



16th Annual Report 2023

The State of The Economy
Threads of Governance-
Weaving the Past, Present
and Future in Pakistan



The Shahid Javed Burki Institute of Public Policy at NetSol

BIPP 16th Annual Report 2023

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Threads of Governance - Weaving
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**The Shahid Javed Burki
Institute of Public Policy at NetSol**

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The Shahid Javed Burki Institute of Public Policy at NetSol

BIPP aims at synergizing the research, education, think tank and knowledge management functions to become a Centre of Excellence in Public Policy. Its mission is to improve the welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive, people-centered growth with equity, political stability and sustainable development besides fully harnessing the potential for regional and global integration of the country. BIPP's areas of interest are social, economic, environmental and political development and security, trade and foreign policy. The institute also provides merit cum need scholarships for female students in the area of medicine, nursing, allied health sciences, computer sciences, engineering, economics and laboratory technologies to help them realize their full potential and contributes to the accelerated achievement of national development goals. BIPP's Board of Directors comprises eminent economist, experts, member of academia and development practitioners from private public and non-governmental sectors who are committed to improving public policy development and implementation in Pakistan.

BIPP's Advisory Council comprises Mr. Saleem Ranjha, Mr. Asim Imdad, Dr. Athar Mansoor, Mr. Mujahid Sherdil, Mr. Dennis de Tray, and Dr. Mahmood Ahmad. Mr. Babar Yaqoob Fateh Muhammad also joined BIPP as Vice Chairman Operations. Dr. Muhammad Ejaz Sandhu is working as Director Operations with BIPP. BIPP also has a network of Key Consultants most notably, Strateasy Consulting (SC), AKIDA Consulting, Community Development Foundation (CDF), AgriByt, Delivering Happiness (DH), and Women Economic Development Initiative Punjab (WEDIP). Dr. Iftikhar Shah and Mr. Ahsan Sarwar Khan are working as agriculture Consultants with BIPP.

The Members of BIPP's Board of Directors are:

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Mr. Tariq Husain works as Adviser to the Chairman.

Foreword

It was befitting that we chose the quality of governance “Threads of Governance-Weaving the past, Present and Future in Pakistan” as the main theme of Burki Institute's report for the year 2023. As the readers of our annual documents must have noticed, we follow our assessment of the state of the economy, with an analysis of a subject on which our staff have done some research. Last year we focused on the role women can and should play in developing the economy and modernizing its social systems. This year the subject of good governance is the obvious one to become the focus of the report. We are giving serious attention to the challenges Pakistan is facing in its 78th year of existence as an independent state. How should the country be governed so that a good majority of the citizenry benefits from the goods and services the government provides? It is important to find an answer to this question. As is discussed in various chapters of the report, the about to be completed 2023 year was an exceptionally difficult one for Pakistan.

In my latest book on Pakistan – *Pakistan: Statecraft and Geopolitics in Today's World* – published recently by Oxford University Press, I have focused the reader's attention on the fact that after 76 years of history, Pakistan is marked by a series of recurrent crises (Burki, 2022). Some of these dates back to the founding of the country in 1947, as these were existential in the sense that the very existence of the state was threatened. India, not thrilled by the British willingness to partition their Indian colony tried to kill the new Muslim nation at birth. But as Anatol Levin points out in his 2011 book, *Pakistan: A Hard Country* the country has shown remarkable resilience, overcoming a string of crises that visited it on a regular basis (Levin, 2011). According to him, the state's basic strength lay in the power wielded by the hundreds of communities to which citizens belonged. This is called the *baradari* system. Even if the state at times became dysfunctional – as was the case in almost all of 2023 – the communities continued to function led by local leaders who held great power.

What followed after the assassination of Prime Minister Benazir Bhutto after she had addressed a public meeting in Rawalpindi is a good example of

the poor development of people-responsive governance in the country. Asif Ali Zardari, her widower, assumed all the political power his wife had wielded. His claim to take over was based on the will she had left in which she had stated that her husband should succeed her in case she died.

In searching for the reasons why Pakistan has been hit by so many crises, we focus on those who dominated government institutions but worked without the discipline of political parties to which they belonged. This is one reason why people in power have found it difficult to work together. The crisis of governance is not unique to Pakistan. Of the fifty some countries that have a Muslim majority, Pakistan is one of the few that has made some political progress.

One essential element of political success is the presence of representative political parties that represent broad segments of the population and are not captured by families or small economic groups. It would take a much longer piece than the space available here. That said, I will briefly relate the role played by parties in working successful political systems. Political parties as we know them today took shape after what historians called the Glorious Revolution that occurred in the late seventeenth century in Britain. This was a revolt in November 1688, against James II, the ruling monarch, of the time. After ascending to the throne in 1685, over the next three years, he alienated his supporters by suspending the parliaments of Scotland and England and ruled by issuing decrees. The elites who were thus bypassed organized themselves in political organizations that took away most powers from the monarch and gave them to the parliament.

Who should sit in the parliament was the first question that was asked. It took time to find a satisfactory answer. Eventually most parliamentary systems across the world were to give the power to vote to all people – women, people who did not own property, and non-Whites. All three were initially excluded from the formal political system. The next question was about the form of expression that should be used to put forward the interests of the parties that were represented in the system.

Pakistan's political system is still in the formative stage since two of its main political parties are controlled by families and do not represent broad segments of the population. This system cannot deliver what people want. Dynastic politics cannot be the basis of mature political systems. Pakistan will have to move away from their domination of the political structure and make political parties broadly representative of the various segments of a fairly diverse society.

The weakness of political institutions such as well-developed political parties has left space the military in the country was pleased to occupy. It did this four times when it pushed elected governments and installed military rulers who were not constrained by accepted political norms. This appears to be the case now. Without formally inserting itself in the governance, it is widely believed to exercise authority behind the scene.

Good governance is the product of negotiations among different players in the democratic system. I will conclude this foreword with a long quote from the above quoted book by Anatol Levin. He writes: "For democracy is representative not only of the

people but of all those classes, groups and institutions, through which the popular will is refracted until it finds some kind of broadly accepted reflection in elected institutions. In other words, democracy usually reflects not so much the will of the people, or the electorate, as the distribution of social, and economic power within a given society. The nature of the Pakistani society, and weakness of real democratic development, are shown among other thing by the lack of real, modern, mass political parties, with their own cadres of party workers" (Levin, 2011). This is a good description of the situation in Pakistan today.

Before closing, I will like to express my deep appreciation to Ms. Nauina Asim and recognize her immense efforts for editing this year's report also on *pro bono* basis. We also owe a debt of gratitude to Mian Nauman Kabir for sponsoring the publication of BIPP's 2023 report. Their generosity eloquently speaks of their commitment to promoting evidence-based rational policy making in Pakistan.



Shahid Javed Burki
December 20, 2023

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Mr. Najam is the Vice Chairman of BIPP. He has four Masters including LLM and MSc. Public Policy from London School of Economics, UK and MSc. Rural Development from Wye College London. He has more than 45 years of experience working with Government of Pakistan and the UN System in policy and strategy formulation; development planning and programming; and implementation of large scale programmes for sustainable development. He joined the Pakistan Administrative Services in 1974 and held important assignments including Commissioner Lahore Division (1999-2001), and the first Chief Operating Officer, of the Punjab Board of Investment and Trade (2009). Mr. Najam held senior positions with the UN System as FAO Representative, Iran (2007-2009) and Resident Coordinator/Resident Representative of the UN system in Turkey (2009-2013).



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Ishrat Hussain has served as the adviser to PM Imran Khan on Institutional Reforms and Austerity, with the status of Federal Minister, since August 2018 to April 2022. He had a distinguished career at the World Bank for over two decades 1979-1999. Among the key positions he held at the Bank were Resident Representative to Nigeria, head of the Bank's Debt and International Finance Division, Chief Economist for Africa between 1991-94 and later as Chief Economist for East Asia and Pacific Region that included China. He became the Bank's Director Poverty and Social Department and in 1997 he was appointed the Country Director for Central Asian Republics.

He served as the Governor of the State Bank of Pakistan in 1999 and remained until December 2005. The Banker Magazine of London declared him as the Central Bank Governor of the year for Asia in 2005. He received the Asian Banker Lifetime achievement award in 2006. The President of Pakistan conferred upon him the highest civilian award of Nishan e Imtiaz in 2016 for his outstanding public service. He has also served as dean and director of the Institute of Business Administration (IBA) between 2008 and 2016, and was until recently Public Policy Fellow at the Woodrow Wilson Center in Washington DC. He has authored 18 books and monographs and contributed more than three dozen articles in refereed journals and 27 chapters in books.



Dr. Pervez Hassan

Dr. Parvez Hassan, a distinguished Senior Advocate in the Supreme Court, is a global leader in environmental law. With a Harvard Doctor of Laws and international awards, he played a crucial role in drafting Pakistan's environmental legislation. His enduring commitment to human rights is evident through his activism, enduring police brutality during movements against General Ziaul Haq and General Pervez Musharraf. Notably, he championed a landmark case that upheld the constitutional right to a decent environment.

In addition to his legal prowess, Dr. Hassan served as a mediator in the Lahore Canal Road Dispute, contributing eighteen recommendations approved by the Supreme Court. His influential roles in global organizations, along with his significant contributions as a writer and editor in legal discourse, underscore Dr. Hassan's profound impact on both national and international legal and environmental arenas.



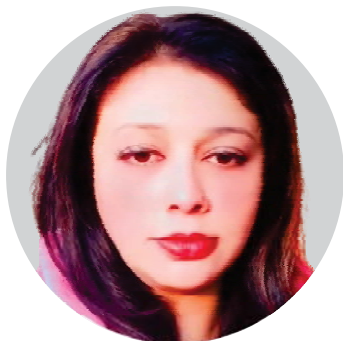
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Professor Dr. Ejaz Sandhu holds dual Ph.D. degrees i.e., in Business Management and Image Processing from Wesleyan International University, Texas, USA and Paul Sabatier University Toulouse, France respectively. Prior to that, he did Masters in Business Administration from Alameda University and Master's of Science in Aeronautical & Aerospace Engineering from ENSAE\SUP'AERO, Toulouse, France. He also obtained Post Graduate Certificate in Space Technology from ENSAE\SUP'AERO, Toulouse, France and from SUPARCO, Karachi, Pakistan. Dr. Sandhu has more than 30 years of experience at leadership positions in research and development (R&D) organizations and education sector which includes two decades of experience as a trainer. The diverse areas of his expertise are spread over the fields of Engineering, Information Technology (IT) and Management with focused specializations in artificial intelligence, knowledge base systems, GIS applications, satellite communications, international trade, enterprise resource planning etc. He has served at various posts as the Director Research, Director Training, Dean and Acting Vice-Chancellor in various public and private sector organizations and universities.



Rehan Sayeed

Mr. Rehan Sayeed, with a Master's degree in Industrial Engineering and Project Management from Cranfield University, UK, to his credit has over 30 years of experience in senior management roles in both industry and education sectors, including leadership positions at the Pakistan Space & Upper Atmosphere Research Commission. In the education sector, Mr. Sayeed worked as Visiting Professor at Latin American university in Mexico, a groundbreaking achievement as the first South Asian candidate selected for the role. He worked as Assistant Professor and later as the Head of the Mechanical Engineering Department at the Imperial College of Business Studies. Additionally, Mr. Sayeed maintains active memberships in professional bodies, including the Council of Engineering Institutions (Chartered Engineer, UK), Institution of Engineering Technology (Corporate Member, UK), and Professional Engineer (Pak).



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Ms. Sumbal Rana is working as a visiting lecturer in University of Central Punjab in Faculty of Humanities and Social Sciences. She holds MS degree in Public Policy from Beaconhouse National University and MSc degree in Economics with specialisation in Accounting and Finance from Government College University Lahore. She has worked for 8 years as a Lecturer of Economics in Department of Economics, Beaconhouse National University Lahore. Her research interest areas include trade and governance and public Policy.



Socrat Aman

Mr. Socrat Aman has to his credit a rich and versatile experience of public sector management and delivery of services from local to federal levels - holding important leadership positions all along his illustrious career. He served, inter alia, as Secretary to Chief Minister Punjab, Special Secretary Local Government Punjab, General Manager SMEDA, Director (PAS) Civil Services Academy Lahore, Deputy Commissioner Okara and Rahim Yar Khan. His impressive academic background, particularly Masters in Public Policy, from University of Oxford UK and M.Phil in English Literature from University of Punjab, adds to the reservoir of his skills-competence mix.



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Mr. Muhammad Firas Shams is currently working as a Research Associate at the Shahid Javed Burki Institute of Public Policy (BIPP). He was previously associated with the Islamabad Policy Research Institute (IPRI). He holds an MPhil degree in Public Policy from the Center of Public Policy and Governance (CPPG), FCCU and was awarded a gold medal as well as Summa Cum Laude. He also holds BA (Hons) degree in Journalism from the Beaconhouse National University (BNU) and was awarded the highest honor of gold medal. His research interests include, counter-extremism, public policy and governance, sustainable development and global politics.



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List of Acronyms

AC	Adaptation Committee
AEDB	Alternative Energy Development Board
AGP	Auditor General of Pakistan
AGPR	Accountant General Pakistan Revenues
AOSIS	Alliances of Small Island States
ASAP	As Soon As Possible
BIPP	Burki Institute of Public Policy
BISP	Benazir Income Support Program
BITs	Bilateral Investment Treaties
BSG	Brewer's Spent Grains
CAA	Civil Aviation Authority
CANs	Calling Attention Notices
CBDRRC	Common but Differentiated Responsibilities and Respective Capabilities'
CCI	Council of Common Interests
CCP	Competition Commission of Pakistan
CDA	Capital Development Authority
CDM EB	Clean Development Mechanism Executive Board
CDM	Clean Development Mechanism
CEC	Chief Election Commission
CEDAW	The Convention on the Elimination of All Forms of Discrimination Against Women
CIA	Central Intelligence Agency
CII	Council of Islamic Ideology
COP	Conference of Parties
CPEC	China-Pakistan Economic Corridor
CTCN	Climate Technology Centre and Network
DDPS	Doorstep Delivery of Public Services
DG Khan	Dera Ghazi Khan
ECC	Economic Coordination Committee
ECNEC	Executive Committee of National Economic Council
EIAs	Environmental Impact Assessments
EPAs	Environmental Protection Agencies
EPTB	Evacuee Property Trust Board
EU	European Union
FAFEN	Free & Fair Election Network
FATA	Former Federally Administered Tribal Districts

FBR	Federal Board of Revenue
FCN Treaties	Friendship, Commerce and Navigation Treaties
FDI	Foreign Direct Investment
FWBL	First Women Bank Limited
FWCW	Fourth World Conference on Women
FY	Financial Year
GBV	Gender Based Violence
GCE	Consultative Group of Experts
GCF	Green Climate Fund
GCISC	Global Change Impact Studies Center
GDP	Gross Domestic Product
GEF	Global Environment Facility
GGGI	Global Gender Gap Index
GHG	Greenhouse Gases
GII	Gender Inequality Index
GOP	Government of Pakistan
GPI	Gender Parity Index
GSP+	Generalized Scheme of Preferences Plus
HRCP	Human Rights Commission of Pakistan
HRW	Human Right Watch
ICAO	International Civil Aviation Organization
ICS	Indian Civil Service
ICSID	International Centre for Settlement of International Disputes
IGC	International Growth Center
ILO	International Labor Organization
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change

IRC	International Rescue Committee
ISI	Inter-Services Intelligence
ISSRA	Institute for Strategic Studies, Research and Analysis
IT	Information Technology
IWT	Indus Water Treaty
JI	Jamaat-e-Islami
JISC	Joint Implementation Supervisory Committee
JUI	Jamiat Ulema-e-Islam
KPK	Khyber Pakhtunkhwa
LCIPP	Local Communities and Indigenous Peoples Platform
LGs	Local Governments
LMDC	Like-Minded Developing Countries Group on Climate Change.
LSE	London School of Economic
MDG	Millennium Development Goal
MEAs	Multilateral Environmental Agreements
MMR	Maternal Mortality Ratio
MNAs	Member National Assembly
MoCC&EC	Ministry of Climate Change and Environmental Coordination
MRD	Movement for the Restoration of Democracy
MSME	Micro Small Medium Enterprise
NA	National Assembly
NAB	National Accountability Bureau
NAMA	Nationally Appropriate Mitigation Actions
NAMAS/NAPAS	Nationally Appropriate Programs of Action on Mitigation and Adaptation
NASA	The National Aeronautics and Space Administration
NCCP	National Climate Change Policy
NCSW	National Commission on Status of Women
NDC	Nationally Determined Contribution
NEECA	The National Energy Efficiency and Conservation Authority
NEQS and PEQS	National and Provincial Environmental Quality Standards
NEQS	National Environmental Quality Standards
NFC	National Finance Commission
NFIS	National Financial Inclusion Strategy
NFLP	National Financial Literacy Program

NGOs	Non-Governmental Organization
NIS	National Innovation System
NPSS	National Payment System Strategy
NSER	National Socio-Economic Registry
NTDC	National Transmission & Despatch Company
OIC	Organization of Islamic Cooperation
PAs	Provincial Assemblies
PATS	Pakistan Approach to Total Sanitation
PCB	Pakistan Cricket Board
PCCB	Paris Committee on Capacity Building
PCSW	Punjab Commission on Status of Women
PDIA	Problem-Driven Iterative Adaptation approach
PDM	Pakistan Democratic Movement
PEQS	Provincial Environmental Quality Standards
PESRP	Punjab Educational Sector Reform
PIA	Pakistan International Airlines
PM	Prime Minister
PR	Pakistan Railways
PSLM	Pakistan Social and Living Standard Measurement
PSM	Pakistan Steel Mills
PTI	Pakistan Tehreek e Insaaf
PWDs	Persons with Disabilities
RISQ	Representativity Indicators for Survey Quality
RTI	Right to Information
SBA	Stand-By Agreement
SBP	State Bank of Pakistan
SBSTA	Subsidiary Body for Scientific and Technological Advice
SBU	Subsidiary Body for Implementation
SCF	Standing Committee on Finance

Executive Summary

Good governance is sine qua non for nurturing and establishing democracy, forging social integration and cohesion, and pursuing sustainable growth. It enables the state, civil society and the private sector to harness their full potential and capabilities as a means to greater human development and increased levels of human welfare. High-quality institutions which constitute an integral part of good governance stimulate, over the long run, increase in per capita incomes, promote growth, and achieve development dividend. Good governance, driven by democratic order, invariably ensures rule of law, peace and security and well-being of the citizens. It enables elected representatives exercise political oversight of the state institutions which leads to responsive, transparent, equitable and efficient delivery of development programs and public goods and services.

Pakistan, ever since its inception, unfortunately, has been confronted with major governance challenges across all spectrum - political, economic, executive, judicial etc., with recurrent episodes of authoritarian interventions. Indeed, failure of public sector governance continues to afflict the country and massively impede all efforts to address the enormity of development problems- poverty, hunger, illiteracy, disease and achievement of Sustainable Development Goals (SDGs). The country presently is at a critical juncture and manifests all the pathologies of dysfunctional state which has failed to provide citizens the economic, social and political welfare or justice. Political polarization, fragility of the political institutions characterized by dynastic politics and ossified feudalism, and assiduous engineering of the political process; bureaucratic red-tapism, incompetence and servitude, the failure of the justice system and violation of the constitution and pervasive use of police as a tool of state oppression and harassment, rampant corruption and misuse of authority are the salient facets of the huge governance crises. The cumulative impact of this deplorable decline has reduced the governance function to a state of institutional paralysis. There is thus an urgent need to take immediate corrective albeit, strategic measures through a serious and honest commitment on the part of the major actors and institutions especially the army, politicians and members of the

judiciary and bureaucracy to adopt and implement a good governance paradigm at all levels and across all institutions. The human centricity, inclusivity, consensus orientation, transparency, rule of law, accountability, meritocracy, efficiency and effectiveness and above all optimally functional democracy will lead to the wellbeing of the citizens and sustainable human development and at the same time enable the country to play as a key role in contributing to a better world for posterity.

The annual report 2023 comprises 10 chapters. In the first chapter Shahid Javed Burki, chairman BIPP, dwells on the rationale for the focus of this year's report on the critical theme of governance. In his second chapter, he explores the history of governance in Pakistan from 1947 to 2023 highlighting the challenges and conflicts within Pakistan's political system, and impact of external factors such as Afghanistan's history and Iran's transformation on governance. He also investigates the role of religion in political governance, tracing its influence and implications in the regional context especially, Pakistan's neighbors as well as its internal dynamics. The narrative touches on phases of military intervention in Pakistan's politics, outlining key periods of military rule and their distinct focus on governance.

Dr. Farukh Iqbal in his chapter "Testing the Abyss: Pakistan's Economy in FY2023" provides an assessment of the economic situation of Pakistan 2023 which according to him remained precarious, marked by high inflation and critically low international reserves. The coalition government, in power since April 2022, failed to instill confidence among foreign lenders and domestic investors. Despite a late agreement with the IMF providing temporary relief, the country's political business cycle, characterized by pre-election spending and subsequent economic crises, has hindered sustained macroeconomic stability. Structural issues such as fiscal deficits, narrow tax bases and energy sector challenges persist, signaling a need for fundamental political and economic reforms to avert further crises.

Ishrat Hussain presents the key objectives of reorganizing

the federal government including devolution of powers at the sub-national level, impact on inter-governmental structures and clear separation of responsibilities. He succinctly brings out the empowering of ministries, streamlining hierarchical structures and introducing e-government initiatives. His proposed plan emphasizes on transparency, efficiency and accountability through measures such as making all government laws and guidelines accessible online, setting service standards and simplifying rules of business. The restructuring aims to reduce the number of ministries and divisions, emphasizing their alignment with national priorities. Furthermore, his proposal calls for a comprehensive review of organizational entities, aiming to decrease their number and standardize their functions. He suggests coordinated efforts, addressing skills gaps and adapting to modern management practices to achieve successful reorganization.

Dr. Ejaz Sandhu and Rehan Sayeed examines the role of religion through various dimensions, offering a comprehensive understanding of the interwoven threads that shape the Pakistan's governance. He describes how overall legal and institutional framework in Pakistan plays a crucial role in determining the relationship between religion, governance, justice and socio-economic aspects, including gender equality and women's participation.

In his chapter, Dr. Parvez Hassan explores the impact of international law across four main domains: Human Rights, Environmental Law; Trade, Commerce, and Fiscal Governance, and Dispute Resolution. He highlights the influence of international human rights instruments, such as the Universal Declaration of Human Rights (UDHR) and the International Covenants, on the Constitution of Pakistan, shaping the country's commitment to fundamental rights. Additionally, he discusses Pakistan's compliance with international conventions, particularly under the European Union's GSP+ scheme, and how this has promoted good governance in areas like women's rights, labor laws, and environmental protection. He also underlines the role of international agreements in informing Pakistan's policies and governance structures, providing examples from various sectors, including environmental law, trade agreements and dispute resolution mechanisms.

The chapter by Ms. Sumbal Rana provides an overview of the 18th amendment to constitution and explains how the

various parts of the country are governed under this amendment.

Chapter 8 contributed by Muhammad Firas Shams examines the challenges of Pakistani women and highlighted that despite international pledges and initiatives like the Millennium Development Goal (MGDs), Sustainable Development Goals (SDGs) and Beijing +25, Pakistan is among the worst countries when it comes to gender and opportunities for women. He emphasizes the need for greater gender equality in decision-making processes to achieve the UN's Agenda 2030. To create a more inclusive and gender-sensitive policy framework in Pakistan, he advocates an intersectional policy approach, reservation of seats for women in local governments, the involvement of male allies in dismantling patriarchal norms, financial autonomy for women, prioritizing education, implementing gender budgeting and reevaluating healthcare.

Mr. Socrat Aman, in Chapter 9 explores the weakness of the climate governance paradigm and elucidates how the international climate governance apathy extends to the national climate commitments and their effective implementation by the Federal Ministry of Climate Change and Environmental Coordination (MoCC&EC) of the Government of Pakistan. He suggests a new mission-oriented, innovative and iterative climate response approach, which can be achieved only through a more 'reflexive institutional' framework.

Shahid Najam, Vice Chairman BIPP, in the final chapter, covers the governance challenges and provides a path way including short-term and long-term measures to good governance for the institutions and the government to function on sustainable paradigm- to ensure rule of law, peace and security, development with equity and pursuit of rights based approach in the public sector management to bequeath a better future for the posterity. He underscores the role of establishment to spearhead the “good governance” process.

The Table below attempts to capture the key findings and recommendations of the 2023 Report.

Summary Findings and Recommendations

Key Findings	Recommendations
<p>Chapter 1: Governance: An Overview</p> <p>Chapter 2: History of Governance in Pakistan, (1947-2023)</p> <p>The history of governance in Pakistan has been less than enviable and seem to be on the wrong side.</p> <p>Chapter 3: Governance and the State of the Pakistani Economy</p> <p>Indicators of crisis (high Inflation and precarious international reserves) get worsened in FY2023. As government of Pakistan deviated from IMF program, revenues as percentage of GDP declined as compared to public spending causing almost 6 times larger current account deficit (-4.6 %) in FY 2022 as compared to previous year (-0.8 %). International reserves fell close to half from 17.3 billion to 9.8 billion. Domestic policies failed to control sectors' circular debt and to widen the tax net. Political business cycle and the short-term interests of politicians prevent to take advantage of repeated IMF bailouts, and preclude adoption of policies caused medium-term macroeconomic sustainability and long-term economic development.</p>	<p>Pakistan can create conducive environment adopting the principals of good governance (participatory consensus, oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive) and following the example of some economically developing nations like Vietnam, Rwanda and Malaysia that have faced situations worse than Pakistan.</p> <p>There is a need for fundamental political and economic reforms. A sustained political will can avert the crises with focus on:</p> <ul style="list-style-type: none"> • Controlling the fiscal deficit and respecting Fiscal Responsibility and Debt Limitation Act (2005); • Systemic pursuit of fiscal and monetary policies; • Implementation of much needed structural reforms including expansion of tax base to cover agriculture, tobacco industry, property valuation, informal sector; • Fixing the energy sector governance and circular debt; • Rationalization of utility charges.

Chapter 4: Reorganizing the Federal Government

Federal Government retains the functions of some of the ministries and departments that were transferred to the provinces. There are 34 Ministries and 43 Divisions compared to 41 Ministries and 46 Divisions before the devolution.

The Federal government which reduced the federal government entities from a total of 441 to 324 and reduced the configuration of entities from fourteen to three. OEs were divided into the 6 categories (a) those to be retained as autonomous bodies (b) those to be retained as Executive departments (c) those to be privatized (d) those to be transferred to the provinces (f) those to be merged (g) those to be liquidated or wound up.

The role of Council of Common Interests CCI, National Economic Council, ECNEC, and National Council of Ministers has grown immensely after the 18th amendment. However, these bodies are being used oblivious of this fundamental change in the constitutional relationship

Public Financial Management Law devolved the financial powers from the Ministry of Finance to the line Ministries and abolished the Financial Advisers organization in 2019. Huge work had been done on Pakistan Regulatory Modernization Initiative in collaboration with trade bodies to collect, screen, purge, modify all regulations at the Federal, Provincial and Local Government levels.

Chapter 5: The role of religion in governance: The Pakistan case

The role of religion in governance is complex and

The number of Ministries should be further cut down from 34 to 22 and Divisions from 43 to 33. To reorganize the Federal and Provincial government, the following principle be adopted a) an efficient distribution of span of control.

b) clear delineation of roles and along with accountability.

c) separation of policy- making, operational, implementation and regulatory functions of the Ministry.

(d) reducing the hierarchical tiers and the turnover time for government business

(e) strengthening intra and inter-ministerial coordination and collaboration

(f) empowering the head of the Division

liquidation, merger and transfer of entities to provinces or relevant Ministries would help reduce the fixed and variable costs of the federal government without any loss to efficiency and results

These bodies should clearly define their terms of reference. They should meet more frequently with a clear agenda on key policy issues, coordination and dispute resolution.

An evaluation should be carried out whether these changes have actually taken roots or not.

This work should be showcased in a Single Window and should be made operational as soon as possible as it would cut down time and cost of transactions and introduce transparency.

multifaceted in Pakistan and enshrined in the constitution, as the basic defining document.

In the economic sphere, there is increasing emphasis on Islamic banking, zakat and social welfare, ethical business practices including Halal industry, FDI etc.

In the gender sphere, though legislation on women's rights, quota system, female education, women empowerment initiatives and gender equality, present a positive picture yet the socio-cultural norms and convoluted interpretation of the religion continue to impede the progress and afflict the gender disparities in several areas such as education, employment, and legal rights.

Pakistan ranks poorly on global gender equality indices. In 2022, it placed 145th out of 146 countries on the World Economic Forum's Gender Gap Index and 161st out of 191 on the Human Development Report's Gender Inequality Index.

32,272 Madrasas provide education with a strong emphasis on Islamic teachings to nearly 2.26 million students, 3% of all students in Pakistan.

In the justice sphere, various institutions including the *Federal Shariat Court*, *Council of Islamic Ideology (CII)* and *Blasphemy Laws* are in vogue. While the constitution guarantees certain rights to religious minorities, there have been instances of discrimination and violence against them.

The compatibility of Islamic economic principles with modern economic structures and the need for inclusive and sustainable economic development need to be ensured.

A comprehensive approach that considers socio-cultural norms, economic conditions, and the role of religion in shaping attitudes toward education needs to be pursued including strict enforcement of the relevant laws and international conventions like CEDAW.

The commitment of the government, civil society, and the international community is crucial to achieving meaningful progress in ensuring education for all, regardless of gender and mitigating gender deficit.

Madrasa education should be integrated with the formal education system including introduction of science and technology education, Vocational and Skills Training to guarantee that students obtain a thorough and well-rounded education to curb extremism and radicalization.

Stricter teachers' recruitment and transparency in the source of their funding and enhanced government's effort sight will also curb the possibility of extremism.

The balance between Islamic principles, constitutional guarantees, and the protection of individual rights especially of minorities is required to shape legal frameworks and legal outcomes.

Open debate and reforms' process are required to forge a balance between tradition and modernity, fostering inclusivity, and upholding the principles that define Pakistan's identity in its quest for a harmonious and inclusive future.

Chapter 6: International law's impact on Pakistan's governance

The principles of international law incorporated in several multilateral treaties guide Pakistan's legislation and policies. The Constitution of Pakistan, as its earlier predecessors, elevated human rights as “fundamental rights”. This has been the most durable impact of international law on the country's basic document of governance. However, the impact of international law on the governance in Pakistan is much wider and much deeper and needs to be comprehensively studied.

There is a need to strengthen the environmental and resource management strategies.

GSP+ has been an important factor in Pakistan's compliance with the 27 Conventions/Treaties dealing with human rights, labour rights, environment and good governance e.g., CEDAW, ILO Conventions, The U.N. Convention on the Rights of the Child, 1990 etc., the Right to Information

In the growing inter-dependence and inter-actions between domestic and international actors, international law plays an important role in underpinning global standards and best practices in the governance of Pakistan.

Chapter 7: 18th Amendment to the Constitution: An Overview

The 18th Amendment in 2010 brought about substantial repercussions in the political and constitutional landscape and led to a strategic realignment of powers, redirecting authority to the provinces while concurrently curtailing the president's unilateral authority to dissolve the parliamentary body. This legislative measure not only reinforced the tenets of parliamentary

A more detailed study can review areas such as territorial seas, contiguous zones, continental shelves, exclusive economic zones, and high seas that are recognized and enabled by international law.

The domestic conservation and environmental management strategies to conserve shared natural resources and safeguard the global ecosystem must be augmented by International cooperation to tackle transboundary or global environmental problems

The relevant laws have been enacted and policies promulgated. These should however be implemented in letter and spirit especially Women's right to access properties, rights of the disabled, of workers etc.

The over-arching presence of international law and policies to which Pakistan has already subscribed should guide the formulation and conduct of laws and policies in Pakistan.

To reap the full benefits of 18th amendment, the following areas need to be paid heed to:

- The devolution of powers might create challenges among provinces, and also create difficulties in coordination issues and generate disparities in governance standards among provinces.
- There has to be a uniform implementation of

democracy but also engendered a shift from federal to provincial jurisdiction, thereby augmenting decentralization and provincial autonomy.

The provinces are, however, confronted with the implementation challenges especially, in the education and health sectors.

Chapter 8: Governance and Women's Situation in Pakistan

In societies like Pakistan, well-established concepts such as gender-sensitive/responsive policy-making, gender smart policy interventions and gender budgeting, are merely buzzwords, virtually absent from the policy landscape. Globally, including Pakistan, it can be estimated that at the current rate of progress, may take another 286 years to kibosh or in any case block laws, that discriminate against women.

With greater gender equality, the Global Gross Domestic Product (GDP) can witness an increase of \$12 Trillion by 2025.

Pakistan ranks 128/166 in the SDG index so far. With reference to SDG 5 “Gender Equality” it challenges 167 out of 170 countries, making it the 4th most dangerous country for women in the world

According to Gender Inequality Index (GII), Pakistan ranks 135 out of 191 countries, categorized under “low human development states”.

Women roughly make up around 20% or 1/5th of both houses of the Parliament in Pakistan. Only a meagre 3% is the representation of women elected on general seats. Reserved seats for women are disproportionately saturated to a few major districts, such as 14 out of 60 reserved seats in the National Assembly are from Lahore.

Female parliamentarians fared better in terms of attendance in both houses than their male equivalents; female NA members averaged 57 sittings (66%), while male members averaged 46

National policies by provinces.

- The effectiveness of the amendment implementation may vary and opinions on its success differ based on factors like governance capacity and local leadership. This has to be rationalized.

The policy, regulatory and institutional deficits must be addressed with utmost urgency to enable the provinces to carry out the devolved and decentralized functions efficiently.

To make Pakistan gender smart/sensitive, female leadership and collective power of women need to be emboldened and mobilized, especially at the grassroots. Women-led socio-political organizations at grassroots need to have a broader and decisive role in the state discourse and affairs. Along with this, the number of seats in the parliament needs to be multiplied with diverse representation.

The proactive engagement of young female leaders in the sphere of decision-making ought to be encouraged, their perspective and creativity should be incorporated so that the policies do not depict a generational -gulf and gender neglect.

Intersectionality needs to be encouraged the cornerstones for all policy-making in Pakistan.

Functional and responsive local governments (LGs) throughout Pakistan are needed to institutionally redress gender related maladies and the underrepresentation of women at the fundamental tier of decision-making.

(53 %) sittings, while female Senators averaged 39 (68%) sittings compared to male Senators who averaged 32 (56%) sittings.

Around 32% of the female populace has faced violence in Pakistan.

Chapter 9 : Governance and managing climate change:

There is a policy/ implementation disconnect at all levels from the global to the sub-national level on the governance issue to effectively address the climate change impact.

Globally, the Kyoto and Copenhagen Accord followed the principle of 'Common but Differentiated Responsibilities and Respective Capabilities' with the onus of causing, benefiting, and addressing the problem of Climate Change on developed countries. The Paris Agreement further refined this principle to include 'Self Differentiation' for countries to define their differentiated responsibilities and capabilities. COP 26/Glasgow Pact and CP 27 represent the strife the humanity to achieve consensus on managing climate change.

Pakistan's climate governance reflects the larger international climate impasse and indifference. The scale and magnitude of climate change could be well assessed as one-third of its area was submerged under water in last year's flood, affecting 33 million people and displacing 8 million. This country experienced a total damage equivalent to US \$14.9 billion, a total loss of US \$15.2 billion.

Responsibility for initiating actions to address the effects of Climate Change in Pakistan is shared among multiple government bodies at the federal and provincial levels with leadership role of is the

There is need to embrace the concept of *Womenomics*, starting with the most destitute and downtrodden segments of the female population.

Workplaces and educational institutes need to be morphed into a secure and female-friendly. There is a need of strict implementation of legislation which binds institutes, organizations and companies to take issues like harassment seriously.

A serious, all-inclusive, participatory, coherent mission-oriented policy implementation framing is required at global level with firm time-bound commitments and funding arrangements to combat climate change.

Pakistan being one of the 10 most climate change affected countries needs to actively take part in the global climate discourse and mainstream Climate Change processes in its policies and governance frameworks

It must implement in letter and spirit Pakistan's Climate Change Act of 2017 and the subsequent National Climate Change Policy (NCCP), updated in 2021, the framework for the implementation of NCCP 2014-2030, other relevant laws and policies including the Intended Nationally Determined

Ministry of Climate Change and Environmental Coordination supported by the provincial departments and agencies with focus on Inter-governmental and inter-sectoral coordination of Climate Change activities.

Chapter 10: Governance Challenges- A Better Future for Posterity

Pakistan is at a critical juncture. The failure of public sector governance at all level and across all institutions and sectors - political, economic, social, judicial, executive etc. - continues to afflict the country and impede all efforts to address the enormity of development challenges- poverty, illiteracy, disease and achievement of sustainable development goals

The human centricity, wellbeing of the citizens, inclusiveness, consensus orientation, accountability, responsiveness, rule of law and sustainable development which constitute the core of good governance have been relegated to periphery in the blind quest to ascend to and retain power through autocratic and exigency based patterns of governance.

