

NEWSLETTER

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Khalid Sherdil, while submitting to the will of the most Exalted, joined his Creator on 22 May 2020 along with other 97 persons as a result of tragic PK8303 crash.

إِنَّا لِلَّهِ وَإِنَّا إِلَيْهِ رَاجِعُونَ

A talented, enterprising, result oriented and energetic civil servant Khalid Sherdil stands high amongst the brightest officers produced by Pakistan Administrative Services/District Management Group till date. He had a unique knack and insatiable yearning to combine professionalism with passions to expand his frontiers of eminence and performance. The rich legacies- as a professional par excellence, as conscientious civil servant, and as a kind and generous person- which he has bequeathed are palpable testimony of the scale and range of his achievements and the indelible imprints he left behind; the space defies the attempt to capture his contribution to the public sector and more importantly to the people, especially the poor and vulnerable who benefited enormously from his bountiful harvest. The link (http://www.sjbipp.org/publications/cv/Khalid_Sherdil_Achievements.pdf) embodies some of his salient achievements.

We at the Shahid Javed Burki Institute of Public Policy at NetSol (BIPP) owe him a special debt of gratitude. He was one of our founding members committed to rational and evidence-based policy making; transforming the institutions to work on sustainable paradigm; and producing leaders capable of responding effectively to the 21st century challenges. Through his rich knowledge, insight, networking ability and creative thinking he played a major role in building BIPP's partnerships and alliances and mobilizing precious resources for its operational sustainability, not to speak of the constant intellectual and scholastic input to guide and enlighten BIPP's policy and research work. Khalid, your absence we grossly feel and will continue to feel. We cherish and treasure your fond memories as a token of your inspiring generosity to BIPP for all times to come.

We offer heartfelt condolences to the Sherdil family for this immeasurable and irreparable loss. May the departed soul rest in eternal peace and may Allah grant him the highest place in Jannah. Ameen.

Shahid Najam
Vice Chairman BIPP



From the Desk of the Chairman

I write this with a heavy heart: a day after the funeral and burial of Khalid Sherdil, my relative, friend and a great supporter of the Burki Institute. This remarkable individual as Khalid Sherdil as many have already said in their rich tributes to him, occupied a space on this earth which is hard to fill. Everything he did, he did well; every relationship he had he cultivated with care and affection; he served the Pakistani state in many capacities with honesty, dignity, and total commitment.

Shahid Najam and I are contemplating to found a chair at our institute to honor his memory. The chair would be devoted to advancing our understanding of the process of urbanization and how it can be steered to help those who live in Punjab province's many urban areas. That was the last job he had while he was still alive. We will also have the Sherdil Chair develop a teaching program on urban development, using the enormously rich data and information his Urban Unit had collected.

The "Unit" is a great example of how the state can be used to develop societies and provide care to the citizenry. As it happens, I happened to be reading Zachary Carter's monumental biography of John Maynard Keynes when the news of Khalid's passing reached me.

The book, "The Price of Peace: Money, Democracy, and the Life of John Maynard Keynes", is a good way to understand and appreciate a career such as

Sherdil's. When governments lavishly borrow and spend to prop up an economy in the midst of a pandemic, as Pakistan and several other countries are doing at this time, they are following the playbook of John Maynard Keynes, writes Carter. In my many discussions with the late Sherdil we talked about the role the state can play to advance societies and provide care for those who needed it. We were being Keynesians.

Shahid Javed Burki

The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



Message of the Month

Covid-19 and the Changing World

COVID-19 has changed the world and shall continue to change in years to come. Everything has been affected:

how we live and interact with each other, how we work and communicate, how we move around and travel. Every aspect of our lives has been affected.

Decisions made now will be some of the most important ones made in generations; they will affect people all around the world in the long run. It is imperative that the government at federal and provincial level

making those decisions have access to the best information available. Throughout this crisis, the international community has continued to work together, in partnership with national statistical offices and systems around the globe to ensure that the best quality data is available to support decision making during and after this crisis.

Undoubtedly, this is an

unprecedented crisis, and no aspect of our lives is immune to it. In the health sector, for example, the coronavirus pandemic (I would rather call it an endemic), is overturning healthcare in Pakistan. It could result in a series of changes, ranging from a sizable expansion in telemedicine to a dramatic shift in how we think about health care coverage. Similarly, it has caused the Higher Education Commission to rush into e-learning. This sudden shift will have a sizable impact on teaching and learning long after COVID-19 fades. Remote learning is a powerful tool from elementary school to professional education classes, and while it doesn't replace the classroom, it shrinks distances

and supports teaching in new and interesting ways. For example, inviting a guest speaker from China is a few clicks away rather than requiring air travel. However, considerable regulatory steps are needed over the next few months to support the growth in distance learning, including addressing privacy concerns and increasing government funding for infrastructure to increase broadband access.

Lastly, as it has always been, history will be written by the winners of the COVID-19 crisis. Every government, and every individual, is experiencing the societal strain of this disease in new and powerful ways. Certainly, those nations that persevere—both by virtue of their unique political and economic systems, as well as from a public health perspective—will claim success over those

who experience different, more upsetting outcomes. To some, this will appear as a great and definitive victory for democracy, multilateralism, and best healthcare. To others, it will showcase the clear benefits of decisive, rather authoritarian, rules and regulations.

**Prof. Akram Javed,
Chief Executive**

Vice Chancellor
UHS Lahore



**Research
and
Consultancy
Wing**

**COVID-19 and Climate
Change**

Human's relationship with the Earth has evolved over hundreds of thousands of years, but no period has involved such rapid change as the period after the Industrial Revolution. In this period, we used Earth's land and air without paying attention to its absorptive capacity.

