President Arif Alvi paid a special visit to China in March this year. Prime Minister Imran Khan made a phone call to President Xi Jinping to express his support for China. Foreign Minister Qureshi held two telephone conversations with the State Councillor and Foreign Minister Wang Yi. The National Assembly and the Senate of Pakistan respectively passed resolutions to support China's fight against COVID-19. Meanwhile, Pakistan has tried its best to mobilise anti-epidemic materials nationwide to support China.

At the same time, CPEC cooperation has also facilitated industrial cooperation between China and Pakistan in other areas. Now, there are over 400 Chinese enterprises operating in Pakistan, covering areas of IT, home appliances, finance, agriculture and e-commerce, etc. For example, Changan Auto built a joint venture in Karachi with Master Motors. Double Star Tire and Chaoyang Tire built joint ventures respectively with MSD Tire and Service Co. I firmly believe that with the improvement of the business environment and more preferential policies put in place in Pakistan, China and Pakistan's industrial cooperation will be blessed with a bright future.

On locust crisis, he said that in February, the Chinese government sent a work team of locust experts to Pakistan when China was still in critical stage of fighting against COVID-19. The Chinese expert team had extensive field investigation to locusts affected areas in Sindh, Balochistan and Punjab provinces. They came up with an informative package of policy suggestion on comprehensive prevention and control for Pakistan. Later on, the Chinese government assisted with 300 tons of malathion and 50 air-powered high-efficiency remote sprayers to Pakistan by the end of April to counter the locust plague.

Under the MOU, China and Pakistan will jointly establish a centre for sustainable management of crop pests and diseases in Pakistan. The mission of the centre will focus on cooperation in plant protection, including monitoring and early warning, R&D, demonstration and extension, mutual recognition of standards, personnel training, and emergency response. Now, both agriculture authorities in China and Pakistan are engaged with each other to implement the MOU and

strengthen our cooperation to build sustainable and comprehensive capabilities for locust control.

Source: <https://nation.com.pk/21-May-2020/almost-seven-decades-of-sino-pak-ties>

The Ripening Pak-China Bonds of Bilateralism By Syed Qamar Afzal Rizvi

ON last Thursday China said that its relationship with Pakistan stood the test of the changing international landscape and remained “firm as a rock” as the all-weather allies celebrated the 69th year of the establishment of their diplomatic relations. “Today marks the 69th anniversary of the diplomatic relationship between China and Pakistan. I offer congratulations,” Foreign Ministry spokesman told a media briefing here on Thursday. Recently Pakistan President Arif Alvi paid a two-day official visit to China. And of course, in today’s world of diplomatic wrangling and conspiracies, China-Pakistan strategic friendship is a paragon model of friendly relationship which carries a decades-long history of sincerity, sacrifice, assistance and comradeship.

As regards the latest visit of President Arif Alvi to China in March, FM Shah Mahmood Qureshi said their two-day visit to China implies Pakistan stands by China through thick and thin. He commended Chinese resilience in the wake of coronavirus outbreak and extended all possible support to the people and Chinese government. He expressed gratitude for treating Pakistani students in China like their own and assistance to combat the locust outbreak in Pakistan. With reference to CPEC, he said Coronavirus will not affect the pace of flagship project and assured scheduled completion of all projects under the CPEC. Objectively, the bilateral relationship between Beijing and Islamabad is characterized by feelings of mutual trust, respect and goodwill towards each other. There is a regular exchange of visits at the highest level between two countries. The strategic cooperation between two states has grown over the past several decades. Economically, China is Pakistan’s largest trading partner and a major investor, especially in infrastructure and energy sectors. In 2018, bilateral trade between two countries reached US\$ 18 billion. With official launch of China-Pakistan Economic Corridor, the bilateral relationship has been elevated to a higher level.

Pakistan Ambassador to China Naghmana Alamgir Hashmi said:

“I foresee more robust, inclusive and all-encompassing relations between our two countries in the future, which would not only serve the best interests of our two

countries but would also ensure peace, stability and prosperity in the entire region,” she said in an interview with China.org.cn. Ambassador Naghma Hashmi said that Pakistan and China were “iron brothers” who had always stood by each other in their hour of need. Pakistan had been the major recipient of an overwhelming volume of essential equipment including testing kits, ventilators, personal protective equipment, infrared scanners and face masks, which had come from official channels, the corporate sector and Chinese individuals. “China is also extending support to Pakistan to help build a hospital against Covid-19,” she added. During the visit of President Arif Alvi to China on March 16-17, both countries also signed Letters of Exchange to enhance Pakistan’s capability to fight the epidemic. During PM Khan official visit to China in October-2019 President Xi also reiterated China’s unwavering support to Pakistan’s sovereignty and territorial integrity, and appreciated the PTI government’s agenda for socio-economic development and people-centred progress. He asserted that China-Pakistan ties would continue to acquire greater strength, and practical cooperation would be increased over time. The two sides also exchanged views on the regional situation, including Afghanistan and South Asia.

The China-Pakistan Economic Corridor (CPEC) is a flagship project of Chinese President Xi Jinping’s initiative of “One Belt and One Road”. It aims at enhancing connectivity and improving infrastructure between Pakistan and China. Several projects are being implemented under CPEC, for enhancement of infrastructure, power generation, industrial growth and agriculture revolution. Leaders from 37 countries and delegations from over 100 countries participated in the BRI Forum. In his keynote speech at the forum’s opening ceremony, Imran Khan called for greater attention towards tackling climate change and poverty, while urging world leaders to undertake joint efforts to address impediments in the way of sustainable global growth. In his address Imran Khan presented five proposals to further expand China’s Belt and Road Initiative. Pakistan’s official take is that CPEC is heading forward and hinted the signing of two new joint working groups for agriculture and technological advancement. As the first phase of CPEC, is focused on the overall development of communications and network projects including roads, bridges and motorways, the second phase is primarily committed to giving an important impetus on agriculture cooperation between Beijing and Islamabad, as recently there have been discussions primarily in setting priorities for the agricultural development. Both Pakistan and China agreed to jointly implement the Memorandum of Understanding on further cooperation in dealing with disease and pest control including locust, plant

diseases and insect and pest prevention. The Karachi-based Applied Economics Research Centre and Pakistan's Planning Commission says that in the next 15 years, 700,000 to 800,000 jobs may be created under CPEC, largely in the infrastructure, energy and transportation sectors.

Both the US and India unjustifiably criticise the CPEC. The Chinese embassy in Pakistan on Thursday last called out US diplomat Alice Wells for her "irresponsible remarks" regarding the China-Pakistan Economic Corridor (CPEC), calling it another "doomed attempt to defame Sino-Pak relations". The Chinese government, it said, always requests the Chinese companies to operate according to local laws and regulations. "All Chinese companies joining the CPEC enjoy international reputation. All projects strictly follow the market-oriented and internationally accepted business model, adopt state of art technology and strict environmental protection standards," the statement added. The Foreign Office (FO) said that China-Pakistan Economic Corridor (CPEC) was transparently contributing to national development and issues in the execution of the project were bilaterally addressed by Beijing and Islamabad through existing mechanisms.

The China-Pakistan bond has been further reinforced during the recent outbreak of Coronavirus (COVID-19) as Pakistan was among first friendly countries to send all their available medical equipment to help fend off the epidemic. It is a fact that since the outbreak of the epidemic, all sectors of China have been continuously supporting Pakistan. On Mar 31st, Beijing Lianxin Charity Foundation donated a batch of medical supplies to the Pakistani embassy in Beijing. National Disaster Management Authority informed that China made a huge contribution in medical relief assistance to Pakistan amid the pandemic outbreak and China made 80% of total aid Pakistan has received so far.

—The writer, an independent 'IR' researcher-cum-international law analyst based in Pakistan, is member of European Consortium for Political Research Standing Group on IR, Critical Peace & Conflict Studies, also a member of Washington Foreign Law Society and European Society of International Law.

Source: <https://pakobserver.net/the-ripening-pak-china-bonds-of-bilateralism/>

Foreign policy challenges By Hadia Mukhtar

In these turbulent and uncertain times, Pakistan struggles to keep its backyard peaceful because of its foreign policy challenges. The pandemic has infused disorder in the international landscape, which was already volatile due to continuous trade and technological wars.

As the deadly virus continues to take a toll on societies and economies around the world, tensions specifically between the US and China continue to mount. Pakistan, on the other hand, is left to battle on four key foreign policy areas: navigating its stance on the US-China confrontation, adopting a balanced Middle Eastern foreign policy, administrating its relations with India at the backdrop of India's draconian designs in Kashmir, and advocating a peace deal in Afghanistan.

It is undeniable that Pakistan's strategic future lies in allying with China on the CPEC venture since it cannot ignore the fact that a vicious neighbour stands on the eastern side. Pakistan needs to strengthen its renewed relationship with the US, which has been plagued by a disturbing past. It is important that we learn from previous mistakes and refrain from placing all eggs in one basket. This means that even amid this pandemic situation when great powers such as the US are pitching its containment policy and India is emerging as a regional giant, Pakistan needs to make its choices wisely.

By pushing the boundaries at the international level, reaching out to platforms such as OIC and the UN, and synergising its geostrategic location, Pakistan can show that it is no less than any other developing nation. Remaining adamant as to a peaceful Afghanistan and promoting a neutral Middle Eastern policy is the need of the hour.

Source: <https://tribune.com.pk/story/2234118/6-foreign-policy-challenges-5/>

Tackle Covid-19 Tide Wisely | Editorial

THE country has witnessed a surge in number of infections and deaths due to Corona Virus over the last few days, which should certainly raise alarm bells in quarters concerned and warrants review of the strategy to deal with this precarious situation forthwith.

Addressing a news conference on Friday, Special Assistant on National Health Services Dr Zafar Mirza confirmed the death of ninety patients in a single day. Saturday data also showed 3,039 new infections and 88 deaths over last 24 hours. This really indicates that ease of restrictions especially on the eve of Eid-ul-Fitr and non-compliance of SOPs by the people has worsened the situation. What is really worrisome is that conspiracy theories about the pandemic are doing rounds in abundance in our society. Even educated lot is not taking the threat seriously rather they harbour false notions such as virus is fake. Then there are also people who hide Covid-19 symptoms, fearing stigma. As National Coordination Committee on Corona Virus meets today (Monday), to discuss course of action for the month of June, it is important that massive awareness campaigns are started across the country to eradicate this myth and highlight the importance of precautionary measures to stay safe from the virus.

Until and unless an antidote is developed, we have to learn to stay with the virus. There is clear WHO warning that the virus may never go away even after development of the vaccine. Therefore, government has no other option but to gradually open up businesses and offices. Other countries are also now doing the same. It is only through utmost care and practicing precautionary measures that we can reverse the tide of the pandemic. For their own sake and the country, people must fully comply with the SOPs, otherwise consequences could be dire for our healthcare system and overall economy. It is also for federal and provincial governments to speak with one voice and move forward with complete consensus while eschewing political point scoring.

Source: <https://pakobserver.net/tackle-covid-19-tide-wisely/>

Post-Doha Afghanistan and Pakistan By Dr Mehmood-ul-Hassan Khan

POST-Doha Afghanistan is still politically weak and economically unstable/unsustainable because of stalled peace negotiations among its different stakeholders. Unfortunately, Taliban attacks are again on the rise. Deadly and infectious COVID-19 is now spreading like a fire in the jungle in Afghanistan. Moreover, Afghanistan's political bosses have been in search of more and more power since the signing of this historic peace deal in Doha. They are still spending their time feuding over power and the division of ministerial slots. Swap of prisons are stalemated between the US and Taliban. It was agreed in the Doha agreement that the Afghan Government would release 5,000 Taliban prisoners in return for the release of 1,000. However, now the Afghan Government seems to be reluctant toward such a release.

Due to ongoing serious national health crisis in the US, it has apparently failed to convince the Afghan government to honour its commitment. Dirty power politics is flooding everywhere in Afghanistan and Afghan President Ashraf Ghani does not want to release the prisoners because he holds only few cards to leverage Taliban negotiations. Secret meetings and negotiations between Hazara militants and Taliban may not be good omen for the Ghani regime and the US alike. Haqqani Network and Mashhad Network still pose serious security threats to Afghanistan.

Although war hysteria was dashed in Doha but still prospects of peace and harmony in Afghanistan is a far cry. Despite warmongering of 20 years, loss of more than US\$ 750 billion, unlimited collateral damage, brutal killings, bomb blasts, drones, destruction, deadlocks, human miseries and political uncertainty, a historic peace agreement was signed between the US and Taliban (once projected as angles of God, propagated worse terrorists/enemies of humanity and again accepted/recognized as a necessary political entity) for achieving desirable peace and harmony in Afghanistan but phase-2 of grand internal reconciliation among different political stakeholders, feuds, factions, pressure groups, ethnic identities and last but not the least, non state actors have not yet been formalized.

After 18 months of dialogue, diplomacy and two decades of war, the Taliban and the United States signed a four page agreement aimed at paving the way for peace in Afghanistan and the departure of foreign troops. The historic peace deal titled “Agreement for Bringing Peace to Afghanistan” outlined a series of interrelated promises and pledges and commitments from the US and the Taliban aiming to reduce troop levels, counterterrorism and the intra-Afghan dialogue aimed at bringing about “a sustainable and inclusive ceasefire.” Furthermore, the peace agreement outlines a 14-month timetable for the withdrawal of all military forces of the United States, its allies, and Coalition partners, including all non-diplomatic civilian personnel, private security contractors, trainers, advisors and supporting services personnel. But grey areas mainly, disunity among Afghans at every level (it has two presidents/governments, disharmony on the issue of political system, constitution, and types of governance, elimination of warlords, intra-Afghan dialogue, severe ethnic division, dysfunctional government and streaming of regional factions/parties and movers & shakers) have not yet been settled.

In real political terms it was enforced because of certain political compulsions (US President Trump desires to use it as its biggest strategic victory in its second term presidential campaign), Taliban readiness of political persuasions instead of futile war, Pakistan’s determination to secure its eastern border by having peace in Afghanistan, Iran wants to act as good-boy to win some admiration from the West and last but not the least, China plans its out-reach to Central Asia through massive infrastructural development and industrialization in Afghanistan. Russia has been trying its best to resolve the issue of Afghanistan on a regional basis. In this regard, numerous regional conferences and dialogues have been arranged by Russia in the near past. Even Turkey “Heart of Asia” conference has been instrumental to resolve the burning issue of Afghanistan in the past. Moreover, the Republic of Uzbekistan has been very vocal to achieve peace and harmony in Afghanistan through regional engagements.

Unfortunately, the soil of Afghanistan has been misused by the regional main stakeholders and global movers and shakers through fatal proxies. Humanity has been at the receiving end and “War Theatre” has also been financed by various state and non-state actors in Afghanistan since 1980. 9/11 incident changed its strategic position. Afterwards, there has been unstoppable flood of drone attacks, combats, conspiracies and suicidal attacks in Afghanistan. Its regional repercussions put many countries in the line of fire, due to which Pakistan has

been in the cross-firing on various fronts. Its eastern and western borders have become faulty. Thanks to defence forces of Pakistan which successfully protected the vested interests.

