# NEWS LETTER



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> 66 Pakistan's biggest policy challenge is to narrow its technological gap. However, 'All is not lost!

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Shahid Javed Burki Chairman The Shahid Javed Burki Institute of Public Policy at NetSol

## **Biden Administration's Attempt to** Work with Changing China

Those who have made it their business to watch the global system as it is evolving currently are worried that this era's two global superpowers are working their way towards an open clash. This should be an area of major concern for the policymakers in Islamabad: those who hold the reins of power at this time and those who are likely to climb to these positions when the country holds elections sometime later this year must deal with the adjustments that are likely to be made once China and the United States begin to move towards resolving their differences. Pakistan straddles the part of the world in which both China and the United States have deep interests. The United States is working closely with India as a challenge to the growing influence of China and Asia. Beijing would like to get Afghanistan and the Central Asian landlocked countries to move into its orbit.

Even if the United States and China don't get militarily involved, enough tension has been built between the two to cause what could be called the second cold war. The first one lasted for close to half a century and was fought between the United States and what was then the Soviet Union. It ended in 1991 when the Soviet Union collapsed and was succeeded by Russia. This time around the clash is between two powerful economic powers that are anxious to prevent one side from dominating the other. The question now is: What would happen to the global economic system if Washington and Beijing don't pull back from confronting each other in the economic field?

The initiative to sort out the differences between the two economic super powers was taken by Washington led by President Joe Biden. His approach was to open the door by sending his senior associates to Beijing. First to go was the United States Secretary of State Anthony Blinken who was followed a few says later by the U.S. Secretary of Treasury, Janet Yellen. The American president was betting that high level dialogue can itself work as ballast in a relationship that has been in a dangerous free fall that could hurt not only the two countries but the entire world. "I think there is a way to resolve, to establish a working relationship with China that benefits them and us," the president told a television interviewer as Secretary Yellen was heading home on Sunday, July 9, 2023. Theses visits started a dialogue "but they also threw into sharp relief the worsening structural problems in the relationship, ones that some analysts say could lead to armed conflict if mismanaged," wrote a front-page assessment by the New York Times on July 11, 2023. The Chinese leaders left no doubt in the minds of the senior people in Washington that they were worried about the defense pacts the Americans were putting in place involving other nations in the Pacific. India was foremost among the countries being wooed. President Biden said in his TV interview mentioned above that the Chinese President Xi Jinping called him as the United States was strengthening its military alliances in the region and asked, "Why are you doing that?" According to the American president he replied: "We're doing that to maintain stability in the Indian Ocean and in the South China Sea and to reinforce norms over the use of international waters and air space.

According to Yun Sun, a scholar of China's foreign policy at the Stimson Center in Washington: "For the Chinese this year is the last chance before things presumably turn much more sour next year with the U.S. presidential elections. Combined with China's own economic challenges, especially the sluggish recovery, Beijing has incentives to make amends. Washington does as well."



**Shahid Najam Vice Chairman** The Shahid Javed Burki Institute of Public Policy at NetSol

## **Social Policy Precepts in Islam**

Islam, as a religion, provides a holistic social framework which covers all dimensions of life. It is a religion of absolute equality with a special focus on equity to dispel even an iota possible injustice, exploitation, of or oppression. The treatment of gender and women issues based on equity, encouragement of charity, obligating fair and congenial intra family and inter-communities relations, emphasizing learning and educational attainment, and the institution of "Islamic Wagf" for general social welfare are some of the salient "social policy" articulations which derive directly from the Holy Quran, the tradition and practices of Prophet (PBUH) and the historical precedents under Islamic laws. The Muslim state, in particular, has been exhorted to carry out social security and welfare function to the extent that in  $18^{th}$ century, over half the population of several Ottoman cities were fed by "awgaf" revenues: over 20 percent of Egypt's arable land was set aside for "awgaf" endowments, and significant development works number of were undertaken to establish markets and other of urban revitalization forms besides supporting religious education and scholarship in mosques.

The overall aim of these fundamental precepts is to establish a harmonious socio-

economic order based on rule of law, justice, equity, ethics and inclusion where people may exercise and expand their choices, privileges and rights freely irrespective of the religion, race, caste or create. A collective conscience is thus actuated built on tolerance, mutual respect and co-existence.