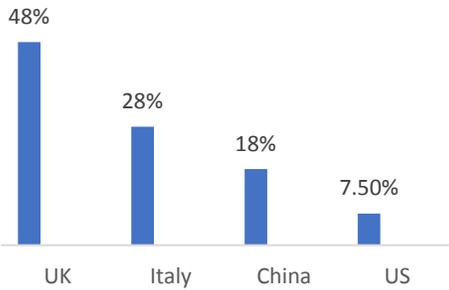
Humans started feeling the strain on Earth's ecosystem in the 1980s. Global notice was formally taken with the first Report of the Intergovernmental Panel for Climate Change (IPCC) in the early 1990s.

The 2019 IPCC Report warns that humans face a moment of reckoning over the way we use the planet's ecosystem. COVID-19 has reinforced that message in a way the IPCC Report could not. COVID-19 forced all countries to lockdown and the benefits of the declining human activity became visible within months. Air pollution levels dropped

dramatically. IPCC Reports were telling us that pollution annually causes 200,000 deaths in the US. Globally, the estimate number is in millions. Carbon emissions dropped beyond the targets pledged in the Paris Agreement: - China 18 %; US 7.5%; UK 48 %; Italy 28%.

The recent IPCC Report warns that either we change our ways, particularly our diets, or risk devoting large land areas to uses which will emit more carbon dioxide than the earth can afford. It found that emissions from land use- practices like agriculture, and logging contribute 25%

Carbon Emission



of the human induced greenhouse emissions. So far, land use elsewhere (forests, wetlands) has balanced the effects of the emissions. Rapid deforestation,

land degradation, wetland reduction is now threatening the balancing effect on carbon emissions. As global food demand has increased farmers are converting forests to agricultural use. Besides warning about these shifts in land use the IPCC Report points to the soaring demand for meat which requires feed and thus more land. Analysis suggests that a global shift from meat to plant-based diets could yield significant results. One estimate is that globally an annual 8 billion tons of greenhouse gas emissions reduction may be achieved. This is the current annual emission of greenhouse gases by the US.

Substituting poultry for beef

offers additional gains in the freed land. The grain to meat conversion efficiency of beef is seven kilograms of grain for one kilogram of beef. For poultry that conversion ratio is two kilograms for one kilogram of poultry. The conversion to plant-based diet will have beneficial health effects as well.

COVID-19 is forcing us to go to a new normal. This, so called, Azab-e-Ilahi could be made a Nemat-e-Ilahi if humans adopt plant-based diet as the new normal.

Will be a win-win for climate change as well.

Tariq Husain
Member, BOD

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Education & Learning Wing

Terminating a Healthy Relationship

The US President on 29th May 2020 accused China of well-known misconduct including acts such as raiding the US factories, offshoring their jobs, gutting their industry, stealing American intellectual property, and violating commitments under the World Trade Organization (WTO).

Moving beyond economics, he went on and levelled additional accusations against Chinese

officials for ignoring their reporting obligations to the World Health Organization (WHO) and pressuring the multilateral body to mislead the world when the coronavirus was first discovered by them in Wuhan.

Trump seems to have a firm view that China has recently indulged in another misconduct in the domain of public health and inflicted profound hardship on the world in the shape of loss of hundreds of thousands of precious lives and collapse of economic activity. He showed his displeasure on how China despite being a small contributor to WHO has a strong control over it. China contributes US\$ 40 million annually in comparison to America's contribution of over

US\$ 450 million to the US\$ 4.8 billion annual budget of the WHO. Trump was also visibly quite upset about how his requests for the greatly needed reforms at the WHO have been turned down. Consequently, he announced his decision to terminate his relationship with WHO and divert those funds to other urgent and deserving public health issues around the world.

Share of Contribution to Annual Budget of the WHO



This drastic move of President Trump has alarmed and shocked health experts who consider it as a huge set back to the global efforts to fight the COVID-19 pandemic. Richard Horton, Editor in Chief of the Lancet, the prominent British medical journal called the US withdrawal from WHO, “madness and terrifying both at the same time.”

The extreme step will severely undermine the battle against COVID-19 which has, till the end of May, killed more than 369,000 people and sickened around 6.1 million on a worldwide scale. It will also augment the difficulties to tackle other global disease threats. While many Americans may agree with what Trump has identified, a large number will be highly skeptical and critical about

the wisdom of this decision. The world at large will also not endorse this unprecedented action by the US at this critical moment in time when we are in the middle of a humanitarian emergency.

Fighting novel coronavirus and other emerging diseases requires a collaborative strategy where the world needs to share crucial data and information for developing treatments and vaccines for the lethal disease. WHO is a crucial platform to bring nations together for pooling in their resources and launching a winning onslaught against the most difficult public health challenges of our times. Trump’s decision can disrupt clinical trials of various vaccines that can be useful to the humanity for alleviating sufferings of millions.

Athar Mansoor
Research Fellow
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Education and Learning Wing

Economic Census of Lahore Continued

As a continuation to my previous article, in this issue I would expand on the concept of the economic census with the following phases:

Phase – I Diagnostics

Stage I– Spatial Database Preparation and Assessment of Geographic Regime

The development of spatial database is primarily subjected to the preparation of a good spatial reference, a digital base map which is a fundamental requirement of the proposed exercise. This information must correct/update and/or improve the resolution of the data sets already available.

Items for conversion to digital thematic maps are shown in the Figure 1 bellow.