Fortunately, forces of convergence outplayed forces of divergence and worked jointly to reach a durable peace agreement. The government of Pakistan and its defence forces once again played a decisive role to bring Taliban on the table of dialogue and negotiations. The US Taliban and Pakistan have been three key players to end bloodshed in Afghanistan. Pakistan has now become “equalizer” in the region by undermining the role of India in Afghanistan. Taliban attacks have now again steadily increased. US and NATO airstrikes have responded to some of the Taliban attacks and Secretary of State Mike Pompeo and Secretary of Defense Mark Esper insisted that troops withdrawal beyond the first phase is “conditional” and could be halted. But the conditions have not been spelled out in public, so America’s resolve is unclear. And the Taliban continue to attack.

Absence of promised electoral reforms to ensure a better future is still missing. Empowerment of women would be a serious issue in the future step. Secretary Pompeo has threatened to cut off \$1 billion of aid. He is right to insist that Afghan leaders must find their own solution. In the meantime, the essentially selfish behaviour of Afghan leaders is doing nothing to benefit the Afghan people. Both leaders need to rethink their responsibilities to their people and their place in history. Perpetual ongoing political chaos is seriously haunting the government and establishment of Pakistan. India is fuelling the fire with its lavish funds and various conspiratorial schemes against Pakistan due to which anti Pakistan feelings are again getting momentum in Afghanistan especially in Northern Alliance region.

Axis of India and Afghanistan is now launching systematic water terrorism against Pakistan by building various dams on the banks of Kabul River which has serious repercussions for KP province and the country alike. The government and establishment of Pakistan are in the state of flux on the issue of strategic depth policy towards Afghanistan which needs to be dismantled immediately. Pakistan should seriously pursue a balanced approach towards the installed governments of Afghanistan and does not try to put all eggs in one basket. Concrete efforts should also be initiated to establish good and friendly posturing towards Northern Alliance. Matter of financial economy of Afghanistan needs to

be thoroughly studied and amended in the future. Repatriation of Afghan refugees should be first and foremost policy of Pakistan.

—The writer is Director, Geopolitics/Economics Member Board of Experts, CGSS.

Source: <https://pakobserver.net/post-doha-afghanistan-and-pakistan/>

Pakistan's COVID-19 Strategy By Rizwan Ghani

MAY is going to be a difficult month. The numbers are going to decide if center and provinces got their policies right. But there are media reports that testing is being deliberately reduced to depict a decrease in number of coronavirus cases which is a foolish approach because number of deaths cannot be hidden. So the officials should clearly give their Covid-19 strategy: test, track and quarantine (TTQ) or test, track and treat (3T) policy because quarantine is not a treatment and it doesn't not allow opening of the economy. South Korea has used 3T policy successfully from day one and since February no case of coronavirus has been reported there. On April 15, 2020 the country held general election in which 44 million people turned up to vote. Our government is also easing the lack down but there are serious concerns that our exit strategy could fail and country could be looking at China like situation because the current numbers are almost the same as they were in China at early stages of the epidemic. WHO is already warning countries about early lockdown exits including anticipated second wave as leaders face tough calls on economy, unemployment and domestic violence.

The best route in our case is to adopt South Korea approach. China made Covid-19 national test policy in January in which the coronavirus Nucleic Acid Test (NAT) price including reagents and other consumables was set at 160 Yuan (Rs3638= NAT=40 Yuan/Rs910, reagent and consumables 120 Yuan /Rs2750 per person or \$23(Rs.3700). Twenty two centers were dedicated for making the NAT kits and reagents and by March they were producing 4.26 million testing kits which are being used for local testing and exports. By 9 April 2020, the kits were improved and giving results in 45 minutes with storage and transportation at room temperature with 99 percent accuracy rate with 60 sample analysis per hour (New test kits give answers within 45 minutes, 16 April 2020, China Daily). In addition to China Covid-19 swab based NAT tests, a UK based company has developed two-minute self administered US FDA approved saliva based Curative test being used by US air force also just requiring saliva sample from inside the mouth. It has the same accuracy as the nasal swab test (NST) and the results are available within 72 hours (UK turndown offer of 10,000 tests a day four weeks ago, 29 April 2020, the Guardian).

On policy level, China used a blended guided prices with market regulated prices and testing in public and private setups helped control the epidemic and prepared the country to be ready for the next wave. It was observed that private sector put public interest before their profits. The airlines and ground transport helped by providing free delivery of test kits and equipment on urgent basis (Why is the cost of Covid-19 test very low in China? 24/4/2020, China Daily). The availability of different kinds of tests including self testing protects other persons, medical staff and reduces need of PPE by 90%, and facilitates government to end/ease lockdowns and restart economies cautiously. Accordingly, our government needs to use 3T policy to trace, test and treat Covid-19 positive persons so that like South Korea, Pakistan can cautiously reopen its economy. In this regard PM needs to give a clear strategic Covid-19 policy covering number of dedicated centers producing testing kits, their national price, testing centers for NAT kits, result-centers for self administered home kits. A complete map of testing centers across the country along with locations, working hours, per person prices, and availability of test results should be made public (website, APP) including treatment options for the Covid-19 positive cases.

South Korea did half million tests for a total population of 51 million and it is free of Covid-19 for the last 60 days. By that standard, we need to conduct around 2.5 million tests to make the country Covid-19 free. Our first Covid-19 relief package cost the tax payers Rs1.2 tn (\$8bn) in direct cost which in fact is a debt. The other packages of billions of rupees are in the offing. The economy has suffered and almost 12 million people have lost their jobs and the numbers are growing. Had government planned properly, it could have save precious lives, millions of jobs, billions of dollars and the economy itself. Regarding potential treatments of Covid-19, WHO has announced that Remdesivir, unlicensed broad spectrum antiviral is not effective for serious Covid-19 cases (23 April 2020 The Guardian) . However, China and Japan have used Favipiravir (antiviral drug) to treat Covid-19 patients who tested negative within 4 days of treatment and 91 percent showed improvement on chest imaging whereas in the control group it took 11 days to test negative (Potential treatments for Covid-19, 19 March 2020). Therefore, our govt needs to stop all funding, subsidy and relief programs except the ongoing program for 1.2 crore people and divert the funds to 3T policy on emergency basis and continue until permanent cure is found so that it can stop further loss of precious lives, save tax money, and restart economy in June as Pakistan's Covid-19 Strategy. The Supreme Court was right in drawing the attention of the government towards its Covid-19 policy. We need to focus on

other vaccinations being missed including polio etc to avoid further misery. Uniform policy, speed and honesty will win the race. Finally, time will show that had UK (Exercise Cygnus) and US (Crimson Contagion) leaderships were aware of the pandemic as early as 2017 and they lied to their publics. Ignorance, corporate culture, forcing rationing of testing instead of free for all testing, ravaging of NHS and home care system and lack of cooperation with international community has contributed in unfolding tragedies right in start both in UK and US. South Korea investment in public healthcare paid off in Covid-19 crisis which they strengthened after Sars and Mers.

—The writer is senior political analyst based in Islamabad.

Source: <https://pakobserver.net/pakistans-covid-19-strategy/>

ECONOMY

Strategy Against Economic Fallout | Editorial

QUOTING research carried out by Pakistan Institute of Development Economics (PIDE), Minister for Planning and Development Asad Umar claimed on Sunday that between 20 million to 70 million people could fall below the poverty line, while 18 million people could also lose jobs due to the lockdown forced by the outbreak of Covid-19. Speaking at a news conference at the National Command and Operation Centre (NCOC) he also pointed out that a recent survey by Gallup showed that one in four Pakistanis saw reduction in their diets because of the virus factor. He maintained that the virus was not as fatal in Pakistan compared to other countries but its economic impact was worse.

The research done by PIDE has given an indication of the possible scenario in case of low, medium and high impact of the virus and the resultant lockdown on the national economy and not a ground reality. Like possible impact of the situation on poverty, the institution had also given projections of layoffs in three stages based on limited, moderate and complete restrictions and what we actually saw was partial lockdown which was also not strictly observed and now that too is being undone in a phased manner. Reference to a study presented to the Government about three weeks back is apparently aimed at sensitizing people about the possible impact of the crisis and convincing them that the policy of the centre about the option of lockdown is prudently based. However, the ground situation is also not encouraging as the spread of virus led to temporary closure of industrial units and businesses and as a consequence many of them have resorted either to the option of lay-off or non-payment/reduction in payment of salaries to their employees. The revelation of the Minister that the tax collection fell by hefty Rs.119 billion in a month is also understandable as the economic activity was at a standstill. However, the study of the PIDE and figures quoted and apprehensions expressed by the Minister necessitate a robust strategy to minimize the impact and move towards normalization of the situation with due care. PIDE had also advised the Government that it was a war even

though against an invisible enemy and it must plan and manage it as a major national security threat on war footings.

The Government has, more or less, followed by guidelines given by PIDE but there are some long-term measures proposed by the study which should also be considered seriously as implementation of these could help us guard against unsustainable pressure in future. It is also satisfying that irrespective of its public pronouncements; the authorities are not in a rush to reopen each and every sector. The stand adopted by Asad Umar was based on reality as he firmly stated that the government could not “open everything and ease the lockdown completely” because it would overburden the healthcare system. In this regard, he also referred to two most important factors ie the number of beds in intensive care units (ICUs) and the number of ventilators which are not enough to cope with a dramatic increase in the number of serious patients. As the Government would review the policy of easing restrictions beyond 09 May, it should take all stakeholders on board to evolve a consensus strategy as piecemeal approach would not deliver. Previously, Sindh Government has prepared saner SOPs for opening of different industries and businesses and these could serve as guidelines for the entire country. Similarly, Punjab Chief Minister Usman Buzdar has now proposed opening of textile, garments, sugar mills and other 35 industrial units and the list can be debated and SOPs improved to return gradually to normalcy. After opening of the construction sector, some related industries and businesses have to be allowed to resume their activities to fulfil needs of the construction sector. The economic think tank of the Government, headed by Advisor on Finance Hafeez Sheikh, is also engaged in brainstorming sessions on how to overcome the challenge thrown by the virus. The policy of cutting down the interest rate further and making annual development plans responsive to labour intensive propositions has the potential to pay back but it has to be seen what the Government actually does at the time of presentation of the coming budget.

Source: <https://pakobserver.net/strategy-against-economic-fallout/>

Need to Revisit NFC Award By Mohammad Jamil

THE 7th National Finance Commission (NFC) Award was given in 2010 which expired in 2015, but was extended every year since because of the lack of consensus amongst the stakeholders. Under the 7th NFC Award, the Centre receives 42.5 per cent of the divisible pool, while the remaining 57.5 per cent is distributed amongst the provinces. The formula of shares was determined as 82 per cent on the basis of population, 10.3 per cent on the basis of poverty and backwardness, five per cent on revenue collection and 2.7 per cent on inverse population density. The 7th NFC Award had led to a 5 per cent increase in the shares of the provinces in federal taxes. In view of the debt mountain, which was the result of loans taken for the development purposes, of course, for provinces, and secondly for meeting the fiscal deficit because of debt-servicing, which takes away more than 50 per cent of the tax and non-tax revenue.

It has to be mentioned that the Federal Government is performing large number of functions that are otherwise the responsibility of the provincial governments. This includes matters relating to public health, drugs, dams, education, public projects in provinces, labour, environment, locusts and many other trans-provincial activities which are obligations of the provinces but have to be performed by Federal Government. All these activities cost a huge sum. Furthermore, the Constitution requires financing and functioning of Local Governments, yet they have no funds available directly. The NFC Award, therefore should reflect the important aspects; firstly provincial share in the NFC Award should be equitably divided into three parts — provincial governments, local governments and federal government share for the works done on behalf of provinces.

The NFC Award is a constitutional obligation. It is clearly indicated in the Article 160 of the Constitution of Islamic Republic of Pakistan, 1973 that it has been made mandatory for the government to compose National Finance Commission (NFC) at an interval extending not more than five years for the resource distribution among the Federation and its respective Units. According to Article 160 of the Constitution, after every five years the President will constitute the NFC for a period of five years. Last year, President Dr Arif Alvi had reconstituted

the 9th National Finance Commission to formulate a new resource distribution formula between the Centre and federating units. The 18th amendment to Pakistan's constitution (2010) provides the provinces with significant decision-making autonomy. In a major development, the federal government has decided to revisit the NFC Award, a private TV channel reported recently.

According to sources, the Federal Government has contacted several political parties for the key changes in the NFC Award, and some of them have assured support to the Centre for the changes in the NFC award and the 18th Amendment. Meanwhile, Minister for Planning and Development Assad Umar said some flaws have been noticed in the 18th Amendment, as it gave powers to provincial governments but the local governments are still powerless. He said problems cannot be resolved until the federal and provincial governments work in coordination. The National Finance Commission Awards have a chequered history. Of the nine NFCs since 1973, only four were able to deliver Awards. Five, including the current ninth one, failed to do so because of a lack of consensus amongst the federal and provincial governments. The Provincial Finance Commissions to be formed to frame an intra-provincial finances distribution formula for the districts have yet to see the light of the day.

In their absence, and with the local bodies dysfunctional, this distribution of finances down to the district level remains unfulfilled. The 7th NFC Award (2010) was decided with consensus by taking all governments, federal and provincial, on board. The original 1973 Constitution, and the 18th Amendment subsequently passed in 2010, were indeed the important milestones towards a federal form of government in Pakistan. Nevertheless, Pakistan is still not a perfect Federation, as the Federal Government is currently running a large number of ministries and departments exclusively or in parallel with provinces. Similarly, there are also a lot of federal government's initiatives for infrastructural development, public health and social development and poverty alleviation etc, in addition of providing funds to AJK and GB areas.

The Federal Government also proactively assists the provinces in the wake of any national disaster or natural calamity in the country. It has been spearheading the entire anti-pandemic campaign since the Coronavirus outbreak in Pakistan in February this year. It has announced a 'financial stimulus package' to the tune of Rs1.25 trillion. Since the imposition of a nationwide lockdown, the government has disbursed tens of billions of rupees to millions of needy families across the

country under its Ehsaas Emergency Cash Programme. The provinces, in fact, are primarily responsible for providing such financial assistance to their people in these testing times. Ironically enough, the provinces look more interested in securing provincial autonomy and financial resources from the centre than assuming their responsibilities under the 18th Amendment.

On 25 October 2017, Miftah Ismail, the then Special Assistant to then Prime Minister Khaqan Abbasi (who took oath after Nawaz Sharif was disqualified) had expressed concerns over the shift of revenues from federal level to the provinces, and said there was a need to revisit the seventh NFC Award, as it had created a fiscal imbalance. Talking to a group of journalists in the Press Information Department, he had said, “Resources have shifted towards the provinces while the budgetary pressure is faced by the Federal Government and this has increased the budget deficit, as Federal Government has higher expenditures.” It is hoping against the hope that PML-N would support PTI Government for changing NFC award.

—The writer is a senior journalist based in Lahore.

Source: <https://pakobserver.net/need-to-revisit-nfc-award/>

Re-Imagining Economy By Shakeel Ahmad

Ramay

The endurance of economic system has started to diminish with the single stroke of COVID-19. Economic system was already under stress for many years. The factors of stress were from multiple fields and had introduced complicated challenges. Although it was feeling the pressure, but it was able to sustain. Though, COVID-19 has proved to be final straw on the back of system. It has shaken the basic fabric of global system with lasting effects. Although it has introduced multifaceted problems, but two problems are entirely new, 1) closure of economy and 2) restriction on mobility. These problems have frustrated the global leadership and common citizens alike, without any discrimination. It is expected that the frustration will be enhanced in post COVID-19 due to two specific reasons 1) a wave of new rule and regulations for business and 2) competition from technology for human.