Good governance leads to incomes rise about three-folds; reduce infant mortality by two-thirds; and effectively control corruption and related pathologies. A one-point increase in the control of corruption index improves the income of the poor by 39 to 42 percent.

High-quality institutions stimulate, over the long run, increase in per capita incomes; promote growth; achieve inclusive development dividend;

Contributions 2015) and adopt an integrated approach, focusing on building a cross-cutting inter-sectoral resilience capability at both the national and subnational levels covering both themes of mitigation and adaptation.

There needs to be a focus on implementing a cross-sectoral approach to innovation and experimentation to transform production, distribution, and consumption across countries, especially in Pakistan.

Governments should establish directions by supporting a long-term dedicated stream of financing.

The pathway to good governance to rationally and judiciously steward the nation out of the governance mire hinges upon the consensus across the board among the major power-wielding players, contenders and institutions.

Army being the most powerful state organ has to lead upfront the reform process with full commitment to ultimately establishing a democratic order for good governance though a consultative and all-inclusive process and instituting an oversight committee comprising non-controversial politician, eminent member of the academia, eminent civil society representative, a representative of the Chambers of Industry, a renowned economist, a scrupulous retired judge, a well-reputed retired civil servant, a well-respected retired army general, and an upright media representative.

A consensus based Charter of Pakistan should be formulated with implementation by well empowered oversight committee embodying Pakistan Narrative, and Action Framework based on short and long term measures. The former should include: reducing the credibility deficit vis-a-vis citizens as to the supremacy of constitution and rule of law, holding free and fair elections immediately by independent Election Commission, fairness of the accountability process, responsive

and enforce rule of law.

Pakistan compared to even the developing and emerging economies has performed poorly on governance function. The 2023 Legatum Prosperity Index ranks Pakistan as low as 136 out of 167 countries; on the World Bank Governance indicators, Pakistan percentile rank and score on voice and accountability is 23.19, much behind India (53.14), Bhutan (53.62), Nepal (42.3), Sri Lanka (43.96) and Bangladesh (26.57); on the *political stability and absence of violence*, Pakistan's score is just 5.19; on *government effectiveness*, 31.7; regarding *regulatory quality*, it is 24.04; and *rule of law* 24.04 percentile compared to India 47.60, Sri Lanka 44.23, Bhutan 40.38.

Transparency International which monitors corruption in 180 countries through *Corruption Perception Index* ranks Pakistan at 140, Nepal 110, Sri Lanka 101, India 85, Bhutan 25 in 2022 Report. The Human Development Index of UNDP which presents the level of attainment and development of 192 countries (2023) ranks Pakistan 161, India 132, Bangladesh 129, Bhutan 127 and Sri Lanka 73.

and efficient delivery of services (to start with enforcement of traffic laws, removal encroachments, provision of municipal services, Thana culture reforms); economic wellbeing of the citizens through supply management of items of daily use and enforcement price control laws; and merit based selection and deployment of the state functionaries.

The long term measures include: restructuring of the federation, economic revival with emphasis on domestic resource mobilization, balancing the energy-mix, harnessing CPEC potential for export led growth; embarking on agriculture, IT, human capital formation and SME driven economic development paradigm; implementing a national innovation system; and capacity building of the state institutions.

Chapter

1

Governance: An Overview

Governance and Overview

Shahid Javed Burki

The issue of governance is the focus of the 2023 annual report written by the Burki Institute of Public Policy (BIPP), the sixteenth in the series. It follows the pattern adopted for the writing of the earlier reports. It is a compilation of essays by a number of individuals who have expertise in the areas on which they have made contributions. It is being done in keeping with the approach the institution has adopted in the past. It investigates whatever issue is agitating the minds of the citizenry. This is being done with the expectation that our analyses would interest those who are charged with the task of making public policy at the federal as well as provincial levels. All that said, it is our impression that the reports on which we spend a great deal of time and effort are not read carefully by those who occupy decision-making positions in the government and the private sector.

Following this tradition, we have, in earlier reports, taken a look at a number of different subjects. In the past, we have investigated the consequences of lawmaking as a result of the passage of the 18th amendment to the constitution which devolved a number of powers to the provinces that had traditionally been in the federal domain. We asked the question: did the provinces have the wherewithal to carry out the functions that were now in their power and whether their citizens would be appropriately served because of the adoption of the amendment? Our main conclusion was that the

provinces in the federation would be affected differently and some would have to keep close watch on the countries with which they share their borders. In another annual report, we investigated why the districts in the southern part of the province of Punjab had been left so far behind compared to other parts of the province and what could be done to bring them closer to the province's more advanced areas in terms of economic and social development. We identified the areas in which the government needed to be active. The 2022 report focused on the situation of women in the country with the conclusion reached that the empowerment of women was essential for Pakistan to have a respectable rate of economic growth and social improvement. In several ways, women in Pakistan have fallen behind those in other parts of South Asia.

We have not limited our reach to developments inside the country's borders. The institution in some of its earlier reports has looked at the impact of some moves in the foreign policy area. We have paid a great deal of attention to the developments that are likely to result from the investments that are being made under the China-Pakistan Economic Corridor (CPEC) program. One entire report was devoted to this subject and we have updated our analysis in the reports that have followed. While presenting the report focused on the CPEC in a seminar held in Islamabad, I was approached by the former ambassador of China to Pakistan who said that it was

the first time the Chinese initiative had been examined with great care having the conclusion reached that the CPEC would deliver benefits to both China and Pakistan. He had sent the report to Beijing where it was being translated into Mandarin. At a lunch to which he invited me, he conveyed the message that it was worrying that there was a lot of misinformation in the country about China's intentions in making such large investments. He wondered whether there was a foreign hand in spreading falsehoods in Pakistan about the Chinese interests in spending such large amounts in Pakistan, improving the country's energy and transport infrastructure. That, there had been physical assaults on Chinese workers involved in implementing various CPEC projects was discouraging further foreign firms from making investments in Pakistan. This observation was made before a vehicle carrying Chinese working on the Dasu project was bombed, killing a number of them.

In the chapter that follows this overview, I will provide a brief history of how the practice of governance has changed and developed in Pakistan. The issue of governance defined broadly entered political discourse in the country and made it to the Supreme Court where a three-judge panel issued a judgment on March 3 2023, that not only supported the position taken by Imran Khan and his political party, Pakistan Tehreek e Insaaf (PTI), but clarified an approach adopted by the judiciary not too far into Pakistan's life as an independent state. There is a broad consensus among experts that the decision announced by a three-member bench of Pakistan's Supreme Court on March 3, 2023 would go down in the country's history as a landmark in the development of the system of governance. It buried the “doctrine of necessity” on which the Supreme Court, then known as Federal Court, in the mid-1950s had voted in favor of the action taken by then Governor General Ghulam Muhammad. The court at that time was headed by Chief Justice Muhammad Munir, who used the doctrine to turn down the appeal filed by Maulvi Tamizuddin against the dissolution of the Constituent Assembly, by Governor General Ghulam Muhammad, who had been charged with the task of writing a constitution

for the new country. The assembly was debating the issue of writing the document that would govern the new country and seemed to be proceeding in a direction not appreciated by the chief executive.

The term governance refers to the process of making and enforcing decisions that affect people. It also covers *accountability*— how those making decisions are held responsible for the moves they make. The expression can be applied broadly, or its use can be limited in scope. There are two examples of the limited interpretation of the term governance. For instance, how those responsible for raising funds to establish the series of Shaukat Khanum Memorial Cancer Hospitals and Research Centers, being built around the country, are managing the money being raised and how is the governance status of the institutions that are already operational? The donors had to be satisfied that the money they were contributing was being put to good use. Another example of governance is the working of an institution such as the Pakistan Cricket Board (PCB) and how it adopted the highly successful Indian League to make a relatively new version of the game of cricket to make it attractive for the people who watch matches on television. As was the case in India, the league in Pakistan paid handsomely to have well-known foreign players to join the local teams. The PCB organized the matches played in early 2023 to determine the ultimate city winner. In this case, it was the Lahore “Qalandars” who came out winner.

However, I will use the term in the perspective of governing the citizenry of a country. This involves putting laws on the books to oversee the way they behave themselves. The fact that most of the world was once colonized by the British consequently vehicles on the left side of the road while Americans use the right side is one part of governance.

When the term governance is applied in broad terms, it usually means having a written constitution to guide people and the institutions that serve them and lay down the rules and procedures that must be followed. Almost all modern states follow a written constitution adopted by people and approved by an assembly whose members have been chosen –

which usually means elected – by the people. But there are some notable exceptions. Britain, for instance, does not have a written constitution. It is governed by a set of traditions of governance developed over a long period. And, then there are other countries such as the United States (US), which adopted a constitution after the country's founders debated for months what would be the best way to govern. While the US Constitution gave full power to the people which they exercised by electing their representatives to the national and state assemblies every four years, the founding fathers recognized that there should be an arrangement for making changes as the country developed. To date, the original constitution has been amended 27 times with the first ten, which together are called the Bill of Rights ratified on December 15, 1791, two years after the adoption of the main governing document. Adopted in 1789, the current constitution superseded the Articles of Confederation which were adopted after the army led by George Washington had defeated Britain and freed the original thirteen states of what came to be called the United States.

Then there is India, which proudly claims to be the world's most populous democracy that is governed by an inclusive system, which accommodated a very diverse population. India's governing system is based on what the historian Sunil Khilnani called the idea of India which he developed in a book that carried that title (Khilnani, 1999). The idea was to make the Indian system provide comfort to all people that they would be served by the state. In *Why Nations Fail*, a well-received book by Daron Acemoglu, an economist at Massachusetts Institute of Technology (MIT), and James Robinson, a Harvard University Political scientist; the authors made the point that only inclusive systems succeed

while those that are exclusive and limited are destined to live in perpetual strife. Of the several important conclusions the authors reach in their long book is that non-inclusive systems create socio-political and economic instability because “this type of vicious cycle leads to persistence of extractive institutions and the persistence of the same elites in power together with the persistence of underdevelopment.” Their main thrust is that political and economic institutions underlie economic success.

This conclusion by Acemoglu and Robinson applies to Pakistan but for the moment I will use India as an example. The inclusiveness of the system is now under threat by the moves made by the Hindu nationalist and twice-elected Prime Minister Narendra Modi, who has opted to use what is called Hindutva as the country's governing philosophy. In each election – in 2014 and 2019 – Modi has moved to the right and is now persuading his constituents that India is for Hindus. In his article on India's Modi, Dexter Filkins of the New Yorker met with a psychiatrist whom the Indian politician was consulting. The doctor said that his conversations with Modi had persuaded him that the Indian prime minister did not see the country's Muslims as belonging to the Indian state (Filkins, 2019). Muslims, according to Modi, were either descendant of their co-religionists, who had at various times invaded India. They should return to the countries from which they came. Or, they were converts from the lower castes of the Hindu religious system. If that was the case, they should reconvert to Hinduism. With this as the approach by the most prominent political figure in India, relations between the two countries would remain strained and would have consequences for the system of governance in the country.

Chapter

02

**History of Governance
in Pakistan, (1947-2023)**

History of Governance in Pakistan, (1947-2023)

Shahid Javed Burki

Introduction

The 2023 report is devoted to the subject of governance: defining it in terms of Pakistan's current political situation, describing how the governance system has been defined at different times in the country's more than 75-year history, identifying the needs of good governance in different parts of the country, and finally, how Pakistan needs to develop a system that would help it to face the external challenges and threats the country is currently facing. Countries develop systems of governance that meet their requirements. According to conventional wisdom good working system of governance balances three sources of power: the executive, the legislature and the judiciary. The way the Pakistani system has evolved over time, it is best to think in terms of four sources: the military, the civil executive authority, the legislature, and the judiciary. At this time the military is often referred to as the “establishment.” After making some observations about the assumptions made by Muhammad Ali Jinnah about the system of governance, I will discuss the four sources of power in the country.

I will begin with my reading of the governance challenges the country currently faces. When Muhammad Ali Jinnah fought for the establishment of a Muslim majority in what for a couple of centuries was Britain's largest colony, he had assumed that the country he was founding would adopt the British form of governance. This would

mean that the executive authority would govern at the pleasure of the national legislature whose members were elected by the people at defined intervals. It had taken Britain a long time to opt for universal franchise; for a long time, the right to vote was limited to adult males. The right to vote was extended to women in the United Kingdom (UK) after the Women's Suffrage Movement in the nineteenth and early twentieth century. Even though, New Zealand granted the vote to all adult women in 1893, the right of women to vote has been achieved at different times in various countries.

What was to become Pakistan did not have a national assembly. The country that emerged after the departure of the country's Bengali citizens who went on to create the independent state of Bangladesh, had four provinces. Of these three had elected provincial assemblies; the fourth, Baluchistan, was governed by the Agent General appointed by the federal government. The remaining three had elected assemblies from which the majority party appointed a cabinet that governed but was responsible to the provincial assembly. The Indian Independence Act established two Constituent Assemblies to write the constitutions as governance documents for the successor states of India and Pakistan. The majority in the Indian assembly was drawn from the Indian National Congress while the Muslim League nominated the members of the provincial assembly. However, what distinguished governance in

Pakistan was the power wielded by senior bureaucrats most of whom were members of the former famed Indian Civil Service, (ICS), that had governed colonial India.

The current conflict involves all major players in the socio-political system – political parties, the judiciary, the civil and military bureaucracies and countries outside Pakistan's borders that have a deep interest in the direction Pakistan is likely to take. What is most important is that the system of governance involves clashes among leaders who have little interest in the political give-and-take. Action by the Supreme Court or behind the scenes decisions by military leaders to settle the conflict one way or the other. Or it could go on for a long time. In case it is the latter, Pakistan's political development will go off the desired track. This is why some of those who watch developments in Pakistan have started labelling the country as a failing state – even a failed state. Therefore, a great deal depends on the future direction in terms of governances, Pakistan takes in the short- or medium-term. But before getting into a discussion of the present, I will briefly go into the country's checkered history.

When Muhammad Ali Jinnah, Pakistan's founding father, campaigned for the creation of a separate Muslim state in what was then the British Indian political colony, he had two concepts in his mind. These were revealed in an address he made to the Constituent Assembly that was created to give the new country a document for appropriate governance. The address was on August 11, 1947, four days before Pakistan's formal independence and the election of Jinnah as the country's first Governor General. For Jinnah, religion was not the basis of his demand for the creation of a separate homeland for the Muslim population of British India. It was culture rather than religious beliefs that convinced Pakistan's founding father that the Muslim faith needed a country of their own rather than one that would be dominated by the large Hindu majority. The British rulers of the vast Indian colony had provided different cultures space in which they could co-exist. This was unlikely to happen when the state was governed by the Hindu majority. Jinnah

was reported to have said that while Hindus worship the cow, the animal is a part of the Muslim diet. I had some personal experiences of the cultural divide between Hindus and Muslims. Travelling by train I recall vendors selling “Hindu pani” and Muslim pani”. Pani is the Hindustani word for water. How could water acquire religious attributes? There was also not much social contacts between Hindus and Muslims. I had a personal experience of this when a close Hindu Kashmiri student I was friends with invited me to his home to celebrate his birthday. My mother was reluctant to let me attend the function but I insisted and she relented. There were about ten boys of my age at the house and were going from room to room playing all kinds of games. However, the boy's mother stopped me from following the other boys from one room which I noticed was a combined kitchen and dining area. When I went back home, my mother questioned me about my visit to the friend's house. I told her about my being the only invitee barred from going into a room. She said she understood why that had happened. I was the only Muslim kid invited to the birthday party. Just by entering the kitchen-cum-dining area, I would have “polluted” the place and the homeowners would have had to go through a complicated set of rituals to make the place “clean” enough for them to use. Jinnah was right in believing that with the British gone from the area, Hindus and Muslims would have lost the state's protection and found it difficult to live together.

Jinnah did not give ethnicity the same kind of attention, believing that common cultures could unite very diverse people. That, of course, did not happen. Ethnic differences between the people of what for 25 years was the province of East Pakistan that was peopled almost entirely by Bengalis and West Pakistan in which the predominant ethnic groups were Punjabis and Pashtuns found coexistence difficult to the point that the Bengalis fought in a civil war to create a country of their own. Bangladesh became an independent nation state in December 1971 when the Indian army intervened to expel the forces of West Pakistan from the area.

The role of religion in political governance is a

relatively new phenomenon and we devote in this report an entire chapter to its discussion. Here I will confine myself to pointing out how developments outside Pakistan's borders have pushed the country towards having religion play an important role in governance. Pakistan has four neighbors, three of which – Afghanistan, India and Iran – have moved in directions that would impact Pakistan. I should begin with a discussion of developments in Afghanistan over the last half a century. I will not go into detail to tell the full Afghan story that would focus on nearly half a century of extreme turmoil in the country but touch upon some of the main events that would keep the country unstable for years to come. This would impact Pakistan and pose problems for the way the country is governed.

Afghanistan was a liberal political and social entity before what was then the Soviet Union intervened to impose its socialist system on the country. This attempt was resisted by the United States that financed the creation of Afghan resistance forces that with the help of Pakistan's Inter-Services Intelligence (ISI) began to push back the Soviet Union troops. There were seven groups that were collectively given the name of the mujahidin who were motivated by a strong belief in radical Islam. A significant number of the fighters in these groups had received education and military training in the madrassas – seminaries – that were established in the tribal belt in Pakistan that neighbors Afghanistan. The Saudis helped finance the establishment of these institutions and sent in teachers who were well versed in the Wahabi religious practices. Wahhabism was the official religion of Saudi Arabia; it was named after Abdul Wahab who had collaborated with the House of Saud that had established its rule over the country. Ten years after the Soviet Union invaded Afghanistan, they decided to pull out their troops. The Afghan operation had become very expensive in terms of both the money and people lost in the fighting. However, the mujahidin were not able to develop a consensus on how the country Moscow had vacated should be governed. The vacuum thus created was filled by a group that came to be called the Taliban – Taliban is the Arabic word for students and those who banded

together had been taught in the madrassas the Saudis were actively involved in establishing. The Taliban reached Kabul in 1996 and governed from there for five years, introducing extremist Sunni Islam as the form of governance. The most notable aspect of the form of governance introduced was the secondary status of women in the Afghan society. The Taliban government allowed Osama bin Laden, the Saudi business tycoon who was attempting to push the United States out of the Muslim Middle East so that he would be able to bring his form of Islamic governance to this part of the world, to establish himself in the southern part of Afghanistan. Bin Laden used the Afghan sanctuary to train fighters, some of whom became terrorists and attacked the United States on September 11, 2001. The attacks using hijacked planes destroyed the iconic twin trade towers and damaged the Pentagon. In all 3,000 people were killed. President George W. Bush who then occupied the White House vowed to avenge the attack; in December 2001 he sent in his troops that collaborating with non-Pashtun groups of fighters were able to push the Taliban out of Kabul. A large number belonging to the ruling groups, using the mountain passes on the border with Pakistan, escaped into that country. They established the Tehreek e Taliban Pakistan, (TTP), that took up arms against the Pakistani state. Using Pakistan as the base, they fought back the United States in a civil war that lasted for two decades. In the summer of 2021, the administration headed by President Joe Biden decided the war against the Taliban was not winnable. The American troops were pulled out on August 15, 2021, President Ashraf Ghani fled the country, and the Taliban moved into Kabul's presidential palace.

There is now consensus among experts supported by official reports that the American exodus was grossly mismanaged. In a front-page report published by the Washington Post on April 7, 2023 cited government assessments of the mistakes made by both the Trump and Biden administrations. It quotes from an independent assessment by the U.S. inspector general that “each administration made moves – Trump's decision to cut a deal with the Taliban and Biden's choice follow through it – that

presaged disintegration of Afghan security forces whom the Pentagon had equipped and trained for years. Those two actions fundamentally altered every subsequent decision aspect by the United States (U.S). government as well as the Taliban and destroyed the morale of Afghan soldiers and police because they relied so heavily on U.S. power to stop the militant group (DeYoung 2023).

The Taliban brought back Islamic governance to the country they now rule. The long-lasting civil wars in Afghanistan have displaced close to 10 million people, six million of these escaped to Pakistan. Some have returned but the latest Taliban triumph has created another wave of migration into both Pakistan and Iran. An unsettled Afghanistan has had serious demographic consequences for Pakistan. migration from Afghanistan has added to the number of Pashtuns living in the country. The total number of Pashtun people worldwide is estimated to be around 49 million. They are the largest ethnic group in Afghanistan making up 42 percent of the country's population. The share of the ethnic group in Pakistan's population is estimated at 18.24 percent. A large number of Pashtuns who fled from Afghanistan landed in Karachi, Pakistan's commercial and financial capital, turning it into the world's largest Pashtun city, larger than Kabul and Peshawar.

Religion has also transformed Iran, Pakistan's neighbor in the country's west when the government in that country replaced monarchy with rulers that drew the leadership from the Shiite clerics. This meant another neighbor of Pakistan that relied on Islamic extremism for governance. There was however a difference between the likely impacts of Afghanistan and Iran on governance in Pakistan. While the Pashtuns in Pakistan constitute the second largest ethnic group in the country, the Shiite population is relatively small. According to the Central Intelligence Agency (CIA) World Factbook, the followers of the Shiite sect of Islam in Pakistan makeup between 9 and 15 percent of the country's population. As Michael Kugelman of the Woodrow Wilson Center in Washington in an address said, “few Pakistanis embrace the anti-state Pakistani

Taliban's vision of destroying the country's political system, but many empathize with the underlying views of sectarian extremists.” He quoted from a recent Pew Research Center poll according to which 41 percent of Pakistanis said that Shiites were not Muslims.

Governance in Pakistan has gone through three distinct phases. In each of these the forces of power were different and even with one particular source there were distinct features. I will begin with a discussion of the role of the military in the country's politics.

The Military as the Source of Political Power:

Four times in Pakistan's more than 75-year history, the military directly governed the country. The armed forces ruled for a total of 30 years. However, as discussed below the focus of governance was different. There were different reasons for the military's intervention in politics. The first time the military assumed power was when General – later *Field Marshal* – *Muhammad Ayub Khan* was the Commander-in-Chief. As he was to write in his memoirs *Friends Not Masters* he was troubled by the in-fighting among the civilian politicians. He was of the view that a strong Federal Government needs to be in charge at the Centre – for the country to advance and make any headway in the rapidly expanding scientific advancement of the twentieth century. It was a time when the world changed in unprecedented ways. On other occasions, it exercised a great deal of influence. This has been the case in particular in recent times when the tension between the main political parties affected the quality of governance.

Gen Muhammad Ayub khan took over the reigns of power in October **1958** and governed first as the Chief Martial Law Administrator (CMLA) and then took over a few days later from President Iskander Mirza and appointed himself as president. He was of the view that a strong government needs to be in control of Karachi, Pakistan's first capital for the country to make progress (Khan,1967). The

military was back in power in **1969 again**, this time under the then *Commander-in-Chief Muhammad Yahya Khan* who had convinced himself that Ayub Khan was not equipped to handle the building crisis. But Yahya Khan proved to be totally inept in managing the crisis. He sent in troops to subdue the Bengali citizens of the eastern province who with India's help were able to overcome the might of the army from West Pakistan. In a ceremony that lives in Pakistan's memory, the head of the army in East Pakistan surrendered to an Indian general who took more than 90,000 soldiers as war prisoners and sent them deep into the Indian territory. This culminated in the emergence of Bangladesh, as a sovereign state.

In **1977**, the Army Chief Gen Zia ul Haq overthrew Mr Zulifqar Ali's democratically elected government in a coup d'état. He changed the direction of governance once again by introducing his "interpretation of Nizam e Mustafa to establish an Islamic state and enforce Sharia Law." He established *Shariat Judicial Courts* to hear (new) criminal offences of *adultery, fornication and blasphemy*. He had a distinctly anti- Soviet stance and aided those who were then known as the Afghan Mujahiddeen. He died in an aircraft crash in Aug 1988.

Gen Pervez Musharraf became what he called the **Chief Executive Officer (CEO)** and the Chief Marshal Administrator of the state of Pakistan in **1999** and later in **2001**, he became the tenth President of Pakistan (2001-2008). His presidency, "coincided with a rise in overall Gross Domestic Product (GDP) by almost 50% "but "domestic savings declined and economic activity rose at a rapid rate." He tried to undo the strict oppressive moral code of the last decade by introducing the concept of *enlightened moderation* and *social*

liberalism. As expected, he faced fierce criticism from the **ultra-conservative allies**. In 2008, he resigned from office to avoid being impeached. Much later, in 2020, his trial in abstention found him guilty on charges of high treason.

One can conclude that Pakistan's governance has been tumultuous from the beginning. The **democratically elected governments failed** to implement Mr Jinnah's vision of a "democratic Pakistan." The well-known Pakistani-American scholar Ms Ayesha Jalal, believes that perhaps the fault lies in the "*....actions of both civil and military leaders'.... (failure)... of setting government priorities in accordance with the needs of its diverse and unevenly developed constituent units.*" (Encyclopedia of Asian History).

We can draw the conclusion that thus far, the history of governance in Pakistan has been less than enviable. The principles of good governance as highlighted by the United Nations (UN) include, amongst other things, "*...participatory consensus, oriented, accountable transparent, responsive, effective and efficient, equitable and inclusive....and (one that) follows the rule of law.*" These are the universally accepted principles of good governance. Sadly, we seem to be on the wrong side of history. Yet, there is a silver lining. We can follow the example of some economically developing nations like Vietnam, Rwanda and Malaysia that have faced situations worse than our country. A few of these countries have faced unfortunate hurdles like continual conflict, scarcity of resources and famine. Yet, even Rwanda has "turned a corner" by focusing on what is called a **developmental state model**. Pakistan too, can create a conducive environment according the principals of good governance.

Chapter

3

**Governance and the State of
the Pakistani Economy**

Governance and the State of the Pakistani Economy

Dr. Farrukh Iqbal

Introduction

In our previous annual report, we noted that ill-conceived economic policies and political instability had brought the economy to the brink of collapse in Fiscal Year 2022. The most painful indicators of crisis were high inflation and a precarious level of international reserves. Unfortunately, these indicators worsened in FY23 as policies followed by the new coalition government that came to power in April 2022, failed to generate confidence among foreign lenders and domestic investors. Pakistan spent the entire year on the brink of economic collapse with international reserves consistently less than two months of import cover. However, the end of the fiscal year (June 2023) saw some relief as a long-delayed agreement was finally signed with the International Monetary Fund (IMF) and the reserves position was bolstered by inflows from the IMF and friendly bilateral lenders. However, the new agreement with the IMF covers only a nine-month period, during which new parliamentary elections are supposed to be held. A fresh medium-term agreement will likely be pursued with the IMF following the elections. However, the operation of a political business cycle in Pakistan, described in the following sections, suggests that future agreements will also fail to return the country to macroeconomic stability and a path of sustained development.

A Chronicle of Chaos, FY21-23

In the spring of 2021, the Government of Pakistan

(GOP) began deviating from the macroeconomic program agreed to with the IMF in 2019. The outcomes of the deviation can be seen in the columns for FY21 and FY22 in Table 3.1. Revenues declined as a share of Gross Domestic Product (GDP) while public spending increased. This led to a sharp deterioration in the budget balance, from a 6 percent deficit in FY21 to a 7.8 percent deficit in FY22. This, in turn, led to a widening of the current account deficit from -0.8 percent of GDP to a ratio almost six times larger at -4.6 percent of GDP. International reserves fell by close to half from 17.3 billion to 9.8 billion dollars, leaving only around 1.5 months of import cover at the end of FY22. Behind these signs of macroeconomic distress lay specific domestic policy failures, such as the failure to control the energy sector's circular debt, the failure to reduce the losses of several key public sector enterprises and the failure to widen the tax net. External factors also played an adverse role. The war in Ukraine affected both oil and grain prices, pushing inflation from 8.9 to 12.1 percent.

In the spring of 2022, political instability added fuel to the fire. The Pakistan Tehreek-e-Insaf (PTI) government was removed through a no-confidence motion and Pakistan Democratic Movement (PDM) took control. In its first few months, the PDM government sent reassuring signals of a return to disciplined macroeconomic policy within the framework of the IMF program then in abeyance.

However, it soon became clear that the internal politics of the PDM government were not aligned in this direction. The finance minister (Miftah Ismail) who had almost finished negotiating a return to the IMF program, was replaced by one whose declared priorities were different. Thus began a period of renewed uncertainty with Pakistan teetering on the edge of the abyss it had approached the previous year.

was felt in the business sector as letters of credit began to be administratively managed through “telephone guidance” by the State Bank. The forced decline in imports reduced the current account deficit but at the cost of economic growth which collapsed from 6.1 percent to -0.5 percent. Meanwhile, inflation soared to 29.6 percent, once again due to a combination of domestic factors, such as shortages of goods, and external factors, such as

TABLE 3.1

Key Macroeconomic Indicators, FY19-FY23

	FY19	FY20	FY21	FY22	FY23 (est.)
Real Gross Domestic Product (% change)	3.1	-0.9	5.8	6.1	-0.5
Consumer Price Index (period average)	6.7	10.7	8.9	12.1	29.6
Revenue and grants (percent GDP)	11.3	13.3	12.4	12.1	11.4
Public Expenditure (% GDP)	19.1	20.3	18.5	20	18.9
Budget balance, incl. grants (% GDP)	-7.8	-7	-6	-7.8	-7.6
Current account balance (% GDP)	-4.2	-1.5	-0.8	-4.6	-1.2
Gross reserves (in billion US dollars)	7.2	12.2	17.3	9.8	4.1
Gross reserves (in months of imports)	1.7	2.3	2.5	1.9	0.7
Total govt. and govt. guaranteed debt (% GDP)	82	84.5	77.8	80.1	80.8

Source: IMF Staff Report for Pakistan, July 2023

The new Finance Minister, Ishaq Dar, kept issuing contradictory signals on whether there would soon be a return to an IMF-sanctioned macroeconomic framework and structural program. Appeals were made to friendly governments for rollovers and extensions of debt. Claims were made that the economy would soon turn around under the management of the coalition government. Brinkmanship continued into June 2023 when the initial budget for FY24 presented to Parliament turned out to be more expansionary than what was thought to be under negotiation with the IMF.

The columns for FY22 and FY23 in Table 3.1 show how the economy fared in this period of risky maneuvers. Gross reserves stayed low, down to only \$4.1 billion by the end of FY23 which allowed for less than a month's import cover. The impact of this

the continuing instability in grain and oil markets due to the ongoing war in Ukraine.

Finally, as reality sank in, the Government revised its draft budget and agreed to a new arrangement with the IMF featuring tighter stabilization targets (for revenues, spending, and the fiscal deficit) as well as fresh understandings of exchange rate management and structural reform relating to public sector enterprises, taxation policy, and the energy sector. A Stand-By Agreement (SBA) was signed in June 2023 covering a nine-month period through March 2024. The agreement brought calm to the exchange market as fresh injections of external funds were provided by the IMF and friendly bilateral lenders. The stock market rallied.

Pakistan's Political Business Cycle

How is the economy likely to evolve in the next few years? To answer this question, we must consider why Pakistan has failed to convert the last three bailouts by the IMF into sustained macroeconomic stability. Our review suggests that the main reason for repeated failure has been the operation of a political business cycle in which the short-term interests of politicians in power (regardless of political party) prevent the adoption of policies that could ensure medium-term macroeconomic sustainability and long-term economic development.

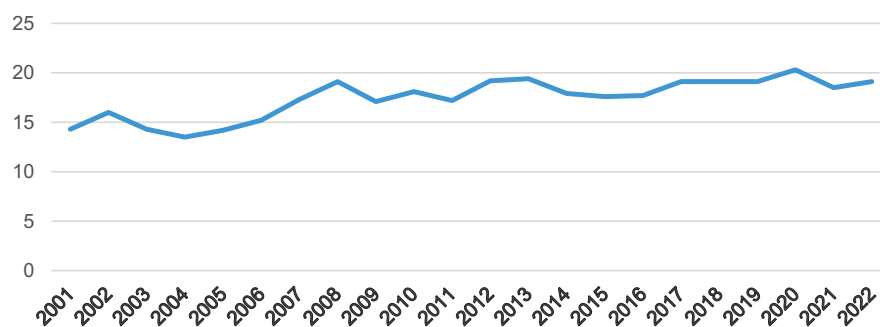
The political business cycle can be described in terms of four stylized stages.

This can be seen in Figure 3.1 which tracks government spending as a ratio of GDP. This ratio rose in the run-up to the elections that took place in 2008, 2013 and 2018. The run-up can be seen for the periods 2006-08, 2011-13 and 2016-18 in Figure 3.1.

Stage 2: Imports rise prior to the elections. The second stage of the cycle is an increase in imports; indeed, this impact is multiplied when the additional public spending stimulates higher private spending as well. Spending in Pakistan is relatively import-intensive, partly because of the country's heavy reliance on imported oil for fuel, imported vehicles for transport and imported machines for most

FIGURE: 3.1

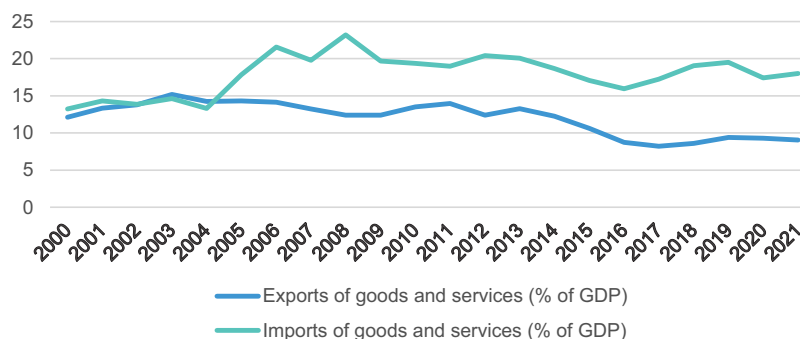
Government Expenditure to GDP (%)



Source: IMF

FIGURE: 3.2

Trends in Import and Export Ratios



Source: World Development Indicators, World Bank.

Stage 1: Public spending rises before elections. The cycle starts a year or two before national elections when the political party in power ramps up public spending to improve its chances at the polls.

production activities. The stage of rising imports can be tracked in Figure 3.2 for the intervals 2007-08, 2011-13 and 2016-18, each interval occurring just before an impending national election.

Weak export performance is also documented in Figure 3.2 which shows the ratio of exports to GDP to have been declining since 2004. Indeed, despite a sharp increase in the nominal value of exports during 2001-2011, the ratio of exports to GDP fell. The situation worsened from 2011 to 2020 when even the nominal value of exports stagnated at around \$30 billion per annum. In this last phase, both domestic exchange rate policy and a global slowdown in trade were to blame. The export story is not directly linked to the political business cycle though some aspects of the cycle (such as the stage discussed below) have an adverse impact on exports.

Stage 3: International reserves decline prior to the elections. Political considerations also inspire resistance to a depreciation of the exchange rate with the result that an important restraint on imports (and an important stimulus for exports) is weakened. This

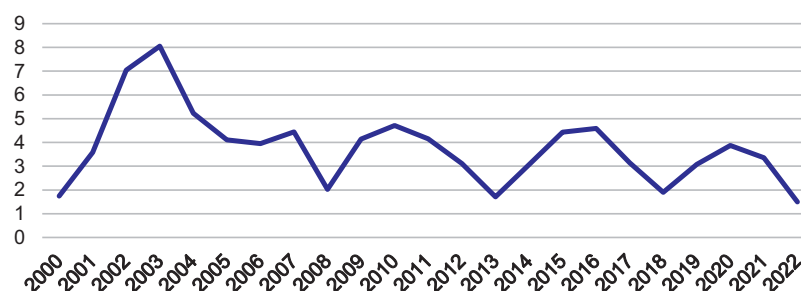
lenders for bailouts supported by immediate steps to allow the exchange rate to depreciate and interest rates to rise plus new pledges of future fiscal virtue. All that the first three stages of the political business cycle accomplish is a harsh macroeconomic adjustment at the end. A recovery stage is then initiated when stabilization measures implemented under a new IMF program begin to restrain fiscal deficits and import demand while pushing up reserves. However, elections loom every five years and Pakistan's political business cycle begins again.

Prospects for the Future

Pakistan's periodic economic crises are largely of its own making and due mostly to the political business cycle described above. The country has been unable to take advantage of repeated bailouts because of the inability of its political system to control fiscal deficits and the associated impacts on imports and

FIGURE: 3.3

Gross reserves in months of imports



Source: World Development Indicators, World Bank.

is typically justified as an inflation-curbing measure, again with an eye to upcoming elections. But this typically leads to a third stage of the cycle in which reserves fall because the exchange rate is prevented from adjusting to make imports more expensive and because investors perceive the prevailing economic policy (of high spending and high imports) as unsustainable. In Pakistan's recent economic history, the third stage can be tracked in Figure 3.3 which shows reserves falling to or below the two-month danger line in 2008, 2013, 2018 and 2022.