The above data sets could be supplemented with ground level inputs, such as photographs of objects of interest. These photographs (together with explanatory notes, tables, charts or any other information) could be appended to the respective locations on the base map. For example, a rural dispensary could be shown together with its staffing record and status of provisional supplies.

Field Surveys

At the onset of the first phase, a series of socio-economic surveys will be launched assessing: housing, traffic/transport survey, landuse survey, utility services survey of the existing conditions. GPS and compiled data will be entered in a database.

Phase – II System Built-up

During this phase, various model of in-depth analysis shall be conducted, and infrastructure shall be built up to disseminate the results as following.

i) Development of Framework for Information Dissemination:

An integrated approach to the base maps along the field surveys will be adopted to host an online interface to submit the acquired information.

ii) Housing: A detailed and comprehensive assessment of the existing housing stock, their age, condition, and the future requirements will be conducted to study the status of city’s housing capacity. Its financial ownership and the impact of immigrants on its capacity or growth will also be explored.

iii) Defining the Income Range Zones: This shall produce the financial zones with described life modes and income capacity and shall pronounce the

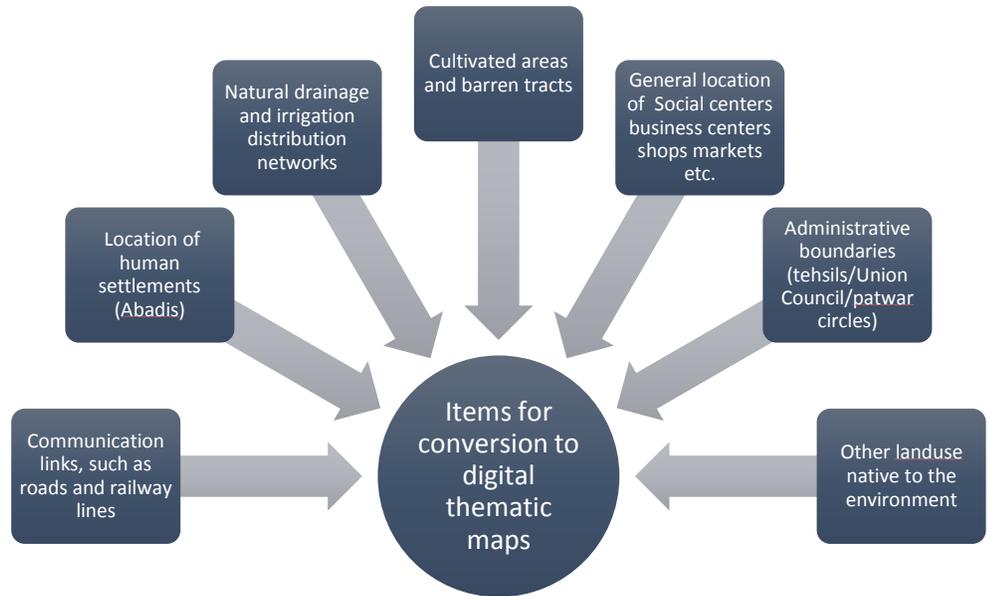


Figure 1

factors to increase or regulate the income generation or review the existing facilities.

iv) Industrial Capacity: This shall describe the assessment of the industrial capacity to determine the ability to plan, manage and guide industrial growth. This assessment will prove invaluable later in design of both short- and long-term strategies as well as pilot projects.

vi) Urbanization in the Rural Areas: A comprehensive study will be conducted to know exactly how to save the rural character of the adjoining areas or measures to convert such areas conducive for a healthy living.

Phase-III Acknowledgement Phase

This phase involves conducting seminar and workshops to assure stakeholder representation. Needs based short-term and long-term workshops and focus groups would be used to communicate with stakeholders. This will define the priorities and the criteria to be used for using the system.

Dr. Ejaz Sandhu
Director Operations, Education & Learning
 The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



Education and Learning Wing

Religion, Attitudes Formation and Humanitarian Challenges

At the dawn of the second decade of this century, human civilization exhibits discourse and conflicts in various facets of life. We live in a highly polarized world where polarization amongst citizens of nation-states in the realm of politics and society is becoming a norm. The Hegelian dialectical model sees the existence of a thesis and antithesis as necessary for progress in civilization, however, arrays of conflicting views towards basic humanitarian crises and issues that demand immediate action are troubling unlike conflicting political or economic views.

This growing divide in ideologies is leading to issues such as climate change, pandemic outbreaks, and stark divergence of views on anti-immunization as opposed to a shared humanitarian concerns for prompt collective action. For instance, today climate change threatens the millions across the globe and the scientific proof is

irrefutable since the 1970s, but climate change denial is still a common phenomenon. Another pressing issue concerns disease elimination, it took the world hundreds of years to eliminate a number of viral diseases through immunization but today the return of life-threatening diseases is imminent as a significant number of people, in both the global South and North, are denying to expose their children to vaccination. The recent COVID-19 outbreak also exhibits a segment of the population that does not partake in social distancing or violates lockdown protocols endangering themselves and their communities.

The narrative buildup which leads to attitude formation is a key factor in determining the course of action taken by society to timely address and tackle humanitarian issues. The role of social institutions is central in opinion formation of humans. Religion is one such critical social institution. For instance, American televangelist from Texas, Kenneth Copeland, claims that COVID-19 can be eradicated by his magical 'blow in the wind', and several days later many churches defied the Easter lockdown protocol in several American states. In the same fashion, clerics in Pakistan have accused COVID-19's spread on the 'immodesty of women's attire' while others have pointed their followers towards 'magical' cures of the disease. Similar

narratives are found on issues as vaccinations, climate change, etc.