However, most of the Muslim countries do not seem to have designed or applied their social policies or social safety programs based on the instruments ordained by Islam to conduct the daily societal affairs and social welfare function. A study conducted by Prof. Hussain Askari of George Washington University entitled "How Islamic are the Islamic Countries" showed that most of the countries that apply Islamic Principles in their daily lives are not ones that are traditionally Muslim. New Zealand, Luxembourg, Ireland. Iceland. Finland, Denmark and Canada occupied the first 7 positions. The Muslim countries lagged far behind with Malaysia, being the best amongst them ranked at 38 position. Ironically, the Kingdom of Saudi Arabia ranked 131<sup>st</sup> while Pakistan figured at 140 out of 153. There is thus a need for the policy makers in the Muslim world to revisit and reshape their social policy frameworks in line with Islamic tenets to, inter alia, enable people exercise, expand and actualize their social choices and potential and build a social order based on rule of law, justice, equity, ethics and inclusiveness.



Socrat Aman Rana Sr. Research Fellow The Shahid Javed Burki Institute of Public Policy at NetSol

## **Technology Gap of Pakistan**

Pakistan's biggest policy challenge is to narrow its technological gap.<sup>1</sup> Though successive democratic regimes tried to catch up with technology, domestic vested interests like bureaucracy and big monopolistic firms resisted it. The excuse given was that technology and automation suited the West with low population count. Pakistan's workforce would perish as technology would replace it. Being a late starter there are larger requirements of capital and other factors in ensuring productivity through technological improvement.

Pakistan's share of technologically assimilated industry in the Indian economy at the time of independence was 10%. Korea and Brazil had the same at 20%.<sup>2</sup> The periods in 1960's or 1990-2005 that did see a growth of 25% in industry's share to the GDP<sup>3</sup> are marked by huge external capital inflows directed at importing industrial technologies for automation rather than at making efforts to develop indigenous technologies. Pakistan instead of learning from countries like the U.S.<sup>4</sup> which developed a binary relation between the industry and a research hub, continued to invest in non-productive sectors<sup>5</sup> because there is very little incentive in the economy to innovate i.e. Regulatory capture and rent seeking is rampant in sectors that assist industries<sup>6</sup>.

Drawing on Stiglitz's insightful lessons from East Asian Miracles<sup>7</sup> and Mariana Mazucatto's study of Mission Apollo in her seminal work the Mission Economy, we can wish that the Pakistani government could build institutions like Defence Advanced Research Projects Agency (DARPA) in US, Agency of Science Technology and Research European in Singapore, Space Research Organization (ESRO), Small Business Innovation Research Programme (SBIR)<sup>8</sup> that patronized incubator and innovative start- ups to complement the market rather than substitute it. Though Developmental states in East Asian economies did show centralized tendency, at supporting 'winners'9 yet they had with it a performance-based reward structure. The growth was inclusive and redistributive in nature, integrating the workforce equally.

Another lesson that Pakistan needs to learn is from Solow's neoclassical model<sup>10</sup> and China's growth trajectory<sup>11</sup>. Solow postulated that accumulating capital would eventually choke growth, as marginal productivity of capital starts diminishing after a point. China had learnt this lesson so it complemented capital supply with innovation and structural reforms. Contrary to 20% global share of China, Pakistan's domestic share in R &D spending is 0.23% of GDP.

However, 'All is not lost! <sup>12</sup> Taking stock of the weaknesses and strengths, the Government of Pakistan should work on developing an Innovation Policy. The policy should start by outlining the barriers to innovation i.e. worker's resistance to automation, costly imported technologies, capital constraints, transitional cost of switching to new technology, regulatory impediments and consumer preferences.

