

Headlines:

- **Local Business will be Impacted Adversely by CPEC**
- **Capitalism's Democracy in Pakistan is Responsible for the Horrendous Pollution in Lahore**
- **Despite Pakistan's Immense Economic Potential, Dependence on Foreign Imports is Staggering**

Details:

Local Business will be Impacted Adversely by CPEC

The Joint Coordination Committee (JCC) of China-Pakistan Economic Corridor (CPEC) on 21 November 2017 formally approved the Long-Term Plan (LTP) of the project at a signing ceremony held in Islamabad after the conclusion of 7th JCC meeting. Earlier, while inaugurating the Pak-China friendship pavilion in Lahore on 7 November 2017, Punjab Chief Minister, Muhammad Shahbaz Sharif, said, "China Pakistan Economic Corridor is a game changer for the region." China has made investments to the tune of billions of dollars in energy and other development projects in Pakistan under the CPEC. The Chief Minister claimed that the CPEC will also play an effective role in overcoming issues like poverty and unemployment. Chinese investment is not a charity and is to increase Chinese dominance of the local markets. CPEC is a \$62 billion energy and infrastructure project about which many local manufacturers, chambers of commerce, industry and trader associations are already seriously concerned. Chinese companies are tax exempt, will bring inputs from China and will have little reliance on Pakistani businesses to fulfil their demands. This has shattered the dreams of many local companies that planned to expand their production facilities, in anticipation of receiving orders from Chinese companies.

Speaking to the Dawn Newspaper, one of the industrialists involved in the electrical cable manufacturing business said that, "The government has given the Chinese a big advantage instead of giving us a level playing field. On the one hand, it has given them relaxation on their imports, but on the other, it has raised the cost of our raw materials by increasing taxes and placing regulatory duty on raw materials used by local producers. The total federal and provincial tax burden on our products has increased to 45pc in the last three years." Whilst Pakistan's local production is being choked by taxes, China is offering vast incentives and ploughing billions of dollars into the Western region of Xinjiang to build a huge textile industry, which will rely on the CPEC road and rail links to export goods via Pakistan's Arabian Sea port of Gwadar. Another businessman associated with the business of textile spinning and executive member of FPCCI said, "The anticipated glut of textile and garment from the Xinjiang textile park in the export as well as domestic markets of Pakistan poses a serious threat to Pakistan's textile sector already struggling to remain afloat. The setting up of the textile park at Xinjiang will give a heavy blow to Pakistani textile exports." Furthermore, loans and Foreign Direct Investments (FDI) will ultimately impact the country, as there will be an outflow of capital through loan interest payments and profit remittances to Chinese companies. By seeing the big picture from this perspective it becomes abundantly clear that China's motive is to help itself, and not Pakistan.

Alliance with the colonialist major powers, whether the United States, Russia or China will always result in exploitation of the lesser power. The Khilafah (Caliphate) will reject

alliance with major powers and instead focus its energies on the more fruitful facilitation of local industry. Hizb ut Tahrir in its draft constitution Article 165 states that, "The use of foreign capital and its investment within the State is forbidden. It is also prohibited to grant franchises to foreigners." Under Islam, the economy played its role in establishing the Khilafah as the leading state for centuries. Muslims will only know of prosperity through the re-establishment of the Khilafah on the Method of Prophethood. Allah (swt) said, ﴿فَإِمَّا يَأْتِيَنَّكُمْ مِنِّي هُدًى فَمَنِ اتَّبَعَ هُدَايَ﴾ **“Then if there comes to you guidance from Me (Allah swt), then whoever follows My Guidance shall neither go astray, nor fall into distress and misery. But whosoever turns away from My Reminder verily, for him is a life of hardship”** [Taha: 123-124]

Capitalism's Democracy in Pakistan is Responsible for the Horrendous Pollution in Lahore

On 10th November 2017, *The New York Times* in a report entitled, "Smog has become a 5th season," reported that, "It said that levels of the dangerous particulates known as PM2.5, small enough to penetrate deep into the lungs and enter the bloodstream, had reached 1,077 micrograms per cubic meter — more than 30 times what Pakistan's government considers the safe limit." Smog has now become an annual phenomenon, with increasing intensity every year. Even with the rains, smog has reduced but has not subsided completely. Studies show that prolonged exposure to it can result in fatalities for those with heart and lung diseases.

Democracy is the cause of the increasing pollution because it is the ruling system of Capitalism, which gives prominence to freedom of ownership and economic activity over all other considerations, including the health of the people. Moreover, Democracy's legislation is dominated by the large scale capitalists who will manipulate laws to secure their interests, including the large scale industry, which is responsible for huge rises in pollution. There is no doubt that pollution has risen to the extent that it is harming the population. If a doctor announces to the patient of heart or lung disease, that he must quit smoking because it is no longer a matter of doubt that he is harming himself, what is the patient to do when he lives in Lahore, where breathing in smog is the equivalent of smoking two packets of cigarettes daily? Even those who do not end up in hospital, spend days overwhelmed with exhaustion through the sheer effort of breathing. Moreover, under capitalism pollution will continue to rise, maximising the profits of the large scale industrialists with blatant disregard for the suffering, whilst simultaneously creating revenue for those who are running private medical care, as hundreds of thousands fall ill. As for increasing tree plantation which are the lungs of any human habitation, this is viewed as an unnecessary expense, with no profit for those who make legislation.