It is clear religion plays a highly central role in defining attitudes towards various issues. Central to upholding religious belief are preachers, religious leaders, clergy or scholars, etc. who also have great influence in shaping and orienting the belief systems as well as attitudes of their followers due to the prestige and authority associated with their societal stature. Rather than states maligning these individuals, an active effort needs to be made to have them on board with the government agendas to tackle an array of public issues- because public opinion is a key step in addressing any challenge that is faced by a nation.

Kainat Shakil
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Education & Learning Wing

COVID-19 and its Impact on Global Poverty

The consequences of the COVID-19 may have more devastating effects than the disease itself as the global economy plunges into recession, people lose jobs by the hundreds of millions and the risk of poverty and hunger grows. The World Bank recently estimated that around 40-60 million people worldwide will be pushed into extreme poverty by the end of 2020. There are 12 countries that are likely to see an increase in poverty of over 1 million people in 2020 due to COVID-19. They are in Asia and Africa, with Brazil as the sole exception. India and Nigeria stand out as likely to add 10 million and 8 million to the poverty rolls in 2020.

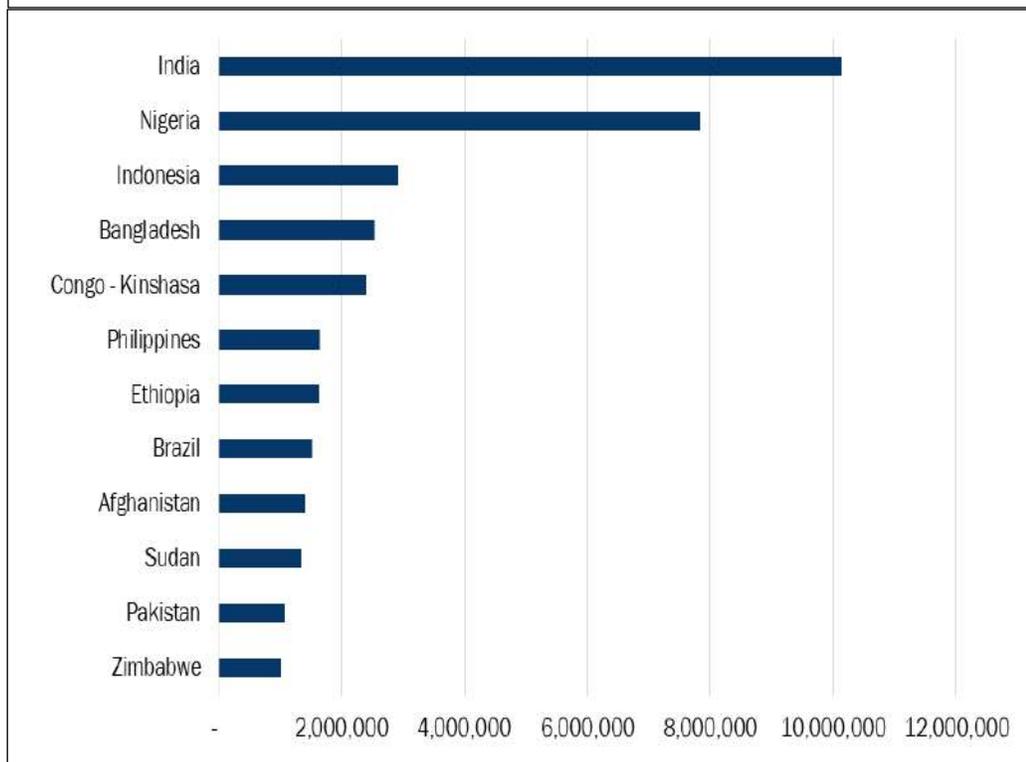
In all these countries, COVID-19 has demonstrated the vulnerability of people who have only recently been able to escape poverty. When looking at the impact of the pandemic on higher poverty lines, for example the number of people living on less than \$3.20 or \$5.50 per day, more

than 100 million people will be pushed into poverty. Latin America & Caribbean, East Asia & Pacific and the Middle East & North Africa are all expected to have at least 10 million more people living on less than \$5.50 per day.

Social safety nets for most vulnerable and the poorest are needed as part of the immediate and next phase of COVID-19 emergency assistance. Many countries are using social safety nets to respond. However, much more needs to be done to compensate income losses and support businesses and promote economic resilience. In poor countries especially, social safety

Countries where poverty headcounts are likely to rise the most due to COVID-19

Projected poverty headcount increases of over one million in 2020



Source: Brookings

The agenda 2030 particularly Sustainable Development Goals (SDGs) on no poverty and zero hunger, is under considerable threat. The need of the hour is to bring together development agencies, national governments, civil society and the private sector in a global effort to protect lives of the poorest.

nets and inclusion programs need to be significantly scaled up to respond to a crisis of this magnitude.

Atr-un-Nisa
Research Associate
 The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



Research & Consultancy Wing

Pakistan and the 'New' Afghanistan

In 2001, the Taliban power structure was wiped out of Afghanistan in couple of weeks' time when faced with onslaught of American led coalition troops supported by the Northern Alliance. Nineteen years later, we are back at square one. Americans are directly negotiating for peace with Taliban. The Ashraf Ghani led Afghan government is increasingly becoming irrelevant in overall power game. The desperate situation of Kabul is evident with increasing calls for withdrawal of all the American troops before November elections. The publication of 'Afghanistan Papers' by the New York Times has further strengthened the hands of pragmatic doves in Washington DC.