Stage 4: Return to the IMF. Reserve collapses are followed by urgent appeals to the IMF and bilateral

foreign exchange reserves. Indeed, while a Fiscal Responsibility and Debt Limitation Act was passed in 2005, the ceilings prescribed for fiscal deficits and public debt have never been respected except for years when required under an IMF program. Since 2008, when in power, no political party has demonstrated the ability or intent to systematically pursue fiscal and monetary policies consistent with long run macroeconomic stability.

Narrow political and business interests also undermine structural reform efforts. Every IMF program calls for a stronger revenue effort based on a wider tax base. But the tax base remains stubbornly

narrow. A former head of the Federal Bureau of Revenue recently revealed that when his agency issued a tax notice to an influential landowner in Punjab, a group of 40 members of parliament representing all three major political parties visited him and asked him to withdraw the notice. When he tried to bring the tobacco industry of the Khyber-Pakhtunkhwa province into the tax net, powerful members of the ruling party told him to cease and desist since the tobacco barons were important parliamentarians from their party. When he tried to adjust property valuation measures to arrive at more realistic tax assessments, he was told to lay off by senior military leaders concerned about the impact on the business of the various Defence Housing Authorities (DHAs) active in the country's real estate markets.

The energy sector has long been burdened with price distortions, inappropriate subsidies, weak governance, theft and poor collections. These result in circular debt where buyers and sellers throughout the domestic energy supply chain end up owing arrears to some parties because they have not been paid by other parties. Energy supply to industries and households is constantly under threat because of liquidity problems that arise up and down the supply chain due to the debt overhang. Reforms are promised with each IMF program, but the promises are not kept. As a result, the circular debt of the energy sector rose from less than Pakistani Rupee (PKR) 500 billion in FY13 to around PKR 2.5 trillion by March 2023. Promises have once again been made to cut this debt to a manageable size but there are few signs of sustained political will to do so.

Of course, exogenous factors often make the challenges more difficult. COVID-19, a disastrous flood and global trade disruptions in oil and grains are relevant examples from recent years. Nevertheless, the fundamental problems of the economy are rooted in the political business cycle and specific vested interests and not in periodic exigencies. So, the solution must be found in the political system as well or else future bailouts will face the same fate as past bailouts while the country slips deeper into debt.

As of this writing (October 2023), the prospects for reform-induced growth are bleak. While some utility charges have been raised in line with new commitments under the new IMF program, there are also indications that more faith continues to be placed in possible injections of (substantial) funds by friendly countries and less on adherence to reforms in key macroeconomic and structural areas. Once again, the political system is signaling a preference for bailouts rather than reforms.

Chapter

4

**Reorganizing the Federal
Government**

Reorganizing the Federal Government

Ishrat Hussain

The 18th amendment to the Constitution was approved more than a decade ago along with the 7th National Finance Commission (NFC) award. In light of the experience gained so far, it is imperative to review the situation and propose some changes in the structure, scope and processes of the Federal Government.

Any reorganization should first spell out the objectives it wishes to achieve through the proposed reforms and there should be clear consensus among the political actors on these objectives. They have to be debated, discussed and deliberated thoroughly so that the chances of getting the reforms implemented are promising. These objectives are outlined below:

Structure of the Federal/ Provincial /Local Governments

i) Devolution of powers, responsibilities and resources from the Provincial to local governments. Federal Government should limit itself to the subjects defined in the Federal Legislative list.

ii) Making greater use of inter-governmental structures, for example the Council of Common Interests, National Economic Council, Executive Committee of National Economic Council (ECNEC) and National Councils of Ministers should be given adequate authority and powers to formulate and monitor policy formulation.

iii) Clear separation of policy -making, regulatory and operational responsibilities of the Ministries/Provincial departments.

iv) Making each Ministry/Provincial department fully empowered, adequately resourced to take decisions and accountable for results through financial and performance audit.

v) Streamline, rationalize and transform the attached departments/ autonomous bodies/ subordinate offices/field offices, etc. into fully functional arms of the Ministries for performing operational and executive functions.

vi) Reduce the number of layers in the hierarchy of each Ministry/ Provincial department to three to expedite decision -making process.

vii) Cabinet Secretary should perform the main coordinating role among the Federal Secretaries on the lines of the Chief Secretary in the Provinces.

viii) Revival and strengthening of the Secretaries Committee at the Federal/ Provincial governments to become the main vehicle for inter-ministerial coordination and dispute resolution among various ministries.

Business Process Re-Engineering

i) All laws, rules, regulations, circulars, and guidelines issued by any government ministry /department/agency should be available in its most updated version to the general public free of cost in a user-friendly manner on the web page and in electronic

and print forms at public places. The websites should be designed in such a manner that government-public physical interaction is brought to the minimum and maximum services are provided online with transparency in the application of rules and procedures.

ii) Service standards with timelines for each type of service rendered by the Federal Government departments and bodies dealing with public matters should be developed, widely disseminated and posted on the websites of each such department. Interaction of the public with government offices involving financial transactions for services like permits, taxes, fees, should be preferably done through online or digital payment mode.

iii) Rules of business of the Federal, Provincial and District government should be revised to make them simple and comprehensible, empowering the Secretaries/Heads of Departments to make decisions without multiple references, clearances and back and forth movement of files. Post-audit of the decisions taken should be used to ensure accountability rather than prior clearances.

iv) Delegation of financial, administrative, procurement, and human resource management powers should be revisited and adequate measures taken to remove excessive and time-consuming red tape.

v) Powers that commensurate with the authority should be delegated at each tier of the hierarchy.

vi) Establishment Code (ESTACODE), Financial Rules, Accounting and Audit Rules, Fundamental Rules and all other rules in force should be reviewed systematically and revised to bring them in line with modern management practices.

vii) E-Government should be introduced in a phased manner. Technological solutions, hardware and software applications are the easy parts of the process, but the most difficult aspect is the training and change in the culture, attitude and practices. E-Government should be driven by business needs rather than crafted as an elegant technical solution. It needs to replace the outdated manual files system and bring about transparency, accountability and efficiency

In the beginning it is essential to eliminate overlap,

duplication and fragmentation about the respective roles of the three tiers of the government on the premise that the local governments would be made more effective and empowered. Unfortunately, in our country there is a tendency to shirk responsibility by blaming other people or departments for their own negligence. The removal of ambiguity in distribution of functions would help in making the government more efficient. The Federal Government still retains (under innovative nomenclature), the functions of some of the ministries and departments that were transferred to the provinces.

The Federal Government until 2002 had a small but effective Cabinet which consisted of 16-17 ministers. Since then, there has been a proliferation of ministries and despite the devolution, there are 34 Ministries and 43 Divisions compared to 41 Ministries and 46 Divisions before the devolution. The distribution of workload among the Ministries has become uneven.

An extensive exercise has been carried out to merge, abolish and rationalize the number of Ministries/Divisions. The guiding principles used for reorganizing the Federal and the Provincial Governments were; (a) efficient distribution of span of control (b) clear delineation of roles and responsibilities along with accountability (c) separation of policy-making, operational, implementation and regulatory functions of the Ministry (d) reducing the hierarchical tiering and the turnover time for government business (e) strengthening intra and inter-ministerial coordination and collaboration (f) empowering the head of the Division, the head of the executing departments and the heads of the autonomous bodies to deliver agreed goals and results.

The criteria used for evaluating each Ministry/Division and the proposed changes are highlighted as follows:

- Which Divisions/Ministries are the focus areas and areas of emphasis in the Manifesto and the Prime Minister (PM's) public statements?
- Which Divisions/Ministries have a constitutional obligation serve as the touch points with

other organs of state?

- Which Divisions/Ministries provide support services required for the functioning of the Government as a whole?
- Which Divisions/Ministries are the main instruments needed for external and internal security and national harmony
- Which Ministries are the key drivers for promoting economic growth?

The Ministries proposed for restructuring following these criteria are of two types (a) those which can carry out stand-alone activities and can remain intact in their present form (b) clusters of Division carrying out activities of similar or related nature. Coordination failures in Pakistan despite the existence of fora such as Economic Coordination Committee (ECC), have inflicted heavy costs on the economy as each Ministry works in silos without due regard to the linkages, interdependencies and synergies with the others. To illustrate, Infrastructure Development has been lopsided as most investment has taken place in Motorways and Highways to the neglect of cheaper and accessible Rail transportation. Absence of inter – modal transport planning has made evacuation of goods from North to the ports in South quite exorbitant affecting the competitiveness of exports. Same is the case of Energy sector where Integrated Planning and Policy is missing and the country is suffering huge economic and financial losses.

In case this restructuring proposal, though quite difficult to accept politically, is accepted, the number of Ministries would be cut down from 34 to 22 and the Divisions from 43 to 33. (Chapter 8 of International Reforms Cell (IRC) Report Volume I). Simultaneously, the present elongated hierarchical structure in each Division should be reduced from five to three to expedite decision -making process. The powers of the Secretaries Committee and the Cabinet Secretary's position should be strengthened to avoid congestion of routine business matters taking away much of the time of the Cabinet and Cabinet Committees.

A comprehensive report on the 441 Organizational

Entities (OEs) under the federal Government was submitted to the Cabinet and approved. The report divided all the OEs into six categories.

- (a) those to be retained as autonomous bodies.
- (b) those to be retained as Executive departments.
- (c) those to be privatized.
- (d) those to be transferred to the provinces.
- (e) those to be merged.
- (f) those to be liquidated or wound up.

This effort has reduced the federal government entities from a total of 441 to 324 and reduced the configuration of entities from fourteen to three i.e. **Executive Departments, Autonomous Bodies and Constitutional Bodies**(Chapters 3 and 4 of the IRC Report Volume I). Furthermore, liquidation, merger and transfer of entities to provinces or relevant Ministries would help reduce the fixed and variable costs of the federal government without any loss to efficiency and results. Detailed proposals for changing the Rules of Business to sanctify the powers and functions of Autonomous bodies and Executive Departments have not yet been implemented (Annex I of IRC Report pages 28-31). A similar exercise has to be carried out at the Provincial Government level after the devolution of administrative, legal and financial powers to the local governments. The urgency to rectify the situation in the provinces is even more acute. In the last decade, there was a significant expansion in the number of companies that have not been able to turn their losses into profits. Such entities or companies should either be rationalized and merged or liquidated.

There is no institutionalized mechanism whereby entities in the Federal Government can be created, modified or wound up. The nomenclature, functions and legal authority of these entities vary across Ministries and there aren't any uniform or standard criteria that can provide meaningful distinction between each of these entities or units of the Government. Not only do these entities need to be brought under a standardized system of organization but the continued justification of some of them have to be questioned. It was proposed that the Management

Services Wing should be restructured and organizational development work should be carried out by them on a continuous basis obviating the need for having Commissions and Committees making recommendations after a lapse of several years with mixed results.

It is hardly realized that the relative importance of the inter-governmental structures such as the **Council of Common Interests (CCI)**, **National Economic Council, (ECNEC)**, and **National Council of Ministers** (to be formed under the aegis of CCI) have grown immensely after the 18th amendment. But these bodies are being used oblivious of this fundamental change in the constitutional relationship. A good example was the approval of a highly contentious National Water Policy by the CCI in 2018. It is a pity that the National Water Council hasn't met even once while the provinces have differences of views on the allocation of water. These bodies should have their terms of reference clearly defined. They should meet more frequently with a clear agenda on key policy issues, coordination and dispute resolution.

The unbundling of the policy, regulatory and operational responsibilities of the Federal Ministries have shifted the focus on the policy making, monitoring and evaluation functions. But this is not what is happening. For example, the Power Division is directly involved in the management and operation of Generation Company (GENCOs), National Transmission and Despatch Company Limited (NTDC) and Distribution Company (DISCOs). Coordination between and across the Ministries and regulators is haphazard and needs to be streamlined. The lack of adequate competence and knowledge of regulatory functions would demand development of expertise in this field as well as in policy formulation, implementation and evaluation. Autonomous regulatory bodies have also imposed severe coordination constraints in achieving results. The outdated skill sets in our key government agencies have to be replaced by the emerging skills required. To illustrate this point, take the example of the **Federal Board of Revenue (FBR)**. It has a *large number of generalist managers, appraisers, preventive officers*

and tax inspectors mostly at lower grades but very *few sector specialists, data analytics experts, qualified auditors, tax lawyers, financial modelling professionals, and public finance economists*. It does not have a Research and Development wing to carry out studies for example on tax incidence, buoyancy and elasticities of taxes, tax gap analysis. Ministry of Finance does not possess a macroeconomic or Fiscal policy unit manned by trained economists and has to rely upon the expertise of the State Bank of Pakistan. A single source of advice is not useful for complex policy-making.

Some limited success has been achieved by fostering private – public partnerships in the fields of infrastructure, education and health. But these partnerships can only be nurtured if the government departments and Ministries have the adequate skills to design concession agreements, Build Operate Transfer (B.O.T) or contractual arrangements, monitoring and evaluation tools and legal recourse to enforce the obligations and stipulations agreed by the private sector partners. Similarly, the Non Governmental Organizations (NGOs) and community organizations such as Rural Support Programs have been actively engaged in the delivery of public services in the fields of education, health, water supply etc. The government departments and Ministries have to be reconfigured to develop the capacity to design and operate these partnerships.

The switch over from manual to automated processes and the government's commitment to move towards e-government would require a look at the skill mix and training requirements of the existing and future civil servants throughout the entire hierarchy. E-Government will itself flatten the hierarchical texture and make apparent the redundancies in the system. At the same time, it will involve basic computer literacy at all levels and grades, digital archiving, storage and retrieval of all files and documents. Consequently, only a few of the clerical and subordinate staff positions can be utilized in the future government organization. The present ratio of 5 percent officers and 95 percent support staff is highly skewed. It induces inefficiency and takes a large chunk of the bill. Savings in

the officer to staff ratio would be adequate to pay higher compensation packages to the officers who form the backbone of the institutions.

The Parliament approved a Public Financial Management Law for the first time in the history of Pakistan in June 2019 devolving financial powers from the Ministry of Finance to the line Ministries and abolishing the Financial Advisers organization. Chief Financial and Accounting officers would assist the Secretaries in discharging their functions of financial management and sub offices of Accountant General Pakistan Revenues (AGPR) would be located within the ministries. An evaluation should be carried out whether these changes have actually taken roots or not.

In the area of Business Process Reengineering a thorough review and revision of the Rules of Business has to be undertaken in light of the new developments and the proposed changes. Unless that happens the disposal of the business in the Federal and Provincial Governments would remain slow, cumbersome and circuitous. ESTACODE, Rules of Business and Financial Rules were being updated, revised and posted on the websites for ready access to all the stakeholders. The websites and web portals of all Divisions were to be reconfigured and made dynamic to provide as much information and data on rules, regulations, Office memoranda, procedures, forms, policies, and relevant staff officers to the public at large as possible so that unnecessary references that remain unanswered by Government functionaries at present are minimized. The latest progress on these milestones has to be ascertained by carrying out a survey of each Ministry/ Division/ Autonomous Body/ Executing Department.

Another area of reorganization that has remained unattended has to do with the autonomy and empowerment of 23 training institutions engaged in capacity building of civil servants. They have to be fully resourced both financially and with quality instructional staff. Incentive structure for these institutions' instructional staff should be brought at par with those serving the National School of Public

Policy. The present structures vary from being an attached department to a semi-autonomous body with very little room for maneuverability.

In addition to the above initiatives, individual reports on the restructuring of key institutions such as the Federal Board of Revenue (FBR), Pakistan Railways (PR), Pakistan Steel Mills (PSM), Pakistan International Airlines (PIA), Civil Aviation Authority (CAA) Competition Commission of Pakistan (CCP), Auditor General of Pakistan (AGP), Evacuee Property Trust Board (EPTB), Capital Development Authority (CDA) have been prepared. It is unclear whether any headway has been made to implement the recommendations contained in these reports.

Finally, a lot of work had been done on Pakistan Regulatory Modernization Initiative in collaboration with trade bodies to collect, screen, purge, modify all regulations at the Federal, Provincial and Local Government levels. This work would result into a single portal and needs to be expedited for completion. Similarly, Pakistan Single Window Initiative has made a lot of headway to facilitate international trade. The Window should be made operational as soon as possible as it would cut down time and cost of transactions and introduce transparency.

Chapter

5

**The Role of Religion in
Governance: The Pakistan Case**

The Role of Religion in Governance: The Pakistan Case

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The role of religion in governance is a complex and multifaceted aspect of many nations and one particularly interesting case to explore is that of Pakistan. Established as an Islamic Republic in 1947, in the intricate mosaic of its socio-political landscape, the interplay of religion, governance, and societal dynamics weaves together a governance framework that encompasses constitutional principles, gender relations, economic considerations and the justice system. The relationship between religion and governance in Pakistan indeed reflects a dynamic interplay of historical, legal, and societal factors.

The Constitution of Pakistan, adopted in 1973, not only declares Islam as the state religion but also emphasizes the alignment of state laws with Islamic teachings. This constitutional commitment sets the stage for discussions on the extent to which Islamic principles influence governance.

Moreover, the practical application of Islamic law, or *Sharia*, is an ongoing debate, marked by efforts to incorporate its tenets into the legal system. The presence of blasphemy laws, though contentious, showcases the attempt to safeguard the sanctity of Islam, albeit with challenges related to misuse and human rights concerns.

The political landscape in Pakistan is diverse, with parties ranging from those with a secular orientation

to those explicitly rooted in religious principles. The influence of religious leaders, or clerics, adds another layer to the intersection of religion and governance, as their opinions and *fatwas* can shape public opinion and impact political decisions.

The constitutional framework, as the basic defining document, declares Islam as the state religion, influencing governance and policy decisions. The examination of the role of religion in governance unravels through the prism of legal structures, where the judiciary grapples with interpreting Islamic principles, safeguarding constitutional rights, and addressing societal challenges.

Gender equality emerges as a critical dimension, inextricably linked to cultural norms, legal reforms, and educational opportunities. The exploration of women's participation in education and the economy reveals a nuanced landscape shaped by religious considerations, policy interventions, and ongoing debates about the role of women in Pakistani society. The Constitution broadly covers the women rights and devotes a full chapter to fundamental rights, the most important of which is Article 25 prohibiting discrimination of any kind against women and ensures equality before the law and equal protection of the law. It binds the state to make special provisions for the protection of women and children.

Economic dynamics unfold against the backdrop of Islamic finance. These are entrepreneurship initiatives, and broader economic policies. The examination of economic participation and empowerment intertwines with cultural and religious factors, reflecting both challenges and opportunities for women seeking economic independence.

The justice system, operating within the dual framework of English common law and Islamic law, navigates complex legal terrain. From interpreting blasphemy laws to addressing human rights issues and gender justice, the judiciary plays a pivotal role in shaping legal outcomes and safeguarding constitutional values.

Policy formulation stands at the nexus of these complex dynamics, where constitutional mandates, gender-inclusive policies, and economic initiatives intersect to underscore the nation's commitment to adapting its policies to address evolving societal needs while staying true to its constitutional identity. In the process, there is ongoing strife to reconcile tradition and modernity, religious principles and constitutional guarantees, in a quest for a harmonious and inclusive future. As Pakistan navigates the complexities of its identity, these interwoven threads shape the trajectory of a dynamic nation in the 21st century. More specifically, this chapter attempts to highlight the following dimensions which tend to be the determinant of governance system in Pakistan:

Islamic Republic Status

The Islamic Republic of Pakistan was established in 1947 as a homeland for Muslims following the partition of British India. The objective was to create a state where Muslims and Non-Muslims could practice their faith freely. This historical context deeply influences the country's identity and governance.

Constitutional Framework

The Constitution of Pakistan, adopted in 1973, lays down the principles of governance. It explicitly declares Islam as the state religion and asserts that laws should be in conformity with Islamic teachings. Article 2 of the constitution stipulates that Islam is the state religion, while Article 2A re-affirms the principles and provisions set out in the Objectives Resolution. Article 227 emphasizes that all existing laws shall be brought into conformity with the Islamic injunctions. Article 231 envisages the proceedings of the Islamic Council.

Formulation of Policies

The formulation of policies and the overall legal and institutional framework in Pakistan play a crucial role in shaping the relationship between religion, governance, and socio-economic aspects, including gender equality and women's participation. Policy formulation often considers Islamic principles, as enshrined in the constitution, in areas such as family laws, education, and social welfare. The Council of Islamic Ideology (CII) provides advisory input on whether laws conform to Islamic teachings.

Below are the key policy spheres and considerations regarding formulation of policy frameworks:

1. Economic Sphere

i. Islamic Banking and Finance: Pakistan has made significant efforts to align its financial system with Islamic principles. Islamic banking and finance, which adhere to Sharia-compliant principles, have gained prominence. Interest-free banking, profit-sharing arrangements, and ethical investment practices are integral components of this financial system.

ii. Zakat and Social Welfare: Social welfare programs, often informed by Islamic principles of charity and social justice, include initiatives like the *Zakat* and *Ushr* system. These programs aim to address poverty and provide support to vulnerable segments of society.

The concept of Zakat, one of the Five Pillars of Islam, plays a role in Pakistan's economic policies. Zakat is a form of almsgiving aimed at supporting those in need. The government collects and distributes Zakat funds to promote social welfare and address poverty.

Civil society organizations and Non-Governmental Organizations (NGOs) play a vital role in social welfare policy advocacy and implementation. They contribute to shaping the policy discourse, highlighting gaps, and working towards effective implementation of gender-inclusive and human rights-focused policies.

iii. Ethical Business Practices: Islamic teachings emphasize ethical business conduct and fair-trade practices. This influence is reflected in business regulations, with an emphasis on transparency, honesty, and avoidance of exploitative practices.

iv. Islamic Economic System Advocacy: Some segments of society advocate for a broader implementation of an Islamic economic system, which encompasses principles such as wealth distribution, social justice, and fair economic participation. Debates around the compatibility of such principles with modern economic structures persist.

v. Entrepreneurship and Halal Industry: Islamic principles influence entrepreneurship and the development of the halal industry. Businesses catering to Islamic dietary laws and ethical consumption practices are supported, contributing to the growth of the halal market domestically and internationally.

vi. Foreign Direct Investment (FDI) and International Trade: The perception of a country as an Islamic Republic can impact foreign direct investment and international trade. Pakistan's economic relations with other predominantly Muslim nations often consider shared cultural and religious affini-

ties.

vii. Global Economic Trends and Islamic Finance Innovation: Pakistan is not immune to global economic trends, and its approach to Islamic finance may need to adapt to evolving international standards. Innovations in Islamic finance globally can influence how Pakistan incorporates Islamic economic principles into its economic policies.

Challenges and Opportunities

Economic policies in Pakistan are sometimes debated in the context of Islamic principles. Discussions may revolve around issues such as income inequality, poverty alleviation, and the compatibility of economic policies with Islamic teachings. The integration of religious principles into economic policies thus presents both challenges and opportunities. While it provides a moral and ethical framework, there are debates about the practicality and inclusivity of such approaches, especially in a diverse society.

In summary, the economy in Pakistan is shaped by the interplay of religious principles, ethical considerations, and societal expectations. The effort to align economic practices with Islamic teachings has led to the development of specific financial instruments and policies. However, the ongoing debates around the compatibility of Islamic economic principles with modern economic structures and the need for inclusive and sustainable economic development remain central to discussions on religion and governance in the economic context in Pakistan.

2. Gender-Inclusive Sphere

Efforts have been made to formulate policies that address gender disparities and promote women's rights. The National Commission on the Status of Women (NCSW) and other entities play a role in advocating for gender-inclusive policies, covering areas such as education, employment, and legal

rights.

i. Legislation on Women's Rights: Legislative measures, such as the Protection against Harassment of Women at the Workplace Act (2010) and the Criminal Law (Amendment) Act (2022) aim to address gender-based violence and discrimination. These laws reflect efforts to create a legal framework that protects women's rights.

ii. Quota System for Women's Representation: The use of a quota system for women's representation in legislative bodies is a deliberate policy to address gender imbalances. To enhance women's political participation, 17 percent of the total seats in the national and provincial assemblies are reserved for women.

iii. Education: Policies related to education aim to address disparities in access and quality, with a focus on increasing girls' enrolment. Initiatives such as the Benazir Income Support Program (BISP) provide financial support to encourage girls' education. Access to education is a key factor in promoting gender equality. Educational attainment in Pakistan, particularly concerning gender, is a multifaceted issue influenced by various factors, including socio-cultural norms, economic conditions, and the role of religion. Currently, the female literacy rate is very low at about 52 percent compared to the male literacy rate which stood at 73.5 percent.

Primary, Secondary and Higher Education: Efforts have been made to enhance education for both boys and girls. The government, along with non-governmental organizations, has implemented initiatives to increase school enrolment and reduce the gender gap at all levels, including the provision of free textbooks, stipends for female students, and the establishment of girls' schools. The focus has been on increasing enrolment, particularly in rural and marginalized areas.

Challenges in Implementation: Despite policy initiatives, challenges in the implementation of education-related policies persist. Issues such as

inadequate infrastructure, teacher shortages, and a lack of quality education materials hinder the effectiveness of these efforts. Major challenges are:

Social Norms: Deep-rooted social norms and conservative interpretations of religious teachings can pose challenges to gender equality. Issues such as honour killings, forced marriages, and domestic violence persist, highlighting the need for comprehensive societal change.

Cultural and Religious Factors: Cultural norms, often intertwined with religious beliefs, can influence attitudes toward girls' education. Conservative interpretations of religious teachings may discourage the education of girls beyond a certain level, reinforcing gender disparities in educational attainment.

Progressive Interpretations: There are progressive interpretations of Islamic teachings that emphasize women's rights and equality. Advocates within the country work towards fostering an understanding that aligns with these interpretations, emphasizing that Islam can be a source of empowerment for women.

vi. Economic Empowerment Initiatives: Policies and programs promoting women's economic participation include skill development initiatives, microfinance programs, and support for women entrepreneurs. These efforts contribute to a broader strategy for women's economic empowerment. Currently, according to World Bank, women participation rate is about 23.3 percent in Pakistan (World Bank, 2022). The participation of women in the formal workforce is influenced by religious and cultural factors. While some women have achieved success in various professions, others face challenges due to traditional norms and expectations. However, various initiatives, both governmental and non-governmental, aim to empower women economically and socially. These include skill development programs, microfinance initiatives, and campaigns to raise awareness about women's rights.

Role of NGOs and Civil Society: Non-Governmental Organizations (NGOs) and civil society play a crucial role in supplementing government efforts. They often work at the grassroots level, providing resources, advocating for policy changes, and raising awareness about the importance of education, particularly for girls.

International Assistance: International organizations and donor agencies also contribute to female educational initiatives in Pakistan. Their support includes funding for infrastructure development, teacher training programs, and projects specifically aimed at improving girls' access to education.

v. International Commitments: Pakistan is a signatory to international conventions and agreements related to gender equality. These include: Universal Declaration of Human Rights, Beijing Platform for Action, the Convention on the Elimination of all forms of Discrimination Against Women, and the Sustainable Development Goals. Balancing these international commitments with religious and cultural values remains an ongoing challenge.

vi. Gender Equality: Women, 49.2% of the population, are equally important in Pakistani society and their participation is very important in every walk of life. Gender equality and the participation of women in various aspects of society, including governance and the economy, are critical dimensions when exploring the role of religion in Pakistan. The relationship between religious principles and gender dynamics in Pakistan is intricate, with both progressive and conservative interpretations influencing policies and societal norms.

Pakistan ranks poorly on global gender equality indices. In 2022, it placed 145th out of 146 countries on the World Economic Forum's Gender Gap Index and 161st out of 191 on the Human Development Report's Gender Inequality Index. Here are key considerations regarding gender equality and participation in the context of religion and

governance in Pakistan:

Islamic Principles and Gender Roles: Traditional interpretations of Islamic teachings have often been associated with specific gender roles. While Islam emphasizes the equality of men and women in spiritual and moral terms, societal interpretations can lead to distinct roles in family and public life.

Legal Framework: Pakistan's legal framework, influenced by Islamic principles, includes provisions that guarantee equal rights to women. However, the implementation of these rights can vary, and challenges such as discriminatory practices and legal gaps persist.

Family Laws: Family laws in Pakistan, influenced by Islamic jurisprudence, cover matters such as marriage, divorce, and inheritance. Debates surround these laws, with discussions on whether they adequately address issues of women's rights and gender equality.

Women's Political Participation: Women's participation in politics has increased over the years, with reserved seats for women in the national and provincial assemblies. However, the influence of conservative interpretations of Islam can sometimes hinder women's active participation in political processes.

In conclusion, while there have been notable improvements in educational attainment in Pakistan, challenges persist, especially concerning gender disparities. Efforts to address these challenges require a comprehensive approach that considers socio-cultural norms, economic conditions, and the role of religion in shaping attitudes toward education. The ongoing commitment of the government, civil society, and the international community is crucial to achieving meaningful progress in ensuring education for all, regardless of gender.

3. Religious Education Sphere

With 32,272 in number, Madrasas or religious schools are prevalent in Pakistan and provide

education with a strong emphasis on Islamic teachings to nearly 2.26 million students, 3% of all students in Pakistan. While they play a role in educating a segment of the population, concerns have been raised about the quality of education and its applicability in broader societal contexts.

The government has implemented or proposed reforms in the *madrassa* education system to align it with modern educational standards. These reforms aim to balance religious education with broader academic and vocational training. What is however required to further integrate and benefit from Madrassa education is as follows:

i. Mainstreaming with the Formal Education System: Madrassa integration into the official education system should be one of the core reform initiatives. Madrassa curricula would need to be in line with the national education system in order to guarantee that students obtain a thorough and well-rounded education that covers both religious and secular subjects. Additionally, by facilitating the recognition of Madrassa qualifications, this merger would remove obstacles from students' paths to higher education and employment.

ii. Introduction of Science and Technology: Science and technology should be given a firm foundation in the modern Madrassa curriculum. This would support Pakistan's economic growth by giving pupils the knowledge and abilities they need to prosper in the modern world. It would also be beneficial to include science and technology into madrassas in order to refute myths.

iii. Vocational and Skills Training: Madrassas should include vocational and skill training in their curricula in addition to academic topics. Students would gain useful information and skills from this, which might open doors to career prospects and financial independence. Technical skills, entrepreneurship, and computer literacy are a few possible areas of emphasis for vocational training.

iv. Addressing Extremism and Radicalization: To address the potential for extremism and radicaliza-

tion within the Madrassa system, several measures should be implemented. These include:

v. Stricter Teacher Recruitment and Training: Madrassa teachers should undergo rigorous background checks and receive comprehensive training on promoting peace, tolerance, and critical thinking.

vi. Transparent Funding Sources: The funding sources for Madrassas should be transparent and subject to scrutiny to prevent infiltration by extremist groups.

vii. Open Dialogue and Interfaith Education: Madrassas should encourage open dialogue and interfaith education to promote understanding and respect for different religions.

viii. Enhancing Government Oversight: The government should play a more active role in overseeing and regulating the Madrassa system. All Madrassas should be registered with the government, providing transparency and allowing for monitoring of their activities. Moreover, the government should provide financial and technical support to them.

4. Justice Sphere

The justice system and the judiciary in Pakistan play a pivotal role in interpreting and upholding the legal framework, including aspects related to religion, governance, and societal issues. According to article 25, all citizens are equal before law and are entitled to equal protection of law and there shall be no discrimination on the basis of sex. Examining the relationship between religion and justice, the role of the judiciary and its impact on individual rights provides insights into the complexities of Pakistan's legal landscape.

I. Islamic Law (Sharia) and the Legal System: Pakistan's legal system operates within the dual framework of English common law and Islamic law (Sharia). The judiciary interprets and applies laws, including those rooted in Islamic principles. The

Federal Shariat Court was established to ensure the conformity of laws with Islamic teachings.

ii. Application of Islamic Principles in Legal Decisions: The judiciary in Pakistan often grapples with the challenge of balancing Islamic principles with constitutional guarantees of fundamental rights. Cases involving issues such as family laws, blasphemy, and moral offenses may require judges to navigate complex interpretations of Islamic jurisprudence.

iii. Council of Islamic Ideology (CII) and Legal Advice: The Council of Islamic Ideology (CII) provides legal advice to the government on matters related to the conformity of laws with Islam. While its recommendations are advisory, they carry weight in shaping legal and policy decisions, influencing the broader legal landscape.

iv. Blasphemy Laws and Legal Challenges: The controversial blasphemy laws in Pakistan, which criminalize insults to Islam or its Prophet, have been a focal point of legal discussions. Cases related to blasphemy often raise concerns about misuse, fair trials, and the protection of religious minorities.

v. Human Rights and Judicial Activism: Pakistan's judiciary has played a role in advocating for human rights and social justice. Judicial activism has been observed in cases related to issues such as gender equality, environmental protection, and access to justice, reflecting efforts to safeguard constitutional rights.

vi. Gender Justice and Women's Rights: The judiciary has been involved in landmark cases addressing gender justice and women's rights. Legal decisions related to issues like honour crimes, forced marriages, and workplace harassment contribute to the evolving landscape of women's rights in Pakistan.

vii. Judicial Independence and Separation of Powers: The principle of judicial independence and the separation of powers are crucial components of

Pakistan's constitutional framework. The judiciary's role as an independent arbiter ensures a system of checks and balances, contributing to the preservation of democratic values.

In summary, the justice system and judiciary in Pakistan are integral to the broader discussion of religion, governance, and societal dynamics. The balance between Islamic principles, constitutional guarantees, and the protection of individual rights remains a complex challenge that the judiciary navigates in interpreting and shaping legal outcomes. The evolving legal landscape reflects ongoing efforts to ensure justice, uphold fundamental rights, and address the diverse needs of Pakistan's population.

5. International Sphere

Pakistan's policy framework is also influenced by international commitments, including agreements related to human rights and gender equality. These commitments are the guiding principle in the formulation of policies that align with global standards. Some of the commitments are given below:

- International Covenant on Civil and Political Rights
- International Covenant on Economic Social and Cultural Rights
- International Convention on the Elimination of All Forms of Racial Discrimination
- Convention on the Elimination of All Forms of Discrimination Against Women
- Convention Against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment
- Convention on the Rights of the Child
- Convention on the Prevention and Punishment of the Crime of Genocide
- Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour and Abolition of Forced Labour Convention
- Freedom of Association and Protection of the Right to Organize Convention

Pakistan's identity as an Islamic Republic also influences its foreign policy. The country often aligns itself with other Muslim-majority nations on various international platforms and is a member of organizations like the Organization of Islamic Cooperation (OIC).

In conclusion, policy formulation and the legal framework in Pakistan are influenced by the foreign conventions that are instrumental in the dynamics of governance, gender equality, and socio-economic participation. The challenge lies in ensuring that policies are effectively implemented and contribute to positive societal outcomes, aligning with constitutional principles while addressing the evolving needs and rights of the diverse population in the country.

6. Sharia Implementation

Pakistan has made attempts to incorporate elements of Islamic law, or Sharia, into its legal system. Various institutions are formed to monitor the implementation of Islamic Shariat.

i. The Federal Shariat Court: The Federal Shariat Court was established in 1980 to ensure that laws comply with Islamic principles. However, the practical implementation of Sharia remains a complex and debated issue, with different interpretations among legal scholars and policymakers.

ii. Council of Islamic Ideology (CII): The Council of Islamic Ideology (CII) was formed to advise the government on whether laws are in accordance with Islam. While its recommendations are not binding, they carry significant weight in influencing legislation. The council often deliberates on issues such as women's rights, family laws, and other social matters from an Islamic perspective.

iii. Blasphemy Laws: Pakistan's blasphemy laws, primarily under sections 295 and 298 of the Penal Code, criminalize acts perceived as insulting to Islam. These laws have been a source of international concern due to their potential for misuse and

the severe consequences, including violence and persecution against individuals, often religious minorities.

iv. Political Landscape: Political parties in Pakistan range from those with a more secular orientation to those with a pronounced religious agenda. Parties like the Jamaat-e-Islami (JI) and Jamiat Ulema-e-Islam (JUI) are explicitly religious in their orientation, advocating for policies aligned with Islamic principles.

Religious leaders, or clerics as political players, wield considerable influence in shaping public opinion and can impact political decisions. Their sermons and fatwas (religious decrees) can mobilize support or opposition to government policies. The relationship between the state and religious authorities is intricate and sometimes marked by collaboration or tension.

7. Minority Rights and Challenges

While the constitution guarantees certain rights to religious minorities, there have been instances of discrimination and violence against them. Issues such as forced conversions, attacks on places of worship, and unequal treatment in legal matters continue to be areas of concern. There are various articles in the Constitution of Islamic Republic of Pakistan that safeguard the rights of minorities, such as:

Article 20 gives the right to profess, practice and propagate his religion and provides safeguards to educational institutions in respect of religion.

Article 22: (1) "No person attending any educational institution shall be required to receive religious instruction, or take part in any religious ceremony, or attend religious worship, if such instruction, ceremony or worship relates to a religion other than his own"

Article 22: (2) "In respect of any religious institution, there shall be no discrimination against any community in the granting of exemption or concession in relation to taxation"

Article 22: (3) Subject to law,

Article 22: (3 b) No citizen shall be denied admission to any educational institution receiving aid from public revenues on the ground only of race, religion, caste or place of birth.