Islam does not view man purely from the economic angle and legislation in the Khilafah is not subject to the whims and desires of the most wealthy in society. It was narrated from 'Ubadah bin Samit that the Messenger of Allah (saaw) said, «لاَ ضَرَرَ وَلاَ ضِرَارَ» **“There should be neither harming nor reciprocating harm.”** [Abu Dawud]. As for plantation of trees, Islam does not regard it as an economic burden, but a source of reward. Anas reported Allah's Messenger (saaw) as saying, «مَا مِنْ مُسْلِمٍ يَغْرِسُ غَرْسًا أَوْ يَزْرَعُ زَرْعًا فَيَأْكُلُ مِنْهُ طَيْرٌ أَوْ إِنْسَانٌ أَوْ بَهِيمَةٌ إِلَّا كَانَ لَهُ بِهِ صَدَقَةٌ» **“Never does a Muslim plant trees or cultivate land and birds or a man or a beast eat out of them but that is a charity on his behalf.”** [Muslim]. In the coming Khilafah on the Method of the Prophethood, it is upon the Aamil that rules over Lahore to undertake all that is necessary to prevent the certain harm. Regarding traffic peak flows due to school traffic, he must ensure that every locality has excellent education facilities and

affordable, comfortable and reliable transport, so cars carrying a single child half way across the city are no longer a common sight. Heavy industry should be established and distributed around and at some distance from population centers, allowing ease of access, but without causing a concentration of pollution. And plantation of trees would be undertaken by the Aamil and under his supervision, individuals would be encouraged to do so, to the point of providing grants.

Despite Pakistan's Immense Economic Potential, Dependence on Foreign Imports is Staggering

The trade deficit maintains its pace and posted an increase of nearly 36 per cent in October upon a year ago, the Pakistan Bureau of Statistics said on 13 November 2017. It is claimed that the surge in the import bill is driven by increase in imports of petroleum products, food products and capital goods such as machinery, equipment, vehicles and tools. The import of mobile phones and apparatuses also witnessed large growth during the period under review.

It is sad to see that despite fertile land and immense agricultural infrastructure, Pakistan must import significantly large quantities of food products. Despite having a large, hard-working labour force, Pakistan is importing essential goods such as machinery and vehicles. As for what exists of small and medium industries, the government is negligent in providing basic energy, whilst overburdening them with taxation, forcing closure. As for energy, according to estimates, Pakistan may have over 9 billion barrels of petroleum oil and 105 trillion cubic feet in shale oil and natural gas reserves, whereas the maximum consumption of oil per day in 2014 was 450 thousand barrels. If purification plants were built with the required capacity, Pakistan could become self-sufficient in oil and gas consumption for at least the next fifty years, with negligible energy imports. With its immense and varied resources, Pakistan could be a manufacturing hub. However, due to the lack of ideological leadership, Pakistan is moving towards a service based economy. Moreover, the destruction of the manufacturing sector and unwanted excessive growth of the service sector in its place, will further worsen under the CPEC plan. Over the last seven decades, whether it is Democracy and Dictatorship, civilian and military rulers follow the dictation of America and the colonialist institutions such as the World Bank and IMF, depriving Pakistan of its potential.

Pakistan will only realize its full potential through Islam. The Khaleefah is not only independent from imperialist powers, there is no defined term or period for the Khaleefah to rule. So not only will the Khaleefah implement Islam, he will be able to design and oversee long-term economic development personally. With more focus on self-sufficiency in every sector, the Khilafah will no longer need to import goods that are critical to industry and agriculture, such as machinery. Then finally, Muslims will have a true guardian over their affairs. RasulAllah (saaw) said, «كُلُّكُمْ رَاعٍ وَكُلُّكُمْ مَسْنُوءٌ عَلَى النَّاسِ رَاعٍ وَهُوَ مَسْنُوءٌ عَنْ رَعِيَّتِهِ فَالْإِمَامُ الَّذِي عَلَى النَّاسِ رَاعٍ وَهُوَ مَسْنُوءٌ عَنْ رَعِيَّتِهِ وَالرَّجُلُ رَاعٍ عَلَى أَهْلِ بَيْتِهِ وَهُوَ مَسْنُوءٌ عَنْ رَعِيَّتِهِ وَالْمَرْأَةُ رَاعِيَّةٌ عَلَى أَهْلِ بَيْتِ زَوْجِهَا وَوَلَدِهِ وَهِيَ مَسْنُوءَةٌ عَنْهُمْ وَعَبْدٌ رَاعٍ عَلَى مَالِ سَيِّدِهِ وَهُوَ مَسْنُوءٌ عَنْهُ أَلَا فِكُلُّكُمْ رَاعٍ وَكُلُّكُمْ مَسْنُوءٌ عَنْ رَعِيَّتِهِ» **“Every one of you is a shepherd and is responsible for his flock. The leader of the people is a guardian and is responsible for his subjects: a man is the guardian of his family and is responsible for his subjects, a woman is the guardian of her husband’s home and of his children and is responsible for them, and the slave of a man is a guardian of his master’s property and is responsible for it. Surely, every one of you is a shepherd and responsible for his responsibility.”** [Muslim]