One of the reasons for success of Taliban is military oriented policy of Americans towards Taliban and other non-state actors in these 19 years of war.

It is true that Taliban present no better alternative system of governance taking contemporary world of 21st century into account. However, American approach of using stick only, without using carrots, has created such a political environment that it was impossible for them to win hearts and minds of Afghans. Despite dismal record of Taliban on social issues especially women rights, the local Afghans considered aligning with 'permanent' Taliban than 'foreigner' North Atlantic Treaty Organization (NATO) troops in spite of trillions of dollars spent by later in Afghanistan.

Not everyone in Washington camp had advocated military solutions. Obama's man in Afghanistan-late Mr. Richard Holbrooke, was highly sensible to political solutions. He was followed by establishment of Qatar office. However, overall, as stated earlier, Americans had adopted military means for peace when dealing with militias. It had created an adverse incentive system for local population from American point of view.

In light of peace agreement signed in shape of 'Doha Agreement', Pakistan has various policy options. Firstly, Pakistan needs to pressurize Taliban and its allies controlled vast swathes of land to adopt moderate values of governance instead of imposing narrow medieval social system imposed in 1990s by Taliban.

Secondly, Pakistan might be rightly ignoring India in overall Afghan equation, but it must work with other external players like China, Russia, Iran and of course West. It would be false hope to assume that Pakistan can influence Afghanistan on the diplomatic front on its own. As foreseen, the Taliban will be an important player in governance in coming months, Pakistan should limit their presence to Afghanistan. Their influence should not be extended to Pakistan especially madras should not prove to be a breeding ground for Taliban. Lastly, it is safe to assume that India will continue to play a destabilizing role in entire process. Pakistan should highlight India's negative role in Afghanistan at international forums. Moreover, reduced Indian economic influence should be balanced through increased Pak-China economic influence in Afghanistan. It would create a win-win situation for both Kabul and Islamabad.

Ammar Hayat
Research Associate

The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



Education & Learning Wing

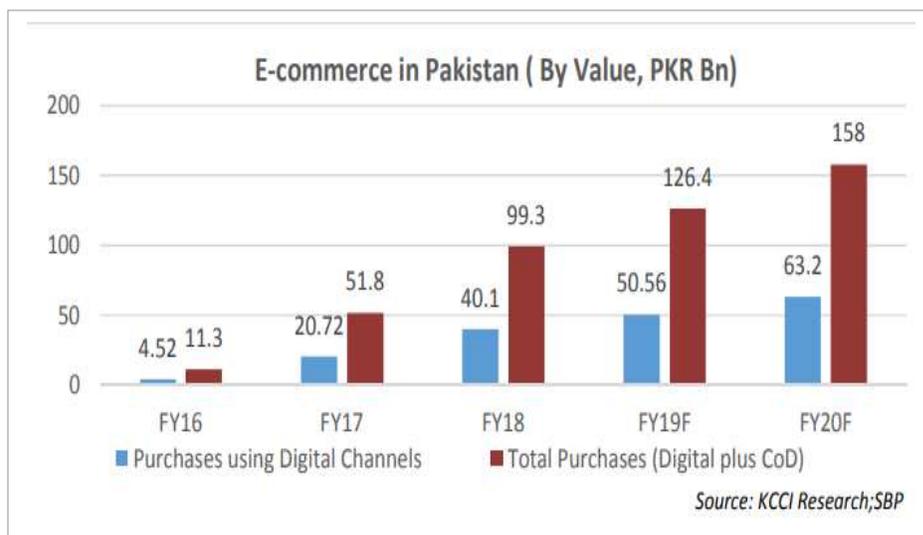
The Potential of E-Commerce in Pakistan

Life challenging events could happen at any time and anywhere—these events can also occur rather gradually, as we have seen with the current COVID-19 pandemic. Due to the undeniability of change and uncertainty, those who are quick to adapt are the ones who succeed.

Amazon, since 1994, has become one of the most significant organizations on the planet, with a market capitalization of over \$1 trillion before the pandemic's outbreak. Amazon continues to grow amidst the current environment while different organizations have been shut down or downsized. The online shopping platform has demonstrated remarkable potential of e-commerce as its clients spending is estimated to be \$11,000 per second. To provide its services to its expanded client based during the COVID-19 lockdowns across the globe, the organization intends to enlist additional 100,000 new employees. Despite being a business substance, Amazon progressively resembles an open

utility. It has even banded together with the Canadian government to appropriate clinical hardware, and with the UK government to convey home testing kits. Indeed, it may be one of the few retailers to emerge from this pandemic stronger than before—showcasing its resilience and adaptability at the time of change.

In Pakistan a vast number of organizations and industries have overlooked e-commerce and failed to invest their resources in it. Most enterprises are faring ineffectively right now due to COVID-19.



Innovation could enhance the resilience of these organizations for example Pakistan automobile industry failed to sell a single car in April 2020. In the same fashion education, food and retail despite making sizable margins have not reinvested in their firms to move forward with e-commerce.

With a population of around 220 million and a number of financial

inclusion solutions in terms of branchless banking, Pakistan offers one of the largest untapped markets in the world for e-commerce. Pakistan's e-commerce industry has been estimated at PKR 99.3 billion in FY18 (FY17: PKR 51.8Bn) with Year over Year (YoY) growth of 92%. Cash on Delivery (CoD) is still the prevalent payment mode and makes 60% of total transaction volume. Digital payments (credit/debit/prepaid cards, interbank funds transfer and mobile wallets) grew by an impressive 93.7% in FY18 to reach PKR 40.1Bn compared to PKR 20.7Bn in FY17.