Article 22: (4) Nothing in this Article shall prevent any public authority from making provision for the advancement of any socially or educationally backward class of citizens.

Article 36 says, “The State shall safeguard the legitimate rights and interests of minorities, including their due representation in the Federal and Provincial services”

Yet, the condition of minorities is very abysmal, as they are often a soft target of religious extremists. Forced conversions and the attacks on their religious places are very common. Human Right Commission of Pakistan (HRCP) documented at least 31 forced conversions in 2020, six of which involved minors. According to data compiled by the Ahmadiyya community, in 2022, at least 34 attacks on the Ahmadis' religious places took place, including the desecration of 14 mosques and 197 graves belonging to the community. (Aljazeera).

8. Debates on Secularism vs. Islamic Governance

The role of religion in governance is a subject of ongoing debate in Pakistan. Some argue for a more secular approach, emphasizing equal rights for citizens irrespective of their religious beliefs. Others advocate for a more comprehensive implementation of Islamic principles in the legal and political system, often leading to discussions about the nature of an Islamic state. The founding father of Pakistan, in his address to the constituent assembly, gave the guiding principles in this regard.

"You are free; you are free to go to your temples, you are free to go to your mosques or to any other places of worship in this State of Pakistan. You may

belong to any religion or caste or creed — that has nothing to do with the business of the State."

Conclusion

In the intricate tapestry of Pakistan's socio-political landscape, the interplay of religion, governance, gender dynamics, economic considerations, and the justice system reflects a complex and evolving narrative. Established as an Islamic Republic, Pakistan's commitment to Islamic principles is enshrined in its constitution, influencing governance, legal frameworks, and societal norms. This examination has delved into various dimensions, offering a comprehensive understanding of the interwoven threads that shape the nation's identity.

The constitutional framework, declaring Islam as the state religion, sets the tone for discussions on governance. The judiciary grapples with the delicate balance between Islamic principles and constitutional rights, navigating issues such as blasphemy laws and ensuring justice in a diverse society. The dynamics of policy formulation underscore the ongoing efforts to align constitutional mandates with contemporary societal needs, fostering inclusivity and progress.

As Pakistan navigates its path forward, the interwoven dynamics of religion, governance, gender, economics, and justice underscore the nation's resilience and adaptability. Ongoing debates, reforms, and initiatives demonstrate a commitment to balancing tradition with modernity, fostering inclusivity, and upholding the principles that define Pakistan's identity. In this 21st-century journey, the complexities and nuances reveal a nation in transition, grappling with challenges and embracing opportunities on its quest for a harmonious and inclusive future.

Chapter

6

International Law's Impact on Pakistan's Governance

International Law's Impact on Pakistan's Governance

Dr. Parvez Hassan

Introduction

International law has impacted governance in Pakistan in several ways but through four main fields. This essay will discuss some of the impacts, although a fuller study would be justified for a comprehensive review of the intersection between international law, and laws and policies in Pakistan.

The four main streams assessed in this paper are

1. Human Rights.
2. Environmental Law.
3. Trade, Commerce and Fiscal Governance.
4. Dispute Resolution (Hassan, 2014).

The impact of international law on governance in Pakistan is much wider and much deeper than covered in this chapter. For example, a more detailed study can review areas such as territorial seas, contiguous zones, continental shelves, exclusive economic zones and high seas, that are recognized and enabled by international law. The principles of international law to a considerable extent are incorporated in several multilateral treaties, including the United Nations (U.N). Convention on the Law of the Sea 1982, are reflected in Pakistan's Maritime Zones Act, 2023, repealing its predecessor Act, 1976, with the important governance role of the Pakistan Maritime Security Agency created under the Maritime Security Agency Act, 1994. Similarly, the international civil aviation regime led by the Montreal-based International Civil Aviation

Organization (ICAO) continues to guide Pakistan's legislation and policies in this field, including through the Civil Aviation Rules, 1994. Many other areas are similarly missed in this chapter; indeed, globalization in recent decades has blurred many of the traditional distinctions and dichotomies of domestic and international laws.

Human Rights I. General

The Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1948 was the first major step in the newly-created United Nations towards internationalizing the protection of human rights. This declaratory content of human rights and dignity led to the binding International Covenants on (1) Civil and Political Rights, and (2) Economic, Social and Cultural Rights, both adopted, with an Optional Protocol in 1966.

The Universal Declaration and the International Covenants have provided the backbone of an International Bill of Human Rights that inspired the inclusion of human rights in the Constitutions adopted by the newly-independent countries in the post-World War II era.

The Constitution of the Islamic Republic of Pakistan 1973, as its earlier predecessors, elevated human

rights as “fundamental rights” and, importantly, as justiciable. This has been the most durable impact of international law on the country's most sacred document of governance.

Based on this acknowledgment, the superior judiciary of Pakistan crafted the rule of law, separation of powers, independence of judiciary and the process of accountability. These and the ready access of all citizens to seek the enforcement of these rights from the judiciary have provided a steel framework for good and accountable governance in Pakistan.

II. Rule of Law

The development of rule of law in Pakistan has been greatly influenced, as stated earlier, by the Universal Declaration and the International Covenants. Regional initiatives in the field of human rights have also facilitated this development. The classical foundation of the supremacy of the rule of law is included in Article 4 of the Constitution on equality before law.

It is also one of the most valuable virtues of the Constitution as it provides extensively the powers and functions of the superior judiciary. The power of judicial review and the other wide-ranging powers under Article 199 and Article 184 concerning fundamental rights have given a broad sweep with respect to the role of the superior courts. A complete Chapter I in Part II deals with fundamental rights that are enforceable by the High Courts under Article 199(1)(c) and by the Supreme Court when the fundamental rights present questions of public importance (Article 184). These rights cannot be abridged (Article 199(2)).

The Universal Declaration of Human Rights had set a "common standard of achievement" for the global community and had catalyzed the formulation and development of the international protection of human rights. Included in this catalogue of human rights were rights to life, liberty, security, freedom from arbitrary arrest and detention, right to a fair trial, freedom of association, religion, and expres-

sion. These declaratory principles were concretized in treaty obligations under the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, both adopted in 1966.

In the meantime, at regional levels, the European Commission and the European Court of Human Rights had developed extensive jurisprudence, under the European Convention of Human Rights, to internationalize the protection of human rights. Similarly, the Inter-American Commission and the Inter-American Court of Human Rights had promoted the Inter-American Convention of Human Rights across national boundaries in the region.

Human Rights had, therefore, come a long way and, when the National Assembly of Pakistan undertook the drafting of the Constitution in the early 1970s, it was inevitable that it could not be oblivious to the international trends towards strengthening the rule of law in domestic regimes. Influenced by these developments, at the regional and international level and, undoubtedly, by national experiences, the Constitution made a commendable commitment to the declaration and protection of a broad range of fundamental rights covering the right to life, safeguards against arrest and detention, right to dignity, freedom of profession, freedom of speech and freedom to profess religion, and the right to movement, freedom of association and assembly, freedom of trade, business, or acquire, hold and dispose of property. Equality of citizens and provisions on non-discrimination are also included in the fundamental rights.

For individuals and members of Pakistan's civil society, the superior courts have been a major bulwark against encroachments at their fundamental rights. The country's law reports are replete with examples when the judiciary used the Constitutional provisions to prevent oppression, usurpation and injustices. Particularly commendable has been the activist *Suo moto* interventions of its superior courts in public interest litigation, to protect the poor, voiceless and marginalized sections of our communities, or address pressing social issues such as

environmental degradation, malpractices in the educational system, bonded labour, child abuse and victims of gender exploitation. In many ways, this experience in the protection of fundamental rights and the rule of law has been the finest hour of Pakistan's judiciary.

III. GSP+ Compliance and MEAs

The European Union's Generalized Scheme of Preferences Plus (GSP+) gives developing countries a special incentive to pursue sustainable development and good governance.

Eligible countries have to implement 27 international conventions on:

1. human rights
2. labour rights
3. the environment
4. good governance

In return, the European Union (EU) cuts its import duties to zero on more than two thirds of the tariff lines of their exports.

The list of Conventions to qualify for 'GSP Plus' is wide-ranging:

- International Covenant on Civil and Political Rights.
- International Covenant on Economic Social and Cultural Rights.
- International Convention on the Elimination of All Forms of Racial Discrimination.
- Convention on the Elimination of All Forms of Discrimination Against Women.
- Convention Against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment.
- Convention on the Rights of the Child.
- Convention on the Prevention and Punishment of the Crime of Genocide.
- Minimum Age for Admission to Employment (N° 138).
- Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (N° 182).
- Abolition of Forced Labour Convention (N° 105)

- Forced Compulsory Labour Convention (N° 29)
- (12) Equal Remuneration of Men and Women Workers for Work of Equal Value Convention (N° 100)
- Discrimination in Respect of Employment and Occupation Convention (N° 111)
- Freedom of Association and Protection of the Right to Organize Convention (N° 87)
- Application of the Principles of the Right to Organize and to Bargain Collectively Convention (N° 98)
- International Convention on the Suppression and Punishment of the Crime of Apartheid
- Montreal Protocol on Substances that deplete the Ozone Layer
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
- Stockholm Convention on persistent Organic Pollutants
- Convention on International Trade in Endangered Species
- Convention on Biological Diversity
- Cartagena Protocol on Biosafety
- Kyoto Protocol to the UN Framework Convention on Climate Change
- UN Single Convention on Narcotic Drugs (1961)
- UN Convention on Psychotropic Substances (1971)
- UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)
- Mexico UN Convention Against Corruption

The reason for providing this long list of 27 Conventions is to show the broad sweep of the subject matters that they cover and the elements of international governance introduced in each Convention.

I have been associated, in the past, with the review and compliance of Pakistan under most of the above-mentioned Conventions. Pakistan has obtained GSP+ status and this status is presently valid till 31 December 2023. Since January 2014, Pakistan has GSP+ status and can benefit from preferential access to the European market. In compliance with the GSP+ requirements, Pakistan

has ratified all 27 core international conventions on human rights, labour standards, environmental protection and good governance. This incentive to obtain GSP+ status has enabled good governance in Pakistan in all the areas covered by the GSP+ Conventions.

The above approach has been particularly successful because of the “economic incentives” but it increasingly acknowledges the importance of international cooperation across a diversity of areas including the environment.

An ever-more interconnected world demands multilateral approaches to trade, security, migration, and a host of other issues. In the environmental context, in particular, there is an appreciation that environmental degradation is often a global problem and, as such, requires global responses. The depletion of the ozone layer, the loss of biodiversity and the spread of persistent organic pollutants, for instance, result from human activity in countries around the world and have impacts that extend far beyond national borders. As a result, domestic conservation and environmental management strategies alone are insufficient to conserve shared natural resources and safeguard the global ecosystem. International cooperation is not only fundamental; it has also been recognized as the best and most effective way for governments to tackle transboundary or global environmental problems.

In this context, the need for Multilateral Environmental Agreements (MEAs) will likely continue to grow. MEAs offer a framework for collectively addressing environmental problems on the basis of policy consensus and science. In addition, as environmental challenges become more and more complex, MEAs increasingly provide a comprehensive approach to effectively and equitably deal with those challenges.

4. Special Impacts on Pakistan

The GSP+ has been an important factor in Pakistan's compliance with the 27 Conventions/Treaties

dealing with human rights, labour rights, environment and good governance mentioned in Section 3. We, however, additionally highlight some of these separately because of their special impacts in providing satisfactory governance regimes in their respective areas in Pakistan:

(I) Rights of Women and CEDAW

The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) 1979, hailed a momentous development and an international women's bill of rights, established international standards for non-discrimination against women “in all forms”. In a society overwhelmingly dominated by patriarchy, women in Pakistan are disadvantaged in accessing properties, particularly through inheritance and also receiving their share of matrimonial assets at the time of divorce. International obligations under CEDAW, accepted by Pakistan, have influenced policies of the Government and the jurisprudence of our courts in implementing the Constitutional obligations of equality of citizens and, particularly, the rights of women to property including on inheritance. Article 15 of CEDAW, for example, is specific to obliging all Parties to CEDAW, to secure women's rights to property. In fact, the Enforcement of Women's Property Rights Act, 2020, is a specific response to protect and secure the rights of ownership and possession of property owned by women.

(II) ILO and Labour Laws in Pakistan

The International Labour Organization (ILO) has, over decades, provided global leadership, through a comprehensive network of Labour Conventions dealing with the rights of workers which have included the minimum age, child labour, condition of work, rights of collective bargaining, domestic workers, equal remuneration for men and women workers, non-discriminatory employment and freedom of association. When signed and ratified, each of the ILO Conventions becomes binding on Pakistan but even when not ratified, an ILO Convention influences the interpretation and

implementation of basic fundamental rights in the Constitution such as the right to association (Article 17 of the Constitution) and equality and non-discrimination (Articles 25 and 26).

In effect, it would be fair to summarize that the ILO Conventions on workers continue to shape policies and governance of the Federal Government and, after the Eighteenth Amendment to the Constitution in 2020, of the provincial governments that now deal with matters pertaining to labour and workmen.

(III) Rights of Persons with Disabilities (PWDs)

Developments at the international level have greatly influenced the care and attention to Persons with Disabilities (PWDs) in Pakistan. With judicial oversight, in the form of continuing mandamus, the Lahore High Court has, in 2021, among others, enabled the Punjab Empowerment of Persons with Disabilities Act, 2022 toward implementing Pakistan's obligations under international law.

The Lahore High Court was helped, as per its judgment, by the work and Report of the Child Care Commission established by the Lahore High Court in 2017 in another case.

I chaired this Commission and included in the Commission Report (2018) an extensive background of the development of international declarations and Conventions to protect the PWDs including (1) The U.N. Convention on the Rights of the Child, 1990, (2) Standard Rules on the Equalization of Opportunities for Persons with Disabilities, 1993, and (3) The U.N. Convention on the Rights of Persons with Disabilities, 2006 (Hassan P., 2018).

As Pakistan had particularly ratified the 2006 Convention, it was binding on Pakistan. Yet, it was a salutary leadership of the Lahore High Court to use its jurisdiction, in the writ of mandamus, to direct and supervise the enactment of a compliance legislation to meet the ends of social justice and good governance.

The enforcement of the prohibition of corporal punishment of children in schools, the provision of special bathrooms, special access, PWD-specific uses in the design and construction of buildings, and

special quotas for jobs, are just a few of the benefits popularized by these judicial interventions.

In fact, the urban development agencies have been charged to adopt appropriate Building Codes and to ensure appropriate design features in the buildings to be approved for construction by them.

(IV) SDGs and Pakistan's Progress in Sanitation

The United Nations Sustainable Development Goals (SDGs) are a set of 17 Goals that aim to end poverty and hunger, fight inequality and injustice, ensure good health and well-being, quality education, gender equality, clean water and sanitation and tackle climate change. In 2016, Pakistan adopted the SDGs as Pakistan's Development Agenda through a unanimous resolution by the National Assembly.

The United Nations has recognized drinking water and sanitation as separate human rights. The United Nations General Assembly Resolution 64/292, adopted on 28 July 2010, explicitly acknowledged that clean drinking water and sanitation are essential to the realization of all human rights.

Sustainable Development Goal 6 addresses the need to reduce access related disparities between rural and urban populations as well as between the rich and the poor. Although the results in other areas are mixed, Pakistan has unfolded a success story on achieving SDG target for sanitation (Hassan P., Toward Safe Sanitation in South Asia, 2018):

(1) After the devastating floods of 2010, the Government of Pakistan provided necessary guidance to government agencies and development partners in preparation of plans in the Water, Sanitation and Hygiene (WASH) sectors. It developed the Pakistan Approach to Total Sanitation (PATS), which promoted the establishment of open defecation-free communities in rural areas through behavioral change and social mobilization. It has proved to be useful for WASH sector partners in their response to natural disasters, such as large-scale floods. PATS has since changed the lives of

millions of people in Pakistan and is being scaled up by the Provincial Governments. Pakistan has reduced the population of open defecators to 22 million now. This is a remarkable achievement. Surprisingly, this was only possible because Pakistan experienced massive floods in 2010. Floods mostly affected the 'vulnerable', and the openly-defecating, poor, rural communities and this challenge gave Pakistan an opportunity, through its visionary humanitarian-development continuum perspective, to plan and make the resettlements open defecation-free.

(2) The Government of Pakistan has developed WASH sector policies at the national and provincial levels including WASH Sector Development Plans, linking access to outcomes in areas such as universal health coverage, reduced child mortality and increased gender equality and women's empowerment. With all its accomplishments, Pakistan next needs to develop plans for achieving the water, sanitation and hygiene-related targets of the SDGs with clear and measurable milestones that can be monitored.

(3) It was heartening to recently receive an acknowledgement of success from Aida Girma, the United Nations Children's Fund (UNICEF) Representative in Pakistan:

A lot of progress has been made in Pakistan as more than 80 percent of households have a drinking water facility inside their houses. However, disparities still exist in access to safe water. For example, only 10 percent of the poorest people, living mostly in rural areas, have access to piped water supply. A basic right like water should not be contributing to the growing inequalities.

This is one of the several areas where the SDGs, internationally led, have influenced the governance of these sectors in Pakistan.

(V) Right to Information

The Convention to Access to Information, Public Participation in Decision Making and Access to

Justice in Environmental Matters adopted in Aarhus, Denmark in 1998 (the "Aarhus Convention") was a great stimulus in the international debate on the "Right to Information". It impacted the addition, in 2010, of a new fundamental right in the Constitution, Article 19A on the "right to information" and a new Article 10A on "fair trial" including due process.

This has generated Right to Information (RTI) legislation at the federal and provincial levels and in some cases, the setting up of Information Commissions specifically mandated to ensure the provision of the information required by law (Hassan P., Rule of Law and Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters in Pakistan, 2014). The federal Right of Access to Information Act 2017, reinforces the provincial mosaic of RTI legislation: the Khyber Pakhtunkhwa Right to Information Act 2013, the Punjab Transparency and Right to Information Act 2013, the Sindh Transparency and Right to Information Act 2016, and the Balochistan Right to Information Act 2021. These laws generally accord with international benchmarks led by the Aarhus Convention.

The availability of reliable information sometimes bureaucratized as "confidential", or "state secret", has been brought into the public domain, with some continuing exceptions, and this is a huge step in the handling of human rights and complaints in any society. And, the Aarhus Convention was in a small measure responsible for this result in Pakistan.

Environmental Law

From the inspirational United Nations Conference on the Human Environment, Stockholm, in 1972, the global community progressed the development of international environmental law through the World Charter of Nature, adopted by the U.N. General Assembly in 1982, the Rio Declaration on Environment and Development, 1992, the Earth Charter, 2000, the World Summit on Sustainable Development, Johannesburg, 2002, and various other general and sectoral resolutions. Many of the

soft law principles of these Declarations developed a life of their own and were increasingly treated as binding principles by the national judiciaries. The most eloquent example is the landmark Shehla Zia case in which the Supreme Court of Pakistan, in 1994, declared the precautionary principle, based on prevention better than cure, as a binding principle in national practices (Hassan P. , Shehla Zia vs. Water and Power Development Authority (WAPDA): Ten Years Later,, 2005).

Similarly, the *dubio pro natura* principle, “when in doubt, act to protect nature”, was the basis of a Lahore High Court judgment in the Dera Ghazi (DG) Khan Cement Case in 2021. Importantly, the Courts have also recognized the public trust doctrine which requires that the national resources are to be dealt with judiciously with realization of public interest and ownership.

However, the overwhelming importance of the Shehla Zia case is its pioneering declaration that the right to the environment, although not included in the Constitution, is to be considered a part of the fundamental rights to life and dignity. This interpretation was facilitated, as acknowledged in the judgment, by the international developments in the field of environmental protection and sustainable development. This judgment alone, influenced by international law, has changed the jurisprudential architecture of environmental governance in Pakistan.

Post-Shehla Zia, the Courts of Pakistan have turned to judicial commissions as a part of environmental governance to give policy directives on urban planning (Islamabad Environmental Commission), climate change, smog pollution, solid waste disposal, hunting of houbara bustard, the reintroduction of black buck, the cutting of trees on the Canal Bank in Lahore, regulation of power crushers, and child care (Hassan P. , My Journey to Judicial Commissions in Pakistan, 2018).

Beyond the jurisprudential imprint, international environmental law requirements and practices in other national jurisdictions enabled Pakistan to

provide, through domestic legislation, for Federal and Provincial Environmental Protection Agencies (EPAs), Environmental impact assessments (EIAs), National and Provincial Environmental Quality Standards (NEQS and PEQS), environmental tribunals and coordinated environmental policies. All these have facilitated environmental governance in Pakistan.

Trade, Commerce and Fiscal Governance

Pakistan is a party to numerous treaties that facilitate fiscal governance in the country. These treaties range from Friendship, Commerce and Navigation Treaties (FCN Treaties) to Treaties for the Avoidance of Double Taxation and Bilateral Investment Treaties (BITs).

Examples will bear out that national policies are influenced by treaty commitments. The Bhutto nationalization measures in the 1970s affected the provisions against taking and expropriation in the U.S.-Pakistan 1959 FCN Treaty as well as in the Germany-Pakistan 1959 Investment Treaty (Hassan P. , Expropriation of Foreign Investments in Pakistan, 1972). These Treaties ensured that the policies of Pakistan measured up to international standards of governance.

Reference could also be made to numerous multilateral fora that facilitate dispute resolution with investors. The International Centre for Settlement of International Disputes (ICSID), located in the World Bank, and the International Chamber of Commerce, Paris, are more familiar in Pakistan.

Dispute Resolution

Starting from the Kashmir dispute, Pakistan has sought the help, famously, of international law in the Indus Basin Water Treaty and the Rann of Kutch arbitration.

A few words about the Indus Water Treaty (IWT), which was negotiated against the canvas of

international co-riparian principles (Hassan P. , Indus Water Treaty, 1960: Accomplishments, Challenges and Prospects, 2018). The IWT was signed in 1960. The international law on the use by co-riparians of the waters of international rivers was then under review and development. The Helsinki Rules on the Uses of the Waters of International Rivers, 1966, adopted by the International Law Association, recognized that each "basin State is entitled, within its territory, to a reasonable and equitable share in the beneficial uses of the waters of an international drainage basin" (Article IV). Article V identified the relevant factors in the consideration of "reasonable and equitable share". These included "geography of the basin", "drainage area in the territory of each basin State", "past utilization of the waters of the basin including in particular existing utilization", "population dependent on the waters of the basin in each basin State", "comparative costs of alternative means of satisfying the economic and social needs of each basin State" and the "availability of other resources".

The United Nations Convention on the Law of the Non-navigational Uses of International Water-Courses, 1997 (WCC), is now an authoritative restatement of the law on the subject.

The IWT provides the applicable law for the Court of Arbitration in its Annexure G:

Except as the Parties may otherwise agree, the law to be applied by the Court shall be this Treaty and, whenever necessary for its interpretation or application, but only to the extent necessary for that purpose, the following in the order in which they are listed: (a) International conventions establishing rules which are expressly recognized by the Parties; (b) Customary international law. (Paragraph 29)

This means that, under its terms, the IWT enables the application of international law principles recognized in international conventions such as the WCC and by customary international law.

Through the appointment of a Permanent Indus

Commission with Indus Commissioners from both India and Pakistan and requiring their regular interaction and meetings, the IWT anticipated an ongoing water management of the co-riparians. That the IWT has survived wars and tensions between India and Pakistan owes largely to the commonality of interest and the governance and dispute resolution mechanisms in the IWT.

In another area, the Vienna Convention on Diplomatic Relations, 1961, and the Vienna Convention on Consular Relations, 1963, were invoked in disputes on immunities and provided pathways to resolution. The courts have been drawn to adjudicate on immunities claimed in the construction of a foreign embassy; they have also considered whether the immunities are only available to jure imperii - public acts- and not jure gestionis, that is commercial acts of the sovereign.

The Courts have acted on enforcing diyat in the shooting of citizens on the streets of Lahore by a U.S. diplomat when all principles of immunity were abundantly canvassed by the US Government.

And, the Pakistan action in the Iraqi Embassy in 1972 in the alleged gun-running was a blatant breach of the inviolability of premises of a foreign mission forbidden by the Vienna Convention on Diplomatic Relations which the Pakistan Government had to explain (Hassan P. , Diplomatic Gun-Running and International Law, 1972.).

In a very real way, international law has facilitated policy decisions and resolutions of disputes in governance in Pakistan.

Conclusion

It is possible to conclude from this cursory study that, in the growing interdependence and interactions between domestic and international actors, international law plays an important role in underpinning global standards and best practices in the governance of Pakistan. In fact, the over-arching presence of international law and policies, importantly, anchors and guides the formulation and conduct of laws and policies in Pakistan.

Chapter

7

**18th Amendment to the
Constitution: An Overview**

18th Amendment to the Constitution: An Overview

Sumbal Rana

The impact of constitutional amendments varies significantly from country to country, contingent upon the unique provisions established by each nation's legislature. Amendments serve a crucial function by enabling a constitution to adapt to changing circumstances without necessitating a complete rewrite of the entire document. In the case of Pakistan, the enactment of the 18th Amendment in 2010 brought about substantial repercussions in the political and constitutional landscape.

The primary objective of the 18th Amendment was a strategic realignment of powers, redirecting authority to the provinces while concurrently curtailing the president's unilateral authority to dissolve the parliamentary body. This legislative measure not only reinforced the tenets of parliamentary democracy but also engendered a shift from federal to provincial jurisdiction, thereby augmenting provincial autonomy.

This amendment, a milestone achievement for Pakistan, transcended mere legal significance; it stood as a symbol of profound importance. It underscored the successful collaboration across the political spectrum, steering the nation towards a more federal and parliamentary system of governance. The 18th Amendment, in essence, heralded a return to a parliamentary form of government.

The transformative impact of the 18th Amendment manifested as a shift towards a more decentralized governance structure within Pakistan. Notably, this legislative change bolstered provincial autonomy by transferring control over the educational and health sectors to the provinces. Consequently, provinces found themselves endowed with increased authority over their respective affairs, marking a significant departure from the previous centralization of power.

In the grand tapestry of constitutional reforms, the 18th Amendment emerged as a beacon of change, not only for its sweeping alterations but also for the unity it cultivated across diverse political factions. Beyond its legal intricacies, it became a symbol of a rejuvenated commitment to parliamentary governance in Pakistan. As the nation navigated this constitutional recalibration, it marked a pivotal moment, redefining the power dynamics between the federal and provincial entities and setting the stage for a more balanced and responsive system of governance.

Following are the main areas where the power is switched to provinces.

Strengthening Key Institutions

- The role of the Senate was substantially

enhanced. An ordinance can no longer be promulgated while the Senate is in session. The number of working days and members was increased. The Prime Minister and the Cabinet were made collectively responsible to the National Assembly as well as the Senate.

- The Auditor General of Pakistan was given 4 years in a constitutional term.
- The Election Commission was significantly strengthened. The term of the Chief Election Commission (CEC) was increased from 3 to 5 years and the procedure for his/her appointment was altered.
- The Council of Common Interest (CCI) was strengthened by making the Prime Minister its chairperson and establishing a permanent secretariat.

Appointment of Judges

Another part of the 18th Amendment was the one which dealt with the appointment of judges to the Supreme Court and High Courts mainly because the superior judiciary had assumed this function to the exclusion of all other institutions through a series of judgements over the past two decades. A new Article (175A) was inserted in the Constitution, which created a Judicial Commission of Pakistan for the appointment of judges to the Supreme Court, High Courts and the Federal Shariat Court. In addition to specifying a new process for the appointment of judges, the 18th Amendment had three other features that were important for the judicial system in Pakistan. First, the Islamabad High Court was created through inserting a new clause in Article 175 and benches of the Peshawar High Court and the Balochistan High Court were established at Mingora and Turbat, respectively, through amendment of Article 198. Second, judges have been protected against involuntary transfers from one High Court to another. Previously, a High Court judge could be transferred to another High Court without his consent and the consent of the Chief Justices of the Supreme Court and High Courts involved, if the period of transfer was less than 2 years. A judge refusing such transfer was deemed as retired from service. These provisions have been removed, meaning that a judge can only be transferred with his consent and with the consent of relevant Chief

Justices. Third, certain protection has been extended to judges of the Federal Shariat Court who cannot be removed from office except in the manner and on grounds specified for a Supreme Court judge.

Changes to the Federal Legislative List

The 18th Amendment abolished the Concurrent List. Two subjects were transferred to Part II of the Federal List and one subject was transferred to Part I of the List. The remaining forty-four subjects automatically devolved to provinces as residual subjects. The subjects that came to an exclusive provincial realm include criminal law, criminal procedure, civil procedure, evidence and oath, marriage and divorce, adoption, bankruptcy, arbitration, contracts, transfer of property, preventive detention, arms and firearms, explosives, opium, drugs and medicines, poisons and dangerous drugs, mental illness, environmental illness and pollution, population planning and social welfare, labour welfare, trade unions, shipping and navigation on inland waterways, newspaper, books and printing presses, evacuee property, Islamic education, zakat, tourism and *auqaf*.

This represents the extended sphere of provincial responsibility and authority. For provinces, it meant two things. First, they were now required to legislate on these subjects, even if this amounted to adopting *mutatis mutandis* as the federal legislation. Hitherto, provinces had mainly relied on the Federal Government for legislation, policy and regulation.

Enhanced Share in National Resources

Another important contribution of the 18th Amendment was to recognize provinces as rightful beneficiaries of their natural resources in collaboration with the Federal Government. An amendment in Article 172 limited the ownership of the Federal Government to lands, minerals and other things of value within the continental shelf or underlying the ocean beyond the territorial waters of Pakistan. Thus, lands, minerals, etc., that lay within Pakistani territorial waters were left for provinces to explore, develop and exploit. Furthermore, all new discoveries of minerals, oil and natural gas within a

province or in territorial waters adjacent to a province were to be owned jointly and equally by the Federal and the Provincial Governments.

The Implementation Challenge

1. Education

The 18th Amendment brought several important changes to the Constitution that had a direct bearing on education provision in Pakistan. Perhaps the most significant was the insertion of Article 25A, which made education a fundamental right and required the state to provide free and compulsory education to all children between the ages of 5–16 years. Implementation of this fundamental right requires the Federal and Provincial Governments to establish the necessary legislative and institutional frameworks for their respective areas of jurisdiction. As noted above, the Provincial Governments have already enacted a new law to this effect, but only the Sindh government has framed rules to operationalize the right to education laws.

- Furthermore, the abolition of the Concurrent List brought the following two subjects in the exclusive provincial realm:
- Curriculum, syllabus, planning, policy, centres of excellence and standards of education
- Islamic education

Previously, the setting of the national curriculum and syllabus was the responsibility of the Curriculum Wing of the (now dissolved) Ministry of Education. The Wing was established under the Federal Supervision of Curricula, Textbooks and Maintenance of Standards of Education Act of 1976. To support the federal Curriculum Wing, each province had also established Bureaus of Curriculum. Now the Wing has been dissolved and the responsibility of setting up curriculum has fallen upon provinces wholly and squarely.

The main focus is on:

- All regulatory authorities established under federal law
- Better standards in institutions of higher education and research
- The conversion to scientific and technical

institutions.

Assessing the effectiveness of education for respective provinces after the 18th amendment involves various factors like more control and implementation is transferred to educational related responsibilities. It was updated in January 2022. Punjab and Khyber Pakhtunkhwa (KP) undertaken many educational reforms. Punjab initiated Punjab Educational Sector Reform (PESRP), and more decision was on improvement of infrastructure, teachers training and students outcomes related to learning.

KPK had launched Educational Sector Plan to improve governance in this particular sphere. Many factors are playing a positive role in each province including literacy rate, the number of enrolled students, and educational infrastructure. The government is also active to work on this sector's ongoing reforms and its initiatives are a major indicator of educational outcome. It is also mentioned in recent educational reports and studies on education.

2. Health

Like education, health was also a residual subject and, therefore, fell under the provincial purview.

The main changes are:

- Drugs and medicines
- Poisonous and dangerous drugs;
- Prevention of extension of contagious and infectious diseases from one province to another
- Mental illness and mental retardation.
- The Ministry of Health launched several vertical programmes, which further extended the Federal Government's outreach in primary and tertiary health care.
- Regulatory authorities established under federal law, planning and coordination of scientific and technical research, and legal, medical and other professions, also enhanced provincial responsibility, as these subjects were now under the shared responsibility of the federation and provinces.

Assessing the impact of the amendment on this sector depends on many factors across provinces in Pakistan. The revised policies, and their implementation is the key point for the improvement of the health sector in our country. The province of Punjab has launched health sector reforms to enhance health care, infrastructure and improvement in maternal and child care in this sector.

Sindh has undertaken new health related initiatives, focusing on health care facilities, disease prevention and maternal and child health.

KPK has undertaken steps to improve the health reforms aiming to create better health care access, quality and responsiveness to local health needs.

Balochistan has been working on healthcare improvements. These include, infrastructure development and healthcare service enhancements.

Restoration of the Parliamentary Form of Government

President's powers were substantially reduced. All Musharraf-specific provisions were deleted. President's powers to dissolve assemblies or to refer a question to a referendum were abolished. President was to appoint governors and other key personnel on the binding advice of the Prime Minister.

- Powers of provincial governors were curtailed
- Executive authority in the federation was to be vested with the Prime Minister, rather than the President. Rules of Business were also to be framed by the Federal Government.
- Sixth and Seventh Schedules were deleted. The Sixth Schedule listed laws that could be amended only after prior approval by the President and the Seventh Schedule listed laws whose amendment required the same procedure as was required for amending the Constitution.

Federation Provinces Relations

- Emergency in a province was to be imposed only with the consent of the Provincial Assembly concerned.
- The Concurrent Legislative List was abolished. Thus, all items except the ones shifted to the Federal List, were transferred to provinces.
- The shares on crude oil and net proceeds of development surcharge on natural gas were to be given to provinces.
- Sales tax on services were decentralized and given to the provinces.
- The definition of high treason was expanded to include an act of suspending the Constitution or holding it in abeyance.
- The restriction that a person could not hold the office of the Prime Minister or the Chief Minister for more than two terms was removed.
- The most significant amendments in the Constitution were the deletion of the Concurrent Legislative List, addition of subjects of the Federal Legislative List and joint-ownership of oil, gas and territorial waters.
- Three new fundamental rights were created. These were: right to a fair trial right to information and right to education.
- After the constitutional amendment, the Majlis-e-Shoora (Parliament) can now only legislate on subjects contained in the Federal Legislative List. As a consequence, a large number of subjects and activities previously being handled by Ministries/Divisions in the Federal Government are now being administered exclusively by the provincial governments
- In addition to the above changes and the assigning of greater responsibility to provinces the 18th Amendment brought several important changes in the Constitution of Pakistan.
- The NWFP was renamed as Khyber Pakhtunkhwa (KP). This was a long-standing demand of the people of the province. At the same time, it triggered the demand for the creation of a new province in KP.

- Spellings of Baluchistan and Sind were changed to Balochistan and Sindh respectively.
- An important addition to fundamental rights is the right to education.
- There is a list of thirty-five laws, which could not be amended without prior approval of the President. This list included laws on expressly provincial subjects, like the Local Government. This comprised a serious constraint on provinces, who could not legislate freely even in expressly provincial matters. The Seventh Schedule contained a list of eight laws, which could only be amended through the process prescribed for the passage of a constitutional amendment. After the abolition of the two Schedules, laws listed therein, are to be treated as any other law on the statute book
- A large portion of the 18th Amendment dealt with federal–provincial relations and sought to strengthen the position of provinces in the federation of Pakistan. In addition to transferring several functions to provinces, the Amendment clarified/amended numerous procedures in a manner to grant provinces greater say in running affairs of the federation. A brief discussion of these provisions follows.
- The provinces have now greater control over their police forces to deal with the law-and-order issue more effectively.
- Punjab is given more anatomy in legislation and Punjab provincial assembly has more control to make laws on subjects.

Conclusion

The 18th Amendment was a turning point in the constitutional history of Pakistan which reestablished the parliamentary character of the structure by returning the capacities and powers to the Prime Minister and his Cabinet that had been usurped by military presidents over the past four decades. It made imperative commitments in upgrading principal rights, while introducing the strategy for the arrangement of judges. In spite of the fact that the arrangement of judges got to be disputable quickly

after the entry of the revision and the strategy had to be mostly adjusted in line with headings from the Preeminent Court, it was a turning point in settling, at slightest for the time being, the petulant issue of arrangements to the prevalent legal system. Its most imperative commitment, in any case, was to fortify territories within the alliance by canceling Concurrent Authoritative List, extending the Government List Portion II, reinforcing CCI, decreasing powers of common governors and improving powers of the Senate. Devolution of capacities to areas and giving them a more prominent part in running government undertakings was undoubtedly a major step in rectifying the authentic awkwardness in federal–provincial relations. Astoundingly, the parliamentary board constituted to draft the Revision was able to create political agreement on such a wide run of protected issues and get this through the Parliament collectively.

