

## Post-flood economy

### Editorial

WITH a third of the country – especially Sindh and Balochistan – under water, over 33m people **displaced** , بے گھر ہوئے , and homes, roads, rail tracks, bridges, crops, **livestock** مال مویشی and **livelihoods** ذریعہ معاش **washed away** گیا , بہہ , it is **improbable** that the economic targets set by the government for the present **fiscal** مالی یا معاشی will be met.

No wonder, the government has **slashed** کم کر دیا its budgeted economic growth target of 5pc to just 2pc; the climate **calamity** آفت has hit the country at a time when the economy was already in a **tailspin** as the government struggled with one of Pakistan's worst **balance-of-payments** crises, **piling** انبار debt and **soaring** بڑھتی ہوئی inflation مہنگائی.

Many believe that even the revised growth **projections** یا تخمینے are too **optimistic** پر امید in light of the devastation **wrought** بنایا گیا by a **deluge** شدید سیلاب of epic proportions that will leave the country with little or no growth at all this year.

**Hyperinflation**, a weakening rupee, and fiscal and monetary **tightening** سخت کرنا under the **IMF** package had already been affecting economic growth when the **torrential** طوفانی monsoon rains and melting glaciers **drowned** غرق کیا large parts of the country. It, therefore, isn't surprising to see the **catastrophic** معمولی floods **curtail** روکا whatever modest کن تباہ

growth we were expecting to achieve and push the nation to the **brink** کنارے، دہانے.

Finance Minister Miftah Ismail has rightly pointed out that “the path to **solvency** was narrow; it has gotten narrower”.

Early flood-related economic losses are estimated to be almost \$30bn; the calls for debt relief for Pakistan are growing louder as Islamabad **desperately** سے شدت looks towards the developed world to help it in a big way – and quickly.

With a large number of affected people still awaiting rescue services and relief, and the **rehabilitation** بحالی and recovery phase yet to begin, **UN Secretary General** António Guterres has sought to draw global attention to the crisis in Pakistan, pointing out that the country was “**drowning** ڈوبنا not only in floodwater, but also in debt”.

A UN policy memo suggested that Islamabad should suspend international debt repayments and restructure loans with creditors after the recent floods **exacerbated** مزید بگاڑ دیا the financial crisis. It states that the country’s creditors should consider debt relief so that policymakers can **prioritise** ترجیح دینا financing its disaster response over loan repayment.

So far, the report has only **spiked** پیدا کیا fears of a default as Pakistan’s **sovereign bonds** **slumped** گر گئی to just half their **face value**, despite Mr Ismail’s statement a few days earlier that the country would “absolutely not default on its debt payments in spite of the floods”. The only **silver lining** is the indication from the IMF that it is willing to ease the conditions under the **bailout** programme in a changed post-floods economic situation and increase the amount Pakistan

would receive in the next **tranche** قسط, subject to a “lot of **negotiations** مذاکرات” in the coming weeks.

Chances are Pakistan will secure some additional multilateral financing. But that isn't the solution to the current crisis. It's time the world **stepped forward** آگے بڑھے to provide debt relief to prevent the economy from collapsing.

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**Peril and paralysis**

**Maleeha Lodhi**

**The writer is a former ambassador to the US, UK & UN.**

IN his opening address to the **UN General Assembly**, Secretary General António Guterres issued a **stark** سخت warning about the troubled state of the world.

“We are **gridlocked** جکڑے ہوئے in **colossal** بہت زیادہ global **dysfunction** کمزوری یا خرابی”, as a result of geopolitical divides, **turmoil** انتشار, deadly conflicts, climate catastrophes, food crisis, rising **inequality** عدم مساوات and poverty. This **dire** شدید situation held great **peril** خطرہ, especially with trust **declining** کم

ہے in democratic institutions, respect **eroding** ختم ہونا for international law and faith **diminishing** کم یا ختم ہونا in international **solidarity** یکجہتی. Despite “the logic of cooperation” there was no “collective problem solving”.

The UN chief called for “a **coalition** اتحاد of the world” to **redress** نمٹنا this **alarming** تشویشناک situation. Warning of a “winter of global **discontent** عدم اطمینان” he said a **splintering** world needed hope and action. And above all, “common solutions to common problems”.

It was but obvious that Guterres would mention the Russian **invasion** حملہ of Ukraine and the devastation caused by the war. But any expectation that his words would calm the situation was quickly **dashed** ختم یا تباہ ہوئی.

A day after his speech, Russian President Vladimir Putin announced a further **escalation** اضافہ of the seven-month crisis. He said hundreds of thousands of **army reservists** رکن would be **deployed** تعینات in Ukraine in a **partial** جزوی **mobilisation** متحرک of Russian forces. He also threatened to use nuclear weapons to defend Russia. This followed his plan **unveiled** کی earlier to hold ‘**referendums** استصواب رائے’ in Ukraine’s four regions under Russian control in a bid to ‘formally’ **integrate** ضم کرنا them into Russia. Voting on this has already begun.