Pakistan needs to fully harness the enormous potential for

e-commerce, for, the domestic market provides an avenue for tremendous growth in the services sector with a positive trickledown effect on the rest of the economy.

Jahanzaib Khan
Research Trainee

The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



Knowledge Management Wing

In the wake of rapid spread of COVID-19 and the precautionary measures being adopted by Pakistan Government, BIPP has also transitioned to tele-work mode. From the past two months (April-May) all the employees are working diligently from home on the given assignments and communicating through Zoom meetings and video conferencing.

BIPP also encourages the staff members to strictly follow the precautions prescribed by World Health Organization (WHO) including use of protective gears/masks, observing complete hygiene, social distancing and self-isolation.

Through the months of April to May 2020, BIPP representatives Dr. Ejaz Sandhu and Ms. Kainat Shakil actively took part in online and in person meetings at the Punjab Urban Unit as well as the Chief Minister House to discuss the availability of various economic solutions to combat COVID-19. Dr. Ejaz Sandhu, Mr. Izhar ul Haque and Ms. Kainat Shakil also made a presentation to the Directorate of Industries Punjab

as requested by the Punjab Urban Unit to apprise the Directorate of the work undertaken by BIPP on the Silakot-Daska-Sambrial Industrial Corridor with focus on maximizing the industrial gains of the region through policy, infrastructure and development interventions.

Mr. Khalid Sherdil, the founding member of BIPP and CEO of Urban Unit was among the 97 people who martyred on 22nd May when the Karachi-bound flight from Lahore crashed a few minutes before landing. Mr. Sherdil was laid to rest in Lahore on Wednesday, 27th May 2020.

An official statement from the Urban Unit said,

“We have not only lost our leader and mentor but an extremely humble, down-to-earth, humane and kind soul who was the head of our Urban Unit family.”

May his soul rest in eternal peace.
Ameen

Samra Naz
Assistant Manager IT/KM

The Shahid Javed Burki Institute of
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Education & Learning Wing

The Shadow Pandemic Amidst COVID-19

The World Health Organization (WHO) has stated that 30 percent of women worldwide are subjected to gender-based violence, and this situation is greatly exacerbated in times of crises. There has been a reported increase of domestic violence during COVID-19, leading to the United Nations terming it as the 'shadow pandemic'. Pakistan already ranks poorly in this regard as 1 in 4 of women endure physical, sexual or emotional violence, amounting to 8 million females who suffer some form of abuse. No government department has put forth proper statistics pertaining to domestic violence during COVID-19, but it can be safely estimated that the situation has only gotten worse.

The Ministry of Human Rights helpline receives around 40,000 calls every month but reported only 40 in March. However, police records in Punjab registered a disproportionate increase in instances of domestic violence.

Similarly, the KPK police helpline only received 25 calls for help but 399 women were murdered. Being a grossly underreported issue, it is hard to put figure on the exact number and the situation is made worse because helplines and shelters are not fully operational during the pandemic. Support services for domestic violence victims have virtually shut down due to them being termed 'non-essential'. The crises centers run by the Sindh Women Development Department are a case in point. Also, women are confined in homes with their abusers, resulting in more contact and violence. They are unable to go to their friends and relatives for relief. These women become an outlet for the frustration and powerlessness felt by their husbands due to loss of jobs, work-from-home and other socio-economic pressures. A spike is also observed as courts are not working at full capacity. Also, women who are already involved in precarious vocations, are more likely to lose their jobs, which makes them more dependent on their abusers.

The government should initiate strong policies to combat the problem of increased domestic violence during COVID-19. Policymakers need to realize that 'stay at home' is not the best option for everyone and that home is not always the safest place. They can look at global models and tailor them to local needs. Technology should be employed to increase access to support and

aid of venerable women. An example of this is the upgradation of the Women Safety App under United Nations Population Fund (UNFPA) and the Government of Punjab. Shelters and Dar-ul-Amans should be kept open after adhering to proper safety procedures, and their capacity increased, during the pandemic. Awareness needs to be spread about the functioning helplines and support services in which media and lady health workers can play a key role. Police must be directed and sensitized to address complaints of domestic violence rapidly and remove the perpetrators from home for the period of the lockdown.

Zumar Zia
Research Intern

The Shahid Javed Burki Institute of
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**From
Finance &
Administrative
Wing**

State Bank Interest Rate & Macro-Environment Review

The Central Bank decided to cut the policy rate further 300bps to 8%, to tackle economic slowdown anticipated due to COVID-19 induced lockdown. During the period of April 2020, the Central Bank was able to raise PKR 1.5 trillion in the two T-bill auctions. Cutoff for 3, 6 and 12M were 8.39%, 7.99% and 7.47% respectively.