Implementation, of these changes proved, tricky. Government services recognized for disintegration went back to the Usage Committee and made a case for their rebirth beneath a distinctive title or at slightest the assignments of most of their capacities to other services within the Government. These endeavors were generally fruitful and in the long run, less than one-third of the capacities and divisions of broken up services were really reverted to provinces. An examination of reassigned capacities of broken-down ministries showed that at slightest, a few of these may be helpfully declined to Common Governments, which had the specified capacity and were as of now performing in these capacities. The devolution of such capacities and departments/organizations, which are clearly a common obligation within the revised Structure, in this manner, constitutes the unfinished plan from the sacred change prepared.

Policy recommendation

Assessing whether the amendment was a good step or a bad step is a long debatable question. But there are some major points that need to be kept in mind for further decision making. The 18th amendment had increased autonomy to control over legislative matters, resource distribution and governance. National Finance Commission (NFC) aimed more equitable distribution of resources. Local governments have gained control of education and

health sectors in each province. There is control over natural resources. Some points that are of concern are as follows:

- The devolution of powers might create challenges among provinces, and also create difficulties in coordination issues and generate disparities in governance standards among provinces.
- National policies might be addressable for the provinces.
- The effectiveness of the amendment implementation may vary and opinions on its success differ based on factors like governance capacity and local leadership.

The 18th amendment was good or bad, depends on individual perspectives and specific criteria of evaluation. The impact is viewed positively in terms of increased provincial autonomy and control however, on-going provincial challenges would highlight challenges and variations in outcomes among provinces.

Chapter

08

**Governance and Women's
Situation in Pakistan**

Governance and Women's Situation in Pakistan

Muhammad Firas Shams

It is a universally accepted fact that women are at the center of any nation on this planet. However, this integral role does not invariably translate into their palpable welfare and continuously meaningful inclusion especially in state affairs. The Millennium Development Goals (MDGs) signed in 2000 by the global leaders as a forerunner initiative and declaration with 8 goals sought to address a host of real-world maladies including marginalization of women especially, in the Global South by the year 2015. Subsequently, “Gender Equality” has been enshrined in the posterity-centric Sustainable Development Goals (SDGs) adopted in 2015 as a blueprint for shared prosperity entwined with sustainability. Prior to both set of goals, the bellwether agenda of Beijing Declaration and Platform for action (Beijing +25) for advancement of women's rights, was crafted by proponents of gender equality at the Fourth World Conference on Women (FWCW), and espoused in 1995 by 189 countries (Nations, Report of the Fourth World, 1995).

Notwithstanding these landmark feats to simultaneously spur policy measures for environment, peace, development and more importantly equality, the global community still needs to make major headway into gender parity across the board, especially vis-à-vis greater participation of women in decision-making, in order to fulfill Agenda 2030 of the United Nations (UN).

Unfortunately, in androcentric societies like Pakistan, well-established concepts such as gender-sensitive/responsive policy-making, gender smart policy interventions and gender budgeting, are merely buzzwords, virtually absent from the policy landscape. This deplorable phenomenon persists in a country of estimated 241.49 million people (fifth most populous in the world), with women making up 49.2% of the population (Statistics, 2023; Women U. , 2023). Women in Pakistan continue to brave systemic and institutionalized discrimination, along with being victims of deep-rooted archaic stigmas and incessant harassment.

To materialize value-driven governance that ensures accountability, human-centricity, transparency, sustainability and rational policy-making, the indispensable inclusion of women at every echelon of state and society needs to transpire. Countries that prioritize *gender parity* especially across healthcare, education, employment and political power, tend to have higher levels of human development. There is an overriding need to encapsulate the intersectional experience of women in the policy edifice of Pakistan, if the country is to move forward.

Beijing +25

Beijing Declaration and Platform for action is deemed as a watershed and guiding precept to this

day. As a visionary document for women empowerment, it is still relevant to policy debates and actions vis-à-vis female healthcare, representation in society, educational and employment opportunities. The eponymous Beijing +25 can be described as an inspiration that fostered the state of Pakistan and society to take action for *gender protection and parity, namely, National Commission on Status of Women (NCSW), Khawateen Rozgar Scheme (Scheme for Women's employment) and Women Parliamentary Caucus (Women C. o., 2019).*

Millennium Development Goal 3

In particular, Millennium Development Goal (MDG) 3 underscored the need to “Promote Gender Equality and Empower Women”. Notwithstanding deficiencies in the framework, MDG 3 did make inroads globally in concomitant areas, inter alia, women's education, political participation and work force opportunities. It is estimated that MDG 3 transpired greater constitution of women amongst the paid work force exclusive of the agriculture sector, an increase from 35% in 1990 to 41% near the conclusion of MDGs (UN, 2023). Similarly, the number of female legislators in the parliament increased virtually twofold, while broadly, the developing world edged closer to gender parity amongst various tiers of the education sector (UN, 2023). However, the country profile of Pakistan vis-

à-vis MDG 3 presented a subpar snapshot; considerable improvement in Gender Parity Index (GPI) in terms of primary and secondary education was not achieved by 2015 (Commission, 2013; Commision, 2010). In addition, the MDG target of youth literacy in GPI also failed to materialize, while Pakistan also failed to meet the target of 14% share of women in non-agricultural wage employment (Commission, 2013). Lastly, political participation in the National Assembly oscillated between 72 to 76 female members from 2004 to 2015 indicating paltry progress per se. (Pakistan N. A., 2023) Table 8.1 quantifies this phenomenon:

Sustainable Development Goals 5

The MDGs have been superseded by the Sustainable Developments Goals (SDGs) which promulgates the fusion of man, planet and the economy. Also known as Global Goals, the SDG framework has a designated goal (SDG 5) for “Gender Quality, albeit, SDGs also holistically address female oriented targets/indicators through “Good Health and Well-being” (SDG 3), “Quality Education” (SDG 4), “Decent Work and Growth” (SDG 8) et cetera. The SDG framework has 232 unique indicators, with 80 Gender oriented ones (UNstats, 2018). Globally, including Pakistan, it can be estimated that at the current rate of progress, it may take another 286 years to kibosh or in any case block laws, that

TABLE 8.1

MDG 3 “Promote Gender Equality & Empower Women” Indicators

Indicators	Target	Value achieved Nationally
Share of Women in non-agricultural wages	14	10.45
Share of seats held by Women in the National Assembly (NA)	Not specified	
GPI Primary Education	1	0.9
GPI Secondary Education	0.94	0.81
GPI Youth Literacy	1	0.81

Source: Planning Commission, Government of Pakistan

discriminate against women as well as addressing lacunae in legal edifice to ensure protection (UN Women W. C., 2022).

Additionally, another 20 years are approximated to have laws that universally prohibit and curb the menace of violence against women. It is estimated that around 736 million women have been subjected to sexual or physical violence, at minimum once in their lifespan (UN Women W. C., 2022). Moreover, women continue to be underrepresented in the parliament globally, as they hold only 26.4% of the seats, while in 23 countries, this statistic stood at a dismal 10%. In the same vein, women only accounted for 28.3% of the collective managerial positions in 2020. With the current trajectory, it may take another 39 year to achieve gender parity in the parliaments across the world, whereas a mammoth 140 years in the domain of management. Meanwhile, statistics coming out of 2021, project how only 57% of the women had latitude in decision-making concerning reproduction and sex. Along with this, only 26% of the states were found to have

elaborate systems in place to keep track gender budget appropriation (UN Women W. C., 2022).

In terms of the country profile, Pakistan ranks 128/166 in the SDG index so far, with score of 59.0 as opposed to the regional mean of 67.2 and spillover score of 99.3 (Jeffrey D. Sachs, 2023) . With reference to SDG 5 “Gender Equality”, Pakistan's progress has been limited so far with key challenges perpetuating. SDG 5's concomitant indicators like family planning ensured through latest contraception methods and women's participation in work force relative to men, continue to manifest a stagnating trend, mired by major challenges. There has also been a decline in the number of Parliament seats secured by women. The only indicator which has shown some progress is the improvement in average number of years of education received by women relative to men. Consequently, Pakistan has an average score of approximately 37.4/100 vis-à-vis SDG 5 (Jeffrey D. Sachs, 2023). Table 8.2 numerically explains the aforementioned performance.

TABLE 8.2

SDG 5: Gender Equality Indicators

SDG 5 “Gender Equality” Indicators	Rating	Value	Trend	Year
Ratio of female-to-male labor force participation rate (%)	Major challenges remain	30.4	Stagnating	2022
Demand for family planning satisfied by modern methods (% of females aged 15 to 49)	Major challenges remain	48.5	Stagnating	2017
Seats held by women in the national parliament (%)	Significant challenges remain	20.2	Decreasing	2021
Ratio of female-to-male mean years of education received (%)	Significant challenges remain	77.4	On track or maintaining SDG achievement	2021
Average Score		37.5/100		

Source: Sustainable Development Report 2023

Discrimination and Violence Against Women

Women in Pakistan are victims of the system and society that have become apathetic to their intersectional experiences and needs. The classic definition of a minority is determined by the numerical strength and position of dominance in the society, however it is argued by feminists that women especially in deeply conservative societies like Pakistan experience the same kind of prejudice, and subjected to exclusionary policies as in the case of a minority group. Broadly speaking, women do not enjoy the same kind of privileges or freedoms and respect that a man does, making their position inherently disadvantaged. It can be argued that the pretext for *gender discrimination and violence is undergirded by patriarchal interpretation of religion as well as rigid societal norms*. An ingrained double standard pervades in society regarding chastity and modesty of a woman in comparison to a man. The wrath of the society in this regard is asymmetrical, providing greater leeway to men.

The idea of a strong, independent and articulate woman is an anathema to the male-dominated society, and often results in acts of violence against those women who express their individuality beyond their parochially defined roles or clamor for their constitutional and Islamic rights. This macabre phenomenon is corroborated by how the 2021 Georgetown Institute for Women, Peace and Security Index, ranked Pakistan 167 out of 170 countries with an Index value of 0.476, making it the 4th most dangerous country for women in the world, faring only better than Yemen, Syria and Afghanistan. Moreover, it is estimated that around a whopping 32% of the female populace has faced violence in Pakistan (Pakistan U. N., 2022). According to annual report of Human Rights Commission of Pakistan (HRCP) 2022, 478 cases of honor killings – Human Right Watch (HRW) states that the number of yearly honor killings is close to 1000 - and 5279 cases of rape were registered (Pakistan H. R., 2023; Watch, Pakistan, Events of 2022, 2023). This plight or as some would call gender *apartheid*, warrants an emergency in the country according to exponents of

women's rights. This bleak outlook is further augmented by frequency of acid attacks against women in Pakistan; from 2007 to 2018, 1485 cases were reported, while the Asia Foundation (2014) states that an estimated 200 cases annually, making it a social epidemic per se; in Punjab alone, 59 acid attacks were reported in 2022.

Legal Framework and State Initiatives

The constitution of Pakistan mandates the state to take special governance measures for the betterment of women. Firstly, Articles 25(3) and 26 (2) oblige the state to make special provisions for women with respect to equality and non-discrimination as well as access to public spaces/life, respectively. While Article 32 mentions that the state ensure special representation of women in local government institutes. In the same vein, Article 34 talks about how the state has an obligation to guarantee inclusion of women in all areas of nation. Article 37 of the constitution further emphasizes, how the state is responsible to take policy measures to protect the employment rights of women including specific mention of maternity benefits. Lastly, Articles 51, 59, 62, 106 deal with female participation including reserved seats and eligibility in the National and Provincial legislatures. The review of the last two years shows that the state of Pakistan and its federal as well as provincial dispensations made efforts to ameliorate gender violence, discrimination and inequality via legislation (acts and amendments). The details are shared in the tables 8.3 and 8.4:

Along with this the federal as well as provincial dispensations have also taken noteworthy initiatives to redress gender violence and disparity, inter alia, toll free helpline to report instances Gender Based Violence (GBV) in Khyber Pakhtunkhwa (KP), advocacy campaigns organized by Punjab Commission on Status of Women (PCSW), GBV Court in Lahore in addition to sensitization training of judiciary, police and addition of female help desks and women police stations (very limited presence in the country).

TABLE 8.3**National Bi-Cameral Legislature's Women Specific/Gender Responsive Acts (2021-23)**

No.	Act	Date of Publication in the Government of Pakistan's
1	The Criminal Laws (Amendment) Act, 2023	24 July, 2023
2	The Maternity and Paternity Leave Act, 2023	24 June, 2023
3	The Day Care Center Act, 2023	22 June, 2023
4	The Criminal Laws (Amendment) Act, 2023	28 December, 2022
5	The Torture and Custodial Death (Prevention and Punishment) Act, 2022	4 November, 2022
6	The Protection against Harassment of Women at the Workplace (Amendment) Act, 2022	25 January, 2022
7	The Criminal Laws (Amendment) Act, 2021	4 December, 2021
8	The Anti-Rape (Investigation and Trial) Act, 2021	4 December, 2021
9	The Muslim Family Laws (Second Amendment) Act, 2021 (Section 7)	4 December, 2021
10	The Muslim Family Laws (Second Amendment) Act, 2021 (Section 4)	4 December, 2021
11	The Enforcement of Women's Property Rights (Amendment) Act, 2021	31 July, 2021

Source: Senate of Pakistan

Overview of Multidimensional Gender Disparity

Successive governments have expressed the need and resolve to alleviate the serious and at times dire, condition of women in Pakistan. However the notion that women are by and large treated as second-class citizens is evidenced by how Pakistan fares in the Gender Inequality Index (GII) and Global Gender Gap Index (GGGI). Significant gender discrimination persists vis-à-vis economic and political participation, access to education and healthcare.

1. Gender Inequality Index (GII): GII factors in the amalgam of labor market, reproductive health and empowerment to depict disadvantages grounded in gender. According to GII as part of Human Development Index 2021-22, Pakistan

ranks 135 out of 191 countries, under “low human development states” along with countries like Haiti and Yemen. Pakistan and India's (ranked 122) GII values are 0.534, 0.49 respectively, while on the other end of the spectrum, Norway has a value of 0.016, ranked 2nd in the aforementioned Index - lower the GII value, the better the performance of a country with respect to Gender Equality. To further expand and contextualize with SDGs, in the domain of reproductive health, Pakistan recorded 140 deaths out of 100,000 live births (Maternal Mortality Ratio (MMR) connected to SDG 3.1), and 42.3 births per 1,000 females aged between 15 to 19 (connected SDG 3.7). Moreover, empowerment was gauged through number of seats held by women in the parliament (connected to SDG 5.5 of active participation of women in decision-making in various dimensions of life); female parliamentarians accounted for 19.9% of the total share as opposed to

TABLE 8.4**Province Wise Women Specific/Gender Responsive Acts in Assembly (2021-23)**

Sindh		
No.	Act	Date of Enforcement
1	The Sindh Protection and Promotion of Breast-feeding and Young Child Nutrition Act, 2023	20 September, 2023
2	The Institute of Mother and Child Health Act, 2023	1 June, 2023
3	The Sindh Reproductive Healthcare Rights (Amendment) Act, 2022	22 September, 2022

Khyber Pakhtunkhwa (KPK)		
No.	Act	Date of Enforcement
1	The Khyber Pakhtunkhwa Home-based Workers (Welfare and Protection) Act, 2021	16 August, 2021
2	The Khyber Pakhtunkhwa Domestic Violence Against Women (Prevention Protection) Act, 2021	1 February, 2021

Punjab		
No.	Act	Date of Governor's Assent
1	The Punjab Home-based Workers Act 2023	23 January, 2023
2	The Punjab Women Hostels Authority Act 2023	23 January, 2023
3	The Punjab Enforcement of Women's Property Rights Act 2021	11-May-21

Baluchistan		
No.	Act	Date of Governor's Assent
1	The Baluchistan Maternity Benefit Act, 2022	27 April, 2022
2	The Baluchistan Home-based Workers Act, 2022	16 April, 2022

Source: Provincial Legislatures

80.1% male parliamentarians highlighting a gender gap of -60.2%. In the same vein, to further quantify empowerment, GII analyses the population aged 25 and older with some semblance of secondary education (connected to SDG 4.4 to increasing the germane skillset of adults for employment); 22.1%

of females compared to 28.7% males fall under this category with a gender gap of -6.6%. Lastly, women's participation in the labor force has been estimated to be around 20.7% (20% according to UNDP and World Bank), standing at a contrast to men's participation at 78.1%, underlined by a gender

gap of -57.4% (Conceição, 2022; UNDP, 2023; Bank T. W., 2022; Knut Ostby, 2021). Pakistan's GGI performance is explained in table 8.5.

2. Global Gender Gap Index (GGGI): On the other hand, the recent Global Gender Gap Index (GGGI) report 2023 by World Economic Forum (WEF) placed Pakistan at 142 out of 146 countries with 57.5% parity, which is the highest percentage since 2006, making it the 5th worst country for women in the world. GGGI index is underpinned by 4 sub-indexes framework including Economic Participation and Opportunity (Sub-Index 1 linked

driven wage inequality and imperceptible progress in the share of females in the technical workforce. According to International Labor Organization (ILO), Pakistan has a gender wage gap of 34%, over two times higher than the global mean (73 countries) (Organization I. L., 2023). Moreover, the country scored 82.5% on the sub-index 2 due to progress vis-à-vis enrollment in both secondary and tertiary education as well as literacy rate. However, major challenges remain for parity (ranked 138th in this Sub-Index). Similarly, with respect to attainment of parity in sex ratio to birth, there has been an improvement of 1.7% points in sub-index 3

TABLE 8.5

Pakistan's GII performance

Pakistan			
GII Value	0.534		
GII Rank	135		
Maternal Mortality Ratio	140.0 deaths/100,000 live births		
Adolescent Birth Rate	42.5 births/1,000 women age 15-16		
	Female	Male	Gender Gap
Share of seats in the parliament	19.90%	80.10%	-60.20%
Population with at least some secondary education (age 25 and older)	22.10%	28.70%	-6.60%
Labor force participation rate (age 15 and older)	20.70%	78.10%	-57.40%

Source: Gender Inequality Index (GII)

to SDG 5.a and 8.5), Educational Attainment (Sub-Index 2 linked to SDG 4.1, 4.2, 4.3 and 4.5), Health and Survival (Sub-Index 3 linked to SDG 3.1 and 3.7) and Political Empowerment (Sub-Index 4 linked to SDG 5.5). Pakistan has shown a slight improvement of 5.1% points in sub-index 1 over the last 10 years, reaching 36% parity, albeit eclipsed by how it is amongst the lowest in the world (ranked 143rd in this Sub-Index). This is explained by gender-

(ranked 132nd in this Sub-Index). Lastly, in sub-index 4, Pakistan features a gender gap of 15.2%, following the global trend of disparity in political power (ranked 95th in this Sub-Index). It is estimated that women made 1/10th of the ministers and 1/5th of the members of the country's parliament before both the cabinet and National Assembly were dissolved on August 9, 2023 under Article 58 (1) of the constitution (Forum, 2023; The Constitution of the

Islamic Republic of Pakistan, 1973). Pakistan's GGGI performance is delineated in table 8.6.

Women and the Economy

A country cannot maximize its economic potential without the vigorous and meaningful inclusion of women that takes into account Kimberle Crenshaw's concept of intersectionality (Steinmetz, 2020). Additionally, at the core of this matter is Kathy Matsui's **Womenomics**, which promulgates the idea that economic advancement of women results not

time to rest, leading to mental as well as physical exhaustion), women continue to play their invaluable role as tech experts, entrepreneurs, freelancers and agricultural workers to name only a few.

In Pakistan, it is often much more challenging for women (factoring in intersectional impediments) to venture into a career compared to a man. From virtual unavailability of gender-sensitive/ safe commuting and infrastructure to anachronistic gender stereotypes limiting career development along with workplace harassment, a professional

TABLE 8.6

Pakistan's GGGI performance

Pakistan				
Index Edition	2022		2023	
Index and Sub indexes	Score	Rank	Score	Rank
Global Gender Gap Index	0.564	145	0.575	142
Economic Participation and Opportunity	0.331	145	0.362	143
Educational Attainment	0.825	135	0.825	138
Health and Survival	0.944	143	0.961	132
Political Empowerment	0.156	95	0.152	95

Source: Global Gender Gap Index (GGGI)

only in ameliorating the conditions of women, but also contributes to nations' economic growth (Knut Ostby, 2021). Similar to the aforementioned idea, is what is commonly known in the development circles as **smart economics** championing that *gender equality is part and parcel of a nation's sustainable development*, and that economic dividend needs to cut across the gender barrier (Knut Ostby, 2021; Shetty, 2012; Asia, 2022). It is estimated in the same report, that the Global Gross Domestic Product (GDP) can witness an increase of \$12 Trillion by 2025 if gender inequality is decisively addressed. Notwithstanding, the various gender-based deterrents like time poverty (a situation where women are monetarily poor and have insufficient

woman's pathway is indeed very challenging. According to International Labor Organization (ILO), Pakistan has a gender wage gap of 34%, over two times higher than the global mean (73 countries), while, UNDP estimates that women's earnings have been merely 18% of that of a man, the gap could possibly be larger in actuality (Knut Ostby, 2021). As mentioned above, women's share of the labor force participation in Pakistan stands at 20.7% (one of the lowest in the region), as opposed to below 47% globally – Pakistan's total labor force is approximately around 71.76 million, while 67.25 million are employed out of which women have a share of 15.34 million More than half of the Pakistan's female labor is associated with

agriculture sector contributing as unpaid family workers (55.9%) (Conceição, 2022; Organization I. L., 2022; Ministry of Planning D. &, 2020-21).. While, International Growth Center (IGC) at London School of Economic (LSE) estimates that if female labor participation was the equivalent to that of males, Pakistan's GDP could witness the dividend of 60% boost to GDP by 2025 (Shaikh, 2023). Moreover, according to International Monetary Fund (IMF) and World Bank, Pakistan's GDP is estimated to be \$340.64 – 376.53 billion, with around \$661 billion constituted by the informal sector, coming out as 35.6% of the GDP (Fund, 2023; Bank W. , 2022; Wahid, 2023). The aforementioned sector has a share of 72.5% (76.2% rural, 68.5% urban) of the total employment exclusive of agriculture jobs as opposed to formal sector which is around 27.5%. To further break down the informal sector, 65.5% of the women participate in it (Ministry of Planning D. &, 2020-21). In the same vein, the majority of Pakistan's 8.5 million domestic workers are women (part of the informal sector) (Pakistan U. N., 2023). This phenomenon of informal employment sector concomitant with shadow economy, results in perpetual exploitation/abuse, occupational hazards and dearth of welfare benefits with much of the work going unrecognized for the already beleaguered female population. It is important to note that according to the IMF, Pakistan can record a 30% - 33% increase in GDP through bridging the glaring gender gap ((FES), 2023; Iqbal, 2018; Dawn, 'Financial inclusion of women can boost Pakistan's GDP by 33pc', 2020).

Initiatives by the State

Over the years, the state of Pakistan has taken a few initiatives for female empowerment in accordance with, Beijing Platform and the SDGs (women-oriented targets). In the most recent Federal Budget of the Financial Year (FY) 2023-24, it earmarked a paltry Pakistani Rupee (PKR) 5 billion for female empowerment which is said to be disbursed for development of skills and materializing entrepreneurial and business ambitions into reality (Dar, 2023-24). However, such a budget allocation

and initiatives require a comprehensive system of tracking. Along with this, the National Technology FUND (Ignite) set up 8 incubation centers, gravitating PKR 15.43 billion worth of investment, housing 1317 start-ups and more importantly facilitating around 2,300 female entrepreneurs (Finance, 2022-23). Pakistan's budgeting and planning needs to be effectively coalesced with gender perspectives and evaluate budgetary impacts on women, in other words the *governance tool of gender-budgeting*. This approach should focus on gender analysis of the budget to help pinpoint not only gender deficits but also suggest **gender-smart** policy measures for practical **gender-equality**. Nonetheless, the budget allocation of PKR 5 billion requires considerable increase especially since the sex-disaggregated data mentioned in this report so far indicates that female entrepreneurs in Pakistan are a mere 1% of the total number of entrepreneurs. Moreover, the *Benazir Income Support Programme (BISP)*, has become a flagship project for poverty alleviation amongst women originating from the most vulnerable and poverty stricken stratum. Launched in 2008, as an initiative to contribute to the safety of the destitute female population, it now has an approved budget of PKR 471 billion for FY 2023-24. Currently, under BISP's *Benazir Kafaalat Programme*, the government disburses PKR 8,500 to beneficiaries every quarter, providing coverage to around 9 million families in the National Socio-Economic Registry (NSER) (Programme, Benazir Kafaalat Programme, 2023). One critique of the programme by women's rights advocates is that it only provides cash assistance to married women, while neglecting single women who have to eke out a living in Pakistan (Brauw, 2017; Rasheed, 2023). Along with this Zarai Taraqiati Bank under the *Khawateen Rozgar Scheme* continues to provide loans to rural women with a maximum limit of PKR 500,000, in order to boost agricultural activities and improve the financial status of the applicants in tandem (Bank Z. T., 2023). Although, the eligibility criteria limit the scope of this scheme as it requires women to be creditworthy. This impedes the radius of gender specific development.

Furthermore, *the National Financial Inclusion*

Strategy (NFIS) 2015, targets to have 20 million female owned digital accounts for transactions by 2023 as part of developing gender-inclusive financial ecosystem. NFIS also aims to provide financial vitality to the First Women Bank Limited (FWBL), which was originally created as public sector bank to be cognizant with the unmet needs of women. But it underperformed due to insufficient capital. Additionally, the State Bank of Pakistan (SBP) has been working on synergizing NFIS with National Payment System Strategy (NPSS) that was initiated in 2019 during former SBP's governor, Dr. Reza Baqir's tenure (Pakistan S. B., Banking on Equality: To Reduce the Gender Gap in Financial Inclusion, 2021). The rationale behind this is to not only to encourage Pakistan towards a cashless economy, but to encapsulate the unbanked female population. The country has one of the poorest digital transaction account penetration rates in the world, standing at 62%. According to Dr Baqir, if we evaluate this through the gender lens, the ratio of banks accounts is 3:1 in favor of men. Apart from this, SBP has a refinancing scheme that also offers credit guarantee to female entrepreneurs with an annual mark-up rate of 5% (Pakistan S. B., More initiatives, 2020). This encompasses 60% risk coverage to financial institutions engaged. Similarly, under the *Prime Ministers' Kamyab Jawan Youth Entrepreneurship Scheme*, affirmative action in the form of 25% quota for female entrepreneur is implemented, the annual mark-up rate stands at 5% with PKR 25 million maximum financing. Complementing the aforementioned policy measures and special schemes, SBP has been relaying rudimentary financial/ banking knowledge to populace under its *National Financial Literacy Program (NFLP)*. Launched in 2017 with the target of educating 1 million (50% women, 70% rural residents), NFLP, thus far has had 886,000 participants in its program cycle (Pakistan S. B., More initiatives, 2020).

Women and Politics

In the face of adversities, such as societal dogmas and male dominated legislature that treats gender issues in a facetious manner, the performance and

resilience of the female parliamentarians, politicians and activists in Pakistan's legislative system and the socio-political landscape respectively has been commendable. To name a few, Begum Jahan-Ara Shah Nawaz, Begum Ghulam Hussain Hidayatullah, Viqarunnisa Noon, Begum Amajadi Bano, Begum Shaista Suhrawardy Ikramullah, Begum Abdullah Haroon, Begum Salma Tassaduq Hussain, and more notably the dynamic Madr-e-Millat (mother of the nation) Mohtarma Fatima Jinnah and Begum Rana Liaquat Ali Khan struggled abreast of men for a separate homeland (Dawn, Pakistan Day: Women at the forefront, 2010). Following the inception of Pakistan, Fatima Jinnah proved to be a vanguard of peaceful resistance against the iron fist of Field Marshal, President Ayub Khan (Times, 1964). Years later when Pakistan was in the clutches of General Zia-ul-Haq's draconian military regime, Former Prime Minister Benazir Bhutto was a vociferous opposition figure in the 1980s Movement for the Restoration of Democracy (MRD) (Paracha, 2015). Fast-forward to Pakistan's last dictatorship of Former President, General Pervez Musharraf, the likes of Human Rights Activist, Asma Jahangir played an instrumental role along with several other women in the lawyers' movement (2007-2009) (International, 2018). Jahangir left behind a glorious legacy that continues to embolden both young men and women to soldier on for democratic tenets and human rights.

Political Representation of Women

Pakistan's bicameral legislature reserves seats for women – reserved seats in addition to the general/ directly elected members in case of National Assembly (NA) - collectively this makes the numerical representation of women roughly around 20% or 1/5th of both houses (Conceição, 2022; UNDP, 2023; Free and Fair Election Network (FAFEN), 2023). National Assembly has a total of 342 members out of which 60 seats are reserved for women; exclusive of the aforementioned reserved seats, a meagre 3% is the actual representation of women elected on general seats. On the other hand, 17 seats are reserved for women out of a total of 100 in the Upper house (Senate) (Pakistan S. o., 2023).

The question here is whether the reserved seats are truly representative of the diverse female demography and intersectional experience in Pakistan. The quota (affirmative action) for women's reserved seats for both Provincial Assemblies (PAs) and the NA is in line with Articles 51 and 106 of the Constitution, however analysis show that seats are disproportionately and majorly saturated to a few major districts, such as 14 out of 60 reserved seats in NA emanate from Lahore (FAFEN, 2023; The Constitution of the Islamic Republic of Pakistan, 1973). This reflects a democratic deficit in terms of political representation of a heterogeneous female population. Table 8.7 provides the district wise origins of the reserved seats for women in both NA and PAs:

Moreover, the existence of a functional and responsive Local Governments (LGs) throughout the length and breadth of a state is integral to institutionally redress gender related maladies and

the underrepresentation of women at this tier of decision-making, so as to dilute feelings of alienation amongst women. It will act as a political stimulus and help in creating young and vibrant female leadership at the grassroot level. Unlike the political plutocrats in the parliament who are virtually divorced from the ground realities and are not cognizant of the common individuals' problems. LG representatives are conscious of the predicament of their constituents as they are likely to be cut from the same social fabric as their voters. Unfortunately, LGs remain practically impotent in Pakistan as financial, administrative, political vires have not devolved to most fundamental unit of the government under Article 140A of the constitution (The Constitution of the Islamic Republic of Pakistan, 1973). This in turn disenfranchise and deprives women from political arena. This is why there is a need to reorient the gender disequilibrium through gender sensitive and inclusive solutions, affirmative action and policies. Moreover, a lesson

TABLE 8.7

District Wise Reserved Seats for Women in both NA and PAs

	Khyber Pakhtunkhwa	Sindh	Baluchistan	Punjab	National
Total Women's Reserved Seats	22	29	11	66	60
Total Districts female Parliamentarians on Reserved Seats hail from	11	9	6	19	32
Karachi		19	1		6
Quetta			7		3
Peshawar					4
Sialkot				2	2
Lahore				39	14
Rawalpindi				5	4
Islamabad				2	3
Others	11	10	3	18	24

Source: FAFEN

in egalitarian politics and grassroots democracy comes from India, through 73rd as well as 74th Constitutional Amendments, 1/3rd (33%) of seats in *Panchayati Raj* (local self-government in rural areas) and municipalities are reserved for women (The Constitution of India, 1950; Chawla, 2021). Currently, the provincial governments in Pakistan are reluctant to hand over actual control to LG. Local elections held in KPK, Sindh and Baluchistan are denigrated by critics as an electoral window dressing. The provincial governments intervene in the municipal affairs and employ delaying tactics for fiscal decentralization. In the same vein, the unconstitutional ultra vires of the Chief Minister also has a stranglehold on the workings of LGs.

Performance of the Female Parliamentarians 2022-23

According to Trust for Democratic Education and Accountability (TDEA) and Free & Fair Election Network (FAFEN), close to 35% of the parliamentary agenda was contributed by female parliamentarians (Senate and NA combined) during parliamentary year 2022-2023. To break it down further, 14/48 (29%) of the Calling Attention Notices (CANs), 2/12 (17%) proposals for amendments to rules of house procedures, 60/206 (29%) Private Members' Bills, 730/2159 (35%) Questions, 19/73 (26%) Motions for Public Interest Issues and 12/42 (29%) Private Members' Resolutions were sponsored by female parliamentarians. Discussions and legislative agenda initiated by female parliamentarians encapsulated the gamut of key issues faced by the public including spurring discussions on energy/fuel prices and its inconsistent supply, breakneck inflation, safeguarding rights of vulnerable societal segments, fluctuating law and order situation and bringing to attention the performance of government departments. Moreover, female parliamentarians also pushed for legislation/ amendments in public interest domains such as safeguarding rights of transgender citizens, workers, along with protection of children through improvement in the efficacy of criminal laws and health reforms.

However, this noteworthy constitutional activity generated by female parliamentarians was not matched with the same seriousness by the two houses during parliamentary year 2022-2023. FAFEN, 2023 reports that in the NA 50% CANs and 64% Private Member Bills promulgated by female Member National Assembly (MNAs) went unaddressed. In the same vein all Amendments to rules, Motions for Public Interest Discussions, and Private Member Resolutions lapsed or got deferred till the last assembly session. Whereas, Senate comparatively portrays a slightly better outlook during the aforementioned period with 33% Private Member Resolutions and 13% Private Member Bills sponsored by female Senators going unattended

According to the afore cited report, female parliamentarians fared better in terms of attendance in both houses than their male equivalents, as out of a total of 9 sessions consisting 87 sittings, female NA members averaged 57 sittings (66%), while male members averaged 46 (53 %) sittings. On the other hand, out of a total of 8 sessions consisting of 58 sittings, female Senators averaged 39 (68%) sittings compared to male Senators who averaged 32 (56%) sittings. Additionally, each NA sitting averaged 30 female members that is 67% of the collective female Member National Assembly (MNAs) count, compared to 89 male MNAs on average making it 52% of the collective male NA membership. More or less, a similar attendance pattern was observed in the Senate as well.

Education and Health through the Gender Lens

Countries that prioritize budgetary outlay for education and health are placed high in the human development index as the dividend of such long-term policies materialize in the shape of sustainable prosperity. This is true especially for the most vulnerable and impoverished segments of the society. Therefore, policies need to be driven by *human rights-based approach* in the context of women's empowerment especially in the areas that deal with education and healthcare services. This is an indispensable part of *good governance*.

Women and Education

UNESCO reports in 2020 that even as the world makes headway in the domain of education, there are about 781 million adults categorized as “illiterate” globally. Contextualized with gender, almost 2/3rd (66%) of these adults are women. In terms of literacy rates as a baseline here, 51.9% of women and 73.4% of men out of a total of 62.8% are categorized as literate in Pakistan, in other words, women in Pakistan are behind in this indicator. Ministry of Planning breaks it down, according to the data and statistics given below:

Moreover, Article 25A of The Constitution of the Islamic Republic of Pakistan, 1973 stipulates that the State of Pakistan is obliged to provide access to free and compulsory education to children aged 5 to 16 years. On the contrary, nationally, Pakistan roughly has 20.3 to 22.8 million children between the ages of 5 and 16 who are out school' (Juan D. Baron, Facing the Challenges of Girls Education in Pakistan, 2023; UNICEF, 2023). This is close to 32%, alarmingly 12 million of them are girls (roughly 2 million more than the total number of boys) (Pakistan Bureau of Statistics, 2021). Table

TABLE 8.8

Gender wise Literacy Rates

Area/ Country	Literacy Rate %		
	Women	Men	Total
Rural	40.8	67.2	54
Urban	70.8	83.5	77.3
Pakistan	51.9	73.4	62.8

Source: Pakistan Labor Force Survey 2020-2021

8.9 shows 2019-2020's data by sex and province of out of school children (5-16 years), reflecting how greater percentage of girls are deprived of schooling:

During FY 2022, Pakistan spent a marginal 1.7% of the GDP on the education sector, compared to the regional average of 4% and global average of 4.3% to 4.8%. The government needs to increase it up to 5.4% of the GDP to inculcate quality in the

forementioned sector— (Juan D. Baron, In Pakistan, Quality Education Requires A Different Approach and More Investment, 2023). Moreover, educational expenditure needs to be around 9.6% of the GDP by 2030 in Pakistan, to meet the targets of the SDGs including the ones that are gender specific (Dept., 2022). The federal government for FY 2023-

TABLE 8.9

Children Put out of School

Province/ Country	Girls %	Boys %	Total %
Baluchistan	59	38	47
KPK (doesn't include Former FATA	40	20	30
Punjab	26	22	24
Sindh	51	39	44
Pakistan	37	27	32

Source: Pakistan Social and Living Standard Measurement Survey (PSLM) 2019-2020

24, announced an educational outlay of PKR 97.1 billion (0.67%) out of a total budget of PKR 14.5 trillion; the coverage of Benazir Scholarship Programme expanded from erstwhile number of 66 million to 8.3 million; 52% of the PKR 55 billion scholarship fund will be directed towards girls (Aazim, 2023; Dar, 2023-24). In addition, PKR 6 billion worth of undergraduate scholarships to 92,000 students, was also earmarked.