## **Education & Learning Wing**

<sup>1</sup> https://shininglight.co/2016/09/29/sample-blogpost-2/ <sup>2</sup> Ibid <sup>3</sup> Zaidi, S. Akbar, "Issues in Pakistan's Economy", Oxford University Press. 2015. <sup>4</sup> Nicholas, Tom, The Origins and Development of Silicon Valley, A case Study of HBS, HBS publications. <sup>5</sup> Zaidi, S. Akbar, <u>"Issues in Pakistan's Economy"</u>, Oxford University Press. 2015 <sup>6</sup> ibid <sup>7</sup> https://www .jstor .org/stable/3986429 <sup>8</sup> Ibid <sup>9</sup> Ib<u>id</u> <sup>10</sup> Fagerberg. (1994). "Technology and International Differences in Growth Rates." Journal of Economic literature, 32(3), 1147-1175.0nline :https:Uwww.jstor.org/stable/2728605 ?seg=l <sup>11</sup> Wei, Shang-Jin, Zhuan X ie, & Xiaobo Zhang. ( 2017). "From "Made in China" to "Innovated in China": Necessity, Prospect, and Challenges." Journal of Economic Perspectives, 31 (1): 49-70.0nline : https://academic.oup.com/wbro/ article abstract/11/2/151/1684138? redirected From=PDF article-

<sup>12</sup> Milton, John . Paradise Lost Book 1, NY: Penguin Books 2000



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## Intolerance and Gender Insensitivity on the Rise

Late last month, many of us woke up to the horror of the forceful naked parade of two women belonging to the Christian Kuki ethnic community of Manipur, India, by the goons of the local Hindu community. The violence against this community was perpetrated as the result of resentment against the quota system in government jobs and economic benefits reserved for them. At the heels of the Manipur tragedy, comes the latest occurrence i.e. an assault and molestation of a female Muslim physiotherapist by the men belonging to the Hindu community, within the same month.

Such nefarious attacks have not only sent shockwaves across India but have also given rise to concern of violation of fundamental human rights all over the country and beyond. Although, India became a signatory to CEDAW (also known as the international Bill of Rights for Women) in 1980, it seems that the country places no significance on its adherence to its international obligations. Rather, it is not only a matter of protecting its women irrespective of caste, creed and religion (matters of absolute alienation and oppression in modern day India especially under Modi's Hindutva regime), but also of governance failure. It is a situation where a system of rules, processes, or mechanisms put in place to guide the enhanced citizenship of women by the government has failed to achieve its intended objectives and has resulted in significant

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shortcomings and seriously negative outcomes. This can be substantiated by the recent Manipur tragedy amongst others, that the women's dignity and bodies were desecrated despite the presence of the police as silent spectators at the site of violence. The silence of the law enforcing agencies speaks volumes on this matter.

This point towards the fact that countries where a good fraction of a population feels unsafe, unwanted or simply disenfranchised, socially alienated and targeted to be bullied, based on factors ranging from religion, ethnic roots to gender, will always suffer from cases of failed governance. The process is cyclical and exemplifies the timeless conundrum of causality; akin to the age-old riddle of whether the egg or the hen preceded the other. How Indian nationalists are victimizing the Muslims, Sikhs, Christians and Dalits is a clear violation of not only women rights but also of very basic human rights. Examples such as the Holocaust in Nazi Germany (1930s-1940s), Apartheid in South Africa (1948-1994), Trail of Tears in the United States (1838-1839), Armenian Genocide in the Ottoman Empire (1915-1923), Rwandan Genocide (1994) and the ongoing Rohingya Crisis in Myanmar bear very close resemblance with the aggravating socio- economic affairs in India. It is ironic that the same country famed for its Kerala Development Model practices is failing in ensuring the welfare of its citizens, especially that of the women- it is tantamount to denying them a satisfactory citizenship.



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## 23rd Heads of State Council Meeting of Shanghai Cooperation Organization

The  $23^{rd}$  annual Heads of State Council meeting of Shanghai Cooperation Organization was held online at the  $4^{th}$  of July,2023 under the presidentship of Republic of India.

The agenda of the meeting included discussion on the security and economic conditions of the members states, with special focus on the Central Asia and Afghanistan.

One of the paramount concerns expressed by the member states is the growing threat of terrorism, separatism, and extremism. In their united stance, they are determined to eliminate conditions conducive to terrorism, disrupt terror financing channels, and suppress recruitment activities and cross-border movement of terrorists. The SCO recognizes the importance of safeguarding its region from these transnational dangers.

The Member States further underscored the importance of non-militarization in information and communication technologies (ICTs). Additionally, they welcomed the development of an international convention under the United Nations to address the criminal use of ICTs.