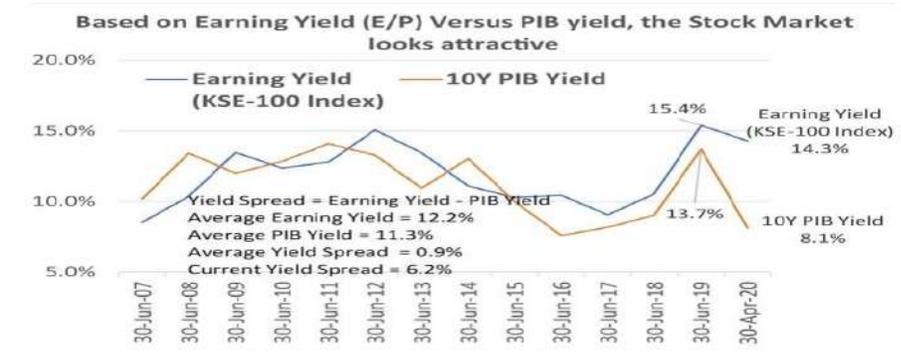
Stock Market Review regarding BIPP's Investment

Stock market mostly was hit with three major components of the economy. First, the current account deficit, because when the current account deficit increases it decreases the country's foreign exchange reserves in turn hurting the stock market. The condition is precarious despite the fact that the current account deficit has been subsequently decreasing for the last two years. Secondly, when interest rates increased people pulled out their investments from

the stock market to reinvest in the money market or other cash funds. On a positive note, where interest rates have decreased by up to 4.2%, a positive flow in the stock market is visible. It also reduced the cost of borrowing for businesses. Thirdly, profit earnings will be impacted negatively till the next fiscal year due to the pandemic. We never value the stocks based on one- or two-years cash flows rather based on five to ten years cash flows. Based on the Earning yield (E/P) versus PIB yield, the stock market looks attractive where the earning yield of KSE-100 index is 14.3% and 10Y PIB yield is 8.1%.

Money Market Review regarding BIPP's Investment

In the regular cycle, PIB auction was held on 15th April 2020, the Central Bank was able to raise PKR 112.7 billion in fixed rate PIBs and PKR 50.3 billion for the 10-Year floating rate PIB. Participation was heavily skewed towards 3-Year PIB which constituted approx. About 70% of the total bids were received. Cutoffs for 3, 5, 10, 15 and 20 years were 8.56%, 8.83%, 9%, 10.49% and 10.70% respectively. In the floating rate bond auction, the State Bank of Pakistan received bids worth PKR 109.5 billion out of which SBP accepted PKR 50.2 billion at a cutoff price of 102.



**Awais Khalid
Manager Finance**

The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan

Who we are?

The Shahid Javed Burki Institute of Public Policy at NetSol (BIPP) is an independent, not for profit institution which aims at: promoting rights and evidence based inclusive policy making; filling institutional void and professionalizing the key public policy areas; serving as a knowledge hub for policy analysis, development and implementation. BIPP's aim is to minimize this rationality deficit and produce leaders to bring tangible welfare gains for the citizens. Integrity and Commitment, pursuit of excellence, expanding horizons of competence and knowledge, working as a highly motivated and dedicated team constitute our core

12th Annual Report:

The State of the Economy: Pakistan's Development Strategy in a Rapidly Changing Environment

Introduction:

The report provides an overview of the economic

situation during 2018-19 and, inter alia, highlights the need for a paradigm shift to resuscitate the economy and put it on a sustainable path. It also comprehensively looks at the implementation status of various projects under the China Pakistan Economic Corridor (CPEC) framework and recommends specific measures to fully harness CPEC potential within the overall Road and Belt Initiative as a game changer for the country. The report, in particular, dwells on the evolving demand of China for agricultural and food products and scope for Pakistan to tap and access the rapidly expanding Chinese markets especially in the Western region. There is indeed a huge opportunity for Pakistan through CPEC connectivity to become a part of the regional value chains and global production networks. The report also strongly advocates transparency in CPEC management and the need to address the information deficit issues regarding CPEC activities. Excessive confidentiality and secrecy with regards to the dealings, negotiations and contracting CPEC projects besides belittling accountability, leads to poor investor participation in the program.

Contents:

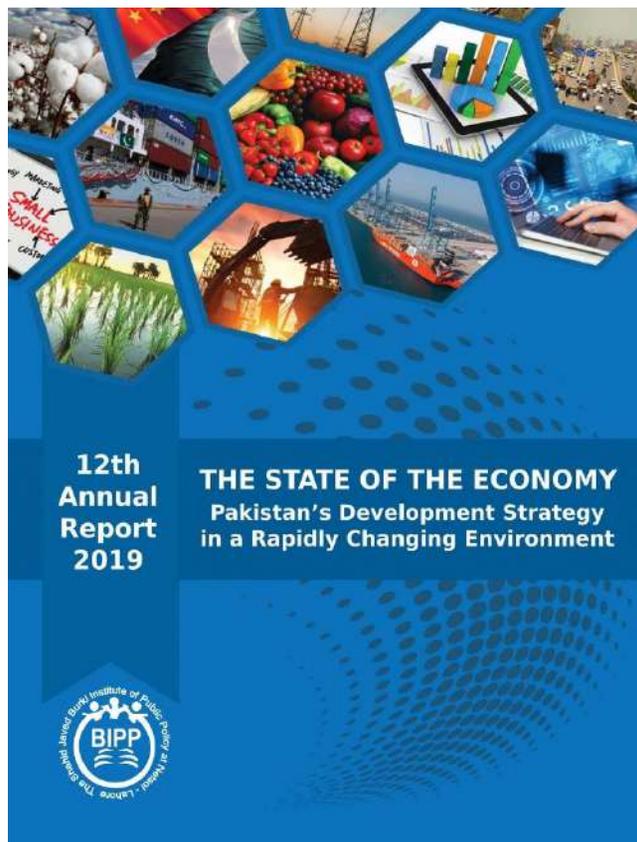
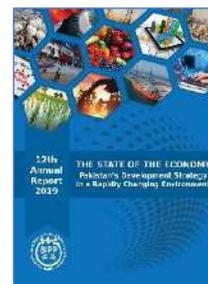
This report comprises the following nine chapters