However, currently, Pakistan portrays a grave example of *Learning Poverty* especially in the aftermath of COVID-19, where over 75% to 79% of late primary age children are unable to read and comprehend a simple text. Along with this, the student teacher ratio (STR) stands at an average of 27:1, that is significantly higher than the global average of 18:1. This is in comparison to the US that has an STR of 16:1, while India has 40:1. It is essential that Pakistan should progressively work to bring it down to 20:1 (Nations, Nearly 69 million new teachers needed to achieve global education

goals, UNESCO reports, 2016; Fleck, 2022; iLibrary, 2019). With regard to access to education for women, the ground realities are replete with multidimensional challenges. It is estimated that 54% of the students (29.27 million) receive their education from the public sector, where 55% of the teachers are males, this dissuades many conservative households across the income strata to send their daughters to school. Generally, but not invariably, this scenario is compounded by the stigma associated with the very idea of an educated and freethinking woman. It is incongruous with the norms of a functioning patriarchal society.

Women and Healthcare

Pakistan has around 10.84 doctors to care for 10,000 citizens, which is slightly better than India which has approximately 7.27 doctors for the aforementioned population number, while Sweden and Mali have 70.62 and 1.23 doctors respectively (WHO W. H., Medical doctors (per 10 000 population), 2023). Moreover, women (65.5) in Pakistan have a slightly higher life expectancy than men (64.5) (Organization W. H., 2023; Ministry of Planning D. a., 2022). In contrast, Japan, Somalia and Global life expectancy of both sexes come out as 84.3, 56.5 and 73.4 respectively (WHO W. H., Japan Health data overview for Japan, 2023; World Health Organization, Somalia Health data overview for the Federal Republic of Somalia, 2023; WHO, 2023). Table 8.10 presents top diseases that resulted into deaths per 10,000 of both sexes in Pakistan (Organization W. H., 2023)

Moreover, in the FY 2022, the health outlay came out to be paltry 1.4% of the GDP. 1/5th of the already neglected sector was left dilapidated by virtue of the floods of 2022 (Finance, 2022-23). Here also, the discussion needs to factor in the various intersectional challenges. Women are more vulnerable to events like war, natural disasters and epidemics. This further hampers their access to health care services.. Among the millions who witnessed their livelihood upended and adversely affected in several ways during the aforementioned floods, around 650,000 pregnant women suffered due to the virtually wiped out maternal healthcare

TABLE 8.10

Top Diseases Causing Deaths in Pakistan

Diseases	Females (deaths per 10,000 of the population)	Males (deaths per 10,000 of the population)
Chronic obstructive pulmonary disease	23.5	56
Low respiratory infections	31.7	45
Ischaemic heart disease	87.4	134
Breast Cancer	17.1	-
Kidney diseases	25.9	27
Neonatal conditions	84.5	106
Diabetes mellitus	33.5	26
Stroke	71.9	59
Diarrheal diseases	48.3	48
Tuberculosis	-	22
Cirrhosis of the liver	29.9	21

Source: World Health Organization (WHO)

infrastructure within their vicinity, out of which an estimated 73,000 were a month from their delivery (Watch, Pakistan Events of 2022, 2022; (UNFPA), 2022).

Moreover, in terms of the Maternal Mortality Ratio (MMR), Pakistan has witnessed an improvement from 276 deaths per 100,000 live births in 2007 to 140 in 2021 (United Nations Population Fund, 2020; Conceição, 2022; UNDP, 2023). As opposed to it, 2020 global average of 223 deaths per 100,000 live births was also significant decrease from 342 deaths in 2000, an improvement of 34% (Unicef, 2023). A glaring disparity remains vis-à-vis MMR between low-income/ lower middle-income countries like Pakistan and high-income countries with 430 (nearly 95%) and 12 deaths per 100,000 live births in 2020, respectively (World Health Organization, Maternal mortality, 2023). To meet

the Agenda 2030 in particular SDG 3.1, Pakistan must bring its MMR to 70 that could only materialize through gender budgeting, augmented female participation in health policy-making and continuous increase in the number healthcare force especially in far-flung, underdeveloped regions like South Baluchistan (World Health Organization, Maternal mortality, 2023; (UN-DESA), 2023). Additionally, understanding MMR causes like eclampsia, puerperal sepsis and the most common one, postpartum hemorrhage is also integral. (Sean Kaisser Shaeen, 2022). To remedy this situation, Pakistan must bring down maternal mortality ratio through better planning. For this reason, an increase in gender budgeting is necessary. In the same vein, augmented female participation in health care is also important. Unfortunately, a recent Gallup surveys indicates 35% of female doctors are out of the work force. This is disappointing, because the government spends almost 200 billion rupees of the tax-payers' money on medical graduates.

Furthermore, women in Pakistan often lack the autonomy to make decision regarding their sexual as well reproductive health. The country has around 18.3% girls between the ages of 20 to 24 who were married off before they turned 18 (UN Women W. C., 2023). Early marriages are linked with complications in pregnancy and more importantly dims the career prospects of young women. Broadly speaking this phenomenon also could contribute to high fertility, unplanned motherhood, postpartum depression and stunting in children. In this regard it is critical to mention that, only 48.5% to 48.6% women in Pakistan have had their needs of family planning sufficed through modern means and procedures (Jeffrey D. Sachs, 2023; UN Women W. C., 2023). It should not come as a surprise that Pakistan has a fertility rate of 3.6 – 3.7 children per woman of reproductive age (15 – 49 years), off by 1.3 of the global rate of almost 2.3, or in other words 157% higher than it (UNFPA, 2022; Ministry of Planning D. a., 2022). Fertility rate becomes a problem in countries that lack gender responsive/gender smart healthcare services, where youth bulge has morphed into a bane, where the reproductive cycle supersedes women's education,

where women's say in childbearing is peripheral at best.

Policy Recommendations

We can conclude this chapter by suggesting some measures that can be taken by the state and society to ensure greater gender equality in Pakistan.

- For perceptible change to transpire in a society, female leadership and collective power of women need to be emboldened and mobilized, especially at the grassroots. Globally, grassroots organizations possess the ability to uniquely comprehend and channel the issues as well as sensitivities of their communities, particularly the gender constituency in this case, albeit not limited to it. These organizations also function as a nursery for leaders of tomorrow and create a more politically cognizant voter base. Women-led socio-political organizations at grassroots need to have a broader and decisive role in the state discourse and affairs, since they can bring to the fore the afflictions of women of their respective communities more effectively. We must keep in mind that underneath the façade of women empowerment, male dominated status quo is not allowed to continue.

Along with this, the number of seats in the parliament needs to be multiplied with diverse representation especially from underserved regions like Baluchistan, Interior Sindh, Former Federally Administered Tribal Districts (FATA) of KPK and South Punjab. These aforementioned policy measures could, ipso facto, help transmute policy-making in Pakistan into becoming gender-smart/sensitive.

- The proactive engagement of young female leaders in the sphere of decision-making ought to be encouraged. As a prerequisite such spaces need to be accessible. Pakistan boasts of a youth bulge and as such, their perspective and creativity should be incorporated so that the policies do not

depict a generational -gulf and gender neglect. Harnessing the potential of young female leaders in the broader decision-making apparatus in order to bring in positive change, will modernize the society. It will not just overhaul the system but will make it more efficient. It is also important for the state to empower young women in far-flung and underdeveloped areas consisting of marginalized communities, through democratization of internet and education so that their opinions can also be solicited. This would ensure their participation by mitigating vertical and horizontal inequalities.

- Intersectionality needs to be encouraged amongst the cornerstones for all policy-making in Pakistan. It is a well known fact that, women are prone to greater peril in situations of organized violence and anthropogenic catastrophes. Therefore, policies that take a holistic approach should be formulated. Such an intersectional approach also calls for a seat for diverse constituencies of women at the policy-making level to authenticate the process. The government can benefit from the intersectional experiences of variegated groups through partnerships.
- Similar to the 73rd and 74th amendment to the Indian constitution, Pakistan should add a more detailed section corresponding to local governments (LGs) specifically mandating at least 1/3 of the seats be reserved for female candidates. The local government Acts of various provinces do touch upon reserved seats but amendment to the constitution will give this recommendation potent legal underpinning in addition to the already stated Articles 140A and 32. Powerful, gender inclusive and functional Local Governments with actual decision-making vires in areas such as education and health, could help address gender issues at the most fundamental tier of the government, while also ramping up accountability and accessibility to public officials.
- The struggle to upend the status quo that

militates against women empowerment needs proactive participation of male allies especially in governance and the political arena. Like in many developing societies, men disproportionately arrogated themselves to decision-making power in Pakistan, a condition that solidifies their dominance as patriarchs. Men cannot simply pass the buck here, they have the onus to use their influence in whatever capacity to eradicate inhibitions in the path towards gender parity. Village elders, traditional and religious male opinion leaders also need to be taken onboard to champion that women's rights and religious as well as social norms are not an oxymoron.

- Women's financial autonomy and inclusion in the Pakistan's economy can be scaled up through availability of venture capital and greater number of targeted government initiatives. However, in the case of the latter as an affirmative action, capacity building is a prerequisite, for women to truly harness the opportunity and reap dividends. Moreover, the state needs to introduce legislation that implements adequate minimum wage rate for unpaid female labor especially in the agriculture sector and often exploited female domestic workers. Along with this, only small-scale female farmers who have less than 20-25 acres of agricultural land need to be assisted through targeted subsidies that are not limited to cash crops like sugarcane and wheat. Moreover, female entrepreneurs ought to be deemed more than an appendage, rather the state should facilitate such women as part of a policy of unlocking the potential of the country's underutilized *Micro Small Medium Enterprise (MSME)* sector. National Incubation Centers need to be multiplied under initiatives like the National Technology Fund, with greater focus on female-led start-ups. In a nutshell, the country needs to embrace the concept of **Womenomics**, starting with the most destitute and downtrodden segments of the

female population.

- Smart economics persuades Pakistan to prioritize women's education, as it ought to be enshrined in the country's long-term sustainable development plan. State could ensure monthly stipend or subsidized education for the most vulnerable, poverty-stricken female population, and work it up from there to cover at least the middle class.
- Gender budgeting needs to be espoused at every tier of the governance edifice to identify how public outlay and fiscal policies are contributing to gender disparity. Pakistan needs to develop and periodically upgrade its sex-disaggregated database vis-à-vis the SDGs and gauge the impact of public policies on women. Such data needs to be readily available and should be visually as well practically user-friendly so that it is frequently referred to make policies backed by evidence. All gender specific initiatives and gender budgeting needs to be grounded in facts and figures along with sound analysis driven by sustainable development. It is important to state, in terms of gender budgeting in Pakistan, BISP should extend coverage to single women without parents, in order to dilute the notion that the state turned a blind eye to this segment of the female population pushed to the fringe of the society.
- In terms of healthcare services, it is key to reevaluate the healthcare structure and budget, to better align it with not only the gender needs but inclusion of programmes such as training of human resource linked with maternal or women's health in general. Moreover, exploring the concept of community health planning for females on issues like awareness of postnatal complications, advocacy of family planning, awareness for mental health, dispelling conspiracy theories attached to immunization, not least the rural or underserved areas with close consultation of village elders needs to be done. With this, a dollar-strapped Pakistan as a governance tool, could adhere to targeted subsidy or

discounted healthcare services through health insurance driven by intersectionality only for the most vulnerable, marginalized and destitute female population.

- Generally, workplaces and educational institutes in Pakistan, especially in underdeveloped parts of the country need to be morphed into a secure and female-friendly environment. There is a need of strict implementation of legislation which binds institutes, organizations and companies to take issues like harassment seriously. The state needs to ensure gender sensitive infrastructure including segregated toilets, and provide equal educational as well career development opportunities. Last but not the least, the government should adopt measures to improve transport and commuting for females that responds to their gender *needs*. Finally, the state also needs to understand the concept of *time poverty* in the case of both working and stay at home women.

Chapter

09

**Governance and
Managing Climate Change**

Governance and Managing Climate Change

Socrat Aman

This Chapter attempts to explore the debate on Climate Change, The overarching global Climate Agreements and targets serve as reference points for highlighting the weakness of the climate governance paradigm. Subsequently, it will elucidate how the international climate governance apathy extends to the national climate commitments and their effective implementation by the Federal Ministry of Climate Change and Environmental Coordination (MoCC&EC) of the Government of Pakistan. The Conclusion further suggests a new mission-oriented and innovative climate response approach, which can be achieved only through a more '**reflexive institutional**' framework (Dryzek.2018).

Brief Description of the Climate Deal and Institutional Governance Design

The phenomena of Climate Change was considered a fallacy until the mid-20th century. In 1896, Svante Arrhenius pioneered the idea of human-induced global warming and Climate Change, supported by actual evidentiary mathematical modeling (BSG.2017). However, he was dismissed as a prophet of doom. Later, an English engineer, Guy Stewart Callendar demonstrated through scientific analyses of atmospheric gas concentrations, rainfall trends, temperature variations, and fossil fuel burning that Climate Change was indeed occurring.. Unfortunately, despite these findings, international decision makers remained largely disinterested and

indifferent.

On June 23rd, 1988, Climate Change gained recognition in the international governance arena. Dr. James Hansen, Director of NASA's Goddard Institute for Space Studies, testified before the United States (US) Senate Committee on Energy and Natural Resources, stating that NASA had evidence, based on computer simulations, indicating that Climate Change was already catastrophically and irreversibly large. It was on a trajectory that would increase global temperatures by over 4.4 °C. The emphasis was on the onset of an Anthropocene era, with the entire responsibility placed on our production, development, and consumption patterns (BSG.2017).

In December of 1988, the United Nations (UN) established the **Intergovernmental Panel on Climate Change** (IPCC) with the task of consolidating, assessing, and reviewing all available scientific information worldwide to develop Assessment Reports (ARs). Since 1988, the IPCC, through its reports, has played a pivotal role in dispelling doubts among policymakers in developed countries that Climate Change is unequivocal, anthropogenic, and too real to be swept under the rug.

The IPCC's AR4, AR5, and AR6 were instrumental in creating a consensus among nations on what would constitute a 'dangerous anthropogenic

interference' in the climate system (BSG,2017). Consequently, a global temperature threshold of more than a 2°C rise above pre-industrial levels is considered intolerable. As a result, the widely recognized global temperature limit of reducing temperatures to 1.5°C was a direct product of AR5 (BSG.2017)

With science firmly backing anthropogenic interferences as the primary causes of rising sea levels, erratic weather patterns, desertification, and food stresses, the onus was clearly pointed towards the developed world – the North.

Realizing the irreversibility of what had been done, the North responded by summoning the Pioneer Earth Summit at Rio under the auspices of the United Nations (UN). In March 1994, a United Nations Framework Convention on Climate (UNFCCC) was ratified as a climate governance framework. For the first time, the term 'Climate Justice' was heard (BSG.2017). One hundred and ninety-seven countries emphasized that *Those countries, who had benefitted from emissions in the form of ongoing economic development and increased wealth have an ethical obligation to share those benefits with countries, who have suffered from the effects of these emissions.* (BSG.2017) The framework envisaged a system of grants and loans for adaptation and mitigation efforts in developing countries, with the entire weight of financing placed on 40 developed donor countries. The climate governance UNFCCC model was not legally binding. However, up to that point, the United States (US), being the largest emitter of Greenhouse Gases (GHGs), was expected to lead the funding effort. Yet, no impactful contribution was made in this regard. (UNFCCC.1992)

The plot thickened as emerging economies like China, Brazil, and India entered the development arena. The North saw in this the opportunity to share the burden of ushering humans into the anthropogenic era. As the share of emerging economies increased in GHG emissions, an ancillary by-product of their development, there was a need felt by the North to extend the convention with concrete deliverables. The logical product was the **Kyoto Protocol** of 1997. It established limits and

assigned a value to countries' GHG emissions, which could subsequently be traded. The system for monitoring, reviewing, and verifying emissions was enhanced. Additionally, a new compliance system was introduced, offering countries a market mechanism for trading carbon credits through instruments like International Emission Trading (IET), Clean Development Mechanism (CDM), and joint implementation (UNFCCC.int)

The Kyoto Protocol had two phases: The first phase (2008-2012) committed to legally binding developed and emerging nations to reduce GHG emissions by 5% of the 1990 level. The second phase (2013-2020) aimed to ambitiously bind the same affluent emitters to reduce GHG emissions by 18% of the 1990 level (BSG.2017).

However, since the Kyoto Protocol placed emphasis on both the US and China being leaders of the North-Emerging Nations group, and thus shouldering the main responsibility for reducing GHG emissions according to the set limits, no deal could be reached. This meant that only European Union (EU) countries were left to shoulder the burden of these legally binding conditions. The EU, on their part, comprised only 18% of global GHG emitters. Thus, the top-down Kyoto Protocol model, without the participation of the US and China, was a non-starter from the beginning. It took seven years to get ratified by major countries, and its ratchet-up mechanism permanently discouraged the US Congress from committing to its ratification.

In short, the Kyoto Protocol never took off because of the developing countries' insistence on making the obligations legally binding on the developed countries. The model was perceived as seeking climate reparations from the developed countries by the non-developed nations. Furthermore, the Northern countries felt technically cheated by nations like China and India. Although their share of greenhouse gas emissions had collectively surpassed that of the US, they insisted on free-riding and piggybacking as developing countries. The Kyoto Protocol, as an international Climate Change governance model, demonstrated that there were various underlying dynamics to climate governance. It should not be seen as a linear process of merely

rational negotiations, followed by compartmentalized inputs and outputs. There are elements of power, legitimacy, and a debate regarding who is justified in shouldering the burden and calling the shots. Moreover, there is more of a political economy of Climate Change at play than just a simple governance of it.

In 2009, the **Copenhagen Accord** was viewed as a pushback from the US. It aimed at spreading the responsibility evenly among developed, emerging, and non-developed countries. This marked the introduction of the first bottom-up model, adopting a more inclusive approach. It allowed countries to pledge either targets (for developed countries) or Nationally Appropriate Mitigation Actions (NAMA) for developing countries. The accord was legally binding and did not include a ratchet-up mechanism, hence lacking a system for subsequent pledges. Although the accord's negotiations ultimately failed, the significant continuity with the UNFCCC that remained intact for the upcoming Conference of Parties (COP) in Paris was the overarching scientific assertion of an overall 2°C limit.

The design of the **Paris Agreement** (2015) shares affinities with previous climate agreements such as the 1992 UNFCCC framework, the Kyoto Protocol, and especially the Copenhagen Accord. Yet, the Paris Agreement was a *Goldilocks solution*. It was neither too stringent to be unacceptable to the key

developed countries and lobbyists, nor too feeble to be labeled as ineffectual. (UNFCCC.int)
The prime difference in governance and accountability approach taken at Paris was to consider symmetrical responsibility for all parties. Both 'Annexure 1' (developed countries) and 'non-Annexure 1' (developing countries) parties were expected to submit or update their pledges, called Nationally Determined Contributions (NDCs), every five years. Although the Paris Rulebook pre-specified the templates for information and progress reporting, the content of NDCs was entirely up to each country to provide. Therefore, the Paris Agreement can be seen as both bottoms-up, with nations deciding their NDCs, and top-down, setting a global temperature target of trying to keep it below 2 °C (pre-industrial levels). The arbitrariness in deciding one's own targets and delivering just the bare minimum was protected to a certain extent through the ratchet mechanism and periodic global stock-take of NDCs. A few new items were added to the Paris Agreement when it came into force in 2020. These included a goal to achieve net zero emissions by 2050, with a numeric target of \$100 billion allocated each year.

Kyoto and Copenhagen followed the principle of 'Common but Differentiated Responsibilities and Respective Capabilities' (CBDRRC). This principle primarily placed the onus of causing, benefiting, and now addressing the problem of Climate Change on developed countries. The Paris Agreement further

TABLE 9.1

The Climate Governance Models

Model	Shared Goals	Scope of Participation	Top down / Bottom up	Legal Form	Ratchet - up Mechanism
Paris Agreement	Yes	Universal	Bottom up	Hybrid	Yes
Kyoto Protocol	Defers to Convention	Narrow	Top down	Legally-binding	Yes
Copen-hagen	Yes	Wide	Bottom up	Not legally binding	No

Source: Paris Agreement : How the deal was done, BSG University of Oxford

refined the principle of CBDRRC to now include 'Self Differentiation'. (BSG.2017). Countries were left on their own to define their differentiated responsibilities and capabilities. The North and emerging economies brokered a bare-minimum action deal.

The overall governance design of the Paris Agreement was focused on creating a global buy-in from developed and competing emerging countries. This was aimed at achieving what can be construed as an acceptable level of interference with the climate system.

After the Paris Agreement, the agreed-upon threshold limit of 1.5°C at the pre-industrial level required each country to develop its own Nationally Appropriate Programs of Action on Mitigation and Adaptation, known as 'NAMAS' and 'NAPAS', along with setting their emission targets, which they were ready to commit to enforcing. These Action Plans were to be finalized in 2020 when the Paris Agreement came into force. However, this was delayed due to the (COVID-19) outbreak, and the **UN Conference of Parties at Glasgow (COP26)** took place in 2021. The countries were supposed to meet and review the aforementioned plans to ensure whether their strategies were effective in achieving the 1.5°C goal, as stipulated in the Paris Agreement. The urgency to decide on deliverables, as outlined in the Paris Agreement, was further emphasized by the findings of the Sixth Assessment Report (AR6) of the IPCC.

The result of the long-drawn negotiations at COP26 materialized in the form of another pact called the **Glasgow Climate Pact**. The first NDC review in 2016 became the benchmark, revealing the ineffectiveness of this self-determining goal model. The global temperature projection, based on declared cumulative NDC efforts, came out to be 3.3°C instead of the targeted 1.5°C.

COP26 was thus the second NDC review. It was thought that after the 3.3°C red alert, the NDCs would be more stringent and cumulatively help in decreasing global temperatures. However, this was not the case. Despite COVID lockdowns, the trajectory of global temperatures rose by more than

3°C. The positive outcome of the red alert given by the IPCC report was that countries, instead of reviewing NDC targets every 5 years, decided to review them annually.

Secondly, as the Kyoto Protocol expired in 2020 and the Paris Agreement formally came into force, COP26 was seen as an opportunity to review the market mechanism for achieving net-zero carbon. 'Double counting,' for instance, where two countries could simultaneously claim to have reduced similar emissions towards decreasing global temperatures, was prohibited under the Paris Agreement at COP26.

The third decision was to limit the buying of old, poor-quality carbon credits that would forestall new efforts at emission reduction. Most importantly, the share of proceeds to the Adaptation Fund, which was envisaged at 2% of the value of carbon credits Certified Emission Reduction (CERs) issued for CDM projects, was enhanced to 5%.

Another major achievement was the agreement on a common time frame used in NDCs. It was decided that NDCs would advance in 5-year intervals. Since the Paris Agreement was not legally binding per se in enforcing countries to fulfill climate goals, transparency rules were agreed upon. The reporting mechanism was made more quantifiable and open to peer and public pressure.

Other important announcements included the phasing down of fossil fuels, especially coal burning. It's worth noting that the largest delegation, consisting of over 100 companies and lobbyists, represented the fossil fuel industry. Until now, there had seldom been a reference to phasing out fossil fuels in any COP declaration. This was indeed an achievement. The wording from the initial draft, 'phasing out,' was changed to 'phasing down' of unabated coal power and inefficient subsidies for fossil fuels. However, this was nothing more than a victory for the climate champions. (BSG.2017)

Moreover, at COP26, a hundred and twenty-one countries further signed a Glasgow Leaders declaration on Forests and Land use, vowing to halt and then reverse deforestation by 2030. However,

there was a technical catch in this declaration. Plantations meant for producing palm oil, wood, or paper were also counted as forests, and the industry welcomed it over the protection of indigenous forests, which would have been instrumental in ensuring biodiversity.

Another global pledge was to reduce methane emissions by 30% globally in the current decade. However, India, China, and Russia didn't sign the pledge, putting the whole commitment in jeopardy. Additionally, there was a declaration on accelerating the transition to 100% zero-emission cars and vans. While forty countries signed, the US, China, and Germany chose not to participate.

Despite the global commitment made by developed nations in 2009 to provide \$100 billion annually for climate finance in developing nations, the largest amount ever received was \$79.6 billion, and that too occurred during the COVID pandemic. This is particularly disheartening when we consider that subsidies for coal, oil, and natural gas reached a staggering \$6 trillion in 2020. Similarly, the United States allocated almost \$800 billion for military expenditures in the same year. Currently, most of the climate finance is directed towards adaptability rather than mitigation.

COP26 affirmed that climate financing as promised by developed nations would indeed reach \$100 billion annually starting from 2023. However, it is concerning that the primary focus remains on adaptation. Moreover, the doubling of adaptation financing is slated for 2025, whereas developing countries require more immediate funding for Climate Change adaptation.

The Loss and Damage fund, aimed at reducing the vulnerability of developing countries, did not receive its rightful political attention. However, with the Glasgow-Sharm-ul-Sheikh matrix of discussions and action plans, there was hope for significant progress in achieving such a fund. Substantial groundwork was laid in the 'Santiago network' on loss and damage during COP25, with a pledge to 'catalyze and channel reliable technical assistance to support efforts and approaches to address loss and damage.' Despite this, developed countries did not

support the creation of another funding stream for developing countries, particularly under a new category of 'Loss and Damage,' in addition to the existing Fund for mitigation and adaptability. As a result, no decision was made, and the discussion on the Loss and Damage Fund was deferred to COP27 (World Bank Group.2022).

At **COP27** in 2022, due to the sustained pressure exerted by vulnerable and adversely affected developing countries over the past 30 years, a Climate Loss and Damage Fund was approved. This fund is intended to compensate countries that bear the brunt of Climate Change. However, we still do not know which wealthier countries will contribute to this fund and how much they will contribute.

It's important to remember that for two years or more, the idea of this Loss and Damage Fund was deemed unthinkable, with the US vehemently opposing the move. Another factor was the significant escalation of climate effects experienced worldwide, particularly by countries like Pakistan and Alliance of Small Island States (AOSIS). It was only with a change in US leadership and administration that a change of heart occurred.

Regardless of the cause, the effect was that resource-constrained vulnerable nations also gained the attention of international financial institutions. However, this positive development was tempered by the lack of progress in enforcing tougher cuts on carbon emissions. The crux of the matter is that there was a rollback on the strong political signal sent by COP26 to markets, industries, and poorer nations regarding the phasing out of fossil fuels.

The best outcome of COP27 was a strong show of South-South cooperation. These states pushed for green energy solutions instead of relying on fossil fuels. However, the North found a way to navigate this situation and opted for an agreement on a Loss and Damage Fund. Guilt paved the way in the end, but the crucial issue of reducing greenhouse gas emissions by phasing out fossil fuel usage was put on the back burner.

The UNFCCC Governance and Negotiation Framework

It is crucial to note that while the actual decision-making in the UNFCCC climate negotiations falls to official delegations of each country who are members of UNFCCC, active exchanges between various actors are pivotal for influencing and advancing the negotiation process.

The International Climate Governance framework was created to enable the countries to agree on promoting and ensuring ambitious actions against Climate Change and its effects. Negotiations within this international framework are fundamental because they set out the guidelines to be followed at the global level.

UNFCCC Bodies and Institutions (González, S. C., & Numer, E. 2020)

- **COP to UNFCCC:** The apex body that regulates the implementation of the convention and its related instruments, such as the Kyoto Protocol and the Paris Agreement, is comprised of 198 member countries of the UNFCCC. A Party refers to a country. Non-signatory countries participate as observers.
- **Conference of the parties serving as the meeting of the parties to the Paris Agreement (CMA):** This body includes all countries that have signed the Paris Agreement. The role of the conference is to monitor the implementation of the Paris Agreement and make decisions to promote its goals.
- **Bureau:** This assembly comprises representatives from five regions: Africa, Asia, Central and Eastern Europe, Latin America and the Caribbean, and Western Europe. Additionally, there is representation from other countries such as Australia, Iceland, Canada, Norway, Switzerland, New Zealand, and the United States. These groups, while not functioning as negotiation groups, serve the purpose of electing the Chair to facilitate the COP session and Bureau for each session of the COP. The sessions of COP rotate by region.
- **Subsidiary Body for Scientific and Technological Advice (SBSTA):** This body advises on climate science, environmental, and technological matters. It formulates conclusions for onward submission before the COP.
- **Subsidiary Body for Implementation (SBU):** This supports the implementation of the UNFCCC and related agreements. Like SBSTA, it adopts conclusions that are subsequently submitted to COP.
- **UNFCCC Secretariat:** This provides administrative, technical and secretariat support to the UNFCCC.
- **Constitutional Bodies:** These entities were established within the framework of the UNFCCC, comprising the Kyoto Protocol and the Paris Agreement. Their objective is to foster and facilitate dialogue on various issues, as well as support the implementation of tools. These constituted bodies include:
 - Adaptation Committee (AC).
 - Standing Committee on Finance (SCF).
 - Executive Committee of the Warsaw International Mechanism for Loss and Damage (WIM excom).
 - Facilitative Working Group of the Local Communities and Indigenous Peoples Platform (LCIPP).
 - Paris Committee on Capacity-Building (PCCB).
 - Technology Executive Committee (TEC).
 - Climate Technology Centre and Network (CTCN).
 - Adaptation Fund Board
 - Clean Development Mechanism Executive Board (CDMEB)
 - Compliance Committee
 - Consultative Group of Experts (CGE)
 - Joint Implementation Supervisory Committee (JISC).
 - Global Environment Facility (GEF).
 - Green Climate Fund (GCF)
- **Financial Mechanism:** Hand-holding and financial assistance mechanisms are established to enable resource-constrained countries to adapt, mitigate, and build resilience against Climate Change. The implementation is over-

- seen by constituted bodies such as the SCF, the
- Adaptation Fund Board, the GEF, and the GCF.

Intergovernmental Panel on Climate Change (IPCC): This is not a part of the UNFCCC. As explained earlier, it provides scientific information to countries to strengthen their response to Climate Change. It has a special team in charge of GHG emissions. It also consists of three working groups:

- **Group 1:** Advises on the physical science of Climate Change.
- **Group 2:** Advises on impacts, adaptation and vulnerability.
- **Group 3:** Deals with information generation on how to mitigate Climate Change.

The Negotiation Process or How Deals are Struck at COP

Apart from individual countries representing themselves as stakeholders, a country can also be a member of one of the blocs or regional groups that wish to negotiate collectively with similar considerations. For instance, there are the Alliances of Small Island States (AOSIS), the African Group, or the Like-Minded Developing Countries (LMDC) Group on Climate Change.

The negotiations and advocacy occur in various spaces within the UNFCCC framework. Some of these spaces include plenaries, where formal

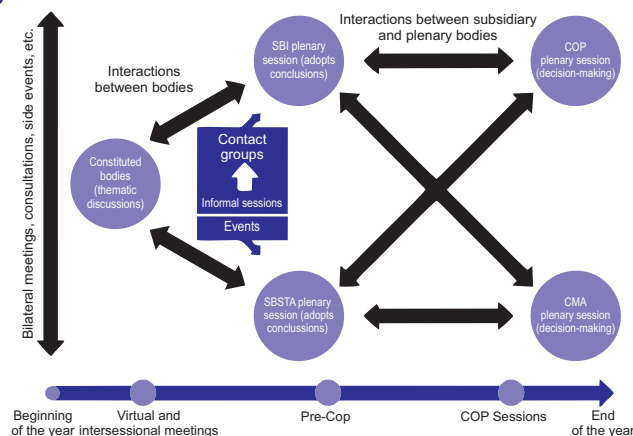
negotiations take place, and positions agreed upon in informal groups or sidebars are consolidated. There are also other arrangements, such as informal group meetings that aim to create consensus on challenging issues. Contact or support group meetings are convened by the COP, and drafting groups consist of delegates who wish to assist with drafting the text to be discussed. Additionally, friends of the chair are invited by the chair as prominent negotiators to facilitate consensus.

Similarly, there can be high-level segments that occur within the key decision-formulating bodies. Political leaders can lend their support and influence to help reach decisions during the high-level segments of the talks.

The following flow chart delineates the different phases of a typical COP negotiation. It is evident from the chart that although there can be many formal and informal sessions on the sidelines of actual plenaries of subsidiary bodies, and between official delegates and lobbyists, the plenary sessions of subsidiary bodies can only adopt the conclusions of the supporting/constitutional bodies and the IPCC as an agenda to be presented to COP plenaries. Once the agenda is framed up by subsidiary plenaries, these are presented to COP/CMA Plenaries for the approval of the agenda. After the approval of the agenda, the building up of consensus on the agenda items is referred to subsidiaries. Once common ground has been reached between countries, the

FIGURE 9.1

The Negotiation Process



Source: What is Climate Governance? UNICEF, 2020

Chair of negotiations decides when to start drafting the negotiation text. If there are still variant positions, the supporting mechanism like friends of chairs is convened to broker an agreement. In the final plenary, the decisions agreed upon are adopted, and the draft is announced.

Pakistan and Climate Governance

Pakistan's climate governance reflects the larger international climate impasse and indifference. Climate governance is not weak per se in the global strategic framework; on the contrary, it is designed to stay weak. Each time a COP takes place, its success is measured by the number of promises that are inked, not by the actual results. A promise made in COP26, such as the phasing down of fossil fuel burning, might not even find a reference in COP27. The reason is obvious: there is a disconnect between what the global need is and what each nation can commit to its realization.

In Pakistan, the same is true at a national, provincial, and local level. There is an utter alignment disconnect between the global, national, and sub-national Climate Change agenda. This misalignment has and continues to hamper any serious effort to mainstream Climate Change policy.

For a country that ranks among the top 10 countries worldwide most affected by Climate Change and natural disasters, where Climate Change becomes a risk multiplier with negative consequences that have ripple effects, and one-third of its area was submerged under water in last year's flood, affecting 33 million people and displacing 8 million. This country experienced a total damage equivalent to US \$14.9 billion, a total loss of US \$15.2 billion, and recovery and reconstruction needs that are 1.6 times the budgeted national development expenditure. This country cannot afford to stay on the sidelines of the global climate discourse or fail to mainstream Climate Change processes in its policies and governance frameworks (World Bank Group. 2022). Pakistan is an active member of the international climate regime. It is a non-annex I adherent to the UNFCCC, a signatory of the Kyoto Protocol, and a signatory of the Paris Agreement in 2015. Pakistan is also a signatory to other international conventions,

including the Sendai Framework for Disaster Risk Reduction and the Global Methane Pledge (MoCC&EC).

As a member and former chair of the G77+China group, the country has played an active role in climate policy negotiations. Notably, at COP27 in Sharm El-Sheikh, Pakistan's leadership played a vital role in establishing the Loss & Damage Fund (World Bank Group. 2022)

Domestically, Pakistan's Climate Change Act of 2017 and the subsequent National Climate Change Policy (NCCP), updated in 2021, are the key documents governing Climate Change actions and interventions. The NCCP takes an integrated approach, focusing on building a cross-cutting inter-sectoral resilience capability at both the national and subnational levels. It covers both themes of mitigation and adaptation.

The framework for the implementation of NCCP 2014-2030 is a follow-up document that offers more details on how to adapt to Climate Change and carry out mitigation. Other relevant policies and laws that incorporate commitments to addressing Climate Change include the National Clean Air Policy 2023, the National Hazardous Waste Management Policy 2022, the Updated National Climate Change Policy 2021, the Updated Nationally Determined Contributions 2021, Pakistan Vision 2025, the Alternative Renewable Energy Policy 2019, the National Electric Vehicle Policy 2019, the Agriculture Policy 2018, the National Water Policy 2017, the Biodiversity Strategy and Action Plan 2017, the National Forest Policy 2015, the Sustainable Development Goals 2015, and the Intended Nationally Determined Contributions 2015 (MoCC&EC).

A high-priority initiative under the updated National Determined Contributions (NDC) was the preparation of the National Adaptation Plan (NAP). Given Pakistan's profound vulnerability to Climate Change, the nation's paramount focus lies in generating inter-sector resilience.

The policy provides a list of adaptive actions for various climate-sensitive sectors, including water, agriculture, forestry, coastal areas, biodiversity, and

health (MoCC&EC). It also identifies appropriate actions for disaster preparedness, capacity building, institutional strengthening, and awareness raising.

Additionally, initiatives and programs such as the Living Indus Initiative, Recharge Pakistan, and the GLOF-II project are currently underway. They align with Pakistan's NAP, reinforcing the country's resilience to Climate Change (MoCC&EC).

