

Sad Demise of Dr. Daud Ahmad



It is with profound sorrow and deep regret that we wish to inform you about the sad demise of Dr. Daud Ahmad, an eminent member of the Board of Directors of the Shahid Javed Burki Institute of Public Policy at Netsol (BIPP). Dr. Daud breathed his last on 29 March, 2024 while on a visit from the US to Pakistan.

Dr. Daud Ahmad was a senior development professional and practitioner of a very high caliber who worked for nearly 35 years with the World Bank on large scale international development projects in different countries, mostly in Asia. He did his Ph.D. in Civil Engineering (Hydraulics) from Colorado State University and specialized in the formulation and implementation of mega infrastructure projects and their monitoring and evaluation. He was, in particular, renowned globally for his work on rational management of water resources.

Since his retirement from the World Bank in 2000, Dr. Ahmad had been working as an independent international development consultant. He brought to BIPP a wealth of experience and expertise to enrich BIPP's research and policy work. Indeed, his contribution to the Institute for implementing BIPP's mandate in terms of his counsel and expert advice on the areas of strategic focus and especially transcribing a chapter to the annual report were highly valued and acclaimed. He was held in high esteem by the entire BIPP team as a true patriot with a passionate commitment and resolve to contribute to addressing the development challenges which the country faces.

We wish to convey our deepest and heartfelt condolences to his bereaved family and friends. May the departed soul rest in eternal peace and be endowed with unlimited clemencies and blessings and may his family and loved ones bear this irreparable loss with courage, patience and fortitude.

Shahid Najam and entire BIPP Team

NEWS LETTER



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“ By prioritizing fiscal consolidation, monetary stability, structural reforms and debt management, Pakistan can overcome its economic challenges and build a resilient and prosperous future.

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Shahid Javed Burki
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Negotiating a New Trade Deal

International trade agreements have always been hard to reach. That was not the case with other international treaties. It took fifty years to establish the World Trade Organization (WTO). The International Monetary Fund (IMF) and what is now called the World Bank Group (WBG) were established in 1945 within months of the end of the Second World War. They became the two pillars of

the world economic order. The first ensured global financial stability, while the second rebuilt the parts of Europe destroyed by the aforementioned war. Once the European colonial powers vacated their colonies in Africa and Asia and dozens of countries became independent, the International Development Association, (IDA) was added to the International Bank for Reconstruction and Development (IBRD) to provide relatively cheap financial aid to poor nations to launch development programs. Later the WBG launched the International Finance Corporation, (IFC) to provide assistance for establishing private enterprises. However, the WTO was to be the third pillar of the system but the principles on which it was to be based took several rounds of world trade negotiations to establish an organization designed to manage world trade.

The final meeting and the signing ceremony was held in 1995 at Marrakesh, Morocco. The treaty's conclusion converted the General Agreement on Tariffs and Trade (the GATT) into WTO. The main feature of the WTO was to create a system to resolve trade disputes among member nations. A multinational panel was established to which nations could appeal to settle their disputes. Panel's members were appointed by major trading nations. The panel heard the opposing sides and then gave its judgement which was expected to be followed. However, first under President Barack Obama but more damaging under his successor President Donald Trump, the United States did not appoint its officials to take up positions in the panel. Trump made it known that he had no time for the organizations he did not fully control. WTO was one such organization. But other nations did not accept the Trump position. They convened a group to discuss and reform the WTO which met several times but did not come to a decision.

One of the more important confusions that prevailed in the WTO was organized to work was to determine whether the decisions its dispute handling panels took applied only to the countries that were involved or were meant to change the way global trade worked. It was to resolve issues such as these that the WTO invited all member states to meet to discuss the way the working of the WTO system could be improved. Given the enormous changes that had occurred since the arrival of what was generally referred to as the process of "globalization" that has resulted in easing the flow of goods and serves across international borders, it had become clear that a major conference was needed to reform the WTO and make it current to the new situation. Such a conference was convened and was held at Geneva, the headquarters of the WTO.

At one point, it seemed that the trade diplomats who had been meeting for more than a year had reached a comprised based on the thinking of Marco Malina, the Guatemalan official who facilitated the talks at Geneva, where the WTO was based. Malina had come up with an approach called "interest based negotiations" which focuses on defining what each party to the dispute wanted. Once that was done it would be possible for the parties involved in dispute to work together to formulate their interests. The Guatemalan was engaged to facilitate the trade talks that had gone on for more than a year. He held more than 350 meetings with over 145 WTO members from every region of the world. As Farah Stockman who covers trade issues for the New York Times put it, "Members soon realized that informal negotiations could resolve trade disputes more quickly and amicably than litigation. They established rules for mediation so that more countries could take that route.