These moves came on the heels of a series of military and **diplomatic** سفارتی **reversals** تبدیلیاں for Moscow.

Militarily, a counteroffensive جوابی کارروائی by Western-backed حمایت یافتہ Ukrainian forces resulted in seizing چھیننا a significant chunk حصہ of territory back from the Russians. Diplomatically, meetings on the sidelines of the Shanghai Cooperation Organisation summit افشا کیا the limits of support for Russian actions from even its closest اتحادی allies.

In the first in-person meeting between Putin and Chinese President Xi Jinping after the invasion حملہ of Ukraine, the Chinese leader conveyed اظہار کیا his misgivings بدگمانی over escalation بڑھنے of the crisis. Putin later acknowledged تسلیم یا that “concerns خدشات and questions” were raised by the Chinese president.

Similarly, during Putin’s meeting with India’s prime minister, Narendra Modi is reported to have voiced concern and convey that this was “not an era دور of war”.

The Ukraine crisis isn’t the only challenge to international peace and stability استحکام. The world is also being destabilised by the fallout اثرات from the US-China confrontation تصادم, which is a defining feature of the global landscape منظرنامہ today.

Unprecedented غیر معمولی tensions between the two global powers have ensued آئے in most part from America’s policy to contain گھیرنا China which is being met by an

assertive جارحانہ response from Beijing.

At UNGA, President Joe Biden said he wanted to be “direct about the competition between the United States and China”. He said, “We do not seek conflict. We do not seek a Cold War. We do not ask any nation to choose between the United States or any other partner.” He also reaffirmed کیا اعادہ his country’s commitment عزم to a ‘One China’ policy and promised the US would “conduct itself as a reasonable leader” in “managing shifting geopolitical trends”.

Can a fractured ٹوٹی پھوٹی global community transcend عبور کرنا its divisions to deal purposefully بامقصد with shared challenges?

But this measured tone on China has not been reflected in recent US actions. They include the announcement of a billion-dollar arms package for Taiwan and fresh curbs پابندیاں on US exports of chip technology to Chinese companies. Both were roundly denounced مذمت کی گئی by Beijing.

Also, just days before his UNGA address, Biden reiterated اعادہ کیا that the US would defend Taiwan “militarily” if it was attacked. This too provoked بھڑکا دیا a furious Chinese response.

The resurgence حیات نو of East-West tensions and intensifying US-China confrontation have further shrunk سکیڑنا، the space for multilateral cooperation. But multilateralism has been in retreat for well over a decade and

much before the Ukraine conflict.

The undermining of multilateralism emerged as a **dominant** غالب trend in the last decade with the rise of hyper-nationalism and **right-wing populism**. Right-wing populist leaders have shown a **propensity** رجحان to act **unilaterally** طور پر in **defiance** ورزی of international law and norms.

This has been evidenced in our neighbourhood by the Modi government's illegal **annexation** الحاق of occupied Jammu and Kashmir three years ago, and **subsequent** اس کے نتیجے میں actions in **blatant** صریح violation of UN Security Council resolutions.

It was also reflected in the contempt with which former president Donald Trump treated multilateral institutions, his 'America first' policy and **renunciation** ترک کرنا of international **treaties** معاہدوں and agreements.

The pandemic saw a telling lack of global **solidarity** یکجہتی. The cooperation **deficit** خسارہ، کمی on such shared challenges and other key areas further weakened multilateralism.

Tensions between big powers and the conduct of so-called regional 'strongmen' have contributed to a fractured global community and **fragmentation** تقسیم of the international system. Indeed, a rules-based order is under **unprecedented** غیر معمولی **stress** دباؤ due to the qualified support of big powers. Geopolitics, not solidarity, is now the dominant dynamic.

The UN secretary general's emphasis دیا زور on the impact of climate change on vulnerable کمزور countries – with Pakistan as the case in point – and what to do about it represented a key part of his speech.

Lashing out at the West's fossil fuels industry for making windfall معمولی profits, he called for these profits to be taxed and funds from them directed to afflicted مصیبت زدہ countries to address losses caused to them by the climate crisis. Guterres squarely واضح طور پر placed the issue of justice at the centre of the global debate on the climate crisis.

He pointed out that the G20 emits 80 per cent of all carbon emissions. On the other hand, Pakistan's contribution to global greenhouse gas emissions is under 1pc but it is the world's seventh most vulnerable دوچار سے خطرے country to climate change and is reeling چھٹکارا پارہا ہے today from its ravages تباہ کاریاں. That is why Pakistan is leading a developing country effort to establish a global fund to help states afflicted by climate-induced disasters.