It will compel global institutions and countries to work on new standards of production and trade. It will lead to create new laws, rule and regulations to ensure COVID-19 free world. The process of developing rules and regulations will be very complicated and complex, as it will engage multiple actors and stakeholders e.g. government, business, industry, civil society and common people etc. It will have severe implications for economic revival and will alter the course of economic activities and factors of production. Although all countries would be impacted, but the developing and least developed countries will suffer the most, as these countries do not have capacity and resources. We already have witnessed this in the case of prevailing standards, rules and regulations like child labor, ISO 9000, ISO 14000 and hygiene etc.

Opportunities are available. Though to exploit these opportunities Pakistan needs leadership with power of imagination and capabilities to devise and implement long-term policies and strategies

The implementation of COVID-19 related new rules and regulations would be a humongous task. It would be required huge resources and skills to implement. The introduction of new measures will certainly introduce the higher cost of production, difficulty to maintain healthy labor force and devising tools to sustain

the supply chains. Therefore, it will be easier for private sector to employ machines than to invest on people to maintain COVID-19 free environment. The worst hit section would be labor, as private sector would prefer to move towards machines than investing on people.

The greater role of machines and technology will lead to competition between human and machines. The competition would be at all levels starting from production, mining to most sophisticated process like thinking or analyzing. Owing to greater role of machines the fourth industrial revolution will get impetus. It would be worrisome situation for developing and least developed countries. These countries are very backward and does not have tools, instrument and capacity to meet the basic demands of fourth industrial revolution. The fourth industrial revolution concept revolve around the big data, robotics, AI, Information technology etc. and these countries are way behind from developed countries. The situation will further be complicated by the ruthless competition among developed countries. As we are already witnessing a furious competition between USA and China.

Besides, the new rules and regulation and enhanced role of technology will also have negative impact on national revenues. Private sector will ask for support in the form of tax relaxation to implement the rules or install the new machinery. We also know that machines will un-employ the human which will be burden on state on two fronts, 1) government loss revenue in the form of income tax and 2) state will have to take care of un-employ people from state's resources. In this scenario the role of state will be become important. Hence, it will force world to look new models of economy, as present liberal system limits the role of state. Although it will impact all countries but the worst impact would be on developing and least developed countries.

The situation would be not different for Pakistan. Rather, it will be more complicated, as Pakistan is already going through a worst economic crisis. Thus, Pakistan needs to start working on these dimensions and look for options to minimize the impact. Although the development status, low capacity and scarce financial resources will hinder the work but there is no alternative. The state of problem compels Pakistan to work on short term to long term strategy and implement it.

The starting point can be agriculture sector and rural economy. Agriculture will help Pakistan on two fronts. First, it will help to engage un-skilled labor, people who lost jobs from low skill sectors and sustain food production and supply chain. Sustainability of food production and supply chain will minimize the chances of outrage among masses and help government to maintain law and order. Second, it would be source of foreign earning by exporting food. It has been estimated by different reports that Pakistan can export products up to US\$ 5-6 billion annually. Pakistan can increase the revenue by investing on processing and supply chain of sector. We can easily find clients in Middle East and China. Owing to Halal food production in Pakistan, we can tap Middle Eastern market with least efforts.

The other area for intervention would be to invest on elements of fourth industrial revolution. Pakistan needs to devise a strategy to work on big data, quantum computing, artificial intelligence and robotics etc. Pakistan will have to invest not only soft skills but also on hardware production. Hardware, as important as soft skills. Presently, Pakistan is more focused on soft skills, which needs to be accompanied by production of hardware. Hardware production will also help to increase its foreign reserves through export. It will also help reduce the dependence on out world. However, we need to understand it would-be long-term project, therefore, it would require a long-term policy and strategy. Moreover, people will have to show the patience.

Third, Pakistan needs to start working on COVID-19 related rules, regulations and standards by anticipating the needs in post COVID-19 scenario. It would be very difficult job, as it requires imagination power and skills to deal with complicated issues. Hence, Pakistan will have to engage experts with highly quality skills and power of imagination. It would be key area for revival economy, especially for the sectors of economy which are dependent on export.

Lastly, Pakistan have to realize the urgency of the work. It must start working right now. It is well understood that Pakistan does not have financial resources and deficient in skills, but Pakistan can look to forge partnership with other countries to fill this gap. Opportunities are available. Though to exploit these opportunities Pakistan needs leadership with power of imagination and capabilities to devise and implement long-term policies and strategies. The long-term nature of policy and strategy will also require the consensus among political class and other actors of governance and decision making.

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Source: <https://dailytimes.com.pk/610258/re-imagining-economy/>

NFC Award | Editorial

The President of Pakistan has finalised the 10th National Finance Commission (NFC) meant to deduce a new formula for distribution of resources among the federation and the federating units. Since the federal budget for fiscal year 2020-21 is possibly only a month away, it is not going to be an easy job for the new commission to reach a consensus in time and come up with what would be called the 8th NFC Award — more so because the 18th Amendment has become a point of conflict between the government and the opposition parties. Even though the Award has to be renewed every five years under Article 160(1) of the Constitution, we have had just seven since 1973, with the last one coming in 2010, leading to an 11% increase in the shares of provinces in federal taxes. Since then, however, consensus has defied the stakeholders on this key issue.

So a new NFC Award will be negotiated 10 years after the last consensus-based award had been announced. Under the existing arrangement, funds from the Federal Divisible Pool are distributed under the ratio of 57.5% to 42.5% for provinces and the Centre, respectively. Eighty-two per cent share is determined on the basis of population, 10.3% on the basis of poverty and backwardness, 5% on revenue collection and 2.7% on inverse population density.

It will, indeed, be a test of the skills of the PM's Adviser on Finance and Revenue Dr Hafeez Shaikh — who is appointed (though unconstitutionally, according to some experts) to serve as chairman of the 10-member commission in the absence of a federal finance minister — and his team at managing a delicate balance between the Centre that has been complaining of a contracting fiscal space, especially in the wake of the coronavirus pandemic, and the provinces that are understood to press for further financial devolution. The main challenge to the Centre is, however, expected to come from Sindh, the only province not being ruled by the PTI.

The commission is supposed to operate on the principle of consensus, and a departure from the very principle is unlikely to result in a new resource distribution formula — like in the case of the last two commissions, one each constituted by the PML-N and the PTI.

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Source: <https://tribune.com.pk/story/2220835/6-nfc-award-2/>

Focusing On Trade | Editorial

On the world trade front, the end of the coronavirus epidemic will have losers and winners. Some countries' leverage on the global stage will diminish drastically, while others will rise to take their place. Some of it will depend upon which countries employ the smartest trade policies.

Pakistan can be one of those countries who could see a boost if we play our cards right. Already, our trade in certain sectors seems to be looking up – a huge space has opened up in the global rice market for Pakistan for exporting local rice in potential markets of Middle East, North America and African regions. Rice is the largest agri-export commodity in Pakistan's export basket with a total value of over \$2 billion, and according to Adviser to Prime Minister on Commerce Abdul Razak Dawood, this number could rise to \$5 billion in the next five years. Pakistan's rice exports to the Middle East region has increased by about 59 percent to \$420 million in April. One of the reasons for this sudden boost is the decline in the Indian market of basmati rice. Due to India's lockdown, Pakistan has attempted to take over India's hegemony over rice exports, in the Middle East.

However, the upturn in rice exports otherwise, it has still been a bad time for exports – according to Pakistan's Bureau of Statistics (PBS), Pakistan's exports on month-on-month basis have witnessed a massive decline of 47.24 per cent, from \$1.814 billion to \$957 million, during April 2020 against March 2020. The government thus then needs to keep prioritising promoting exports in our strong sectors. One such step would be assisting local rice importers in investing in research and development to enhance production and quality of new varieties of rice. Better exports will certainly help Pakistan overcome its balance of payment crisis and provide resources to carry out debt servicing.

Source: <https://nation.com.pk/18-May-2020/focusing-on-trade>

Economic Crisis with New Characteristics By **Shakeel Ahmad Ramay**

Economic crises are not new to human. The phenomena is going on from unknown times. In past recession were triggered due to supply or demand shock, or bad performance or mismanagement of financial sectors. We can quote numerous examples from known history of human kind like great recession of 1930s or the latest recession of 2007-8. World had become used to and devised a set of tools to counter the impacts but COVID-19 triggered economic turmoil has introduced entirely new dynamics.

The crisis triggered by COVID-19 has two distinguish characteristics, which make it different from the past, 1) the closure of economic activities, 2) reduced or no mobility. The closure of economic activities is new dimension of problem. Markets are closed. Services sector is on standstill. Production facilities has been closed. Trade has gone down substantially, and shipping industry is going through worst crisis of its history. The closure of production sector is about to give birth to supply shock. The situation will be further complicated due to demand shock, as joblessness is increasing which will lead to lower consumption.

On other hand mobility is entirely a new problem, which humanity never faced before. Lock down across the world has confined people inside homes. Reduced or no mobility has introduced a plethora of problems. Services sectors are going through record losses. Like, aviation industry is expected to lose hundreds of billions of dollars (153-273 billion). Tourism industry is also facing severe problems due to lack of mobility. The accumulative loss would be in trillion of dollars for tourism industry. It has been predicted that only Middle East will loss about US\$ 40 billion in next few months. Lack of mobility has also introduced problem of joblessness at mass scale. The most impacted section in services is daily wagers. Governments across the world are struggling to find a viable option to stop the process but without any success.

Pakistan can start building alliances with these countries to provide them food in exchange of investment in agriculture sector. It will also be good source of earning

Although all countries are suffering but the least developed and developing are bearing the worst impact and Pakistan is no exception. The closure of economic activities has brought the economy under tremendous pressure, which was already struggling to revive. Millions of people have already lost the job. Lack of mobility has introduced multi-dimensional problems. Supply, chains are disrupted, and food supply chain is under great pressure. Supply chains in Pakistan are dominated by human and only a small portion is mechanized. The over dependence on human resource has exposed the country to possibility of wider spread of COVID-19, if not deal with proper planning. It would be challenging for government to keep supply chain functional without the spread of COVID-19.

The second, problem is loss of jobs in services sectors like barber, transport, sanitary workers etc. Hundreds of thousand of people have lost jobs already. Transport sector is one of the biggest hit sector and least discussed sector. The daily wagers are another category, which has been impacted. It is adding to poverty. Government is trying to help these people by diverting resources in billions, but the problem is huge and beyond the capacity of government.

Moreover, the traditional tools to combat economic crisis are also not working. Government will have to look for innovative ways and new technologies to tackle the problems. World is already moving towards new means to tackle the issues. These problems at global level especially in developed world are paving for a new economic order. It is introducing new means of production and services. The elements of fourth revolution like artificial intelligence, information technology, big data blockchain, robots have started to dominate the markets. Technology is taking over mobility problems in these countries. It has given impetus to the march toward Fourth Industrial Revolution by applying modern technologies.

However, Pakistan neither have financial resources nor have required skills to benefit from the new opportunities. Rather, it will bring new challenges for Pakistan as Pakistan is even struggling to benefit from the third industrial revolution. Therefore, it has been foreseen that the situation will become further complicated in coming days. To catch up the world Pakistan will have to look for ways to shift to modern technology. Unfortunately, Pakistan does not have any base to produce instruments of new modern technology. Hence, the import bill will increase substantially. But situation also provides Pakistan a set of new

opportunities, to benefit from those Pakistan will have to devise a smart policy. However, most of the opportunities will be available in post-COVID-19 scenario.

The first opportunity will emerge from agriculture and livestock sector. In post COVID-19 era world will be looking for reliable sources of food, especially food deficient countries like Middle East, China, etc. will be on forefront. Pakistan can exploit this situation in its favor. Pakistan can start building alliances with these countries to provide them food in exchange of investment in agriculture sector. It will also be good source of earning.

Second opportunity would be skilled human resources for information technology, big data and others. Huawei Pakistan is already working with government of Pakistan to impart skills. Huawei has also employed a good number of young professionals for operation in Middle East, South Asia and other parts. Pakistan can further strengthen its efforts and exploit the its youth bulge in this direction. It will help Pakistan to counter negative impacts on remittances.

Third, timely completion of CPEC route will also provide opportunity of good earning. It will encourage China to use the route for trade with Middle East and North Africa and Europe. It would be win-win proposition, as China can save billions of dollars on transport and Pakistan can earn by providing services.

Lastly, government will have to invest in new technology through CPEC. A wise strategy would be to dedicate a special economic zone (SEZ) for technology development and negotiate with China to start work on it on urgent basis. It should also include the capacity and skill development in the fields of fourth industrial revolution like robotics, artificial intelligence, ICT etc.

Director, Asia Study Center SDPI

Source: <https://dailytimes.com.pk/615058/economic-crisis-with-new-characteristics/>

The Future of the Dollar By Henry M. Paulson Jr.

In late March, global financial markets were collapsing amid the chaos of the novel coronavirus pandemic. International investors immediately sought refuge in the U.S. dollar, just as they had done during the 2008 financial crisis, and the U.S. Federal Reserve had to make huge sums of dollars available to its global counterparts. Seventy-five years after the end of World War II, the primacy of the dollar has not waned.

The enduring dominance of the dollar is remarkable—especially given the rise of emerging markets and the relative decline of the U.S. economy, from nearly 40 percent of world GDP in 1960 to just 25 percent today. But the dollar's status will be tested by Washington's ability to weather the COVID-19 storm and emerge with economic policies that allow the country, over time, to manage its national debt and curb its structural fiscal deficit.

The stature of the dollar matters. The dollar's role as the primary global reserve currency makes it possible for the United States to pay lower rates on dollar assets than it otherwise would. Equally significant, it enables the country to run larger trade deficits, reduces exchange-rate risk, and makes American financial markets more liquid. Finally, it favors U.S. banks because of their enhanced access to dollar funding.

That the dollar has maintained this stature for so long is a historic anomaly, particularly in the context of a rising China. The Chinese renminbi (RMB) has by far the greatest potential to assume a role rivaling that of the dollar. China's economic size, prospects for future growth, integration into the global economy, and accelerated efforts to internationalize the RMB all favor an expanded role for the Chinese currency. But by themselves, these conditions are insufficient. And China's much-touted successes in the realm of fintech—including its rapid deployment of mobile payment systems and the recent pilot project by the People's Bank of China to test a digital RMB—will not change that. A central bank-backed digital currency does not alter the fundamental nature of the RMB.

Beijing still has major hurdles to overcome before the RMB can truly emerge as a primary global reserve currency. Among other transformative measures, it needs to make more progress in moving to a market-driven economy, improve corporate governance, and develop efficient, well-regulated financial markets that earn the respect of international investors so that Beijing can eliminate capital controls and turn the RMB into a market-determined currency.

Washington should be clear-eyed about what is actually at stake in the competition with China. The United States should maintain its lead in financial and tech innovation, but there is no need to exaggerate the impact of a Chinese digital reserve currency on the U.S. dollar. Above all, the United States must preserve the conditions that created the dollar's primacy in the first place: a vibrant economy rooted in sound macroeconomic and fiscal policies; a transparent, open political system; and economic, political, and security leadership abroad. In short, sustaining the dollar's status will not be determined by what happens in China. Rather, it will depend almost entirely on the United States' ability to adapt its post-COVID-19 economy so that it remains a model of success.