Addressing the issue of nuclear proliferation, the SCO member states firmly supported the

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Treaty on the Non-Proliferation of nuclear weapons (NPT) and advocated for a strengthened global nuclear non-proliferation regime. Outer space's militarization is another critical concern addressed in the Communique. The member states advocated for the peaceful use of outer space and call for the prevention of an arms race in this domain.

regional concerns, SCO Regarding the acknowledged the importance of the Joint Comprehensive Plan of Action (JCPOA), an agreement reached in Vienna, on 14 July 2015, between Iran and the P5+1 countries, on the Iranian nuclear program. They urged all participants to fulfill their obligations under UN Security Council Resolution 2231 for the implementation of effective the plan. Furthermore, the early settlement of the situation in Afghanistan was recognized as a crucial factor in preserving safety and stability within the SCO region.

The Communique also delved into matters of economic governance and cooperation. The SCO called for the greater effectiveness of the World Trade Organization (WTO) and its inclusive reform to adapt to modern economic realities.

As the Shanghai Cooperation Organization (SCO) gains prominence beyond security concerns for its member states, it is adapting to the changing global power and economic landscape. China, a member of the SCO, is increasingly positioning itself as a partner in existing economic, nuclear, ICT, and outer space governance structures. However, China is concerned about the United States' hegemonic and protectionist policies, which aim to counter China's emergence as a robust economic power.



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The Parallels of the Past: Sino-American Relations and the Specter of a Modern-Day Cold War

The parallels between ancient history and contemporary geopolitics are striking, as evidenced by Thucydides' in his book "History of the Peloponnesian War." Drawing a clear line of comparison to the current state of affairs, the nosedive in Sino-American relations has become a major reason of concern within the international community. The growing tension between a rising presumptive power, China, and the established one, the United States, has triggered an intense security dilemma, leading many to contemplate the potential happening of a modern-day Cold War.

While the original Cold War between the United States and the Soviet Union was characterized by a stark contrast of ideologies - democracy versus autocracy, capitalism versus communism - the contemporary angst between the East and West poles is intricate. The global landscape today is characterized interdependence and integration, where economic ties and technological interconnectedness between nations have become vital components of the world order.

The Biden administration's unequivocal declaration of China as an impeding security challenge for the United States highlights the

escalating brinksmanship between the two nations<sup>1</sup>. In reference to Sun Tzu's military philosophy, the US long established hegemony finds itself in jeopardy in face of China's tactical maneuvering within the neoliberal institutionalized world order. This structure, painstakingly architected by the US itself, faces the challenge of facilitating China's rise without risking its own position<sup>2</sup>.

In response to the perceived threat, the Biden administration had taken steps to multilateralize sanction policies towards China, particularly on US high-tech products<sup>3</sup>. The aim is twofold: to shrink China's presence in the international market and to limit its military ascendance. This calculated move reflected the US's strategic objective to assert its dominance and ensure its security interests are safeguarded.

This approach is reminiscent of the US's efforts during the original Cold War to contain the Soviet Union. The Truman Doctrine and the Marshall Plan were instrumental in attracting war-torn European nations into the US-led alliance and isolating the Soviet Union. Today, the US is once again focusing on economic instruments and alliance-building to counter the perceived threat by China's rise<sup>4</sup>.

However, despite these resemblances to the past, the contemporary situation is far from a straightforward replication of history. The intricate web of economic interdependence between China and the United States creates a delicate balancing act. Global supply chains, trade partnerships, and shared technological advancements complicate the notion of a clear-cut bipolar rivalry, necessitating a more multifaceted approach.<sup>5</sup>

Furthermore, the international landscape has evolved to address global challenges, such as climate change and the ongoing COVID-19 pandemic. These issues demand international cooperation and collective action, and both the US and China must navigate their rivalry while also finding common ground on crucial global matters.

Thucydides' ancient insights into the rise of Athens and the fear it instilled in Sparta resonate remarkably in the context of contemporary Sino-American relations. The parallels between history and the present provide valuable lessons for the international community. As the world ponders the potential Cold War 2.0, acknowledging the complexities global landscape and employing of the diplomatic flair will be essential in constructing a path that promotes stability, peace, and prosperity for all nations involved. Employing a delicate balance between competition and cooperation will be the key to avoiding an allout confrontation and building a more resilient and interconnected world order.

