**This is just the calm before the storm**

*Winning or losing is part of democratic dispensation — the real challenge comes in the post-election period*

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JULY 28, 2018

Although July 25 was marked with public enthusiasm and excitement, it was also marred by allegations of rigging from the losing parties, the Election Commission of Pakistan’s (ECP) usual inefficiency and incidents of violence. Tehreek-e-Insaf’s (PTI) victory upset many, especially a section of media that started blaming the ECP for delays in announcing the results. The failure in compilation of results through computer software was portrayed as a “big fraud and massive rigging” by many who failed to realise that the physical records of each and every polling booth could have been examined to detect any gerrymandering. ECP should be blamed for its incompetence, but dubbing the entire electoral process as ‘doubtful’ or maneuvered amounts to insulting the people’s mandate.

It seems our politicians have not yet learnt to respect the people’s mandate and demonstrate willingness to work for the country and its people after losing or winning. It is high time that they learn how to rise above political differences and join hands to establish sustainable democracy with social justice for all. Winning or losing is part of democratic dispensation — the real challenge comes in the post-election period. We are still facing threats from miscreants against the state. Wanton attacks taking away precious lives during the election campaigns by various parties testified to this. The second challenge is rapidly deteriorating economic conditions having serious ramifications.

The obscurantist forces at war with the state are blatantly committing treason by maintaining private armies prohibited under Article 256 of the Constitution. They are openly demonstrating disloyalty towards the state, violating Article 5 which says: *“Loyalty to the State is the basic duty of every citizen and obedience to the Constitution and law is the inviolable obligation of every citizen wherever he may be and of every other person for the time being within Pakistan.”* The violent attacks cannot just be called acts of terrorism — these are much more than that. In fact, these constitute an open war against the state that needs to be tackled with an iron hand by the new elected government as a first priority.

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The new government with consensus of all political parties should establish special war tribunals to punish miscreants guilty of violating Articles 4 and 256 with impunity. Article 256 clearly says that *“no private organization capable of functioning as a military organization shall be formed, and any such organization shall be illegal.”* Flagrant violation of Article 256 and that of Article 5 needs to be punished without any further delay. Chapter VI of the Pakistan Penal Code, 1860 mentions*inter alia,*conspiracies against the state, collection of arms for the purpose of waging war (s. 122), concealing knowledge about such designs (s. 123) condemnation of the creation of the country, (s. 123A) defiling the national flag (s. 123B), assaulting president or the governors with the intention of creating hurdles in the lawful exercise of their powers (s. 124), sedition (s. 124A) and depredation on territories (s. 126)—need to be applied wherever required, adopting due process of law provided in Article 10A of Constitution.

The second most critical challenge is economy. The PTI will have to deal with pressing economic issues like inadequate revenue, perpetual fiscal deficit, public debt of 72 percent of GDP that is Rs. 24.5 trillion as on June 30, 2018 (domestic debt of Rs. 16.5 trillion and external debt of Rs. 8 trillion), record fiscal deficit of Rs. 2.5 trillion, trade deficit of $ 37.7 billion and circular debt of Rs. 850 billion — just to mention a few.

PTI will have to enforce strict fiscal discipline, proper collection of taxes, judicious use of public money and above all rapid infrastructure development and economic growth. The new government will have to take curative measures and tough decisions in the first 90 days along with overall structural reforms. The policy of appeasement towards tax evaders, money launderers and plunderers of national wealth, if not discontinued, will push the country to complete disaster. The shameless indulgence of rulers and bureaucrats in wasteful expenditure has pushed the country towards a position where half of the population of the country is facing malnutrition and one third is living below the poverty line.

The new government will have a formidable challenge on the fiscal front. The Federal Board of Revenue (FBR) is not collecting taxes according to real potential that is not less than Rs 8 trillion. Measures that are necessary to make a tax system functional and effective relate to (i) devising and running an efficient and truly independent tax justice system; (ii) expert legal advice for drafting simple tax laws in local languages; (iii) designing tax forms and procedures; (iv) innovations in tax management; (v) broad-based personnel policy; (vi) effective intelligence, especially under-cover operations; (vii) taxpayers’ education; (viii) development of work ethics; (ix) healthy working conditions; and (x) efficient redressal of problems faced by taxpayers.

If we want to improve tax collection and win the confidence of taxpayers, it is imperative to replace FBR with National Tax Agency (NTA). This would facilitate people to deal with a single revenue authority rather than multiple agencies at national, provincial and local levels. The mode and working of NTA can be discussed and finalised under Council of Common Interests [Article 153] and its control can be placed under National Economic Council [Article 156].

We must introduce a 10 percent flat rate tax on the net incomes of individuals with alternate minimum tax of 2.5 percent on net wealth. Corporate tax rates should be reduced to 20 percent. This kind of simple taxation would induce voluntary compliance provided all the citizens are aware of the fact that competent and effective tax machinery exists having a tax intelligence system that can easily detect tax avoidance. Nowhere in the world is proper collection of taxes possible without a strong enforcement apparatus. However, the apparatus should be friendly and firm—friendly, to the extent of educating and guiding the people for fulfillment of their tax obligations, and firm to the extent of punishing willful defaulters.

The new government can easily collect taxes of Rs. 8 trillion without levying any new taxes and further destroying the ailing economy. There is no need to be dejected. We have tremendous potential. All we need is good governance, effective and modern tax administration and prudent use of public money. At the same time, it is necessary to ensure redistribution of income and wealth through progressive taxation—taxing the rich for the benefit of the poor. At present, we are taxing the poor for the benefit of the rich.

The new elected government of PTI can end debt-enslavement, which is the main cause of our subjugation provided that as a first step, the President, Prime Minister, ministers, parliamentarians, heads of political parties and high-ranking government officials, start living modestly, pay and collect taxes wherever due and by their behaviour, mobilise the masses for discharging their obligations diligently.

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*Published in Daily Times, July 28th2018.*