CHINESE COMPETITION IN FINTECH

Many who return from China breathlessly remark on how cashless the country has become. From buying snacks at the corner store to giving money to panhandlers, everything is now conducted through smartphones and QR codes (scannable square-shaped barcodes). ATM lines are a fixture of the past. Chinese companies are increasingly competitive in fintech, and Chinese consumers are its largest users.

Beijing still has major hurdles to overcome before the RMB can truly emerge as a primary global reserve currency.

These facts regularly lead pundits to opine that Chinese fintech dominance could soon jeopardize the dollar's global status. That is not a serious concern—nor is it clear that the United States is actually falling behind in matters of fintech. China was not a pioneer of fintech but rather a rapid adopter and scaler of the technology. The Chinese tech giants Alibaba and Tencent have led the way in creating services that make digital transactions much more efficient, while tapping into a large market of unbanked customers, particularly in rural China.

The uptake of their services has been phenomenal. In 2018, for example, the volume of mobile payment transactions in China totaled \$41.5 trillion.

This success was possible largely because China's existing financial infrastructure was antiquated and its state banking system inefficient. Just as important, credit cards never took hold in China, so when smartphones became cheap and widespread, it made perfect sense to leapfrog from a cash-based economy directly to mobile banking.

What's more, for all of how "cashless" China has become, many Americans, too, would be hard-pressed to recall the last time they used cash for anything other than a minor transaction. They can move money from one bank account to another instantaneously and seamlessly. Mobile payment services such as Venmo and Apple Pay work just as well as Alipay and WeChat. But by and large Americans still prefer credit cards, because using them is as convenient as using a phone and the existing financial infrastructure is safe, robust, and trustworthy.

Chinese tech companies have ramped up innovation to meet consumer demand and compensate for the country's inadequate financial infrastructure. Moreover, they have begun to deploy these technologies in developing markets, whose nascent economies encouraged the immediate acceptance of smartphones and thus offered an enormous opportunity for Chinese companies to gain market share.

FORM VERSUS FUNCTION

Although the Chinese central bank could launch a digital currency as early as this year, the headlines exaggerate how transformational it will actually be. Those who worry that this development might herald the end of U.S. dollar primacy misunderstand that while the form of money may be changing, its nature has not.

A digital RMB would still be a Chinese RMB. No one is reinventing money. The token used for transactions may be different, but China's prospects for reserve currency status depend on the same set of factors that apply to the issuer of that currency. And although the Chinese government has promoted use of the RMB to settle trade transactions as part of an effort to internationalize its currency, oil and other major commodities are still priced in U.S. dollars.

The privilege conferred on the U.S. dollar as the global reserve currency was hardly preordained. The dollar's preeminence came about only through a combination of historical happenstance, geopolitical conditions after World War II, U.S. Federal Reserve policies, and the sheer size and dynamism of the U.S. economy. Today, the "natural monopoly" of the U.S. dollar may seem like a fixture of the international system, but during the first half of the twentieth century, the U.S. dollar and the British pound sterling were essentially head-to-head as reserve currencies.

Over time, the international monetary system will likely once again give relatively equal weight to two or more global reserve currencies. The RMB is a chief contender, as it is already a reserve currency along with the yen, euro, and pound. And short of a major catastrophe, the Chinese economy is on course to becoming the world's largest in the foreseeable future. It will also be the first major economy to recover from the COVID-19 crisis.

Still, that the RMB can join the U.S. dollar as a primary reserve currency is not a foregone conclusion. To achieve such a status, China will need to reform its economy and develop its capital markets in ways which are difficult and involve complex domestic political considerations. Recent Chinese ambitions that required similar transformations—such as establishing Shanghai as a full-fledged global financial hub by 2020—have so far been deferred: a financial hub simply is not viable when capital controls are in place and the currency is not market determined. The same holds true for the RMB's prospects as a major reserve currency.

Although a Beijing-backed digital currency in and of itself is unlikely to undermine the dollar's supremacy, it could certainly facilitate China's efforts to internationalize the RMB. In countries with unstable currencies, such as Venezuela, a digital RMB is an attractive alternative to the local currency. Chinese firms such as Tencent, which already have a sizable presence in developing countries in Africa and Latin America, could scale up their presence there, leading a future digital RMB to gain market share. This could help enhance the RMB's global status and become part of a broader strategy to project Chinese economic and political influence abroad.

ENCOURAGING U.S. INNOVATION

For the time being, the United States should worry less about the end of the dollar's supremacy as a global reserve currency and more about the ability of its private sector to deploy new financial technologies. Digital currency is not just a Chinese idea, nor is it solely the province of central banks—financial innovation in digital currencies and mobile payments is taking place in the U.S. private sector, too.

While the form of money may be changing, its nature has not.

At the same time, these new technologies contain inherent risks. Without the assurance of robust data privacy, wide adoption of these technologies will prove difficult. Moreover, these new technologies could facilitate money laundering and other illicit financial activities, all legitimate causes for concern.

Silicon Valley and Wall Street have long led the way in creating financial innovations, new digital platforms for transactions, and new forms of money. If the fruits of those innovations are realized, U.S. companies could create the world's best, safest, and most secure digital currency, with robust controls against illicit finance. The resulting gains in efficiency and reduction in transaction costs would yield tangible benefits to consumers.

Policymakers, then, need to strike a careful balance between mitigating the risks of these new technologies and supporting the ability of private U.S. companies to innovate. The danger is that overzealous U.S. regulators might raise the entry barrier for U.S. firms to serve those who prefer digital finance over conventional banking in the United States and unbanked consumers around the world—about two billion people, according to the World Bank, the bulk of whom reside in developing countries with weaker financial markets and volatile currencies.

U.S. DOLLAR PREEMINENCE BEGINS AT HOME

To be sure, the United States needs to take China seriously as a formidable economic competitor. But when it comes to the primacy of the dollar, the main risk stems not from Beijing but from Washington itself. The United States must maintain an economy that inspires global credibility and confidence. Failure to do so will, over time, put the U.S. dollar's position in peril.

When it comes to the primacy of the dollar, the main risk stems not from China but from the United States itself.

The dollar's status is a proxy for the fundamental soundness of the American political and economic system. To safeguard the dollar's position, the U.S. economy must remain a model of success and for emulation. That, in turn, requires a political system capable of implementing policies that will allow more Americans to flourish and achieve economic prosperity. It also requires a political system capable of maintaining the country's fiscal health. History knows of no country that remained on top without fiscal prudence over the long term. The U.S. political system must be responsive to today's economic challenges.

The United States' economic policy choices abroad also matter greatly because they affect U.S. credibility and, to a large extent, determine its ability to shape global outcomes. To sustain that leadership, the United States should champion an initiative to adjust and update the global rules and norms that govern trade, investment, and competition in technology to reflect twenty-first-century realities.

Washington should also be mindful that unilateral sanctions—made possible by the primacy of the dollar—are not free of cost. Weaponizing the dollar in this way can energize both U.S. allies and foes to develop alternative reserve currencies—and maybe even to join forces to do so. That is precisely why the European Union has been pushing to further promote the euro in international transactions.

By the same token, whether the RMB joins the dollar as a major reserve currency will be determined entirely by how China reshapes its own economy. But if Beijing successfully implements the needed reforms, it will create an economy that is more attractive for the export of U.S. goods and services and establish a more level playing field for U.S. companies operating in China—changes that will benefit the United States.

The value of a national currency to its holders is ultimately a reflection of the country's economic and political fundamentals. How the United States emerges in the years following the COVID-19 crisis will be an important test. First and foremost, the country must foster macroeconomic policies that put it on a sustainable path to manage the national debt and the trajectory of the structural fiscal deficit, and it must not squander the fundamentals that have sustained its economic might, all of which are rooted in a spirit of innovation and effective government. If Washington adheres to this course, there is every reason to have confidence in the dollar.

Source: <https://www.foreignaffairs.com/articles/2020-05-19/future-dollar>

New Trade Policy | Editorial

The Strategic Trade Policy Framework (STPF) (2020-2025), which sets out Pakistan's goals for exports for the next five years, will be revealed by the Ministry of Commerce to the cabinet for approval. Under this policy, the government aims to increase Pakistan's exports to \$46 billion by the fiscal year 2024-2025.

The objective of the plan has been stated as working on the efficiency of local industries in order to meet international standards. Some of the policies suggested have been ensuring trouble-free refunds to the business community and continuity in timely payments, as incentives to exporters. Other recommendations include improving competitiveness of manufacturing through cheaper access to imported raw materials, changing the tariff structure to increase efficiency of the existing domestic activities and renegotiating trade agreements to bring maximum benefits.

One of the most noteworthy policies which the STPF promises is diversification into new sectors. Under STPF, side by side with inclusion of textile, leather, surgical products and Pakistan's other top exports, 26 sectors have also been included for paying special attention for their export.

The STPF has been in the works since November. While it sounds promising, it is hoped that the cabinet adjusts it to the prevailing economic conditions of the world, which have been ravaged by the coronavirus epidemic. Pakistan has not been left unscathed by the epidemic – almost half of Pakistan's exports are directed to the countries most affected by the coronavirus.

With textile and leather industries making up a majority of exports, Pakistan thus will have to gauge the economic revival in these countries or look to destination markets that do not produce low-valued products domestically. It is essential that the STPF tap in coronavirus conditions into its policies – both the damage that the epidemic has caused, as well as the unexpected opportunities it could have for certain products. Certain exporters better able to tap into potential trading relationships through product diversification or via better export strategies may find it easier to revive their export sales.

Source: <https://nation.com.pk/27-May-2020/new-trade-policy>

Pakistan Needs Debt Relief By Shahid Javed Burki

Pakistan has a debt problem. It owes the world much more than the amount it can afford to pay without hurting its medium- and long-term economic and social prospects. Some of what is owed was not well used. The impressive advance the country has made in developing its political system could also be negatively affected. International action in the form of debt-forgiveness needs to be taken to make it possible for the country to move forward. As is the case with many other developing nations, Pakistan will be seriously hurt by the way the global economy is impacted by the coronavirus pandemic.

The world is clearly moving towards a deep recession — possibly a depression even severer than the one it faced in the 1930s — unless collective action is taken by the global community. This would require leadership of the type the United States provided during the 1930s Depression and again after the end of the Second World War. That is not expected from President Donald Trump's America. Under Trump, the US is moving to pull down some of the important pillars of the international economic and social system that were built painstakingly over several decades after the end of the Second World War. The US does not feel it needs to or can work with a number of international organisations. Washington is ignoring the World Trade Organization (WTO) created in 1995 after several rounds of international trade negotiations. The WTO required its members to trade on the basis of the rules to which the member states had agreed. However, Trump's "America First" approach violates the rule-based international commerce the WTO oversees. The World Health Organization (WHO) is another institution against which Trump is moving. Always looking for somebody to take the blame, he holds the Geneva-based organisation for his administration's poor management of the coronavirus pandemic.

There was some international action on helping the developing world to deal with the economic consequences of the coronavirus pandemic. It was prompted by French President Emmanuel Macron who telephoned Trump to call both G7 and G20 groups of nations to meet to discuss what needed to be done. Trump agreed with some reluctance but asked Macron to organise such meetings. That

was done. One of them was on April 15, 2020 when the G20 leaders met “virtually” at which they decided to provide debt relief to the world’s lowest income countries by suspending debt payments until the end of 2020.

This decision was well received by the leaders of the developing world, including Imran Khan and Abiy Ahmed, the Prime Ministers of Pakistan and Ethiopia respectively. The former was the recipient of the Nobel Peace Prize in 2019 and has a voice — as does Imran Khan — in world affairs.

The Ethiopian leader had an article published in The New York Times in which he applauded the decision by G-20 but urged the rich nations to go further. “But if the world is to survive the punishing fallout of the pandemic and ensure that economies of the countries like mine bounce back, this initiative needs to be even more ambitious,” he wrote in the newspaper article. “At the very least the suspension of debt payments should last not just until the end of 2020 but rather until well after the pandemic is truly over. It should involve not just debt suspension but debt cancellation. Global creditors need to waive both official bilateral and commercial debt for low-income countries. These steps need to be taken with a sense of urgency. The resources freed up will save lives and livelihoods in the short-term, bring back hope and dynamism to low income economies in the medium term and enable them to continue as the engines of sustainable global prosperity in the long term.”

The Prime Minister rightly focused on two aspects of the recent African experience. He recalled that in October 2019, the International Monetary Fund (IMF) reported that the five fastest growing countries in the world were in sub-Saharan Africa. But this performance would be short-lived if the international community did not act to save these countries from the ravages of the pandemic. “Most of our countries managed to borrow funds on the back of solid economic performance and evidence-based development programmes and trajectories. No body foresaw this promise being derailed by an event such as the coronavirus pandemic.” In his article, the Ethiopian Prime Minister promised that the returns from debt relief would be used in social sectors.

How poor countries are dealing with the steps they have had to take to deal with the pandemic crisis was well illustrated by the front-page story about Pakistan’s education sector in The Washington Post on May 20. Partial coronavirus lockdowns in Pakistan have put millions of people out of work and have pushed as many as 10 million Pakistanis into poverty. The Post story described what the

government in Pakistan is doing to provide some education to the children as it closed schools to deal with the coronavirus pandemic. Pakistan spends little on social sectors with the result that its large and rapidly growing population is underdeveloped. More than 40% of the country's school-going children don't attend school, the second highest rate in the world. And even for those who do get to schools, literacy rates suggest that many are not learning. This is in part due to the poorly trained teachers and also because instruction is provided in Urdu, the national language, spoken in fewer than 10% of the households.

By closing schools as a part of the response of the lockdown, the educational system has come under even greater stress. The government is attempting to address the situation by investing in creating a TV channel that is attempting to provide some education to tens of millions students who have lost access to classrooms. Programmed with content for kindergartens through high school, it provides each grade one hour of curriculum per day, so students have to watch in shifts. But the access is limited since about 36% of Pakistani households have broadband internet access but only 15.5% of the population actually uses the Internet.

With President Trump totally contemptuous of any form of international action to deal with the problems that require global solutions, China is likely to step into the void. That will happen only after Beijing has been able to fully explain its initial response to the appearance of coronavirus in the industrial city of Wuhan in central China. In the meantime, some international institutions such as the IMF and the World Bank have announced the actions they plan to take. On May 19, David Malpass, the World Bank President, announced the launch of a \$160 billion programme of assistance that would disburse the money over a period of 15 months. Quick disbursements will necessarily include tackling with the debt problem that so many developing countries including Pakistan have to deal with.

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Source: <https://tribune.com.pk/story/2228978/6-pakistan-needs-debt-relief/>

EDUCATION

Right to Education By Marvi Soomro

EDUCATION is a child's basic right. Even in times of conflict, war or disaster, temporary learning opportunities are set up as part of emergency relief to provide continued learning support.

Pakistan has an estimated 22.8 million children from five to 16 outside school. The ongoing Covid-19 pandemic and consequent school closures have resulted in millions more deprived of learning opportunities.

The disparity in education in Pakistan rears its ugly head again as millions of students face learning losses. Major barriers like the digital divide and the weakness of education systems threaten to increase further the vastly unequal learning opportunities available to the economically, geographically or politically disadvantaged.