1. Pakistan's Favorable Fortune: Turning the Vision into Reality
2. The World in 2019: A Year of Despondency
3. Economic Developments in 2019 A Perilous Year
4. The Road and Belt Initiative Viewed from a Wider Context
5. CPEC: Progress Update
6. China's Changing Demand for Food and Agricultural Products
7. CPEC Agriculture and Trade: Looking Beyond Borders
8. Untold Stories and Unsaid Truths: Where can CPEC go wrong?
9. The World We Live In

Authenticity:

The data/material is taken from the following authentic sources:

- Pakistan Bureau of Statistics
- Ministry of Finance Pakistan
- State Bank of Pakistan
- Pakistan's Economic Survey
- World Economic Outlook
- World Development Indicator; World Bank Databank
- Government of Pakistan CPEC Website
- FAOSTAT
- OECD-FAO Agricultural Outlook 2019-2028
- Trade MAP-Trade competitiveness Map 2018
- ITC calculations based on UN COMTRADE
- China Statistical Book 2009-18
- World Economic Forum
- World Integrated Trade Solutions database



Editorial Board & Authors

Mr. Shahid Javed Burki

Mr. Burki is a prominent Pakistani economist and the Chairman of the Shahid Javed Burki Institute of Public Policy at NetSol (BIPP). He held prestigious positions during his professional career with Pakistan (1996-1997) including Chief Economist, Planning and Development Department Government of Punjab and the Finance Minister. With World Bank, he served as the first Director for the China Department (1987-1994) and the Regional Vice President for Latin America and the Caribbean during 1994-1999. He has also been a member of the faculty at Harvard University, USA. He has authored many books besides regularly contributing articles to the renowned newspapers on issues of vital national and global interest.

Mr. Shahid Najam

Mr. Najam is the Vice Chairman of BIPP. He has four Masters including LL.M and M.Sc. Public Policy from London School of Economics, UK and M.Sc. Rural Development from Wye College London. He has more than 40 years of experience with Government of Pakistan and the UN System in policy and strategy formulation; and development planning and programming. He held important assignments as civil servant including Commissioner Lahore Division (1999- 2001) and the first Chief Operating Officer, of the Punjab Board of Investment and Trade (2009). With UN system, Mr. Najam served as FAO Representative, Iran (2007-2009) and the UN Resident Coordinator/Resident Representative Turkey (2009-2013).

Dr. Daud Ahmed

Dr. Daud Ahmad has to his credit PhD in Civil Engineering (Hydraulics) from Colorado State University, USA. He is a senior development professional and practitioner who worked for nearly 35 years with the World Bank on large scale infrastructure development projects in different countries, mostly in Asia.

Dr. Farrukh Iqbal

Dr. Iqbal has more than thirty years of research and management experience in the World Bank across a diverse range of countries and sectors including Korea, Philippines, Indonesia, China, Iran, Egypt, and the Gulf Cooperation Council (GCC) involving various aspects of economic development e.g., poverty, small and medium

enterprises, trade and foreign investment, local government development etc. He also served as the Executive Director of the Institute of Business Administration, Karachi (August 2016-2019). He holds a Bachelor's degree from Harvard University and a Ph.D. in Economics from Yale University, USA.

Dr. Mahmood Ahmed

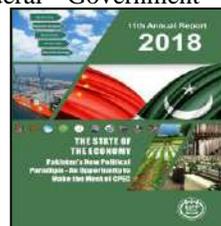
Dr. Ahmad is internationally renowned expert on agriculture, value-chain and water policy. He did his PhD from the University of Massachusetts in Resource Economics (1979). He carries an experience of around 40 years, including 24 years with the Food and Agriculture Organization of the United Nations, working in more than 15 countries. He, in particular spearheaded the World Bank assisted Regional Initiative on Water Scarcity of the FAO Regional Office in Cairo; and assisted in formulating the ECO national and regional food security policies and strategies.

Mr. Asad Ejaz Butt

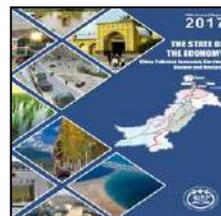
Asad Ejaz Butt holds a Masters degree with double majors in Economics and International Development Studies from University of Guelph, Canada prior to which he completed his undergraduate studies in Economics at York University, Canada. He has worked with ICF International especially on modelling the energy efficiency products and demand-side management. He has also done consultancy and advisory assignments with several multilateral and bilateral donors including the UN, USAID, GTZ and state-owned utilities in the US. In BIPP, he served as Director, Research and Coordination for around two years from 2016 to 2018. He currently works for the Federal Government in Islamabad.

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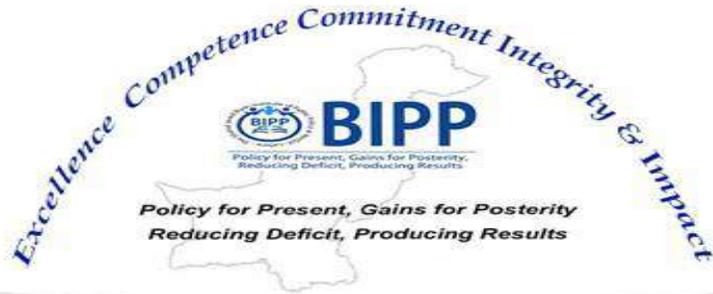
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IPP's mission is to improve welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive growth, socio-economic stability and sustainable development, besides fully harnessing the potential for regional and global integration.

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