<sup>2</sup><u>https://www.google.com/amp/s/warroom.armywarcolleg</u> <u>e.edu/articles/international-order/amp/</u>

<sup>3</sup> https://www.jstor.org/stable/48638265

<sup>4</sup> https://www.jstor.org/stable/25767046

<sup>5</sup> https://www.brookings.edu/articles/u-s-chinatechnology-competition/

<sup>&</sup>lt;sup>1</sup> <u>https://foreignpolicy.com/2023/03/15/china-us-biden-</u> xi-competition-escalation-aukus-geopolitics/



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## Addressing the Brain Drain Challenge in Pakistan: Fostering Growth and Prosperity

The term "brain drain" refers to the emigration of educated and skilled individuals seeking better employment and career opportunities abroad, which has significant economic, social, and political implications for both home and destination countries. In recent times, factors like globalization, increased mobility, and the growing wealth disparity between nations have further exacerbated this issue.

Pakistan has long grappled with economic challenges, most notably unemployment and brain drain, which have hindered the country's growth prospects. Limited job opportunities, inadequate skills, and educational resources have contributed to high youth unemployment rates. Moreover, many highly competent individuals are leaving Pakistan in pursuit of intensifying the better prospects abroad, problem by depriving the nation of essential human capital needed for economic development.

As of 2022, Pakistan's unemployment rate stood at 6.9%, (World Economics.com) and approximately 800,000 people left the country that year in search of improved economic conditions and job prospects (The Guardian, 2023). This brain drain caused by unemployment is significantly impacting Pakistan's economy, as it loses valuable human capital crucial for sustainable growth. Notably, in 2022, Pakistan recorded the third-highest brain drain in its history, with 832,339 people leaving due to diminishing confidence in the system and the struggling economy. (Pakistan Bureau of Emigration and Overseas Employment, 2022).

The trend of migrating to developed countries has caused a scarcity of skilled experts in Pakistan, particularly in IT and business sectors. A survey in Karachi revealed reasons for brain drain and its correlation with job opportunities abroad. Some studies suggest remittances help offset human capital loss, but brain drain still negatively affects certain nations, benefiting political institutions over the economy.

Brain drain and unemployment hamper Pakistan's economic growth. Main drivers include the lack of domestic job opportunities, limited earning potential, and better living standards abroad. The outflow of skilled labor capital investment and human leads to decreased productivity and increased unemployment, presenting formidable challenges.

To address these issues, Pakistan needs effective policies to retain human capital and create more domestic job opportunities. Strategic investments in education, skill development, entrepreneurship, innovation, and foreign investment can help. Enhancing job opportunities, raising minimum wage levels, and improving healthcare and education facilities are crucial to mitigate brain drain and unemployment. A stable economic and political environment can encourage skilled workers to return.

Strengthening education and skills development is paramount to combat brain drain effectively. Addressing brain drain and unemployment will propel Pakistan towards sustained economic growth and prosperity.



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## Structural Discrimination against Shia Community of Pakistan

Pakistan is a culturally diverse country with different ethnicities and religious communities living in Pakistan since and well before its inception. While Pakistan is a Muslim republic, Non-Sunni Muslim communities and other religious minorities are subject to societal and structural discrimination in Pakistan.

The Shia-Sunni divide has been observed throughout history starting after the death of Muhammad (PBUH) in 632, a community of Muslims, who would later to be known as the Sunnis, believed that Muhammad's successor should be Abu Bakr, whereas a group with an opposing view came to be known as the Shias, believed that his successor should have been Ali. This clash later has transformed the basis of Islam. It has manifested into sectarian discrimination and societal issues that further affect the image of Islam in the contemporary era.

This havoc in politically polarized countries has fueled conflict and atrocities on minorities within countries. In case of Pakistan, with a 97 percent Sunni-Muslim population makes Pakistan the second largest country with the most number of Muslims, after Indonesia. The Shia community of Pakistan accounts for a minuscule amount to the overall population of the country but is still thriving regardless of the societal and structural prejudice.

Furthermore, discrimination has also transformed into direct violence against the Shia community. As per a report by an international Organization (USCIRF), there have been around 471 anti-Shia attacks since 2001 that have killed around 2700 Shia Muslims and injured 4800 people. While direct violence stays, the most significant aspect of discussion the structural discrimination can also limit and affect the growth of a community. Economic opportunities, government relief and security are compromised when a part of society is deprived of its rights within a country.