According to data from the PTA website, 31.19 per cent of Pakistanis have access to the internet. For children belonging to the 68.8pc population without internet access, this pandemic means losing not just the only thing that provides routine — school — but also being deprived of their right to learn.

ARTICLE CONTINUES AFTER AD

Low-income households in Pakistan do not have computer hardware. Out of the 78pc population that has mobile subscriptions, 35.9pc is online. Children from families that make up the 42pc not using 3G/4G — or the 22pc that do not have mobile subscriptions — have limited learning opportunities.

While we may have budding tech start-ups with millions of dollars of funding directed towards them, technology access, affordability and internet penetration are still out of the reach of millions.

Who will be held responsible for the students' losses?

There are also areas where the digital divide is essentially caused in the name of political gains or matters of 'national security'. These areas, even in today's 'digital Pakistan', are not connected to the rest of this country or the global world because they lack basic internet connections and at times even mobile networks. Schoolchildren in these regions are deprived of every learning opportunity right now. University students suffer the same fate. Lockdowns forced students to return to their hometowns but then classes were shifted online with mandatory attendance requirements. Students of Gilgit-Baltistan and Azad Kashmir are frustrated because they do not have the internet access required to attend online classes. Who will take responsibility for the losses incurred by these students? Will the telecom network that has monopolised internet provision in the region be held responsible?

Most schoolchildren facing this digital divide come from marginalised households and are enrolled in public schools. They are already a part of the learning crisis. Not all school-going children learn, struggling with weak reading and writing skills, insufficient teachers and sub-par quality of teaching. With a dropout rate of 73pc for middle school, one of the world's highest, Pakistan faces the risk of an increase in the rate. This sudden disengagement in learning will result in many students never returning to school.

The hardest hit will be young girls who take the burden of economic losses and are obliged to take care of household chores and younger siblings at the cost of learning. A recent data study by Malala Fund using data from the 2014-15 Ebola epidemic in several African countries, projects that around 10m secondary schoolgirls will not return to school after the pandemic.

While maximising access through alternative learning options is essential during the crisis, the quality of content and diversity of mediums will be the deciding factor for learning outcomes or engagement. Another important factor is support at home. In economically disadvantaged segments, most parents lack basic skills, time or interest to help their children learn at home. Our education systems often do not equip a child with skills like time management or independent learning. Mass parent awareness campaigns may improve the outcome of alternate learning options by providing support at home.

However, we have to admit that millions of children in this country will not have access to any learning in this period. To prevent these children from greater learning losses we must prepare for the challenges when schools resume. We must take help from those with expertise to design accelerated learning programmes to support students left behind and create strategies to reintegrate dropouts. We must design training programmes for teachers to give them the confidence to meet the needs of learners.

To come out of this pandemic stronger we must engage in discussions that go beyond the educational budget and school enrollment numbers. We must take into account the disparities that rob young children from marginalised communities of their right to education. It is time to open our eyes and understand that without quality education for all, we as a nation will always lag behind, regardless of the 'potential' we may have.

The writer is the founder of Innovate Educate & Inspire Pakistan, a nonprofit volunteer organisation.

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Source: <https://www.dawn.com/news/1556505/right-to-education>

The Purpose of Higher Education By

Muhammad Hamid Zaman

If all we care about, in our higher education at this unique time in history, is the schedule for exams and how to assess student performance, something is seriously wrong with our system.

The purpose of higher education institutions, or system, is not to examine and assess. It's to impart knowledge, create a sense of inquiry and scholarship. Strong higher education systems create citizens who provide ethical leadership, create new solutions for stubborn problems and reflect a deep sense of empathy. Its goal is to lead society, not divide into haves and have-nots. These goals are neither arbitrary nor purely theoretical but stem from a vision and clarity of leadership.

The recent HEC emphasis that focuses on exams and assessment is both misguided and unethical. Imagine two students in the same semester in the same classroom in March 2020. One from a reasonably well-off family with all the resources — servants at home, a stable internet, plenty to eat. Another one from a small town in a rural area — with little to eat, unstable housing, non-existent internet connectivity and high anxiety about economic uncertainty. In late March, they go to their hometowns. Asking the two students to appear in the same exam, where one had the resources to study, and the other was fending for his/her life and of the family shows a bizarre sense of privilege that is at the root of our unequal society.

The HEC should also not make a fool out of people by suggesting they are working on increasing connectivity in rural areas. That statement may be true, but it's not going to happen in the next week, or year. The infrastructure, resources and capacity to create a more well-connected society is simply not there. It's a great goal to have, but it's far into the future.

There seems to be a strange and inexplicable fixation with “process” in our higher education system. We do things not because they are right, but because they have always been done that way. We have made few changes since the

colonial time in our system and are unwilling to adapt to the needs of the time, or those of the students we want to serve.

Let us quickly do a cost-benefit analysis of having exams at this time. The benefit is that we maintain a semblance of normalcy (in a highly abnormal time), and find out who has the chops to pass a course. Supposedly, we are told that if we do not have exams, a lot of unqualified people will enter the real world. This is laughable. Do we really think our system is so well-oiled that only one set of final exams separates those who are qualified from those who aren't?

The cost of creating exams and focusing on assessment as if nothing has happened is very high. First, it's creating a huge sense of anxiety among students. It's also telling students who come from low-income backgrounds that the system does not care about them. Third, examiners themselves are unsure on what would be ethical and fair exams.

The right approach would be to show empathy and work with students. For some students, this may mean replacing exams with assignments they can submit later. For others, this may mean only a pass and fail system as opposed to grades. This will not be easy, but easy is not what we should be doing right now.

The Prime Minister and his cabinet keep talking about caring for the vulnerable and the problems with the elite. The higher education system should be the last thing that caters only to the elite. A system that creates a bigger social divide than what already exists is a system not worth supporting.

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Source: <https://tribune.com.pk/story/2224253/6-purpose-higher-education/>

The Future of Online Higher Education in Pakistan **By Hinna Hussain / Raheel Tajuddin Lakhani / Shama Dossa**

Virtual education degree programmes and e-learning universities tend to be perceived of lesser quality and validity as compared to classroom-taught programmes. However with the pandemic, both public and private universities have been mandated to move their courses/classes online as per the directive of the Higher Education Commission (HEC). Over the last month, there have been a number of articles in newspapers concerning the shift to online teaching. Advocates of the online shift (mostly private institutions) have been congratulating themselves on the quick and smooth transition they have made. Others, including many student groups, have been resistant to the idea of e-learning. They claim that infrastructure, access to technology and connectivity are not set up to equitably meet the needs of students in Pakistan. However, there has been limited discussion on what e-learning conceptually requires and whether we, as a nation, have the pedagogical skills to provide online courses for degree programmes.

E-learning or Emergency Remote Teaching (ERT)?

We would argue, based on our experience, that what universities in Pakistan are doing during the current Covid-19 crisis is actually Emergency Remote Learning (ERT) and not e-learning. We believe that ERT is a practical, temporary or short-term shift of delivering education through a new modality because of a crisis with not much change in pedagogy, whereas online education requires careful deliberation. Without much preparedness and an urgency to facilitate teaching and learning as an emergency response, faculty have been struggling to make this transition and support students. Most have never taught online, but many have made a commendable effort to adapt to the circumstances based on trial and error. However this is a stop gap solution with a short-term vision, where faculty members are trying to replicate face-to-face instructions to live online sessions as a solution. In contrast, with e-learning it takes months to design, plan and execute a good quality online course for students, with specialised training and resources.

For online education, it is important to have institutional policies and frameworks for course design, minimum standards for teaching, alongside access to technology and student assessments. For this article we interviewed faculty members from various private universities in Karachi who have been teaching online for over a month. Most shared that their universities previously did not allow remote teaching of courses. As a result, many universities in Karachi do not have policies for online education and assessments that reflect best practices and support structures (except initial guidelines and handbooks for continuing the process of instruction). In absence of such structures, it is difficult to ensure transparent and standardised online teaching.

For implementing any remote education, access and familiarity with technology is key. Our interaction with faculty and students in Karachi found that apps like Zoom (paid and unpaid versions), Microsoft Teams, and Google Classrooms are the most frequently used platforms. Few universities are relying on unpaid versions of these platforms which restrict session timings and options of having a controlled online learning environment. The ability to shift to using technology is a challenge for many instructors, particularly those who have not relied on technology in the classroom before. Faculty and students we interviewed identify a lack of knowledge of appropriate tools and techniques suitable to respond to the need for virtual classrooms. This is particularly true of large class teaching formats. It is a steep learning curve, hence features of online platforms (such as small group discussion, online forum-based debates and reflection, and collaborative tasks) often remain underutilised to achieve the learning outcomes which can be a source of dissatisfaction for many.

Due to a lack of training in e-learning pedagogy and student preparedness to transition to new modes of learning, faculty members continue to face challenges such as a decrease in attendance, low participation and attention, disruptive behaviours and sometimes no acknowledgment of their instructions. Many students zone out during long non-interactive synchronous lectures or get frustrated with the constant connectivity issues. Familiarity with technology is not only a technical issue but also a teaching skills or study skills issue. One of the limitations for many private universities in Karachi has been that the orientation and training for this transition has been provided by IT departments who are not pedagogues.

An uncertain terrain for students

The student learning experience must be at the core of all pedagogy, hence it is imperative that their readiness in terms of access to technology, learning needs and digital literacy be facilitated. We spoke to undergraduate students across disciplines from various private universities in Karachi who shared their experience of the shift from remote to face-to-face learning. Although many were appreciative of the efforts of faculty to quickly transition to new modalities of teaching, they still shared numerous challenges. These include low bandwidth due to increased work from home policies, electricity issues, unavailability of personal desktop/laptop and personal delegated space for studying, stress, juggling between family life and education, physical and mental health issues, fear of being infected or having a loved one getting Covid-19; gender discrimination and domestic workload, and well as feeling of isolation from friends. For few students, online education has been an opportunity to think more carefully about their learning tasks – how they can pursue detailed projects and/or deeper research, and learn how to communicate their ideas better due to the time at hand.

Some families are facing financial hardship and concerns of how to find an internship/employment in the current context are ever present. Some fear that they may not be able to return to university next semester and wonder if they should take a semester off till in-class teaching resumes.

Embracing the idea of e-learning: the future of higher education

We believe given our experience that there is a need to draw on both classroom and virtual pedagogy to meet the learning accessibility needs of students. Even when lockdown is eased, there is a need for advocating for blended learning models (a mix of face to face and online) as there might be multiple lockdowns in the future.

Global research on e-learning demonstrates that effective student learning (including quality instruction) results from careful instructional design, planning and research. Therefore, moving away from one-time orientation and training sessions, faculty development at universities will have to focus on a well-crafted continuous programme for course design support, which is available before the next semester and continues as a regular feature throughout the year(s).

Prioritising investment and resource allocation for instructional design expertise through creation of online education centers in universities, and hiring learning designers (responsible to integrate pedagogy with technology) to collaborate with faculty on course (re-)design, management and enhancement. Simultaneously a local research strategy and funding for e-learning also needs to be put into place by HEC, the findings of which can feed into constant improvement of curricula and pedagogy.

Students must be engaged in this process as their input is extremely valuable in tailoring instruction to meet their learning needs. Universities and faculty have shown resilience through the initial shift but now we need to account for student autonomy, choice and interest in course activities so student engagement can be ensured. Come august, when students will have their first day in universities on-line rather than on-campus, student orientation and support programmes should have a strong focus on digital, multimedia and information literacy, mental health and self-regulation as e-learning requires an ecosystem in which to function beyond the virtual classroom. Student intersectional considerations and sensitivities including but not limited to social group, gender, ethnic and other identities — such as age, disability, sexuality and geographical location should be at the heart of all course design. Rental service for students to acquire technology from university asset banks or partnering with financial institutions so students can either buy technology on installments or rent it, is essential along with reliable subsidised internet connectivity.

The success of online learning during and beyond the pandemic will be largely dependent on how universities will bring their focus back to learning design and research. This also requires an immediate change of perception that technology is just a prerequisite. Universities must acknowledge that the quality of their student's learning experience needs to be a core consideration and that the actual drivers of teaching and learning are faculty members backed by a supportive administration and policy environment.

Source: <https://blogs.tribune.com.pk/story/96452/from-emergency-to-perseverance-in-online-higher-education>

WORLD

As World Focus Shifts From Dangers of a Nuclear Arms Race By Talat Masood

Major nuclear powers, the United States and Russia, continue to bring about technological improvements in nuclear weapons and delivery systems. President Trump on assumption of office had boasted of launching the most ambitious nuclear programme in which the US plans to spend on a trillion dollars over a decade. The other disconcerting aspect is that with the governments focused on Covid-19, the nuclear arms control deal between the US and Russia could be pushed in the background. Proponents of nuclear stability have been forcefully arguing that it is imperative that the New START (Strategic Arms Reduction Treaty) caps the US and Russian nuclear arsenals to prevent an arms race.

The US is working on the modernisation of warheads and delivery systems and it is only a matter of time that it will have the latest version of intercontinental ballistic missile.

China, to counter the hostile US policy that aims at hurting its economic and strategic interests, has stepped up the development and production of land, air and sea-based strategic weapon systems. It has made major strides in developing advanced nuclear weapons and means of delivery that were on display during the National Day parade in Beijing, last October. Most significant among them was the road launched DF-41 intercontinental ballistic missile (ICBM) capable of having a range that can strike any target in the US with multiple warheads.

The Global Times, a respected source on strategic issues, published in its October 2019 issue that China is reportedly engaged in testing nuclear-armed submarine-launched ballistic missile and developing the type 096 nuclear-powered strategic submarines to launch the missile. Moreover, in development in China is the H-20 strategic stealth bomber that is comparable to the US B-2.

Initially, China has been comparatively slow in developing its nuclear arsenal. It was primarily focused on the economy. But as it achieved consistent high growth and hostility between Washington and Beijing intensified, it has stepped up the modernisation and numerical strength of nuclear and missile forces. China considers that it has to play an independent and stabilising role in this chaotic world order. It is not surprising that President Trump wants China to participate in negotiations that the US holds with Russia in limiting strategic weapons. As expected, China has not agreed and will stay out of any binding agreements until it has reached a compatible level in strategic weapons.

India too is forging ahead unabated with its nuclear programme using the pretext that it has to counter the growing Chinese threat. In the pursuit of this policy, the US and other Western countries have been fully supportive of New Delhi. Whereas the reality is that 70% of the Indian forces are deployed against Pakistan. With India-Pakistan relations at their lowest ebb the Indian military's threatening posture leaves no choice for Pakistan but to keep pace and build its strategic forces.

Economic weakness has prevented Pakistan from maintaining a balance of 3 to 1, in conventional forces with India. It is only when Pakistan's GDP would match or exceed India's could it rely on its conventional forces without leaning heavily on nuclear capability. Until then there seems no alternative for Pakistan's decision-makers but to match and effectively counter its hostile neighbour, bomb to bomb and keep pace with technological developments.

It indeed goes to the credit of Pakistan's engineers and scientists that despite extremely tight international sanctions and clandestine oversight by Western intelligence agencies, Pakistan managed to not only master the nuclear technology but develop a solid industrial infrastructure to manufacture strategic weapon systems.

One of the possible reasons for major powers greater concern about Pakistan's nuclear capability as opposed to India, apart from other considerations like the China factor and inherent prejudices, is its greater reliance on it.