They also recognized that some countries will always opt for the formal legal process so they streamlined that as well." She concluded her assessment as follows: At these meetings, "something crucial was accomplished that cannot be taken away. Diplomats from around the world did something different, together, and saw that it worked. Now, hopefully, at the next international meeting, there will be dozens people like Mr. Molina, helping to light a new path toward a shared a future that none of us could have imagined before."¹

However, the WTO conference ended on March 2. This was the WTO's 13th ministerial conference known as MC13 held in Abu Dhabi wound up with a temporary extension of an e-commerce moratorium but did not reach any agreements on agriculture and fisheries. By not resolving these issues in the areas that are significant for world trade, the conferees threw into doubt the future of WTO. The conference's end highlighted the deep divisions among WTO's 164 members. Speaking at the closing press conference, the Emirati Chair, Thani Al Zeyoudi acknowledged the shortcomings. "Despite our best efforts, we failed to agree on some texts which are of great importance to many of our members." The moratorium which has been regularly extended since 1998, is set to definitely expire on March 31, 2026 with no chance of further extension. "I think the membership has agreed on very firm dates for its conclusion," said WTO Director General Ngozi Okonjo-Iweala. "I have to abide by what the membership has agreed."

After a 2022 deal that banned subsidies contributing to illegal, undeclared and unregulated fishing, the WTO was hoping to conclude a second package focusing on subsidies that result in overcapacity and overfishing. The Geneva negotiations had prepared a draft text which provided flexibility and advantages for developing nations but some – notably India – demanded further

concessions, including transition periods other WTO members considered to be too long.

With farmer protests sweeping India and parts of Europe, agriculture agreements also emerged as particularly sensitive topic of debate. India demanded permanent rules governing public stockpiling of food reserves to replace temporary measures adopted by the WTO. On dispute settlement reform, something of considerable interest for Pakistan, the final outcome mainly reiterated the commitment made at the previous meeting, the MC12, to have a fully functioning system in place by 2024.

Reference:

¹ Farah Stockman, "Good news at last, at the WTO," *The New York Times*, March 2, 2024, pp. 1 and 11.



Shahid Najam
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The Saga Continues

Pakistan's quest to attain political stability and steady economic recovery continues to beguile the country endlessly in view of lack of much needed strategic perspective on the part of those entrusted with or have captured the decision and policy space. Frequent institutional aberrations and contra-democratic dispensation, dictated by self-contrived doctrines of exceptionality and necessity often legalized by the judiciary, seem to have decreed our constant journey on the road to decadence. There is a plethora of evidence of the worsening of the enormity

of challenges that the country is confronted with at all levels and across all dimensions – political, economic, social and environmental. We are ranked 164 out of 193 countries on 2023/2024 HDI, 136 out of 167 countries on Prosperity Index 2023, 118 out of 167 countries on governance effectiveness, 130 out of 142 on judicial system and rule of law, and, 140 out of 180 on Corruption Perception Index. Moreover, not to speak of rampant political cum elections controversies and irregularities, rising incidence of poverty (estimated 39.4 percent), spiraling inflation (conservative estimate 29-30 percent), dwindling Foreign Exchange reserves and increasing dependence of IMF loans, expanding fiscal deficit and circular debt (Rs. 5.7 trillion January 2024).

The newly installed government fully backed by the establishment has yet to come up with a credible narrative and framework of action to reassure the people and mobilize national commitment and confidence to ignite hope and optimism for human centric, inclusive and sustainable development through establishment of a true democratic order on the political front and technology-driven equitable growth on the economic end.

Our predicament is that the historic elite capture characterized by “fair is foul and foul is fair” and “greed is good” over the years has fomented the socio-economic stress to generate among the vanquished people a narcissistic culture of delusive blissful tomorrow or revival of the glorious past based on our heritage, culture and religion. The big unresolved dilemmas continue to haunt us time and again. We have to articulate and determine our aggregate preferences and collective interest and evolve our own solutions through investment in human capital formation.