To track the implementation status of the NDC in compliance with the transparency rules mentioned earlier in COP26, the government, as per the World Bank's Country Climate & Development Report (2022), developed a broader GHG

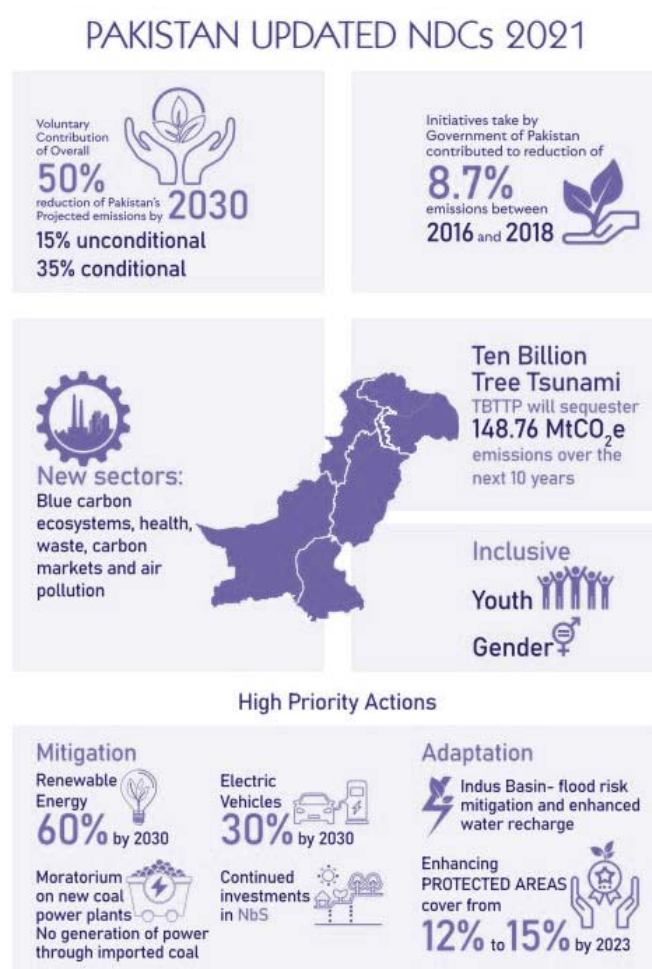
monitoring, reporting, and verification system called the Representativity Indicators for Survey Quality (RISQ). Furthermore, the government has initiated the process of formulating its long-term, low-emission development strategy (LTS) in response to Article 4.19 of the Paris Agreement and the Glasgow Climate Change Pact (World Bank Group. 2022).

Institutional Framework in Pakistan

Responsibility for initiating actions to address the effects of Climate Change in Pakistan is shared among multiple government bodies at the federal and provincial levels. One key entity in this regard is

FIGURE 9.2

Pakistan Updated NDCs 2021



Source: MoCC & EC

the Ministry of Climate Change and Environmental Coordination (MoCC&EC), which serves as the national focal point and designated authority for all multilateral environmental agreements, including the UNFCCC, the IPCC, the Paris Agreement, the Adaptation Fund, and the Green Climate Fund.

Inter-governmental and inter-sectoral coordination of Climate Change activities is a significant part of MoCC&EC's mandate. The MoCC&EC and its committees collaborate with line ministries, divisions, and departments at the national and provincial levels to ensure that Climate Change is integrated across different sectors.

Regarding adaptation, the 2017 Pakistan Climate Change Act empowers the MoCC&EC to establish the Pakistan Climate Change Council, which convened in 2022. This council can approve and monitor the implementation of comprehensive adaptation policies, strategies, plans, programs, projects, and other measures. The new adaptation policy is a result of these efforts to mainstream adaptation.

According to Mr. Tariq Banuri, a Pakistani environmentalist, the Ministry of Climate Change and Environmental Conservation (MoCC&EC) was more a product of the 18th Amendment rather than Climate Change imperatives themselves (Banuri, 2018). However, some institutions, such as the Global Change Impact Studies Center (GCISC), the disaster management system, and the strengthening of the meteorological department, were established owing to climate imperatives. There were yet a few bodies established, as per Mr. Banuri, (2018) to attract climate financing, like the Alternative Energy Development Board (AEDB), the National Energy Efficiency and Conservation Authority (NEECA), and the National Climate Authority.

At the provincial level, there are Environment Protection Departments and Agencies (EPAs), with each province having a draft Climate Change policy. The mainstreaming of global and national targets is yet far from being realized. In terms of their focus on Sustainable Development Goals (SDGs) and disaster risk management, adaptive capacity

building, and medium-term financial frameworks promising a dedicated stream of climate financing, there is a lot to be done (Afzal, S., & Akhtar, S. 2021).

For the implementation of the National Action Plan (NAP), an Expert Group (EG) will be constituted, consisting of 25 technical institutions and experts who will meet periodically to oversee the implementation of the NAP. The MoCC&EC will serve as the secretariat for the EG, and it will be co-chaired by the Planning Commission (World Bank Group. 2022).

Issues with the International and Pakistani Climate Governance Framework

At last, we have reached a point in this chapter where we can deconstruct the disconnect and inadequacy of the global and national policy and governance frameworks vis-a-vis the Climate Change challenge. We will try to elaborate on how the international climate governance chasm spills over onto the national climate commitments aimed at achieving the global climate targets.

From the preceding sections of the chapter, there are various governance challenges in coping with Climate Change. The first challenge, as discussed earlier, is viewing Climate Change as a linear process of inputs and outputs. The underlying power, justice, and legitimacy dynamics are usually ignored. The COPs make it evident that the Climate Change narrative is made a prisoner to the coalescence of politics and incentives. Thus, there is a disconnect between the broad processes of steering action at different scales, between how norms and institutions might steer what people do, and how they behave in the wake of Climate Change. Furthermore, there is a global chasm in the flow of ideas between institutions and other actors at different scales of policymaking and implementation.

The timeframes in public policy are often at odds with the extended timeframes required to combat Climate Change. Those in leadership positions typically seek quick wins, which come with shorter timeframes. When it comes to Climate Change, the

necessary timeframe is intangible, and populist governments tend to prioritize short-term gains over long-term losses.

Moreover, the multifaceted nature of Climate Change, coupled with the involvement of a wide range of state and non-state actors, makes it challenging to align vested interests with global targets. Global climate governance predominantly focuses on climate adaptation, with mitigation and considerations of climate loss and damage taking a backseat at all levels.

Furthermore, it is evident that the Common but Differentiated Responsibilities and Respective Capabilities (CBDRRC) principle has been further diluted, removing legal obligations from the countries benefiting from Climate Change actions. On the contrary, the principle of self-differentiation has taken precedence. This shift was a key reason why the Paris Agreement replaced the Kyoto Protocol.

There are several issues to consider, the first being the challenge of multi-scalar impact and responsibility. While there is a global responsibility for reversing Climate Change, its effects are primarily felt at the local level. This local focus makes it difficult to determine where the ultimate responsibility lies.

This situation exacerbates the collective action problem and the free rider aspect of the climate discourse. These issues will persist until developed and emerging country's alike view Climate Change as a mission-oriented collective challenge, rather than a manipulative opportunity for beneficiary countries to disrupt the development trajectory of emerging economies.

In the case of Pakistan, the initiatives of the Ministry of Climate Change and Environmental Conservation (MoCC&EC) face the same dangers. They risk being perceived by other ministries as a manipulative opportunity to interfere with the growth targets of development ministries and the fossil fuel industry.

The turf wars, lobbying, and insulated thinking approach that exist at the global level manifest a

similar drama at the national and local levels. This is particularly evident after the 18th amendment of the Constitution of Pakistan; wherein provincial governments are responsible for devising policies and regulating all sectors directly or indirectly related to Climate Change.

A similar turf-sharing, rather than a war, is apparent between the Ministry of Foreign Affairs and MOCC&EC in terms of climate diplomacy and negotiations. Each ministry feels insecure about the other and appears awkward when it comes to sharing space in the international arena of their expertise.

The new National Adaptation Policy in 2023 is falling victim to perceiving Climate Change as a linear process. It refers to a list of 6 adaptive priority sectors, namely the Agriculture-Water Nexus, Natural Capital (Land, Water, and Air), Urban Resilience, Human Capital, Disaster Risk Management, and Gender, Youth & Social Inclusion (MoCC&EC).

The Ministry of Climate Change's policy also suffers from the multi-scalar impact and responsibility issue. These sectors are within the policy domain of provincial and local governments. There is, though, a reference to a desire to get these priority objectives and key policy interventions integrated both vertically and horizontally into the provincial development and administrative action plans and policy frameworks, yet that seems more of a top-down dictate, much like that of the Kyoto Protocol. There is no real buy-in of the cross-sectoral stakeholders.

Knowing very well that the provinces neither have the will to generate finances for this adaptation nor have the capacity to undertake a cross-sectoral coherent policy rollout and expenditure plan.

The justice and equity debate at the global level resonates equally at home. When we compare various sub-national responsibilities to each other, we realize who is benefiting at the cost of whose exploitation. The unequal development of the provinces further creates rifts and insecurities. This is owing to information asymmetries, resulting in transboundary implementation and trust issues, such

as in the case of water resource management issues.

Then there is a lack of capacities to comprehend, plan, finance, and deliver on the NDCs at all these levels. The intrinsic development divide continues to fuel this institutional and sectoral capacity and policy lag within Pakistan.

In short, there is a policy/ implementation disconnect at all levels from the global to the sub-national level. It seems that Climate Change is more of a slogan and an opportunity to lure funding for various petty considerations. What we need is a serious, all-inclusive, participatory, coherent mission-oriented policy implementation framing. This should see each adaptive or resilience climate objective or challenge through a Problem-Driven Iterative Adaptation (PDIA) approach.

Way-Forward- Moonshot, Mission-Oriented, Problem Driven Iterative Adaptation Approach to Tackle Climate Change

While acknowledging that the title of the 'way forward' is both confusing and elusive, I feel that it's fitting for the wicked problems we face as a global community. Especially as members of a country that is still grappling to comprehend this new trend with Climate Change, this title seems appropriate. It aims to blend two potent approaches for solving wicked problems that lack ownership and suffer from collective action problems at all levels.

The moon-shot mission-oriented approach, as advocated by Mariana Mazzucato in her book 'Mission Economy' (2021, and Lan Pritchett's 'Problem-Driven Iterative Adaptation (PDIA) approach' (2013) can provide a solid theoretical framework for addressing the wicked problem of Climate Change. This mixed approach does not conflict with any of the policy documents already prepared by the governments of Pakistan or the UN. To begin, let's examine what these two theoretical frameworks offer that is missing in the present governance landscape at various levels:

The mission-oriented approach is essentially a more inclusive, innovative, and problem-driven extension

of systems thinking. It emphasizes the co-creation of solutions and value creation through inclusive risk-taking and a collaborative mindset.

The focus is on implementing a cross-sectoral approach to innovation and experimentation. The primary goal is to build diverse portfolios of mission projects that engage multiple sectors and encourage experimentation involving various types of organizations, as identified on a stakeholder map.

This mission-oriented approach would, therefore, necessitate transforming production, distribution, and consumption across countries, especially in Pakistan.

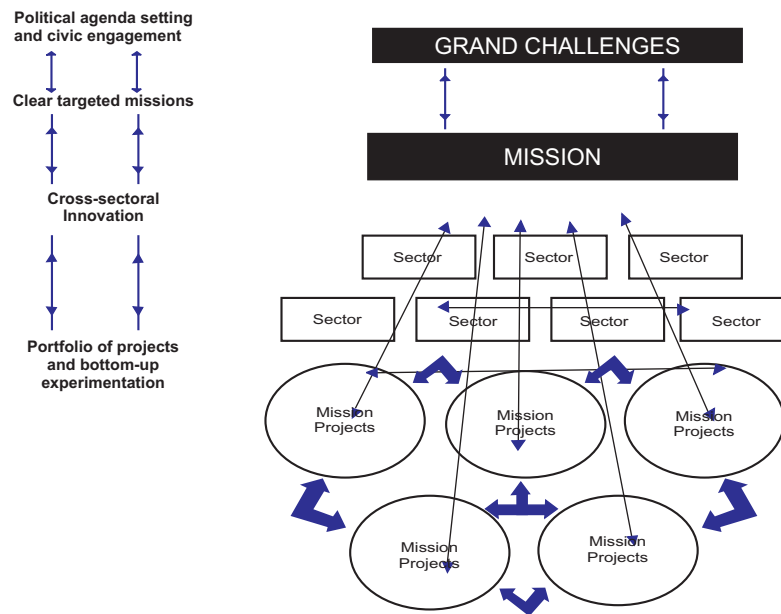
Mainstreaming Climate Change through various intrusive missions or problems within this larger umbrella would further require that governments establish directions by supporting a long-term dedicated stream of financing, which is willing to take risks and mobilize private sector involvement.

The key difference from other policy frameworks is that the government sets the direction of the economy, and business investments react to the perception of future opportunities. The climate emergency can be both a carrot and a stick to create a new direction of opportunities for investors. Governments, like Pakistan, cannot resort to typical interventions such as tax incentives or public subsidies. Businesses will not invest in innovation and Research and Development (R&D) to search for green, sustainable, and cheap solutions unless they see an opportunity for growth. Similarly, engaging and involving citizens in the design of the mission is core to mission-led governance practice. Since, unlike Apollo's mission to the moon, Climate Change is both a technological and societal issue, linked to green growth, healthy living, the future of mobility, and the digital divide, it is essential to have citizens' ownership too.

Within the overall mission-led participatory approach, where all sectors and private stakeholders come together as part of the system's thinking, we need to incorporate PDIA (Problem-Driven Iterative Adaptation). Following PDIA, the first step is to identify locally articulated and prioritized concrete problems or missions.

FIGURE 9.3

The Mission Map



Source: Mission Economy 2021

The next step is pushing problem-driven positive deviance or innovation, which will help in creating co-created, valued mission projects. These projects should all contribute to solving the identified problem and mission. Once the projects are rolled out, the iterative learning and adaptation process begins. Through incentivizing private concerns and scaling up through diffusion, as well as engaging champions across sectors, it becomes possible to address any wicked problem that requires an out-of-the-box, dedicated, and customized treatment. It is imperative that agents receive authorization. In cases where multiple sectors are involved, coalition building becomes even more necessary.

Small collaborative groups from each stakeholder ministry, citizen advocacy groups, etc., can be real agents of change in the case of issues like Climate Change. They have ownership in the design, implementation, and shared vision of accomplishing the identified mission. The process of iterative adaptation continues until we achieve an innovative solution.

The Future of Climate Governance

How can this problem-solving approach be implemented within the international and national governance framework already in place?

One solution is to establish an authoritative Supra-body, which would be the ultimate arbiter of the myriad trade-offs that need to be managed. It would be a global referee and a trustee of the planetary playing field. (Rockstrom, Johan. Steffen, Will et al.2009) The authors, however, do not elaborate how do they propose such a trustee/arbiter to enforce respect for the decisions in the wake of a super-power flaunting legitimacy of the proposed enforcement.

Another type of an institutional framework can be a Global Authority which would be an extension of the UNFCCC into a body with coercive authority. This would however still be dominated by market economy or capitalistic thinking. Resultantly it would be pushed to focus on adaptation rather than aggressive mitigation policy. It would be a democratically legitimated body using undemocratic measures to enforce decisions (Mann, G., Wainwright,J.2018)

Yet another option can be of replacement of liberal, democratic procedural justice with a communist authority. This type of Supra body would naturally construe liberal democratic institutions as the bane of climate inaction. But such institutional mechanism have another danger of further deteriorating horizontal linkages between actors that require equitable and just dispensation of both obligations and rights.

In any case, there is definitely a need for new Anthropocene institutions. Breaking from the aforesaid solutions, we need self-critical and iterative institutions, that should not have fixed reference points for collective action; instead, they should be dynamic, iterative, and reflective. John S. Dryzek and Jonathan Pickering in their book 'The Politics of the Anthropocene (2018)' refer to these institutions as "reflexive institutions."

Dryzek and Pickering argue that any innovative climate solution or problem-solving approach would become a victim of the pathological path dependency of institutions that have not only failed to respond effectively to Climate Change but have, in fact, precipitated the Anthropocene. It is within conceptual institutions like global capitalism, communism and the sovereign states that we have become locked in. Due to historical institutional inertia and power relationships, we have become prisoners of these conceptual frameworks.

We cannot think beyond these rigid institutions. To roll out a mission-oriented, problem-driven iterative & adaptive approach to climate challenges, we require reflexive institutions. "Reflexivity in a social context means the self-critical capacity of a structure or process or a set of ideas to change itself after scrutiny of its own failures or successes. Reflexivity entails a capacity to be something different rather than just do something different" (Dryzek & Pickering. 2018).

Institutions must not only adapt but also transform themselves according to the mission's problems. We need both global and national institutions that can re-learn and reflect inwards. It is more productive to start from where we are at present in terms of institutional responses to Climate Change and assess the opportunities that can be tapped to overcome problematic path dependencies and fixed institutional responses. This might entail redoing institutional rules for businesses, laws, policies, funding lines etc., rather a complete overhaul of the ecosystem's recognition and response mechanisms to an identified mission challenge.

This would further require a lot of autonomy at the response level, allowing for the assessment, recognition, anticipation, and configuration of a response, after identification of a mission problem. In other words, the traditional mechanisms for dealing with Climate Change coordination, such as UNFCCC and MoCC&EC, may suffice, if we intend to follow a linear process and response mechanism. However, if we do not, then we need to make our institutions more reflexive and dynamic. Institutions need in other words to co-evolve within and co-create with others that traditional institutions neither have the legal framework nor have the capacity to undertake.

Until the ministries and field agencies in Pakistan become autonomous enough to have experts on panels for reviewing and reconfiguring responses as part of an iterative, self-critical, self-learning institution, we might continue to be victims of isomorphic mimicry in the fight against Climate Change. Only such self-evolving and dynamic institutions can be expected to undertake a mission-oriented collective bargain so huge and wicked as Climate Change.

Chapter

10

**Governance Challenges:
A Better Future for Posterity**

Governance Challenges: A Better Future for Posterity

Shahid Najam

Introduction

The increasing economic fragility, balance of payment crisis, hiking inflation, political instability, rapid denudation of natural resources triggered by severity of the climate change and the huge credibility deficit between the state and citizens have cumulatively exacerbated the governance challenges in Pakistan. The inability, unpreparedness, reactive and ad hoc response of the civilian government and establishment to ensure peace and security, development with equity and enforcement of fundamental rights of the citizens eloquently speak of the inefficiency and widely pervasive governance dysfunction in the country. Indeed, failure of public sector governance at all levels and across all institutions - political, judicial, executive etc. - continues to afflict the country and impede all efforts to address the enormity of development challenges- poverty, illiteracy, disease and achievement of sustainable development goals.

Pakistan is at a critical juncture. It exhibits all the prerequisites of a dysfunctional state. on 10 April 2022, a controversial and allegedly engineered no-confidence motion was passed by majority votes of 174 in the National Assembly to oust the Pakistan Tehreek-e-Insaf (PTI) government. The next day, a new government of the Pakistan Democratic Movement (PDM) representing an alliance of fourteen political parties was installed which mostly comprised accused politicians involved in the mega-corruption cases. The PDM government continued for almost 16 months which came to an end on 9 August 2023 as a result of the dissolution of the National Assembly to pave the way for general

elections within 90 days as mandated by the Constitution. The PDM rule witnessed the worst form of political turmoil, blatant violation of the Constitution, recurrent use of state machinery including the police force to quell the political opponents and above all worsening of the economic crises. During its tenure, half of the parliamentarians of the National Assembly were outside the Parliament yet it was audaciously functional and engaged in enacting laws primarily to exonerate the corrupt politicians from the massive economic crimes including money laundering.¹ The government blatantly refused to hold elections to the provincial assemblies of the Punjab (dissolved on 14 January 2023) and of Khyber Pakhtunkhwa (dissolved on 18 January 2023) in flagrant violation of Articles 112 and 224 (2) of the 1973 Constitution, casting aside even the clear verdicts of Lahore High Court and the Supreme Court (Court L. H., 2023; Court S., 2023). The caretaker governments installed in the two provinces of Punjab and KPK on/around 26 January 2023, which as per the 18th and 20th amendments to the Constitution are ordained to ensure neutrality and transparency of elections in conjunction with the Election Commission seem to be in total denial of their constitutional roles.

Subsequently, the National Assembly of Pakistan was dissolved on August 9, three days prior to the completion of its five-year term, to prompt the general election within 90 days which if it was dissolved on completion of its term would reduce the time for general elections to 60 days. Before the dissolution, however, a meeting of the Council of

Common Interests (CCI) was convened on 5 August to “unanimously” approve the conduct and results of the 2023 digital census. This raised valid concerns and was denoted as a deliberate ploy to delay further the holding of the general elections. Ultimately, pursuant to the constitutional petitions, the Supreme Court declared 8 February 2024 for the elections.

In between, a caretaker cabinet under the interim Prime Minister was sworn in on 17 August 2023 to govern the country until fresh elections. The requirement of a “Caretaker Government” was a unique arrangement devised by Gen. Zia-ul-Haq (through Revival of Constitution Order, 1985) which has caused much commotion and uncertainty in the political system because of the enormous potential and the past practices of engineering and rigging the electoral process (Khawar, 2023). The track record of present interim government is also not laudable for recurrent episodes of violation of its constitutional mandate and governance parameters.

To add to the pandemonium, a doctrine of “level playing field” has been introduced in the political arena to bestow undue favors and advantages to specific political parties and personalities. Extra-legal devices have even been contrived through administrative and judicial machinery to promote the “protagonists” and discredit the “antagonists”. New alliances and political parties are being nurtured to add confusion to the already confounded political situation.

As for the judicial domain of governance, even the superior judiciary appears to have been swayed by the politico-establishment influence. Its bias and indulgence in favor of or against one set of political parties to the detriment of the others and its manipulative susceptibility to the establishment loudly speak of the frailty of the system of justice. Even, the composition of Supreme Court Benches for hearing the constitutional petitions and matters involving access to justice generated internal rifts and fomented open vicious debate, ridiculed by the instrumentalized media. “*Judge Karwa lo*” (engage/approach/bribe the judge), “*Wakeel di koi zaroort nahin*” (no need to engage the lawyer), are both the perception and reality. The scale of justice has been eroded by the sale of justice.

As regards the administrative-executive dimension of governance, the civil servants who constitute the

bulk of the corpus of intellectual and practice of governance continue to be the prime casualty of the transient myopic politicians or military rulers. The appointments and transfers of the bureaucrats and police personnel have been overtly politicized, denuding the administrative state apparatus of its much cherished core values of objectivity, impartiality and neutrality. For example, during PTI government's tenure of about 3 years, only in Punjab as many as five Chief Secretaries and seven Inspectors General, Police were rotated. During the PDM rule, “loyalty, patronage, servitude and sycophancy” to the negation of “merit-cum-seniority and integrity” formed the key criterion for crucially important governance assignments. Thus corruption, incompetence, status quo orientation, bloated size, lack of responsiveness to change, and absence of effective accountability mechanisms are widely pervasive pathologies which afflict the state bureaucracy and accentuate the bureaucrats' vulnerability to abuse and manipulation. The police force has been the major fatality of this erosion of the standards of performance, travesty and gross aberration of the legal, moral and ethical bankruptcy as evidenced by its frequent use as a coercive tool of state oppression, harassment and terrorism.² Its miserable failure to prevent and curb the 9 May 2023 violent riots in Lahore will be remembered as an indelible stigma on its operational competence, preparedness and ability to save key government installations including the corps commander house in Lahore.

On the economic front, the country has plunged into one of the worst crises in its history. The 16-month painful *ad hocism* and experimentation in the economic management by the PDM government which was installed to “fix the economy” and emancipate the country from the clutches of the IMF, led to worsening of the economic situation. The real GDP declined to 0.29% towards the end of the aforementioned government; the headline consumer price index national inflation stood at 29.2% - the highest prices of food and essential commodities in the country's 75 year history; and the poverty rate for 2023 including 8 months of the PDM government stood at around 37.5% (Wing,

2023; Shirazi, 2023; Bank, 2023). In other words, approximately an additional 4 million citizens have been pushed below the poverty line (Younus, 2023). The estimated unemployment increase by 2.3 percent standing at 8.5 percent or 5.6 million Pakistanis (ILO) (Organization, 2023; Ahmed, 2023). Whereas, investment to GDP ratio and per capita income turned out to be 13.6 percent and US\$ 1,568 respectively, the current account recorded a deficit of US\$ 2.6 billion and fiscal deficit to 7.7 percent (approximately PKR 6.521 trillion) of the GDP though the Ministry of Finance claimed it to be 4.6 percent (Wing, 2023; Finance, 2023; Kiani, 2023). Pakistan's total liquid foreign exchange reserves plunged to US\$ 4 billion at the start of 2023, lowest since February 2014, albeit they recovered to US\$ 14.1 billion one month before the ending of the PDM government (Hussain, 2023). Above all the upward hike of dollar (a day prior to the dissolution of the National Assembly on August 9, 2023) inflicted heavy blow to the economy and inflationary trends (NBP, 2023; Dawn, 2023).

Succinctly, the cumulative impact of this deplorable decline has altogether changed the occupational culture and organizational norms of governance and has abated a state of institutional paralysis. There is a pervasive rationality deficit in policy, planning and programming processes due to the gross mismanagement of country's economic, political, natural and social resources. The human centricity, wellbeing of the citizens, inclusiveness and sustainable development have been relegated to the periphery in the blind quest to ascend to and retain power through autocratic and exigency based patterns of governance.

I. Governance

While the word *governance* originates from the Greek verb *kubernaein* (meaning to *steer*), Marcus Tullius Cicero (BCE 106-43), a famous Roman statesman, lawyer, scholar and philosopher as early as BC 56, in his famous treatise “*De re publica*” portrayed it as an equal balancing and blending of monarchy, democracy, and aristocracy. In this “mixed state,” he argued, royalty, the best men, and

the common people all should have a role (Democracy, 2023). Subsequently, the specialists in the medieval England described it as an interplay and cooperation among the different sources of power, i.e., church, nobility, merchants, peasants, etc. Its usage as specific activity of ruling a country gained currency in early 19th century England when the phrase “governance of the realm” found expression in the works of William Tyndale (Tyndale, 2013). As an institutional structure, distinct from the individual rule, the concept was introduced in 1885 by Charles Plummer as enunciated by John Fortescue (Charles Plummer, 2017).

However, the use of the term *governance* in the broader context comprising the activities and undertakings of a wide range of public and private institutions, gained general currency only as recently as late 1980s, when the economists and political scientists employed it in analyzing and appraising the efficiency and effectiveness of the performance of public and private sector entities. It is generally understood as the manner in which power is exercised by the political and other state and societal actors in the management of a country's economic and social resources for development and wellbeing of its citizens. It comprises the traditions and institutions – political, economic and administrative - by which state authority and writ in a country is wielded and enforced. It includes the rules of the political system to solve conflicts between actors and adopt decision (legality); to describe the “proper functioning of institutions and their acceptance by the public” (legitimacy); and to invoke efficacy and achieve consensus by democratic means (participation).

II. Good Governance

Over the last few decades, a better understanding and insight has been gained, particularly by the donors and development partners of what enables and helps the governments function effectively and achieve national development objectives. The failure of the structural adjustment program (economic austerity policies) in the 1980s was largely attributed to the ‘crisis of governance’ in most

developing countries. The notion of 'good' governance became the kernel of global development agenda especially adopted by International Financial Institutions, the World Bank, the UN system and multilateral organizations. A range of indicators, guidelines and elements have been developed and applied to ensure 'good' governance in state building and delivery of development assistance.

The citizen-centric and human-rights focus is the quintessence of good governance. It has also been empirically proven that there is a positive correlation between successful achievement of the development objectives and governance framework of a country irrespective of its natural resources endowment, ideological and religious propensities or access to foreign markets while the aid-money channeled into countries with bad governance tends to consolidate the inefficient structures, foment corruption and breed institutional inertia and status quo besides wastage of precious resources. The evidence also suggests that good governance leads to incomes rise about three-folds; reduces infant mortality by two-thirds; and effectively controls corruption and related pathologies. The control of corruption and implementation of effective regulatory policies, significantly improve the pro-poor outcomes from economic growth. A one-point increase in the control of corruption index and regulatory quality, improves the income of the poor by 39 and 42 percent, respectively (Doumbia, 2020).

High-quality institutions stimulate, over the long run, increase in per capita incomes; promote growth; and achieve a “development dividend” They serve as catalysts to enforce rule of law and ensure peace and security, to enable elected representatives to exercise political oversight of the state institutions, and promote inclusive development. Good governance, in fact, is the key to nurturing democracy, forging social integration and embarking on sustainable growth and development.

III. Elements of Good Governance

The efficacy of governance is gauged by the impact of the use of power on the life and livelihood of the citizens. Governance which denies or curbs equal opportunities for its citizens to exercise and expand their political, social, economic, cultural and environmental choices is not sustainable, respon-

sive, just or fair. Good governance is universally acclaimed to be the major recipe to address the enormity of the development challenges. The experts, researchers, donors and development partners have been extensively engaged since 1990s to characterize the parameters for good governance. Asian Development Bank in 1995 identified four basic elements of good governance i.e., accountability, participation, predictability and transparency. McCawley in 2005 analyzed governance at two levels: the macro and micro levels. The former comprised the constitution, the overall size and resources kitty of the government, and the roles and relationships between legislators, the judiciary and the military; the latter pertained to private sector, social institutions and civil society affairs. World Bank developed six broad and aggregate dimensions and Worldwide Governance Indicators (WGIs) based on over thirty underlying data sources to assess the quality of governance based on specific measurable values on a points scale to rank the countries in percentile (0–100) (Rashida Haq, 2009). WGIs report on six broad dimensions of governance for over 200 countries and territories over the period 1996–2021. These indicators include voice and accountability, political stability and absence of violence; government effectiveness; regulatory quality; rule of law and control of corruption. Similarly, the UN system and other multi-lateral agencies, European Union, renowned Think Tanks, research and higher learning institutions and universities etc., all over the world have provided the elements and principles of good governance. From the literature, there seems to be a consensus on the following major elements and characteristics of good governance:³

a) Political Participation and Voice: Participation by all citizens and articulation and integration of their voice, irrespective of gender, religion or ethnicity, either directly or through legitimate representatives, is a key element of good governance. It allows diversity of perspectives and opinions to inform the decision-making processes. Participation needs to be informed and organized, including freedom of expression.

b) Consensus Oriented: Bringing people to participate is not enough; good governance clearly

prescribes its culture, value and practice to make certain that dialogues and differences are mediated in a constructive manner to achieve better outcomes for the larger interests of all stakeholders. It entails meaningful consultations and discourse to resolve the differences and varieties of opinions and interests to reach a broad consensus of what best serves the society or groups' intent and aspirations on a sustainable basis.

c) Accountability: Accountability entails a compulsory obligation or responsibility to provide a clarification or justification for actions, inactions, performance and conduct. It delineates clear lines of command and responsibility to ensure expeditious decision-making as per the prescribed legal, regulatory and procedural frameworks. If needed, it allows escalation of the issues to the right people in the most appropriate manner.

d) Transparency: Transparency which builds credibility and trust in government, means that information should be provided in easily understandable forms and be freely available and directly accessible to those who will be affected by governance policies and practices, as well as the outcomes resulting therefrom. It also ensures that any decisions taken and their enforcement are in compliance with the established rules and regulations to enable stakeholders demand greater social, economic and environmental efforts from the government

e) Responsiveness: Good governance needs to be responsive, especially in the rapidly changing and dynamic socio-economic environments to be able to address the issues and challenges in the management of public affairs or delivery of services in a timely and effective manner.

f) Effectiveness and Efficiency: Good governance ensures that the decisions and processes are effectively and efficiently formulated and implemented to meet the needs of the citizens, while making the best use of resources – human, technological, financial, natural and environmental.

g) Equity and Inclusivity: Equity and inclusivity, which endow inherent ethical and moral dimensions to good governance, ensure the wellbeing of all citizens irrespective of their social status, caste, creed, religion and ethnicity with a special focus on the most vulnerable and deprived groups and regions. It offers equality of the opportunity to all

citizens to maintain, enhance, or generally improve their well-being and serves as the most compelling message for societal “*raison d’etre*”.

h) Rule of Law: This signifies the supremacy of law and its uniform application to all the citizens, groups and even the most powerful. Good governance requires fair and impartial enforcement and implementation of legal frameworks to ensure justice and equal treatment including human rights.

IV. Pakistan’s Governance Function

As earlier stated, the governance landscape in Pakistan is characterized by a fragmented, inefficient, incompetent and unresponsive state apparatus which seems to falter significantly on almost all the characteristics of good governance.

(a) Reasons for the Governance Deficit: The primary reasons for this state of affairs essentially stem from:

- Historic elite capture of the power structure by the unholy alliance between the establishment and corrupt politicians wherein the army maneuvers the vulnerable avaricious politicians and electables to occupy the power space and serve their purpose;
- Structural constraints dictated by geopolitics (external actors' influence), historical backdrop, exclusionary mindset and skewed power fabric;
- Socio-cultural gross inequity; tribal, *baradari* and hereditary structures and networks to control and manipulate politics and patron-client relationship;
- The political-historical backdrop: absence of democratic culture e.g., loyalty and servitude, dynastic politics; fundamental problem of nation-state building (ethnicity and provincial imbalances, perpetual regional disparities); autocratic regimes;
- The pervasive administrative pathologies: "rule bound" not "service-client oriented"; inefficient decision support system; coordination dysfunction and institutional aberrations; use of state apparatus as tools e.g., Election Commission (to sort out

“undesirable political players”), National Accountability Bureau (to fix opposition), police as oppressive force etc.; and lack of accountability;

- Lack of access to justice and to information; disempowered-disenfranchised citizenry; lack of awareness of rights; instrumentalized journalism; and finally;
- Absence of a national narrative to reflect the nation's vision and resolve, to express its *raison d'être*, of the structures of nationhood and state.

(b) Comparative Analysis: There is abundant empirical evidence to show the prevalence of widespread governance dysfunction in Pakistan compared to the rest of the world even the developing and emerging economies. The 2023 Legatum Prosperity Index which analyzes the performance of 167 countries across the institutional, economic and social dimensions with a special focus on three domains i.e., inclusive societies, open economies and empowered people, ranks Pakistan as low as 136/167; on safety and security 149/167; and on governance 118/167; on personal freedom 120/167; on economic quality 129/167 and on living conditions 119/167.⁴

As per the World Bank Governance indicators, again Pakistan's performance is pathetically poor. On *voice and accountability*, Pakistan's percentile rank and score is 23.19, much behind India (53.14), Bhutan (53.62), Nepal (42.3), Sri Lanka (43.96) and Bangladesh (26.57). On the *political stability and absence of violence*, Bhutan scores 84.91, Sri Lanka 45.28, Nepal 41.51, Bangladesh 16.04, India 16.98 while Pakistan scores just 5.19. Similarly, on *government effectiveness*, India's percentile rank is 66.83, Bhutan's 65.87, Sri Lanka's 50.96 and Pakistan's 31.73 while Bangladesh and Nepal lag behind with 20.19 and 15.87 scores respectively. Regarding *regulatory quality*, India tops the list with 47.60 percentile rank, followed by Sri Lanka at 44.83, Bhutan at 40.38, Nepal at 24.52 and Pakistan at 24.04. The situation on *rule of law* is even worse, as Pakistan's percentile score is only 24.04 compared to India's 47.60, Sri Lanka's 44.23, and Bhutan's 40.38. As regards *action to curb*

corruption, Bhutan is far ahead with percentile score of 92.79, followed by India at 46.63, Sri Lanka at 45.67, Nepal at 29.81 and Pakistan at 22.21.

Transparency International which monitors corruption around the world assesses the performance of 180 countries *on a scale of 0 (highly corrupt) to 100 (very clean)*. Its *Corruption Perception Index* for 2022 ranks Pakistan at 140, Nepal at 110, Sri Lanka at 101, India at 85, and Bhutan at 25.

The Human Development Index of UNDP which presents the level of attainment and development of 192 countries on education, health and longevity also reflects poorly on Pakistan's status in the 2023 HDI report. Pakistan ranks 161, Nepal 143, India 132, Bangladesh 129, Bhutan 127 and Sri Lanka 73. Paradoxically, Pakistan's economy ranks 44th in nominal terms and 24th in PPP terms in the world!

V. Recommendations and Implementation Framework

Pakistan urgently requires a well-concerted corrective strategy and set of reforms to revitalize the governance function to be able to bring about transformative changes in the policy, development programming and institutional frameworks. The focus should, inter alia, be to abridge the credibility deficit between state and citizen, ensure peace and security and development with equity and provide responsive, effective and efficient public service delivery.

While the politicians who represent the collective will and vision of the people are primarily responsible for the journey to good governance, the role of other state institutions especially the Pakistan army is integrally essential in this effort. Notwithstanding the fact how corroded and unresponsive the current set-up that often resembles a “spoils system” is, the solution has to come from within. The pathway, cognizant of the prevailing objective reality and power-structure, needs to rationally and judiciously steward the nation out of the governance mire with consensus across the board among the major power-wielding players, contenders and institutions.