North Korea despite being financially bankrupt has a clandestine nuclear and missile programme that draws global attention when it fires a missile or conducts tests. It is indeed a paradox that the US and world powers look so helpless in

dealing with its nuclear and missile achievements. For decades, the US has been engaging with North Korea directly or multilaterally to prevent it from abandoning its nuclear programme but with no success. President Trump engaged with the recluse North Korean leader on a highly optimistic pitch only to discover that it is not possible to change course that the latter has set for its country.

Israel's nuclear programme is of course sacrosanct as it has the full backing and support of the US and most Western powers. The irony is that the rivalry between major Arab countries — Saudi Arabia and the UAE against Iran — has made the former not only overlook Israel's nuclear development but has even sidetracked the Palestinian struggle for a separate homeland.

In sharp contrast, the US with full backing of Israel and the Jewish lobby rescinded the nuclear agreement with Iran and imposed stifling sanctions to destroy its economy. Hoping that these measures would bring the collapse of the politico-religious regime. No doubt, it has severely hurt the economy and made Iran fight the Covid-19 with its hands tied but its people have shown a resolve where other nations in similar predicament may have given in.

With the world battling with the Covid-19 virus, developments in the nuclear field have generally been pushed in the background. This is despite the fact that the Doomsday Clock set by the Bulletin of the Atomic Scientists in January 2018 to two minutes is the closest it has been to midnight since 1953.

Sanity demands that all nuclear powers reassess their national threat priorities in the light of the new dangers posed by Covid-19. How helpless did the two superpowers appear when faced with this new invisible enemy. So did the other seven and especially poverty-stricken India and Pakistan. With the US health sector in tatters and the government leaving it to the individual and private sector, the coronavirus overtook concern for survival and healthy existence over the dangers of man-made existential threats of a nuclear catastrophe.

Published in The Express Tribune, May 13th, 2020.

Source: <https://tribune.com.pk/story/2220077/6-world-focus-shifts-dangers-nuclear-arms-race/>

How China Won The Battle Against COVID-19

By Arshad Bhatti

Coronavirus has shaken up the world upside down. All the developed and developing nations seem helpless in controlling the epidemic to date. Reportedly, almost 4.5 million people fell prey to the pandemic while around three hundred thousand lost their lives across the globe. The world economies are facing the worst ever economic crisis, people are losing jobs and companies are shutting down their businesses.

And, in this bleak time, there are some success stories. A number of countries have won the battle against COVID-19 and life is returning back to its usual pace.

China, the epicenter of the specter, has successfully defeated the virus, but how did China accomplish this with such a huge population? To understand Chinese success, the world needs to understand the nature of Chinese people and their trust in the government.

Wuhan, the capital of Hubei province, faced the longest lockdown, and the people remained inside their houses for 76 days, showing their commitment to fighting against the pandemic with patience and dedication.

Ignore the politics around the fatal disease and the mudslinging and conspiracy theories and let's try to understand this success story with the version of Chinese people. The Chinese people are very obedient to the government and they think, in general, whatever policies the government is making are for their common good. So, they follow the orders and policies by the government with full trust. China is a disciplined society and this discipline helped them to fight against any disaster.

I conducted a small survey with some Chinese friends, asking how China has controlled the epidemic successfully. According to the surveyed Chinese people, the country's leadership had taken proper measures in a short time and the main cause of this success was strict government control and quick response towards the COVID-19 patients while free treatment made it easy for the people to get them tested.

Organised management of testing, from central government to the provinces and from province to the city and to the county levels and every household helped China keep a track record of every citizen which ultimately helped the authorities to respond timely to curb the disease.

Thanks to new technologies, online statistics regarding everyone's information had been collected by some mini-apps and the authorities were able to know everyone's situation in real time. During the lockdown, the people needed to write about their situation online when going out to the supermarkets, etc.

Chinese are very dutiful when it comes to the collective cause. This obedience of the masses helps the government to enforce policies. The Chinese follow the government's orders without questioning, which shows their faith in the leadership.

The hardworking Chinese lifestyle in all walks of life always pays them back. During the worst time of the pandemic, almost everyone contributed to control the pandemic. People isolated themselves into self-quarantine which they say was a help to each other. From medical staff to law enforcement agencies and staffers of supermarkets put their lives on the line and served the nation. Even before the epidemic, the Chinese had the habit to wear the mask (it is especially very common in winter) and during this time people were recommended to wear masks and gloves when they used to go out. All these measures helped China get over the epidemic and currently, there are very few new cases, but the Chinese authorities are still on their toes to act timely in case of any spike of the novel virus.

Although the situation is heading towards uncontrollable circumstances, the world can still save itself by following Chinese practices. Being careful is the biggest weapon to fight against the common enemy and we all need to use this weapon.

Source: <https://nation.com.pk/16-May-2020/how-china-won-the-battle-against-covid-19>

Countries Reopen | Editorial

AFTER some success in lowering the daily deaths and new cases of coronavirus, several countries are slowly relaxing lockdowns in an attempt to revive economic activity. In Europe, the hardest-hit countries which include the UK, Italy, Spain and France, are rolling out plans for some sectors such as construction and primary schools to open up after nearly seven weeks of closure. In the US, the president has left it to the governor of each state to ease restrictions, which has led to the easing of lockdowns in Georgia, Oklahoma and Alaska. Many of these countries have told citizens to wear face coverings in public and practise distancing at shopping centres, with some — especially in Europe — still limiting public gatherings such as weddings.

While there is no doubt that the coronavirus and forced shutdowns have unleashed economic hardship, the reality of the viruses' deadly nature persists. Although the emotional and financial toll of this uncertain new era already seems unbearable, the truth is that the world is still in the early stages of the pandemic and must be vigilant. In doing so, it must adapt to rapidly changing scenarios — such as a possible second wave as has been reported in China. As countries open up and the possibility of transmission grows, mistakes made in the first wave will become essential learnings. For example, the UK was too late to lock down and therefore saw its healthcare system become overwhelmed as Covid-19 cases spiked. The situation has forced British authorities to look for local manufacturers for PPE and ramp up daily tests. The increased testing, dedicated isolation centres and mechanisms for contact-tracing developed during lockdowns should help countries that are now opening up. Here, Vietnam serves as an excellent example of the learnings it employed from the Sars outbreak nearly two decades ago. As it recognised its healthcare limitations, it was one of the quickest to alert its citizens and take action. This timeliness, aggressive infection control and targeted awareness campaign for its population are strong factors behind its zero reported deaths. In a country that borders China and with a population of over 90m, this is an undeniable success — and proof that 'overreaction' and caution can save lives and also justify the reopening of commercial activity. While many countries have learned these lessons the hard way, after ghastly death tolls and the crippling of healthcare systems, they must remain vigilant and react quickly when the second wave comes.

Source: <https://www.dawn.com/news/1557937/countries-reopen>

Time to Move Forward in Afghanistan |

Editorial

Finally there is a faint chance of progress in Afghanistan now that President Ashraf Ghani and his rival Abdullah Abdullah have agreed to a power sharing deal a good two months after both declared themselves president of the country. The paralysis at the heart of the government in Kabul didn't just bring administrative procedures to a standstill, they also threw the peace process with the Taliban into disarray. As a result the Americans were pretty frustrated, with Secretary of State Mike Pompeo travelling to Afghanistan despite the coronavirus threat, returning frustrated and suspending a good one billion dollars in aid to the war torn country.

Perhaps that did the trick, because after months of arguing about the outcome of the September presidential election last year, both Ghani and Abdullah have decided to work as partners once again, just like they did after the disputed result last time left them fighting as always and the Obama administration had to step in and work out a similar power sharing deal. The Americans clearly have a very big stake in the peace in Afghanistan but whether or not this agreement has come in time for President Trump to win his reelection remains to be seen. Abdullah represents the old Northern Alliance that has an old blood feud with the Taliban. And he apparently agreed to bury the hatchet, once again this time, after they made him head of the country's National Reconciliation High Council, which has been given complete authority to approve all affairs related to the peace process. And since everybody knows that American interests are not exactly aligned with Afghan interests when it comes to settling with the Taliban, there are surely some more speed breakers to come down this road.

Yet, more than anything else, this predictable power play shows just how uncertain life has become for ordinary citizens. As if the times aren't dark enough for the, and have been for decades, they are further reduced to surviving in an environment where their fortunes are decided by men embroiled in power plays to further their own power and prestige. The so called people's leaders fight when their own political fortunes are at risk, and make up when they stand to gain more from a strategic truce. If they indeed held the people's interests

supreme, they would not have wasted these crucial few months like this. Now they must make up for it by bringing quick and lasting peace to their country.

Source: <https://dailytimes.com.pk/613957/time-to-move-forward-in-afghanistan/>

The World After COVID-19 By Dr Zamurrad Awan

In December 2019, a unique virus, known as coronavirus, appeared in the China's city Wuhan, spreading around the world, leaving hardly any country unaffected. The first case of coronavirus in Pakistan was diagnosed in the month of February and as of early May, the epidemic had infected more than 23 thousand people, with 500 more deaths. Though, this pandemic shocked the world in one way or the other, the situation in struggling economies like Pakistan became much more precarious. All those like President Trump, who speculated that this virus would be confined to China, are now forced to accept it as a global reality. Thus, it is realistic to accept that without discriminating between developing or underdeveloped societies, coronavirus will have a profound and lasting effect on the entire world. This epidemic would not only effect socio-cultural dynamics of every society but also their systems of governance. It will also have a profound effect on societal behaviours and public health systems.

Unlike the past, when life mainly revolved around money and power, this pandemic will hopefully have an impact on people to care for one another and to be considerate. It is expected that spiritually, people will feel more connected with their creator. The global restriction on visiting holy places for worship would send a strong message that, no religion merely revolves around rituals, as the real spirit of religions lies in forgiveness and mercy. Thus, worship without these attributes is soulless. Second, people will begin to consider spending time with their families, as their social capital. Perhaps, they will understand the value of time and productive activities at home, which might transform their way of living in the future. Third, people might also learn the art of achieving inner peace by spending time with their own selves by engaging in various hobbies, which because of the fast-paced lifestyle and other preferences in life, they either abandoned or neglected. In present days, because of restriction on outside mobility, the value of indoor gardens has increased. Nevertheless, over the years, the practice of living in apartments or flats without natural air and small gardens in densely populated cities, significantly increased. In the post-COVID-19 era, indoor gardens or designing a home with significant exposure to fresh air and light would be a consideration for city dwellers. Fourth, the way social distancing has been deemed necessary to avoid this virus, its effect will be felt in

every society for a long time to come, or it might even become a norm. It will be especially positive for those societies, where privacy is considered a negative attribute and everyone who believes in it, is categorically condemned. Even in conservative societies like Pakistan, to be an introvert is considered a negative attribute.

The virus is a test not only for nations but also for rulers around the globe. Earlier, the strength and power of countries was measured by their sophisticated nuclear weapons, state-of-the-art combat facilities and skilled troops. But in the post-pandemic world, these parameters could change. The way China, South Korea, Taiwan and Singapore have surpassed many developed countries, such as the United States and European countries like Spain and Germany in effectively managing the spread of coronavirus; it will eventually set new standards to measure a country's strength. In the aftermath, the strength of countries will be largely determined by their ability to provide adequate health facilities and education to their citizens and steadfastness in helping other countries to do the same. Domestically, countries will strengthen other human development institutions as well. It has been observed that in emergency situations, people commonly expect public institutions to provide relief. If these institutions are not equipped enough to address their needs, their sufferings multiply.

There is no doubt that due to this epidemic, every country is heading towards an era of economic recession, which will be intensified further. Nevertheless, this economic crisis will be more burdensome for countries, with already fragile economies because of a heavy debt burden, with no social security system for citizens. This situation would result in increased inflation and poverty ratio in societies like Pakistan where, according to the Economic Survey for the year 2017-18, 24.3 percent of the population is already living below the poverty line. Even developed countries with strong infrastructures such as America are reporting an increase in unemployment – around 20 million people unemployed for the US since this virus spread. For already weak economies like Pakistan, this pandemic will open a new chapter of economic instability. To come out of this crisis, it is expected that the state would require sound policies and adequate strategies.

Undoubtedly, the coronavirus has revived the need for technological advancement with more focus on research and development primarily in two

fields; healthcare and digitisation. It is expected that in future years, countries will explore their own resources and develop these two necessities to a level where they do not rely on other countries.

Similarly, a need to develop technological skills with digital networking has emerged, and the future seems to be an era of development and advancement. Since the outbreak of this pandemic, nearly all offices and academic institutions (schools, colleges and universities) switched to “working from home” and start using different social media networking forums to be operational as an employee. Such a massive use of internet facilities has not been witnessed in the past. This new era enabled academic institutions, mainly the private sector schools, colleges and universities to be connected with each other and with students by using online social networking sites. This pattern of using internet and digital technologies for academic and official purposes will certainly seek more advancement in future days, to eventually improve its quality, mainly in terms of speed and accessibility. There is a good possibility that online technical skills become an imperative part of job qualification in the post-pandemic world. The way people’s reliance on online connectivity has increased, there is a good chance that new courses are introduced in the future to develop digital skills of students as well as employees. Countries like Pakistan, where till now, the use of internet facilities in public sector offices and departments was a remote idea, will now learn these required skills. It has been observed that being alien to these digital techniques of internet connectivity has a devastating effect, especially on students of public schools as they are not involved with any academic activity. Thus, there is a strong possibility that the quality of education will not only fall, but the gulf between existing public and private school students will further widen.

Based on experiences learnt during the pandemic days, only wiser nations would attempt to reorganise their economic, social and political structures. However, chronic dictators and absolute monarchs would certainly concentrate on their personal security and wellbeing, rather than caring for their people.

It is too early to speculate how countries like Pakistan, which is already suffering from a myriad of political and economic problems, will adjust itself in the post-pandemic world, both domestically and internationally.

Source: <https://nation.com.pk/19-May-2020/the-world-after-covid-19>

US Exit | Editorial

A MAJOR development in the Afghan theatre has been the apparent US decision to speed up the withdrawal of troops from the country. While Donald Trump has been ambiguous about his exact intentions, the numbers point to a more concrete reality: the American president wants to get his soldiers out of the Afghan war zone as soon as possible. According to reports in various media outlets, the US drawdown of troops is happening faster than expected, and if sources are to be believed, the last American soldier in Afghanistan may be out of that country before the November presidential elections in the US, instead of May 2021, the deadline set by the peace deal signed by Washington and the Afghan Taliban in Doha in February.

While Mr Trump has not been a big fan of American military involvement in overseas conflicts, here purely domestic concerns, namely re-election, may be driving his Afghan policy. After nearly two decades of involvement in Afghanistan, the Washington establishment seems to have realised that the nation-building/counterterrorism experiment launched by another Republican president — George W. Bush — in the aftermath of 9/11 has failed miserably and the time is ripe to cut losses and ‘bring the boys home’. The Taliban are far from defeated, which is apparent by the fact that the Americans are suing for peace with the hard-line militia, while a wobbly coalition is sputtering on in Kabul. These are far from ideal conditions, therefore Mr Trump, his generals and advisers have arrived at the apparent conclusion that further involvement in the Afghan theatre will be counterproductive. It seems the Americans have reached the same conclusion the Soviets had at the end of the 1980s, when they finally realised that their own decade-long imperial foray into Afghanistan was doomed to fail. Moreover, America’s other Nato allies may also be thinking of bringing back their own troops should the US quit Afghanistan.