Whether Western countries, long sceptical شکوک و شبہات about this, can be persuaded قائل to change their mind is unclear. But protesters across the world are now demanding climate justice, urging developed countries to compensate poorer states for the damage climate change is inflicting متاثر کرنا on them.

Faced with a world in peril خطرات, the bigger question is whether developed states and big powers can transcend بالاتر



their divisions and rivalries دشمنیاں to deal with shared challenges. In spite of باوجود Guterres' clarion call to “act as one”, it is hard to be hopeful on that count.

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A fiscal year (or financial year, or sometimes budget year) is used in government accounting, which varies between countries, and for budget purposes. It is also used for financial reporting by businesses and other organizations.

### Tailspin

a situation in which something starts to fail or lose value and gets more and more out of control.

In international economics, the balance of payments of a country is the difference between all money flowing into the country in a particular period of time and the outflow of money to the rest of the world.

In economics, hyperinflation is a very high and typically accelerating inflation. It quickly erodes the real value of the local currency, as the prices of all goods increase. This causes people to minimize their holdings in that currency as they

usually switch to more stable foreign currencies.

The International Monetary Fund (IMF) works to achieve sustainable growth and prosperity for all of its 190 member countries. It does so by supporting economic policies that promote financial stability and monetary cooperation, which are essential to increase productivity, job creation, and economic well-being.

**Solvency**, in finance or business, is the degree to which the current assets of an individual or entity exceed the current liabilities of that individual or entity. Solvency can also be described as the ability of a corporation to meet its long-term fixed expenses and to accomplish long-term expansion and growth.

A **policy memo** is a document that provides analysis and/or recommendations for a particular audience regarding a particular situation or problem. A well-written policy memo reflects attention to purpose; it is well organized; and it has a clear, concise style.

A **sovereign bond** is a debt security issued by a national government to raise money for financing government programs, paying down old debt, paying interest on current debt, and any other government spending needs. Sovereign bonds can be denominated in a foreign currency or the government's domestic currency.

⌘ The **face value** of a bond is the price that the issuer pays at the time of maturity, also referred to as “par value.” By comparison, the face value of a stock is the price set by the issuer when the stock is first issued.

**SILVER LINING:** something good that can be found in a bad situation. If there's a silver lining to losing my job, it's that I'll now be able to go to school full-time and finish my degree earlier.

**bailout**

noun

an act of giving financial assistance to a failing business or economy to save it from collapse

The United Nations General Assembly (**UNGA**) is one of the six principal organs of the United Nations (UN), serving as the main deliberative, policymaking, and representative organ of the UN. Currently in its 77th session, its powers, composition, functions, and procedures are set out in Chapter IV of the United Nations Charter. The UNGA is responsible for the UN budget, appointing the non-permanent members to the Security Council, appointing the UN secretary-general, receiving reports from other parts of the UN system, and making recommendations through resolutions. It also establishes numerous subsidiary organs to advance or assist in its broad mandate. The UNGA is the only UN organ wherein all member states have equal representation.

## SCO

The Shanghai Cooperation Organisation is a Eurasian political, economic and security organization. In terms of geographic scope and population, it is the world's largest regional organization, covering approximately 60% of the area of Eurasia, 40% of the world population, and more than 30% of global GDP.

Headquarters: Beijing, China

Founded: June 15, 2001

**In-person meetings** give participants the ability to engage more fluidly with one another. An in-person meeting encourages more collaborative participation and teamwork thinking as people can read each other's body language and are able to have quicker discussions.

## cold war

noun

a state of political hostility between countries characterized by threats, propaganda, and other measures short of open warfare.

the state of hostility that existed between the Soviet bloc countries and the Western powers from 1945 to 1990.

**multilateralism**, process of organizing relations between groups of three or more states. Beyond that basic quantitative aspect, multilateralism is generally considered to comprise certain qualitative elements or principles that

shape the character of the arrangement or institution.

**Right-wing populism**, also called national populism and right-wing nationalism, is a political ideology which combines right-wing politics and populist rhetoric and themes. Its rhetoric employs anti-elitist sentiments, opposition to the Establishment, and speaking to and/or for the "common people."

### **UNSC**

The United Nations Security Council is one of the six principal organs of the United Nations and is charged with ensuring international peace and security, recommending the admission of new UN members to the General Assembly, and approving any changes to the UN Charter.

Headquarters: New York, New York, United States

Founded: October 24, 1945

**Lash out:** If you lash out at someone or something, you speak to them or about them very angrily or critically.

The **G20** or Group of Twenty is an intergovernmental forum comprising 19 countries and the European Union. It works to address major issues related to the global economy, such as international financial stability, climate change mitigation, and sustainable development

## clarion call

a strongly expressed demand or request for action.

"he issued a clarion call to young people to join the Party"