In Pakistan, the structure and the government is dominated by the Sunni community whether in politics, the armed forces, judiciary and the civil further administration. lt questions the legitimacy of representation and lack of advocacy of minority rights. This deprivation of rights hinders opportunities and economic growth for the Shia-community. While government opportunities and employment are compromised, the representation and advocacy is also limited where Pakistan's president, the prime minister and the Army Chief of Staff can only be from the Sunni community. This precedent explains the level of injustice and discrimination against the Shia-community It is high time for the people of Pakistan to acknowledge and address the structural discrimination and the government should work to identify and enhance ways to eliminate this problem of structural discrimination against minority groups specially the Shia community.



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On 16th June 2023, Mr. Shahid Najam (Vice Chairman BIPP) delivered an inspiring presentation at Hajvery University Lahore on "Vision & Mission", organized by Dr. Ejaz Sandhu (Pro-Rector, Dean, and Director of Hajvery University). He guided the students regarding the vision, mission, and core values, focusing on the value proposition and key factors for success. He presented а comprehensive implementation framework outlining the strategies and actions to achieve the desired outcomes.



One of the key objectives of Mr. Najam's presentation was to inspire and develop leadership skills among the students. Recognizing the vital role of faculty in shaping the educational landscape. Mr. Shahid Najam advised them to become role models for students and work on developing integrated

#### competencies.

He delved into the essence of the university's vision, emphasizing the importance of having a clear direction and purpose. Students were motivated to align their aspirations with the university's vision for a brighter future. The event ended with a healthy Q&A session and a vote of thanks by Dr. Ejaz Sandhu (Director Operations, Education & Learning BIPP) and (Pro-Rector, Dean, and Director of Hajvery University).

On 19th June 2023, a panel discussion was held at the University of Management Lahore UMT, organized jointly by the BIPP (The Shahid Javed Burki Institute of Public Policy at Netsol) and the UMT SGS - School of Governance and Society. The event brought together distinguished speakers and experts to shed light on the "Governance Dysfunction and Development Deficit in Pakistan" issue.



The esteemed panel comprised Mr. Babar Yaqoob (Vice Chairman Operations at BIPP), Mr. Masoud Anwar (Secretary Livestock Punjab), Dr. Naveed Elahi (Professor School of Governance and Society at UMT), and Dr. Ejaz Sandhu (Director Operations, Education & Learning at BIPP).

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During the session, the panelists delved into the true essence of governance and stressed the significance of formulating effective policies, fostering accountability, and establishing robust institutions. A key issue that resonated throughout the discussion was the lack of participation from stakeholders in the policy formulation process. They also explored the potential of e-governance and digitalization of government processes to address challenges, with technology being viewed as an antidote. The event ended with a Q&A session followed by Dr. Avesha Azhar's concluding remarks and thanks to all participants.



On 22nd June 2023, The Shahid Javed Burki Institute of Public Policy at Netsol, in collaboration with the Department of International Relations at Lahore Garrison University, organized a thought-provoking panel discussion on "Governance Dysfunction and Development Deficit in Pakistan." The esteemed panelists, consisting of Mr. Shahid Najam (Vice Chairman - BIPP), Mr. Babar Yaqoob (Vice Chairman Operations - BIPP), Mr. Sohail Ahmed (Chairman BOD's Punjab Urban Unit), and Dr. Hassan Daud Butt (Associate Professor - Bahria University, former CEO KPK Board of Investment and Trade), shared their valuable insights and expertise on various aspects of governance and its impact on development.



The engaging discussion covered key themes such as good governance, the governance structure, the role of the judiciary, the rule of power versus the rule of law, the role of youth, and the critical juncture Pakistan finds itself in. The panel shed light on the challenges faced by our nation, emphasizing the urgent need for accountability, transparency, effective implementation, and a strong political system. They highlighted the significance of elected governments and their efficient replacement to ensure good and effective governance. The session was followed by a lively Q&A session and with remarks of gratitude Dr. Zainab

Ahmed (HOD, Department of IR, LGU). Major General Shahzad Sikander (Retd) (Vice Chancellor - LGU) presented souvenirs to the distinguished panelists, making the event even more memorable.



On 22nd June, Dr. Ejaz Sandhu (Director Operations, Education & Learning - BIPP) participated in a Post Budget 2023 -24 debate organized by the Department of Economics at Lahore College for Women University (LCWU).