From the above developments, it is clear that very soon foreign forces will be out of Afghanistan. Of course, the million-dollar question is: what next? As stated above, the Taliban are far from routed, and unless some intra-Afghan settlement is reached, the long war will only continue, with Afghan factions pulverising each other, and their battered country. While the US and Europe are clearly tired of the Afghan imbroglio, perhaps other regional states — Pakistan, China, Russia, Iran — as well as major Muslim states can play a greater role to help facilitate an

intra-Afghan deal. Unless this is done, the country may plunge into a Mujahideen-like internecine civil war pitting tribes, ethnic groups and rival warlords against each other in an open-ended conflict. If Afghanistan fails again, it will have a negative impact on regional security and prolong the nightmare of the Afghan people. The window of opportunity for a workable deal is closing fast.

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Source: <https://www.dawn.com/news/1560103/us-exit>

Save The World From Hunger? By Shabeer Ahmed

WHILE the world is experiencing severe economic recession due to the Coronavirus pandemic, which according to the IMF is far worse than the Great Recession of 2009, now its awful effects are being felt in the form of shortage of food, unemployment, depression and mental issues. Can you imagine as to how the most horrible scenario would be there if food crisis turn hard-hitting? Who will save the people dying from hunger?

Can our nuclear technology, our industrial infrastructure, our social media companies like Google, Facebook, Twitter, and our so-called economic theories can keep us alive without food? What about our tall and magnificent buildings like Burj Khalifa, Eifel Tower, the Great Wall of China and Wall Street? Have they any solution to hunger? Can the G-7 group have the capability to look after the food crisis? Is the United Nations able to resolve this issue if it spreads in the world like the current pandemic? Which country will survive and which will perish?

Agree with me or not, the current economic system has no capability to save the world from poverty and hunger? Socialism is already dead. Communism, Marxism, Maoism are the stories of the past. The new Liberalism and Interest-based banking system have also failed to deliver and meet the expectations of people. To tell the truth, they even cannot do anything when according to FAO more than 820 million people around the world still do not have enough to eat. They cannot do anything when they know the fact that around 1.85 billion people, or 36% of the world's population, live in extreme poverty. Closely half the population in developing countries lives on less than \$1.25 a day.

They are unable to put an end to child labour, child abuse, and child hunger, why should they be trusted and expected that they would deliver. They can't and they won't. When the famine and drought hit Somalia and many parts of Africa, our international organizations couldn't stop them. Today, when the world stands on the brink of unprecedented famine and the most menacing one is yet to accompany the Covid-19, we see no planning on behalf of our governments and NGOs except colourful reports. Roughly 30 million people have already come into contact with alarming hunger, austere level of food insecurity and

malnutrition in north-eastern Nigeria, Sudan and Yemen. What are the causes of this situation? Are they manmade or God sent such a widespread hunger? Who is to blame?

It is being said that chances of surviving from Coronavirus and others are 99.9%, but can we deny there are no chances of survival for people without food. People can live with HIV, Ebola, dengue, flu, and other deadly viruses and diseases, but no one has been reported to be surviving without eating food. From this time, when the United Nations and other organizations warned of a famine, we did not take it seriously. We thought and are continuously doing so that they are joking. We think no famine is coming. By nature, we actually do not take any warning seriously, but when the calamity hits us then we realize and feel sorry. Do you know long ago the scientists had warned us of Coronavirus, but we paid a deaf ear to it? We did not work in advance to stop it. Now, the whole world is suffering.

The manmade crises that fetch a famine is the outcome of very bad things such as widespread corruption, thinking evil of other nations, mismanagement, political prejudice and inharmonious behaviour of governments that love to indulge in hatching conspiracies in destabilizing government systems and economies of other countries are very disastrous for the human race. When the lockdown continues and business closed, millions of people would lose their jobs. And when people become unemployed, who would feed them and their families? How will they survive? Can a vaccine save them? Can interest on loans do away with their fears and wipe their tears?

Think if similar to Coronavirus, hunger becomes a serious global issue, how savage, vicious and cruel nations of the world would be. As of now, in the United States, UK and in some other countries, the governments are making hard decisions as who is to live and who is to die, but when there is famine, there would be no energy and no power to take decisions like who is to get food and who is to starve. This is a very alarming. Though sooner or later, we would be able to create Coronavirus vaccine, but no one has any idea that if God forbid the famine takes place and people start dying, no vaccine could save them dying from hunger. Let's wake up.

—The writer is a freelancer, media and public relations specialist.

Source: <https://pakobserver.net/save-the-world-from-hunger/>

The Climate Club By William Nordhaus

Climate change is the major environmental challenge facing nations today, and it is increasingly viewed as one of the central issues in international relations. Yet governments have used a flawed architecture in their attempts to forge treaties to counter it. The key agreements, the 1997 Kyoto Protocol and the 2015 Paris climate accord, have relied on voluntary arrangements, which induce free-riding that undermines any agreement.

States need to reconceptualize climate agreements and replace the current flawed model with an alternative that has a different incentive structure—what I would call the “Climate Club.” Nations can overcome the syndrome of free-riding in international climate agreements if they adopt the club model and include penalties for nations that do not participate. Otherwise, the global effort to curb climate change is sure to fail.

In December 2019, the 25th Conference of the Parties (COP25) of the UN Framework Convention on Climate Change (UNFCCC) met in Madrid, Spain. As most independent observers concluded, there was a total disconnect between the need for sharp emission reductions and the outcomes of the deliberations. COP25 followed COP24, which followed COP23, which followed COP22, all the way back to COP1—a series of multilateral negotiations that produced the failed Kyoto Protocol and the wobbly Paris accord. At the end of this long string of conferences, the world in 2020 is no further along than it was after COP1, in 1995: there is no binding international agreement on climate change.

When an athletic team loses 25 games in a row, it is time for a new coach. After a long string of failed climate meetings, similarly, the old design for climate agreements should be scrapped in favor of a new one that can fix its mistakes.

THE PRISONER’S DILEMMA OF CLIMATE CHANGE

Concepts from game theory elucidate different kinds of international conflicts and the potential for international agreements. A first and easy class of agreements are those that are universally beneficial and have strong incentives for parties to participate. Examples include coordination agreements, such as the 1912 accord to coordinate the world measurements of time and, more recently, the agreement to use “aviation English” for civil aviation, which coordinates communications to

prevent collisions during air travel. A second class of agreements, of medium difficulty, rely on reciprocity, a central example being treaties on international trade.

A third class of international agreements confront hard problems—those involving global public goods. These are goods whose impacts are indivisibly spread around the entire globe. Public goods do not represent a new phenomenon. But they are becoming more critical in today's world because of rapid technological change and the astounding decline in transportation and communication costs. The quick spread of COVID-19 is a grim reminder of how global forces respect no boundaries and of the perils of ignoring global problems until they threaten to overwhelm countries that refuse to prepare and cooperate.

Agreements on global public goods are hard because individual countries have an incentive to defect, producing noncooperative, beggar-thy-neighbor outcomes. In doing so, they are pursuing their national interests rather than cooperating on plans that are globally beneficial—and beneficial to the individual countries that participate. Many of the thorniest global issues—interstate armed conflict, nuclear proliferation, the law of the sea, and, increasingly, cyberwarfare—have the structure of a prisoner's dilemma. The prisoner's dilemma occurs in a strategic situation in which the actors have incentives to make themselves better off at the expense of other parties. The result is that all parties are worse off. (The studies of Columbia's Scott Barrett on international environmental agreements lay out the theory and history in an exemplary way.)

International climate treaties, which attempt to address hard problems, fall into the third class, and they have largely failed to meet their objectives. There are many reasons for this failure. Since they are directed at a hard problem, international climate agreements start with an incentive structure that has proved intrinsically difficult to make work. They have also been undermined by myopic or venal leaders who have no interest in long-term global issues and refuse to take the problem seriously. Further obstacles are the scale, difficulty, and cost of slowing climate change.

But in addition to facing the intrinsic difficulty of solving the hard problem of climate change, international climate agreements have been based on a flawed model of how they should be structured. The central flaw has been to overlook the incentive structure. Because countries do not realistically appreciate that the

challenge of global warming presents a prisoner's dilemma, they have negotiated agreements that are voluntary and promote free-riding—and are thus sure to fail.

MORE KNOWLEDGE, NO PROGRESS

The risks of climate change were recognized in the UNFCCC, which was ratified in 1994. The UNFCCC declared that the “ultimate objective” of climate policy is “to achieve . . . stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.”

The first step in implementing the UNFCCC was taken in the Kyoto Protocol in 1997. Kyoto's most important innovation was an international cap-and-trade system for emissions. Each country's greenhouse gas emissions were limited under the protocol (the cap). But countries could buy or sell their emission rights to other countries depending on their circumstances (the trade). The idea was that the system would create a market in emissions, which would give countries, companies, and governments strong incentives to reduce their emissions at the lowest possible cost.

The Kyoto Protocol died a quiet death, mourned by few.

The Kyoto Protocol was an ambitious attempt to construct an international architecture to harmonize the policies of different countries. Because it was voluntary, however, the United States and Canada withdrew without consequences, and no new countries signed on. As a result, there was a sharp reduction in its coverage of emissions. It died a quiet death, mourned by few, on December 31, 2012—a club that no country cared to join.

The Kyoto Protocol was followed by the Paris accord of 2015. This agreement was aimed at “holding the increase in the global average temperature to well below 2°C above pre-industrial levels.” The Paris agreement requires all countries to make their best efforts through “nationally determined contributions.” For example, China announced that it would reduce its carbon intensity (that is, its carbon dioxide emissions per unit of GDP), and other countries announced absolute reductions in emissions. The United States, under the Trump administration, declared that it would withdraw from the agreement.

Even before the United States withdrew, it was clear that the national targets in the Paris accord were inconsistent with the two-degree temperature target. The

accord has two major structural defects: it is uncoordinated, and it is voluntary. It is uncoordinated in the sense that its policies, if undertaken, would not limit climate change to the target of two degrees. And it is voluntary because there are no penalties if countries withdraw or fail to meet their commitments.

Studies of past trends, as well as the likely ineffectiveness of the commitments in the Paris accord, point to a grim reality. Global emissions would need to decline by about three percent annually in the coming years for the world to limit warming to the two-degree target. Actual emissions have grown by about two percent annually over the last two decades. Modeling studies indicate that even if the Paris commitments are met, the global temperature will almost certainly exceed the two-degree target later in the twenty-first century.

The bottom line is that climate policy has not progressed over the last three decades. The dangers of global warming are much better understood, but nations have not adopted effective policies to slow the coming peril.

FREE RIDERS

Why are agreements on global public goods so elusive? After all, nations have succeeded in forging effective policies for national public goods, such as clean air, public health, and water quality. Why have landmark agreements such as the Kyoto Protocol and the Paris accord failed to make a dent in emission trends?

The reason is free-riding, spurred by the tendency for countries to pursue their national interests. Free-riding occurs when a party receives the benefits of a public good without contributing to the costs. In the case of international climate change policy, countries have an incentive to rely on the emission reductions of others without making costly domestic reductions themselves.

Focusing on national welfare is appropriate when impacts do not spill over national borders. In such cases, countries are well governed if they put their citizens' well-being first rather than promoting narrow interests such as through protectionist tariffs or lax environmental regulations. However, when tackling global problems, nationalist or noncooperative policies that focus solely on the home country at the expense of other countries—beggar-thy-neighbor policies—are counterproductive.

Free-riding lies at the heart of the failure to deal with climate change.

Many global issues induce cooperation by their very nature. Like players on athletic teams, countries can accomplish more when acting together than when going their separate ways. The most prominent examples of positive-sum cooperation are the treaties and alliances that have led to a sharp decline in battle deaths in recent years. Another important case is the emergence of low-tariff regimes in most countries. By reducing barriers to trade, all nations have seen an improvement in their living standards.

However, alongside the successes lie a string of failures on the global stage. Nations have failed to stop nuclear proliferation, overfishing in the oceans, littering in space, and transnational cybercrime. Many of these failures reflect the syndrome of free-riding. When there are international efforts to resolve a global problem, some nations inevitably contribute very little. For example, NATO is committed to defending its members against attacks. The parties to the alliance agreed to share the costs. In practice, however, the burden sharing is not equal: the United States accounted for 70 percent of the total defense spending by NATO members in 2018. Many other NATO members spend only a tiny fraction of their GDPs on defense, Luxembourg being the extreme case, at just 0.5 percent. Countries that do not fully participate in a multiparty agreement on public goods get a free ride on the costly investments of other countries.

Free-riding is a major hurdle to addressing global externalities, and it lies at the heart of the failure to deal with climate change. Consider a voluntary agreement, such as the Kyoto Protocol or the Paris accord. No single country has an incentive to cut its emissions sharply. Suppose that when Country A spends \$100 on abatement, global damages decline by \$200 but Country A might get only \$20 worth of the benefits: its national cost-benefit analysis would lead it not to undertake the abatement. Hence, nations have a strong incentive not to participate in such agreements. If they do participate, there is a further incentive to understate their emissions or to miss ambitious objectives. The outcome is a noncooperative free-riding equilibrium, in which few countries undertake strong climate change policies—a situation that closely resembles the current international policy environment.

When it comes to climate change policies today, nations speak loudly but carry no stick at all.

MEMBERSHIP BENEFITS

In light of the failure of past agreements, it is easy to conclude that international cooperation on climate change is doomed to fail. This is the wrong conclusion. Past climate treaties have failed because of poor architecture. The key to an effective climate treaty is to change the architecture, from a voluntary agreement to one with strong incentives to participate.

Successful international agreements function as a kind of club of nations. Although most people belong to clubs, they seldom consider their structure. A club is a voluntary group deriving mutual benefits from sharing the costs of producing a shared good or service. The gains from a successful club are sufficiently large that members will pay dues and adhere to club rules to get the benefits of membership.

The principal conditions for a successful club include that there is a public-good-type resource that can be shared (whether the benefits from a military alliance or the enjoyment of low-cost goods from around the world); that the cooperative arrangement, including the costs or dues, is beneficial for each of the members; that nonmembers can be excluded or penalized at relatively low cost to members; and that the membership is stable in the sense that no one wants to leave.

Successful international agreements function as a kind of club of nations. Nations can overcome the syndrome of free-riding in international climate agreements if they adopt the club model rather than the Kyoto-Paris model. How could the Climate Club work? There are two key features of the Climate Club that would distinguish it from previous efforts. The first is that participating countries would agree to undertake harmonized emission reductions designed to meet a climate objective (such as a two-degree temperature limit). The second and critical difference is that nations that do not participate or do not meet their obligations would incur penalties.

Start with the rules for membership. Early climate treaties involved quantitative restrictions, such as emission limits. A more fruitful rule, in line with modern environmental thinking, would focus on a carbon price, a price attached to emissions of carbon dioxide and other greenhouse gases. More precisely, countries would agree on an international target carbon price, which would be the focal provision of the agreement. For example, countries might agree that each will implement policies that produce a minimum domestic carbon price of \$50 per

metric ton of carbon dioxide. That target price might apply to 2020 and rise over time at, say, three percent per year in real terms. (The World Bank estimates that the global average carbon price today is about \$2 per ton of carbon dioxide.)