A. The Prerequisites:

Army's Role in Establishing Good Governance

Army, over the decades, has emerged and established itself as the strongest institution in the country endowed with highly capable human resource and leadership, robust command and control structure, state of the art systems and technological tools and very well defined standard operating procedures. It is held in high esteem and reverence by the people for its profoundly admirable culture characterized by purpose, passion, professionalism and a deep sense of patriotism, self-sacrifice and commitment to safeguard the integrity of the country. However, recently, Army is being confronted with considerable amount of challenges especially credibility deficit with regards to its perceived role in politics, manipulation of the accountability system and acceptance of corruption especially by the politicians as permissible modus operandi. The popular perception of de-facto army rule and its unconstitutional meddling in the state affairs since the ouster of the PTI government is widespread even in the bastions of pro-army Central and Northern Punjab. This autocratic exercise of “actual” power, is intrinsically indicative of how deeply embedded and involved this institution is as (a) the sole determinant of Pakistan's political, economic and development destiny; and (b) the dominant player in setting the trajectory and journey of Pakistan to good governance. There is definitely a need for introspection by army especially on the following issues:

- The reason for the credibility deficit as to its role in politics, enforcement of accountability;
- The pulse of the young officers and lower formations as to whether they sacrifice their lives to ensure peace and security for the people or their precious lives are being squandered to perpetuate the status quo for the coterie of corrupt elite to thrive;
- The ability of the corrupt and self-seeking politicians to outdo the army in that while

army loses its reputation in the “deals struck”, the politicians each time manage to get away with massive corruption and escape the accountability system;

- While the intent and purpose of the economic ventures of the Army are legitimate and essential for the welfare of the retired personnel, why is there a strong perception of elbowing out the private sector and of abundance of perks, privileges and corruption associated with senior management posts?

Charter of Pakistan

To reiterate, the military establishment will have a centrally decisive role to steer Pakistan out of the governance crisis. A comprehensive and inclusive consultative process should be initiated to achieve a consensus amongst the ideologically divergent political parties in order to establish and consolidate the democratic order in the country. The process should culminate in the signing of a *Charter of Pakistan* enriched by seeking input from well-reputed members of judiciary, bureaucracy, academia, media and eminent citizens. The Charter needs to embody unequivocal commitment that no matter how massive the inter-parties' differences may be, the politicians will collectively resist the engineering or machinations of democratic process and strive towards civilian supremacy over the state security apparatus. It should, inter alia, embody:

- Pakistan's Narrative- to express the nation's vision, aspirations and resolve to rationalize its existence, provide a sense of collectivity, coherence and connectedness, and shared identity to constitute the quintessence of the structures of nationhood and state. While rooted in the ideology of Islam, it needs to give the country a territorial configuration so that the nation-state takes precedence over the external loyalties and allegiance. The three core values of unity, faith and discipline spelled out by Quaid; liberal democracy for people to articulate their collective choices, fundamental rights especially those of minorities etc., should

constitute its core elements;

- Supremacy of the constitution and rule of law;
- Establishment of a true democratic order manifested, inter alia, in holding free and fair elections by an Independent Election Commission;
- Transparent, independent and effective accountability system to prevent corruption and illicit wealth accumulation;
- Knowledge-technology-led and pro-poor economic transformation to lift the living standards especially of the poor, harnessing fully the potential of agriculture, Small and Medium Size Enterprises (SMEs), Information Technology (IT) and youth human capital potential to promote export-led growth and sustainable human development;
- Commitment to good, inclusive and responsive governance; and,
- Freedom of media.

The Implementation Oversight Committee:

While the military establishment has to initiate the process, within a period of three months, the stewardship should devolve upon an Oversight Committee/Council, comprising a non-controversial honest politician, an eminent member of the academia, an eminent civil society representative, a representative of the Chambers of Industry, a renowned economist, a scrupulous retired judge, a well-reputed retired civil servant, a well-respected retired army general, and an upright media representative.

If in the process, genuine political leadership, as opposed to the dynasticclan driven and politicians nurtured by the establishment, assumes the country's reins, it will give the country a strategic vision to move forward properly. At the same time, it will galvanize a democratic culture in the political ethos to effectively eliminate praetorian ventures into politics or manipulation of the judicial and executive system under the pretext of “doctrine of necessity” to subvert democracy.

B. The Action Framework

The action framework proposed below derives from all the salient characteristics of good governance as described in Part III above.

(a) Short-Term

Short-term measures to be implemented within 3 months are "immediate impact oriented" in nature and largely focus on urban areas but have huge potential and demonstrational effect throughout the country. These measures and actions are deeply anchored in the fundamental elements of good governance as described below:

- ***Reducing the Credibility Deficit viz-a-viz Army:*** A gradual and steady withdrawal of the army from active engagements in politics is essential though given the geo-strategic dictates, its constitutional role clearly subservient to the political and parliamentary supremacy could be envisaged in the Charter of Pakistan. The army has to commit itself to the primacy of the political process and oversight.
- ***Transparency, Participation and Consensus Orientation:*** In the interregnum, first and foremost, the Election Commission has to be strengthened as an independent authority comprising eminent members of repute and integrity as per Article 213 of the Constitution to: (i) immediately hold free and fair elections according to Articles 218 and 219 of the Constitution; and (ii) refrain from indulging into “fixing political problems”. The Immediate holding of elections, will remove the prevailing political uncertainty, reduce the state's inter-institutional credibility deficit and lead to much-needed economic stability.

At the same time, the notion that the upcoming elections are *fait accompli* or a mere formality, needs to be effectively dispelled through equal space to all political parties for canvassing, organizing *jalsas*, uniform application of relevant laws and rules etc.

The possibility of pre-poll manipulation in terms of use of development funds, location of the polling stations, and deployment of polling staff should be strictly curbed.

Accountability: The institution of an independent, non-political and statutory accountability and oversight system should be put in place to eradicate corruption, misuse or abuse of power or authority, illicit money laundering etc. Its mandate, jurisdiction, composition and procedural rules should be clearly spelled out based on the international best practices to eliminate its susceptibility to political or executive authority. The System should provide for effective and efficient mechanism of detection, investigation, prosecution, speedy disposal of cases and recovery of illicit money and misappropriated assets. This will entail a complete overhaul of the National Accountability Bureau (NAB), in particular the 1999 Ordinance and recent amendments introduced in 2022 and 2023 to NAB Laws to ensure fair and just accountability of corrupt politicians and the elite.

Rule of Law and Credibility of Writ of State: The most potent means to visibly demonstrate and establish the supremacy of law is the uniform enforcement of traffic laws. The pedestrians, cyclists and motor-cycle riders, the owners and drivers of vehicles, irrespective of rank, status, and pressure group (lawyers, journalists, judges, generals, legislators, senior civil servants etc.), must obey the traffic laws. This action to enforce uniformly rule of law will reduce the state-citizen credibility deficit.

Responsive, Efficient and Effective Delivery of Services and Trust in Government:

(I) The removal of encroachments, illegal parking, and occupation of the public space (including roads) by private educational and health institutions will safeguard the rights of ordinary citizens and convey a strong message about the writ of the government. This will require effective monitoring and accountability of the municipal authorities to perform their regular functions.

(ii) The patchwork on the roads, the brick pavement of the streets in poor areas; the efficient operation of waste management to ensure sanitation and cleanliness, the working of the street lights etc., are also provided for in the municipal budget and do not require massive financial outlays. Effective management, monitoring system and implementation of existing Standard Operating Procedure (SoPs) will suffice.

(iii) The restoration and repairs of farm to market roads and water supply schemes and efficient functioning of the basic health units and primary/secondary schools in the rural areas will not only ensure delivery of much needed services but also inspire trust and confidence of the people as to *the equity and inclusivity* element of good governance.

- **Peace and Security:** Lack of police accountability and tyranny of the Thana culture lead to violation of dignity of citizens, miscarriage of justice and use of police as a tool of oppression. An independent entity preferably through executive magistracy should be re-instituted to re-build Magistrate-SHO synergy for crime prevention and also serve as dispute and conflict resolution mechanism to prevent infractions and incidents of civil unrest.
- **Economic Wellbeing and Inclusivity:** Rising inflation especially of the eatables like flour (Ata), tomatoes, potatoes, onions etc., together with the exorbitant rise in the utility bills especially, electricity have exerted existential pressure especially on the poor and marginalized groups. While the latter could be rectified through targeted social and compensatory regime, the former can be immediately addressed through supply management and administrative action against hoarding and black marketing.
- Merit based selection and deployment of civil servants involving criteria of integrity, merit and professional competence and right man for the right job, should be strictly ensured to ensure rule

of law and efficient conduct of public sector management without political or extraneous influence.

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(b) Long-Terms

The commitment of the army in the long run has to be sustained in the national interest to nurture and establish good governance and check its praetorian proclivity. Army can play a vital role in support of the political governments towards the development of accountable institutions and effective, agile and transparent governance mechanisms for the state to perform its citizen-centric core functions of public welfare, equitable development, law and order, expeditious justice and peace and security. This will also facilitate the emergence of socio-political ethos wherein people irrespective of caste, creed, religion and status exercise and expand their political, economic social and environmental choices for sustainable development. To be more specific, following are the major areas of focus for good governance should be on the following areas:

• Restructuring of the Federation- Good Governance

The failure of governance in Pakistan is due to the inherent yawning disparity (population, resource endowment, area, ethnic composition etc.) among the sub-national federating units which have distinct political, legal, spatial, legislative, administrative and financial entities enshrined in the Constitution. There is already a widespread sentiment of alienation and exclusion which recurrently finds expression in protests and civil unrest, even rebellion. These 4 units need to be abolished and further sub-divided at Divisional level into 30 or so sub-national units to ensure *equity, inclusivity, participation, consensus-orientation, responsiveness and efficient and effective management of public affairs and delivery of services*. This will, however, entail constitutional amendment and require political support to effect the consensus for restructuring despite potential interest based opposition. It may be noted that there is already a demand for additional provinces in Punjab, KPK, Sindh and Baluchistan.⁵

Economic Resuscitation- Good

Governance

This is an area which also requires a vigorous intervention in the following areas:

Domestic resource generation: The Federal Board of Revenue needs massive overhauling to broaden the tax base and domestically generate resources to inter alia reduce dependence on foreign assistance/loans and fund the responsive development plans and programs, particularly in education, health and social security sectors;

- ii. Balancing the energy-mix: One of the major problems which the country is facing both for its industrial development as well as domestic consumption is the soaring rates and tariffs of electricity. Pakistan has a huge potential for renewable energy, solar and hydel power including the construction of Dams. The unjustifiable opposition to the construction of Dams (e.g., Kalabagh Dam) has to be dealt with sternly. The recent flood havoc also speak loudly of the need to harness the waters which in the coming years because of the rapidity and severity of climate change could unleash a huge potential and opportunity.
- iii. CPEC: There are two actions required on this account: (a) renegotiate the terms and conditions like the IPPs deal; and (ii) use it for SMEs and agriculture to become a part of regional value chain and global production network and transfer of technology.
- iv. There is a need to embark on an agriculture and SME led growth paradigm which has huge potential to meet domestic demand as well as exports given the competitive advantages in terms of proximity to international markets (China, Middle East (ME), Central Asia, Europe), seasonality, irrigated agriculture, low transportation and labor costs. These sectors are also crucial for employment generation, poverty alleviation, disparity reduction, inclusivity and equity. Similarly, the IT and digital growth in Pakistan is going through a rapid evolution which is one of the fastest growing sectors of Pakistan contributing about

1% of the GDP of Pakistan at about 3.5 billion USD. It doubled in the past four years and experts expect it to grow a further 100% in the next two to four years to \$7 billion.

Equally important is the potential to reap the youth dividend. Almost 65% of the population comprises youth. The human capital development requires long-term planning and commitment that goes beyond the tenure of any government or political cycle. If Pakistan could manage to boost human capital investments and its Human Capital Index (currently very low- 0.41 in both absolute and relative terms compared to the South Asia average of 0.48, Bangladesh at 0.46 and Nepal at 0.49) to the level of its peers, the per capita GDP growth could almost double to 32 percent by 2047 (Lire Ersado, 2023). This GDP per capita growth could even rise to 144 percent in case this human capital development could be employed outside the subsistence farming sector in the service and IT sectors. Pakistan could export its human capital to meet the regional and global needs especially when most of the developed countries are confronted with labor market shortages due to their population deceleration.

- ***National Innovation System (NIS) and Digitization***

Several countries of the world have achieved a massive transformation from extremely impoverished economies to upper middle- and high-income nations. This was essentially due to the political commitment and conscious policy decision to develop and establish a robust and well-resourced national innovation and technology system and knowledge-based economy. Notable among these countries in Asia are: China, South Korea, Singapore and Taiwan. Pakistan needs to develop its NIS for which BIPP has already produced a blueprint to engage the government, private sector, academia and army.

As regards digitization in the management and delivery of services, Pakistan could learn from the Delhi experience where the city government

successfully India launched a pathbreaking public-private sector partnership program known as the 'Doorstep Delivery of Public Services' (DDPS) scheme in 2018 to provide as of now around 100 public services (driving license, domicile, marriage certificates, water/sewer connection, vehicle registration etc.) at a nominal cost. The scheme has the potential to even provide at door steps sensitive food items like wheat, rice and sugar for the poor. It has all the elements of good governance: effective and efficient delivery of services, transparency, inclusivity and equity especially for the most disadvantaged in terms of their accessibility, saving travel and waiting time, cost and effort.

- ***Capacity Building of the State Institutions***

The basic principle is to put ethics and excellence into the system and create an environment where people can flourish and fully develop their potential, revitalizing the public sector image and producing quality and measurable outcomes. The emphasis should be on the results-based management and integrated competency development at all levels and across all the institutions. The basic elements should be the development of: (a) core competencies like integrity and commitment, fairness and equity, learning, motivation and teamwork; (b) managerial competencies such as strategic perspective, influence to action, management by objectives, Human Resource (HR), financial and asset management, planning and organizing, and relationship building; and (c) job specific competencies as per the post criteria and duties.

VI. Conclusion

Good governance, as an ideal objective, requires strategic vision, strong will, and unflinching resolve coupled with the right expertise-competence mix to reform and re-engineer the existing obsolete, status quo oriented structures and culture. The well-entrenched and deep-rooted interests across all the spectrums- political, judicial, executive pose formidable challenges. Given the enormity of the problem, this, *a priori*, entails a collective civil-military action to rebuild a fully functional state which is able to, inter alia, abridge the credibility deficit, ensure the rule of law, strengthen political and democratic order, stimulate efficient and robust economic management and provide effective and responsive public goods and services to the citizens.

Statistical Appendix

Key Indicators

Statistical Appendix

Key Indicators

Table A-1
Level of Pattern of Growth
(Base year 2005-06)

	GDP Growth Rate (%)	Incremental Capital Output Ratio	Volatility of Growth% a	Extent of Balanced Growth b	Growth Rate of Labor Intensive Sector c
2000/01	2.0	9.9	-2.2	6.3	0.8
2001/02	3.1	6.1	-0.2	4.4	0.9
2002/03	4.7	4.1	1.4	4.1	1.1
2003/04	7.5	2.3	3.9	10.2	0.6
2004/05	9.0	2.0	4.8	11.6	0.9
2005/06	5.8	3.4	0.6	17.4	0.7
2006/07	5.5	3.5	-0.5	3.4	0.9
2007/08	5.0	3.9	-1.5	5.4	0.8
2008/09	0.4	7.0	-6.2	5.6	3.9
2009/10	2.6	3.8	-2.6	3.8	1.1
2010/11	3.6	8.6	-0.2	8.6	1.0
2011/12	3.8	3.2	0.4	3.2	1.1
2012/13	3.7	4.4	0.6	4.4	1.2
2013/14	4.1	3.4	1.3	6.6	1.0
2014/15	4.1	3.8	0.5	4.7	0.9
2015/16	4.6	3.5	0.7	7.1	1.0
2016/17	5.2	3.2	1.2	5.7	1.1
2017/18	5.5	3	1.2	5.7	1.3
2018/19	1.9	5	-2.6	5.5	0.9
2019/20	-0.4	-14	-4.6	5.2	-0.6
2020/21	5.4	2	2.4	5.2	1.3
2021/22	6.1	2	2.4	4.8	1.0
2022/23	0.3	37	-3.3	4.7	-1.3
Average	4.1	4.8	-0.1	6.2	0.9

Note: The base year of all calculations has been changed from 1999-00 to 2005-06. The values before 2005-06 will differ compare to previous reports.

n.c. = not computed

Source: Pakistan Economic Survey (various issues)

^a Difference in the growth rate of GDP during a year minus the trend growth rate (as approximated by the average growth rate during the previous five years)

^b Computed as the weighted (share of value added in 2005-06) standard deviation of the growth rates of individual sectors during a particular year. The larger the magnitude of this indicator the less the extent of balanced growth

^c Labor-intensive sectors of the economy are identified as agriculture, small scale manufacturing, construction, whole sale and retail trade, public administration and defence and social services

Table A-2
Level and Pattern of Investment
(Base Year 2005-06)

	Gross Domestic Capital Formation (% of GDP)	National Savings as % of Investment	Private Investment as % of Total Fixed Investment	Share of Private Investment in Labor Intensive Sectors (%)
2000/01	17.2	95.8	64.6	46
2001/02	16.8	110.7	72.9	39.8
2002/03	16.9	123.1	73.9	38.6
2003/04	16.6	107.8	72.7	38.6
2004/05	19.1	91.5	74.9	42.9
2005/06	19.3	78.8	76.3	34.3
2006/07	18.8	74.5	73.3	35.4
2007/08	19.2	57.3	72.7	34.6
2008/09	17.5	68.6	73.6	38.3
2009/10	15.8	86.1	73.9	43.2
2010/11	14.1	100.7	74.4	46.5
2011/12	15.1	86.1	71.9	47.1
2012/13	15	92.7	73.1	47.3
2013/14	14.6	91.8	72.6	46.1
2014/15	15.7	93.6	73.8	43.0
2015/16	15.7	88.5	73.0	41.4
2016/17	16.2	74.1	69.2	43.2
2017/18	16.70	62.3	68.2	41.9
2018/19	13.19	65.3	66.9	43.1
2019/20	13.1	69.2	75.0	39.2
2020/21	12.8	94.4	76.8	40.00
2021/22	14	70.4	75.2	34.70
2022/23	11.9	92.0	73.9	30.60
Average	15.9	85.9	72.7	40.7

Source: Pakistan Economic Survey (various issues) SBP, annual Report (various Issues)

Table A-3
Agricultural Growth and Profitability
(Base Year 2005-06)

	Growth Rate (%)	Share of Growth in Crop Sector (%)	Volatility in Agriculture Growth	Change in of Output Prices to Fertilizer Prices (%)	Change in Agriculture Terms of Trade with Manufacturing (%)
2000/01	-2.2	n.c	-7.1	-3.8	4.6
2001/02	0.1	n.c	-2	-5.4	0
2002/03	4.1	57.8	2	-0.3	-0.8
2003/04	2.4	42.4	0.4	-0.3	0.2
2004/05	6.5	90.9	4.4	-4.8	-2.1
2005/06	6.3	n.c	4.1	-4.1	-6.7
2006/07	3.4	55.8	-0.5	10.2	4.2
2007/08	1.8	n.c	-2.7	-20.6	-4.2
2008/09	3.5	62.5	-0.6	-10	9.6
2009/10	0.2	n.c	-4.1	17.3	1
2010/11	2	20.8	-1.1	-4.9	3.3
2011/12	3.2	36.3	1.4	-48.3	-9
2012/13	3.9	23.2	0.5	7.8	6.2
2013/14	3.6	47.8	0.1	10.6	3.1
2014/15	3.8	14.1	-0.1	4.7	7.9
2015/16	4.1	n.c	-2.4	6.9	6.6
2016/17	4.6	16.5	0.0	30.9	3.1
2017/18	6.1	37.1	2.1	0.0	-0.5
2018/19	3.1	n.c	-1.6	-19.4	-7.7
2019/20	-0.9	44.1	-2.7	-46.6	-9.3
2020/21	5.8	69.8	6.7	-9.8	-18.4
2021/22	6.1	62.3	-2.7	-23.9	-6.7
2022/23	0.3	n.c	-0.9	-10.7	-4.8
Average	3.1	45.4	-0.3	-5.4	-0.9

n.c. = not computed, n.a. = not available

Source: Pakistan Economic Survey (various issues)

Table A-4
Level of Pattern of Manufacturing Growth
(Base Year 2005-06)

	Manufacturing Growth Rate (%)	Large Scale Manufacturing Growth(%)	Small Scale Manufacturing Growth (%)	Share of Growth in Large Manufacturing (%)	Manufactured Goods Exports Growth(%)
2000/01	9.3	11	6.2	76.3	21.3
2001/02	4.5	3.5	6.3	52	7.7
2002/03	6.9	7.2	6.3	68.2	21.3
2003/04	14	18.1	-20	84.6	8.9
2004/05	15.5	19.9	7.5	87	21.7
2005/06	8.7	8.3	-20	75.2	13.5
2006/07	9	8.7	7.5	74.3	3.5
2007/08	6.1	4	8.7	58.9	13.2
2008/09	-4.2	-8.1	8.1	n.c.	14.5
2009/10	1.4	4.8	7.5	24.9	12.8
2010/11	2.5	1.1	7.5	54.8	26.7
2011/12	2.1	1.13	7.5	44.5	1.2
2012/13	4.9	4.46	8.28	74.9	8.4
2013/14	5.7	5.46	8.29	78.3	11.3
2014/15	3.9	3.28	8.21	68.2	-8.4
2015/16	3.7	2.98	8.19	65.0	-5.3
2016/17	5.8	5.64	8.15	77.2	0.3
2017/18	5.4	5.12	8.17	75.2	14.9
2018/19	-0.7	-2.6	8.2	n.c.	-8.5
2019/20	-7.8	-11.3	1.37	24.1	49.8
2020/21	10.5	111.5	8.97	6.6	27.3
2021/22	10.9	11.9	8.9	4.8	-0.4
2022/23	-3.9	-7.98	9	-2.7	23.2
Average	5.0	9.0	5.2	55.8	12.1

n.c. = not computed

Source: Pakistan Economic Survey (various issues)

SBP, Annual Report (various issues)

Table A-5
Inflationary Trends

	Rate of Inflation (Consumer Prices) (%)	Rate of Inflation (Food Prices) (%)	Core Rate of Inflation (Non- Food Non- Energy) (%)	Rate of Inflation in Import Prices (%)	Rate of Monetary Expansion less GDP Growth (%)
2000/01	4.4	3.6	n.a	15.2	7.0
2001/02	3.5	2.5	n.a	0.0	12.3
2002/03	3.1	2.8	n.a	3.7	13.3
2003/04	4.6	6.0	3.9	14.8	12.1
2004/05	9.3	12.5	8.8	10.4	10.3
2005/06	7.9	6.9	7.0	17.3	9.4
2006/07	7.8	10.3	6.9	7.6	13.8
2007/08	12.0	17.6	10.2	27.7	10.3
2008/09	17.0	23.5	11.4	25.1	9.2
2009/10	10.1	12.6	7.6	6.2	9.9
2010/11	13.7	18.3	9.4	20.7	12.2
2011/12	11.0	11.0	10.6	21.8	9.8
2012/13	7.4	7.1	9.6	7.8	12.3
2013/14	8.6	9.0	8.3	4.3	8.5
2014/15	4.5	3.5	6.5	1.3	9.0
2015/16	2.9	2.1	4.2	-13.5	9.0
2016/17	4.1	3.9	5.2	-1.3	8.4
2017/18	3.8	2.0	5.4	5.2	3.9
2018/19	7.3	4.6	7.9	8.1	8.0
2019/20	11.2	14.9	8.2	5.9	18.7
2020/21	8.6	12.9	6.0	7.3	9.7
2021/22	11.0	12.1	8.2	31.2	8.9
2022/23	28.2	36.12	16.2	61.7	12.5
Average	8.8	10.3	8.1	12.5	10.4

n.c = notcomputed

Source: Pakistan Economic Survey (various issues)

SBP, Annual Report (various issues)

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Table A-6
Fiscal Policy
(Percentage of GDP)

	Revenue	Expenditure	Non-Interest Current Expenditure	Budget Balanced	Revenue Deficit/ Surplus
	a	b	c	d	e
2000/01	13.1	17.1	9.4	4.0	-2.2
2001/02	14	18.6	9.6	4.6	-1.7
2002/03	14.8	18.4	11.4	3.6	-1.5
2003/04	14.1	16.9	9.8	2.8	0.3
2004/05	13.8	17.2	9.7	3.4	0.5
2005/06	14	17.1	9.7	4	-0.5
2006/07	14.9	18.1	10.9	4.1	-0.8
2007/08	14.1	21.4	12.8	7.3	-3.3
2008/09	14	19.2	10.7	5.2	-1.4
2009/10	14	20.2	11.7	5.2	-2.1
2010/11	12.3	18.9	12.1	6.5	-3.5
2011/12	12.8	21.6	12.9	8.8	-4.5
2012/13	13.3	21.5	12	8.2	-3
2013/14	14.5	20	11.3	5.5	-1.5
2014/15	14.3	19.6	11.3	5.3	-1.8
2015/16	13.6	17.7	10.4	4.1	-0.8
2016/17	13.9	19.1	10.8	5.2	-0.7
2017/18	13.3	19.1	11.1	5.8	-1.6
2018/19	11.2	19.1	11.4	7.9	-5
2019/20	13.2	20.3	12.4	7.1	-4.8
2020/21	12.4	18.5	11.4	6.1	-3.9
2021/22	12.1	20	12.5	7.9	-5.2
2022/23	8.2	11.8	10.5	4.9	-2.3
Average	13.30	18.76	11.15	5.54	-2.23

Source: Pakistan Economic Survey (various issues)

SBP, Annual Reports (various issues)

MoF, Fiscal Operations

a Total revenues of federal and provincial governments

b Revenue and development expenditure of federal and provincial governments

c Current expenditure minus interest payments

d Total revenue minus total expenditure

e Revenue receipts minus current expenditure of federal and provincial governments

Table A- 7
Fiscal Policy
(Base Year 2005/2006)

	Primary Balance (% of GDP)	Total Government Debt (% of GDP)	Effective Interest Rate on Domestic Debt %	% of Deficit Financed by Bank Borrowing %
	a	b	c	
2000/01	1.3	82.4	11.3	-18.4
2001/02	0.1	73.1	12.4	7.4
2002/03	0.4	68.9	10.2	-30.5
2003/04	1.1	62.3	9.4	47.4
2004/05	0.3	58	8.5	27.7
2005/06	-1.1	53.1	10.2	21.8
2006/07	-0.1	52.1	13.8	37.5
2007/08	-2.7	56.8	13.7	80.5
2008/09	-0.3	57.8	12.9	54.2
2009/10	-1.9	59.9	12.4	32.8
2010/11	-2.7	58.9	10.5	51.5
2011/12	-4.3	58.9	10.7	52
2012/13	-3.8	54.3	9.7	79.5
2013/14	-3.8	59.3	9.5	23.3
2014/15	-1	60.2	9.3	61.2
2015/16	-0.6	58.1	8.1	58.3
2016/17	-0.3	58.3	8.2	55.7
2017/18	-1.4	61.3	8.1	49.57
2018/19	-1.9	61.5	8.8	65.7
2019/20	-1.3	77.7	9.9	57.5
2020/21	-1.6	80.0	9.6	54.9
2021/22	-1.4	74.9	9.1	59.0
2022/23	-3.1	84.8	14.6	56.3
2022/23	-1.0	73.9	0.0	0.0
Average	-1.19	64.68	10.48	42.82

Source: Pakistan Economic Survey (various issues)

SBP, Annual Reports (various issues)

Ministry of Finance, Fiscal Operations

Ministry of Finance, Debt Policy Statements

a Estimated as revenue receipts minus total expenditure net of interest payments

b Includes domestic and external debt

c Defined as the ratio of domestic interest payment to outstanding domestic debt

Table A- 8
Monetary Policy

	Net Foreign Assets a (% Change of broad money)	Net Assets a (% Change of broad money)	Private Credit Growth %	Interest on Six Treasury Bill (%)	Broad Money Growth (%)	Spread Interest Rate
	a		b			c
2000/01	5.1	3.9	4.0	10.4	9.0	8.3
2001/02	13.4	2.0	4.8	8.2	15.4	9.6
2002/03	17.5	0.5	18.9	4.1	18.0	7.8
2003/04	2.1	17.5	29.8	1.7	19.6	6.3
2004/05	2.2	17.1	33.2	4.7	19.3	7.4
2005/06	2.5	12.4	23.2	8.5	14.9	8.7
2006/07	8.1	11.3	17.2	8.9	19.3	9.0
2007/08	-7.8	23.2	16.4	11.5	15.3	8.4
2008/09	-3.2	12.8	0.7	12.0	9.6	9.8
2009/10	-6.9	0.8	3.9	12.3	12.5	9.3
2010/11	23.5	-2.4	4.0	13.7	15.9	9.0
2011/12	-40.2	5.3	7.5	11.9	14.1	8.3
2012/13	-55.8	4.1	-0.6	8.9	15.9	7.0
2013/14	97.9	-3.1	9.1	9.7	12.5	7.3
2014/15	20.5	-1.3	11.7	8.0	13.2	5.6
2015/16	9.1	-0.7	11.1	5.9	13.8	5.7
2016/17	-8235.6	26.5	11.6	12.7	11.3	5.9
2017/18	-961.2	11.9	2.1	7.5	17.5	6.3
2018/19	-8235.6	26.5	11.6	12.7	11.3	5.9
2019/20	-70.8	-5.5	2.9	7.5	17.5	6.3
2020/21	-220.8	-5.3	11.2	7.6	16.2	4.6
2021/22	-191.5	5.9	21.1	14.8	13.6	3.4
2022/23	212.2	5.6	-0.8	21.9	14.2	6.4
Average	-765.9	7.3	11.1	9.8	14.8	7.2

Source: State Bank of Pakistan, Annual Report (various issues)

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a Growth rate of net foreign assets/broad money ratio

b Growth rate of net domestic assets/broad money ratio

c Difference between the interest rate on advances and deposits

Table A- 9
Effective Tax Rates
(Tax Revenues as percentage of Tax Basea)

	Income Tax (%)	Customs Duty (%)	Excise Duty (%)	Sales Tax (%)	Total FBR Taxes (%)
2000/01	4.2	17.8	4.7	13.1	9.3
2001/02	4.5	12.0	4.3	14.1	9.1
2002/03	4.4	14.8	3.6	14.8	9.4
2003/04	4.0	14.3	3.1	12.7	9.2
2004/05	3.8	11.2	2.9	10.0	9.1
2005/06	3.9	12.1	2.4	10.3	9.4
2006/07	5.0	10.5	2.7	9.9	9.7
2007/08	4.9	7.6	2.9	10.0	9.8
2008/09	4.6	5.7	5.7	10.0	9.1
2009/10	4.8	5.7	5.0	10.1	8.9
2010/11	4.4	5.6	4.3	10.3	8.6
2011/12	4.6	5.6	3.3	11.0	9.1
2012/13	4.3	5.5	4.1	11.4	9.5
2013/14	4.6	5.2	4.3	12.6	10.1
2014/15	4.9	6.6	5.3	13.9	11.0
2015/16	5.3	8.7	5.6	16.1	12.4
2016/17	5.5	8.8	5.4	14.0	12.5
2017/18	5.2	10.0	5.1	14.4	10.7
2018/19	4.8	8.6	5.3	13.3	9.6
2019/20	4.8	8.8	4.9	13.9	10.0
2020/21	4.0	8.8	4.2	13.0	8.5
2021/22	4.4	7.9	3.6	11.7	9.2
2022/23	5.4	6.8	3.2	10.3	9.0
Average	4.6	9.1	4.2	12.2	9.7

Source: SBP, Annual Reports (various issues)

Pakistan Economic Survey (various issues)

FBR (various issues)

a Tax bases for various taxes are as follows:

Income tax: Non-agricultural GDP

Custom Duty: Value of imports

Excise Duty: Value of manufacturing

Sales Tax: Value of Imports plus value of manufacturing

Table A-10
Balance of Payments

	Current Account Balance (% of GDP)	External Debt as a % of Exports of Goods and Services	Net Reserves (US \$ Million)	Gross Reserves (In months of next year's import of goods and services)	Change in Value of Pakistani Rupee per US \$ (%)	Change in Real Effective Exchange Rate (%)
1999/2000	-1.6	322.1	908	0.9	3	-0.6
2000/01	-2.7	309.4	1679	1.7	12.8	-2.5
2001/02	3.9	282	4337	3.7	5.1	-2.6
2002/03	4.9	229	9529	6.5	-4.7	-0.1
2003/04	1.8	209.5	10564	5	-1.5	-1.8
2004/05	-1.4	183.7	9805	3.5	3.1	0.3
2005/06	-3.9	167.2	10760	3.7	0.8	5.3
2006/07	-4.8	169.2	13345	4.5	1.3	0.5
2007/08	-8.4	169.7	8577	2.7	3.2	-1.12
2008/09	-5.5	212.9	9118	2.8	25.5	-1
2009/10	-2.3	218.9	12958	2.9	6.8	1
2010/11	0.1	204.9	14784	3.6	2	6.5
2011/12	-2.1	212.2	10803	2.9	4.4	3.1
2012/13	-1.0	182.3	6008	1.5	8.4	-1.3
2013/14	-1.3	204.1	9098	2.7	6.3	7.3
2014/15	-0.8	204.9	13532	3.9	-1.5	5.4
2015/16	-1.8	250.9	18130	9	2.9	4.6
2016/17	-4.0	284.6	16242	4.4	0.5	3.5
2017/18	-6.1	317.2	9765	1.7	4.9	-11.2
2018/19	-4.8	368.4	7,285	3.3	24.0	-15.4
2019/20	-1.1	387.3	12,132	3.9	16.1	2.3
2020/21	-0.8	301.3	17,299	4.6	1.3	7.2
2021/22	-4.7	253.6	9,816	2.2	10.9	-6.1
2022/23	-0.7	350.3	4,445	0.7	39.8	-7.5
Average	-2.0	249.8	10038.3	3.4	7.3	-0.2

Source: SBP, Annual Report (various issues)
IMF Article IV Consultation's Press Releases

Table A- 11
Level and Pattern of Trade

	Merchandise Export Growth (US \$; %)	Extent of Product Diversificat ion of Exports (a)	Extent of Market Diversificat ion of Exports (a)	Merchandise Import Growth (US \$; %)	Change in Terms of Trade %	Share of Essential Imports (a) %
1999/2000	11.2	0.801	0.23	13.1	-15.3	39.3
2000/01	12.5	0.798	0.221	14.3	-7.1	39.3
2001/02	2.3	0.786	0.221	-7.5	-0.2	36.7
2002/03	20.1	0.791	0.223	20.1	-9.6	35
2003/04	13.5	0.782	0.232	21.2	-4.1	28.8
2004/05	16.2	0.778	0.218	38.3	-6.5	25
2005/06	14.3	0.769	0.229	31.7	-11.7	30.7
2006/07	3.2	0.737	0.228	8	-3.7	29.1
2007/08	16.5	0.722	0.21	31.2	-11.5	38.9
2008/09	-6.4	0.709	0.202	-10.3	2.8	41.9
2009/10	2.9	0.717	0.199	-1.7	0	42.3
2010/11	28.9	0.697	0.184	14.9	2.8	42.7
2011/12	-2.6	0.722	0.183	12.8	-5.9	45.8
2012/13	0.4	0.719	0.189	-0.6	-2.4	42.9
2013/14	1.1	0.745	0.193	3.8	0.9	40.8
2014/15	-3.9	0.767	0.202	-0.9	-0.4	33.8
2015/16	-12.2	0.768	0.214	-2.5	4.2	25.5
2016/17	-1.7	0.764	0.210	18.5	1.5	24.5
2018-19	-2.2	0.769	0.207	-7.4	1.5	40.3
2019/20	-7.1	0.764	0.211	-15.9	3.7	50.1
2020/21	13.7	0.756	0.206	23.3	1.4	50.0
2021/22	25.6	0.731	0.193	42.1	-2.4	55.4
2022/23	-12.7	n.a	n.a	-31.0	n.a	52.3
Average	5.8	0.8	0.2	9.4	-2.8	38.7

Source: Pakistan Economic Survey (Various issues)
United Nations Conference on Trade and Development
State Bank of Pakistan, Annual Report (various issues)

a This is estimated by UNCTAD as the Herfindahl Index, which ranges from a value of 0 to 1.

The greater the extent of diversification the lower the value of the index

Essential imports are of wheat, edible oil, fertilizers, medicines and POL products

Notes

Chapter 10

1. For example: National Accountability (Amendment) Acts of 22 June and 16 August 2022, National Accountability (Amendment) Ordinance April 2023/National Accountability (Amendment) Act May 2023 etc.
2. The killing of 14 innocent citizens and members of Pakistan Awami Tehreek (PAT) at Lahore on 17 June 2014, the recent police *Gardi* of 25 May 2022 against PTI workers, brazen violation of the sanctity of *chaddar and chardewari*
3. Based on success stories, best practices and studies conducted by WB, ADB, UN System, Think Tanks and other Development partners
4. Developed by Legatum Institute, a London based Think Tanks committed to creating a pathway from poverty to prosperity
5. Punjab (three provinces namely Multan, D.G. Khan and Bahawalpur); Sindh (Karachi and Hyderabad); Khyber Pakhtunkhwa (Hazara, D.I. Khan and erstwhile Tribal Areas); Baluchistan (Makran, Zhob, Kalat and Kharan)

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