BIPP warmly welcome Mr. Socrat Aman Rana on board as Sr. Research Fellow. He 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, which BIPP hopes to fully benefit from





## **Knowledge Management Wing**



Areeb Khan IT Intern The Shahid Javed Burki Institute of Public Policy at NetSol

## E-Governance: "The Digital Pakistan"

E-Governance is the application of information and communication technology (ICT) to enhance the efficiency, transparency, and accessibility of government services. In recent years, Pakistan has been making significant strides towards building a digital ecosystem that empowers its citizens and fosters inclusive development. In this newsletter, we will explore some key initiatives, achievements, and challenges in Pakistan's E-Governance landscape.

Pakistan's commitment to E-Governance is embodied in its "Digital Pakistan" vision, launched in 2019. The initiative aims to create a knowledge-based economy, accelerate socioeconomic growth, and improve the quality of life for citizens through digital transformation. The key pillars of this vision include improving connectivity, digitizing government processes, promoting digital skills, and enabling a robust regulatory framework.

One of the cornerstones of E-Governance is providing citizen-centric digital services. Pakistan has been proactive in this regard, with initiatives like the Citizen's Portal. Launched in 2018, the Citizen's Portal is a mobile application that allows citizens to register complaints and seek assistance directly from government promotes authorities. This platform transparency and responsiveness by enabling monitoring of complaints real-time and feedback.

To streamline public service delivery, various government departments in Pakistan have developed online portals. For instance, the Federal Board of Revenue's (FBR) system of online portal facilitates tax registration, return filing, and tax payments. Similarly, the Securities and Exchange Commission of Pakistan (SECP) offers an eServices portal to facilitate company registration and related tasks. These portals enhance efficiency, reduce bureaucratic hurdles, and curb corruption.

NADRA plays a pivotal role in Pakistan's E-Governance ecosystem. It maintains the central citizen database and issues Computerized National Identity Cards (CNICs). The integration of NADRA's database with various government systems has improved service delivery, particularly in areas like social welfare, voting processes, and financial transactions.

Recognizing the significance of education in national development, Pakistan has also embraced E-Governance in the education sector. The Higher Education Commission (HEC) of Pakistan offers an online portal for degree facilitating students attestation, and professionals in obtaining verified educational documents. Moreover, virtual learning initiatives have been introduced to widen access to quality education, especially in remote areas.

Despite remarkable progress, Pakistan's E-Governance journey faces certain challenges. Infrastructure gaps, limited digital literacy, diversity cultures languages and in £ cvbersecurity concerns pose obstacles to widespread adoption. Addressing these challenges requires continuous investments in infrastructure, ICT comprehensive digital literacy programs, and robust cybersecurity frameworks. Furthermore, the government

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must ensure that marginalized communities and remote areas have access to digital services. Bridging the digital divide and promoting inclusivity should remain a priority.

Pakistan's E-Governance journey is a testament to the power of digital transformation in reshaping governance and empowering citizens. The "Digital Pakistan" vision is a guiding light for the nation to leap into the digital age, making services more accessible and efficient. While challenges persist, the commitment to enhancing ICT infrastructure, promoting digital literacy, and fostering inclusivity will pave the way for a brighter and more connected future.

It is also necessary to continuously monitor the outcomes of the already implemented egovernance system. If no one monitors the ratio of requests by the people to the relief granted to the people by the e-governance system then soon it would become a cliché. Now instead of implementation, it is also a big challenge to monitor the efficacy of the e-governance system. It is necessary to change the meaning of 'e' in the phrase of e-governance from electronic to efficient. Anyhow, in Pakistan, it would take more time to implement an efficient e-governance system.

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#### Key Policy Rate Stays Unchanged:

In light of declining economic uncertainty, the State Bank of Pakistan (SBP) has indicated its intention to keep the benchmark policy rate at 22%. The choice was made after the Monetary Policy Committee (MPC) evaluated the state of the economy and its prospects.

The MPC acknowledged a decrease in economic uncertainty since its previous meeting, the SBP reported. Additionally, the issues facing the external sector in the short term have been mostly resolved, and investor confidence has increased. The committee took into account the expected lag time of the recent monetary tightening, budgeted fiscal austerity, and the muted growth projection for FY24 even though some upside risks to inflation have arisen. Notably, the MPC anticipates that inflation will decline over the following 12 months, pointing to a sizable real interest rate that is positive.