Why would carbon prices be a better coordinating device than the quantity of emissions? One important reason is that an efficient path for limiting warming would involve equating the incremental (marginal) costs of reductions in all countries and all sectors. This would be accomplished by having equal carbon prices everywhere. A second and equally powerful reason involves bargaining strategy, a point emphasized in the writings of the economist Martin Weitzman. When countries bargain about the target price, this simplifies the negotiations, making them about a single number: dollars per ton. When the bargaining is about each country's emission limit, this is a hopeless matter, because countries want low limits for others and high limits for themselves. A bargain about emission limits is likely to end up with no limits at all.

A treaty focusing on an international target carbon price would not mandate a particular national policy. Countries could use carbon taxes (which would easily solve the problem of setting the price) or a cap-and-trade mechanism (such as is used by the European Union). Either can achieve the minimum price, but different countries might find one or the other approach more suited to its institutions.

The second and critical feature of the Climate Club would be a penalty for nonparticipants. This is what gives the club mechanism its structure of incentives and what distinguishes it from all current approaches to countering climate change: nonparticipants are penalized. Some form of sanction on nonparticipants is required to induce countries to participate in and abide by agreements with local costs but diffuse benefits. Without penalties, the agreement will dissolve into ineffectiveness, as have the Kyoto and Paris schemes.

Although many different penalties might be considered, the simplest and most effective would be tariffs on imports from nonparticipants into club member states. With penalty tariffs on nonparticipants, the Climate Club would create a situation in which countries acting in their self-interest would choose to enter the club and undertake ambitious emission reductions because of the structure of the payoffs.

One brand of penalty could be a countervailing duty on the carbon content of imports. However, this approach would be both complicated and ineffective as an incentive to join a club. The main problem is that much carbon dioxide is emitted in the production of nontraded goods, such as electricity. Additionally, calculating accurately the indirect carbon content of imports is exceedingly complicated.

A second and more promising approach would be a uniform tariff on all imports from nonclub countries into the club. Take as an example a penalty tariff of five percent. If nonparticipant Country A exported \$100 billion worth of goods into the club countries, it would be penalized with \$5 billion of tariffs. The advantage of uniform tariffs over countervailing duties is simply simplicity. The point is not to fine-tune the tariffs to a nonparticipant country's production structure but to provide powerful incentives for countries to be part of the Climate Club.

SANCTIONING THE NONPARTICIPANTS

There is a small academic literature analyzing the effectiveness of clubs and comparing them to agreements without sanctions. The results suggest that a well-designed climate club requiring strong carbon abatement and imposing trade sanctions on nonparticipants would provide well-aligned incentives for countries to join.

I will illustrate the point using the results of a study I presented in my 2015 Presidential Address to the American Economic Association and summarized in my Nobel Prize lecture. (The former provided a full explanation of the model, the results, the qualifications, and the sensitivity analyses; the latter was a nontechnical discussion of just the key results.) The study divided the world into 15 major regions. Each region has its own abatement costs and damages from climate change. Because of the global nature of climate change, however, the abatement costs are local, whereas virtually all the benefits of a region's emission reductions spill over to other regions. Even for the largest players (the United States and China), at least 85 percent of the benefits of their emission reductions accrue abroad.

Voluntary international climate agreements will accomplish little.

The modeling of the study tested alternative uniform tariff rates, from zero to ten percent, and different international target carbon prices, from \$12.50 per ton to \$100 per ton. It then asked if there were stable coalitions of countries that wanted to join and remain in the club. One case is a regime with a carbon price of \$25

per ton and a penalty tariff of three percent. With this regime, it is in the national interest of every region to participate, and it is in the interest of no region to defect and free-ride. The coalition of all regions is stable because the losses from the tariff (for nonparticipants) are larger than the costs of abatement (for participants).

The Kyoto Protocol and the Paris accord can be thought of as regimes with zero penalty tariffs. Both history and modeling have shown that these induce minimal abatement. Put differently, the analysis predicts—alas, in a way that history has confirmed—that voluntary international climate agreements will accomplish little; they will definitely not meet the ambitious objectives of the Paris accord.

Such detailed modeling results should not be taken literally. Modeling offers insights rather than single-digit accuracy. The basic lesson is that current approaches are based on a flawed concept of how to manage the global commons. The voluntary approach needs to be replaced by a club structure in which there are penalties for nonparticipation—in effect, environmental taxes on those who are violating the global commons.

TOWARD EFFECTIVE POLICIES

The international community is a long way from adopting a Climate Club or a similar arrangement to slow the ominous march of climate change. The obstacles include ignorance, the distortions of democracy by anti-environmental interests, free-riding among those looking to the interests of their country, and shortsightedness among those who discount the interests of the future. Additionally, nations have continued with the losing strategy (zero wins, 25 losses) pursued by the UNFCCC's Conference of the Parties structure. Global warming is a trillion-dollar problem requiring a trillion-dollar solution, and that demands a far more robust incentive structure.

There are many steps necessary to slow global warming effectively. One central part of a productive strategy is to ensure that actions are global and not just national or local. The best hope for effective coordination is a Climate Club—a coalition of nations that commit to strong steps to reduce emissions and mechanisms to penalize countries that do not participate. Although this is a radical proposal that breaks with the approach of past climate negotiations, no other blueprint on the public agenda holds the promise of strong and coordinated international action.

Source:<https://www.foreignaffairs.com/articles/united-states/2020-04-10/climate-club>

Indo-China Algorithmic Standoff By Abid Latif Sindhu

Border, boundary and the frontier are three things which are easy to define but sometimes difficult to limit or delimit on ground. Strategy is also mute on this as a subject; these are for sure geographical terms with political or sometime geopolitical intents. Other thing which creates a fog here is the perception and interpretation, which one has of borders, boundaries and frontiers. This is exactly what Indians are trying to make people believe, that Chinese are misinterpreting the line of actual control (LAC) all along 3488kms. Strange, a border which was fought for in 1962, India having bloody nosed, accepted everything and then on 7th September 1993 Mr Narasimha Rao signed the agreement on the maintenance of peace and tranquillity along the line of actual control in the India-China border areas. Indians for some reasons then, and even now are calling LAC as not precisely marked, rather more of a concept. The Chinese concept of LAC is different, they do not occupy the ground permanently, have better infrastructure on their side, and troops at Chinese nearby garrisons are better acclimatized being at 1600 ft and above due to landscape. On Indian side there is a gradient almost at everywhere. Chinese monitor the LAC through an elaborate system of ground sensors and military satellites. Necessity for physical occupation therefore speaks of some serious Chinese concerns. India is trying to downplay the same by deputing this to mere engineering issues of making a road here and a bridge there. China is seeing this as a part of cartographic aggression.

Pakistan has to now lay its long range perspective plans and say hello to the coming algorithmic warfare of artificial intelligence, block chain, deep learning and machine thinking

Himalayan watershed is once again in lime light. Ladakh, Aksai-chin, Sikkim, Tawang district and even the complete Arunchal pardesh is now the spot light. Chinese army is camping at four places, Pangong Tso Lake, Galwan valley near Dault Bag Oldi (the world highest airstrip and a recently made bridge by Indians on Shyok River), Demchok and Natha- la at Sikkim. The recent construction of roads, bridges and ALGs (advance landing grounds) has reduced the mobilisation time of Indian army from months to mere weeks. These

infrastructure projects were undertaken by India since last decade, then why despite having a better system of surveillance Chinese never objected earlier. This question and its answer are the key to understand the strategic algorithm which has triggered the standoff. This is also the same reason which has forced the Nepal to have volte face with India by claiming jurisdiction on three places including 67km area of Kalapani. What is going on in strategic Himalayas? The seed for this crisis was sowed on 31st Oct 2019 when India unilaterally changed the status of Ladakh to that of union territory. After this for Chinese, the significance of Indian road and communication infrastructure changed to that of offensive posturing. Nepal also got perturbed and thought that next might be the Nepalese to become the Indian subject, despite the traditional roti-beti (the bread and the matrimonial of having spouses from Nepal) concept between the Indian and them. That was the beginning of the strategic partnership between China and Nepal (though cooperation was also going on earlier). China, otherwise as an emerging world power is conscious of its peripheries, as they think that a fish rots from the periphery. The Himalayas watershed, South China Sea and East China Sea are their peripheries. Since last one decade an interesting debate is taking place amongst the strategic elite of India which is another reason resulting rather, precipitating this crisis. In 2010 in PMO (Prime Minister Office) a highly confidential meeting of Indian leadership and military high ups was held, agenda was to chalk out a two front war plan and accordingly sanctioning of the resources. This is when a new, 17 mountain corps along LAC was born. Two front wars is an ambitious strategic counter stroke which India is planning since years. They expect the primary will be the Pakistani front and secondary the Chinese, with Chinese not generating more than 10% of their combat power in the theatre along LAC. Chankiya would have gotten goose bumps after listening to this stratagem of Indian strategic elite. Chinese because of very superior road, rail, and air infra structures at Himalayas are capable to generate overwhelming combat power in matter of days. Pakistan is also not a piece of cake, its army has never lost a single battle on its eastern front, the history is witness from 1947/48 encounter on Kashmir, 1965 war, 1971 war (east Pakistan was not a war, it was a deceitful dismemberment), Siachin, Kargil and latest the Balakot. General Bajwa is well composed, sober in thoughts and actions, and as per Indian defence analysts, Mr Pravin Sawhney very ably heads the three verticals of SPD, a very professional military operations directorate and the ISI. On the Indian side there seems to be an aberration in strategic thought. Just recently General Rawat held a promotion board of officers from Brigadier to Major General (the most important tier of any army) less one; he promoted all the

officers with counter terrorism experience, despite the jargon of Indian army chief. Heading the new office of DMA (department of military affairs) he wants to divide India in several theatre commands and the joint commands of air defence, logistics and training and doctrines along with a peninsular command. He believes in dual use formations from the primary front (Pakistan) to secondary (China) and vice versa, again a strategic pitfall. CDS, General Bipin Rawat has many times spoken to have been adopting the concept of net centric warfare, which is again a decades old concept. World has moved on, it seems that Indian military leadership is prisoner of a new doctrine after every decade. Probably, that is the reason the Chinese follows the 36 military stratagems since last 2000 years. With this back ground what will happen now? India will now adopt the posture of strategic defence with initially posturing with 14, 15, 16, and 17 mountain corps (2 corps for limited offensive). China will not take any theatre as battle field rather from the start of escalation it will go for the battle space, which includes also the cyber, space and electromagnetic spectrum along with all three conventional forces. China's kill-chain is very potent and also not very profoundly visible. As for Pakistan the conventional parity exists along with the intact deterrence. The LAC development reminds one of the famous books by Stephen Cohen on Indian modernisation of its military, "Arming without aiming". Pakistan has to now lay its long range perspective plans and say hello to the coming algorithmic warfare of artificial intelligence, block chain, deep learning and machine thinking. Friends, Welcome to the fourth industrial revolution.

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Why Donald Trump Still Doesn't Understand North Korea By Doug Bandow

The relationship between President Donald Trump and Supreme Leader Kim Jong-un which began with such promise seems likely to fade away. The negotiations are stalemated, with neither side prepared to move. And the Trump administration still doesn't understand what motivates Kim.

The problem is not just the lack of conversation. Kim has retreated from his more positive approach of 2018. He made the extraordinary announcement to his people that the regime had completed North Korea's deterrent and planned to emphasize economic development. That was intended to appeal to Pyongyang elites who had grown to enjoy some of the finer things in life. The capital was much brighter and livelier, with more consumer goods, when I visited in 2017 than on my earlier trip years before. He was seeking to strengthen the regime's popular support with an economic appeal.

However, after the summit failure in Hanoi and subsequent diplomatic deadlock he indicated what appeared to be a return to the old Byungjin line, or parallel development of the military and economy. This past New Year's Eve he warned of tougher times and spoke of unveiling a new strategic weapon. Presumably, Kim still wants to improve the economy, but he, like his father and grandfather, put security first.

Unfortunately, the administration is still using the old playbook which the North Koreans threw away. On Face the Nation, National Security Adviser Robert O'Brien intoned: "But ultimately, the North Koreans, if they want to reenter the world, if they want to have a great economy—and we hope they do, they are going to have to give up their nuclear program."

Kim understands the administration's position, which is why he warned his people of hardship to come when he rejected advance denuclearization. For Kim, security, in the form of regime preservation, tops economics.

Indeed, if he was inclined to follow O'Brien's advice he could have avoided steadily tougher sanctions from the start after he took power in late 2011 by not

developing and testing missiles and nukes. And the same for his father. Both of them counted the cost and decided to proceed.

And who can blame them for doing so? It is a malign regime, to be sure, but it also responds rationally to threats and incentives. The kingdom of Korea long was called a shrimp among whales, surrounded by warring empires—China, Japan, and Russia—all of which wanted to dominate the peninsula. Japan won that battle in 1890, defeating China and turning Korea into a colony. However, Pyongyang has no desire to be ordered about even by supposed friends Beijing and Moscow.

Worse, North Korea is, even more, a shrimp today, worried about South Korea and the U.S. as well. Washington is distant, which is good from the standpoint of thwarting imperial control. But America also is moralistic and aggressive and at heart a social engineer. Thus, Washington policymakers can be counted on to take out hostile or obstreperous regimes with some regularity. Since the North's large but decrepit conventional force could not withstand an American attack, possessing a modest number of deliverable nukes offers the only sure deterrent to attempted decapitation and regime change.

Moreover, U.S. behavior has not inspired trust in Washington's word. President George W. Bush, along with the Europeans, made a deal with Libya's Muammar Khadafy, who abandoned his missile and nuclear programs. He was feted around Europe until some of his people rose up in revolt. Then the U.S. and European governments took full advantage of his moment of weakness to engineer his ouster. He died in a spectacularly ugly public murder.

After the execution of Nicolae and Elena Ceausescu on Christmas Day, 1989, Kim Jong-il reportedly circulated a video of their end to his top officials to stiffen their resistance to change in North Korea. One can imagine Kim Jong-un using the recording of Khadafy's fate in a similar way. The Trump administration might promise the regime beach resorts and corporate headquarters if only it disarms. But who does Kim sue for relief if American bombers later arrive overhead?

Add to that Trump's repudiation of the Iranian nuclear deal and demand for a renegotiation, based on conditions that amount to Tehran's surrender of its independent foreign policy. Even if Kim came to terms with Trump, what would stop a successor from deciding to unilaterally change the deal?

Washington should acknowledge that denuclearization is a fantasy. Back when the Clinton administration negotiated the Agreed Framework it might have been possible to convince the North to forego the nuclear option by offering the right mix of security guarantees, economic benefits, and mixed penalties.

However, today the DPRK is an existing, not a prospective, nuclear power. The U.S. has repeatedly demonstrated that it is not a trustworthy partner. Threats of war only reinforce the North's reasons to develop a sizeable arsenal capable of hitting America. Kim is a rational dictator who desires to retain power. Ergo, Pyongyang will not denuclearize. And certainly not do so because U.S. officials try to dazzle him with prospective development plans if he turns over his future to Washington.

There is still much that could be advanced with negotiations. Creating a communication channel, reducing opportunities for mistake and misjudgment, reducing military tensions, limiting the North's nuclear ambitions, improving inter-Korean relations, and more. However, they require entering talks with open eyes and realistic expectations. Neither of which currently characterizes the Trump administration.

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