The short-term macroeconomic forecast has been influenced by a number of recent events. By increasing foreign exchange reserves, Pakistan was able to resolve immediate external sector stability concerns after agreeing a ninemonth Stand-By Arrangement (SBA) with the IMF. The MPC has also taken into account a rise in power rates, changes in the price of commodities globally, and a slightly revised IMF outlook for world GDP.

#### Index Reaches Six-Year Peak:

The Pakistan Stock Exchange maintained a bullish trend as a result of strong purchases

made by both domestic and foreign investors. The benchmark KSE-100 Index increased by 534.04 points or 1.11 percent, closing at 48,764.55 points, the highest level in six years. The index reached an intraday high of 48,852.05 points and an intraday low of 48,178.89 points.

In comparison to the 556.930 million shares traded on Tuesday, the daily trading volume was 556.141 million shares. In comparison to the previous session, the ready counter's daily traded value jumped to Rs 19.989 billion from Rs 15.946 billion.

#### <u>10b Rs. are transferred from small to</u> corporate and agricultural loans.

The Prime Minister's Youth Programme for Small Loans (PMYPSL) has been refused by the Ministry of Industries and Production (MoIP), which instead chose to allocate a sizable fund of Rs10 billion to the Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALS).

The Economic Coordination Committee (ECC) recently held a meeting where the decision was made and approved. The Prime Minister's Youth Programme for Small Loans is a new initiative that the Finance Division has proposed. It aims to provide small loans to priority industries like cutlery and crockery, agro-processing, agriimplements, cold chain development, gemstones, seafood, processing, meat information technology, and mining.



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## The Age of No Privacy

In the 21st century, the world has experienced an unprecedented surge in technological innovation, and because of the increasing erosion of personal privacy in the digital realm, the era we live in has been dubbed "The Age of No Privacy". This rapid digitization and connectivity have also created serious problems for individual privacy.

In the realm of politics, the erosion of privacy has raised significant concerns about mass surveillance and intrusive data collection by governments as well as companies. While critics argue that these measures enhance national security and help combat terrorism and crime, they express concerns about potential abuses of power and violations of civil liberties. The Snowden revelations, in which former NSA Edward Snowden revealed the contractor global surveillance enormous programmes carried out by intelligence services, are among the most illustrative cases. As a result of these discoveries, there have been more public discussions on how to strike a balance between individual privacy rights and national security. Citizens may be reluctant to voice their ideas or express opposition, which could have a chilling effect on free speech and stifle society's progress. Social media platforms have become hotbeds for data collection and surveillance while simultaneously promoting connectedness, communication, information to improve public services, allocate resources more efficiently and make wise policy choices.

Efficient data collection and analysis have proved instrumental in managing crises and disasters effectively, as was the case during the COVID-19 pandemic. However, on the other hand. users willingly disclose personal information, often unknowingly consenting to data collection practices. The proliferation of internet-connected devices, known as the Internet of Things (IoT), has further blurred the boundaries between public and private spaces. Smart home devices, wearable technology and even public surveillance cameras have raised concerns about potential invasions of privacy and unauthorized data access.

Economically speaking, the rise of the data driven economy has been fueled by the era of no privacy. Data has become a valuable commodity to gain insights into consumer behaviour, preferences, used for targeted advertising, personalized product recommendations and algorithmic decisionmaking process. Significant economic risks are posed by data breaches and cyber-attacks. Companies holding massive amounts of sensitive information are vulnerable to cyber-criminals seeking to exploit and profit from the stolen data. These occurrences not only harm the affected individuals but also tarnish the reputation of the businesses involved, leading to financial losses and decreased customer trust.

A complicated phenomenon, The Age of No Privacy has significant impacts on the political, social and economic spheres. It is critical to strike a balance between the advantages of data driven innovation and defending people's right to privacy as technology continues to change our society. Policymakers, businesses and individuals must collaboratively address the challenges posed by the erosion of privacy to ensure a secure and ethical digital future.





## **Mission Statement**

BIPP's 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 primary areas of interest encompass social, economic, environmental and political development and security, trade and foreign policy-related issues.

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