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History and Public Policy

An article by Bret Devereaux in a recent edition of Foreign Policy magazine, has bemoaned the lack of interest in History as an academic pursuit in US universities. Entitled 'The History Crisis Is a National Security Problem', the article finds shrinking commercial value of the discipline as a major reason for dwindling funding of the subject in universities. In a few cases entire History Departments have been shut down. Job market for PhDs in History has become more and more irrelevant. Despite this, according to Bret Devereaux, a survey in the US finds 84% of the public favouring inclusion of History in schools being as important as teaching business or engineering. It was as far back as 1947, in US, that the Truman Commission on higher education emphasised liberal arts education to prepare a student 'for performing his duties as a man, a parent, and a citizen.' It is in this context that a historically aware citizenry becomes a necessary stakeholder in the process of public policy formulation. In a democratic society, preferred policy choices have to be expressed by the public through (credible) electoral processes. In ideal scenarios, a Pakistani voter having even a very broad grounding in historical trends will have the ability to make more informed choices both at the input and the feedback levels.

Awareness of history (or lack of it) is at play more so at senior or middle leadership tiers. One is always intrigued at how intricately and

integrally questions of Kashmir, Balochistan and East Pakistan (now Bangladesh) are intertwined with independence and partition of Pakistan. Integration of FATA with the province of KP cannot be seen in isolation of regional history. It is not only political issues but also socio-economic phenomenon necessitating historical appreciation. Magnitude of the influx of Afghan displaced persons in early 80s required public policies based on deep historical insight, particularly in view of Pakistan's own experience of refugees in 1947 or even the displacement of millions of erstwhile East Pakistanis in 1971. At the global stage, the debate on the role played by the historical construct of Clash of Civilisations as driving force of foreign policy of US continues to be a recurring theme. Herein also lie the pitfalls. Misinterpretation of historical bases of socio-cultural currents has the potential to create a policy environment of the like of National Socialism in pre-second World War Germany. Ideals enshrined in Hindutva face dangerous historical contradictions as do religious terrorism in other parts of the world. Therefore synergy between public policy and history requires an objective and rational understanding of the latter. It is not for nothing that the Department of Defence in US engages one of the largest contingents of PhD historians. According to Wayne Lee, VP of Society of Military History, their number is roughly 300 at any given time. The State Department also has a similar arrangement at its Office of the Historian.

For the sake of promoting evidence-based policy, a society needs to create linkages with history as a cornerstone of education system. After all, history is a product of facts and interpretation of events within a given time and space. Hegel had famously said "what is rational is real, and what is real is rational." Is it not the stuff public policy deals with?



Tariq Hussain

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Distributional Challenges from the Fourth Industrial Revolution

In 2016 Dr. Klaus Schwab, Founder and Chairman of the World Economic Forum made the following statement "We stand on the brink of a technological revolution that will fundamentally alter the way we live". He postulated that in "its scale, scope, and complexity, the transformation will be unlike anything human kind has experienced before". The First industrial revolution was from the invention of the steam engine; the second from electricity; the third from electronics and information technology. The fourth is the digital revolution characterizes by a "fusion of the physical, digital and biological spheres" (Schwab).

This fusion has created potentials which can increase human productivity exponentially and offer the possibility of increasing global incomes to such an extent that the global population of the world may be liberated from experiencing poverty while enjoying the gift of leisure which poets of the past have dreamed about. Artificial intelligence may enable humans to solve problems we could not solve before.

Humans may acquire the capacity to wipe out disease from the world, eliminate absolute poverty, and produce a world without hate and conflict. Technological innovation from the wise use of artificial intelligence can produce a supply side miracle, making global supply chains more effective and significantly

decrease the cost of trading.

These potential possibilities will also produce inequalities in the ownership of the wealth produced unless the systems for sharing the fruits of this increased productivity are modified. In that future world "talent" will become the critical factor of production. That "most likely" will segregate the job market in to "high talent", "intermediate talent" and "Low talent" segments. Talent is the sum of "cognitive potential" and "educational opportunity".

Let's just look what will happen in a country in order to avoid the additional complexity of sharing wealth and opportunities among nations. The distribution of "Cognitive Potential" is one of those variables which may be predicted by employing the Normal Distribution. Let's say the cognitive potential may be defined by intelligence quotient (IQ), then for any large sample of the population its distribution will follow the Normal Distribution. On the right side of the distribution- 34 % of the population will have an IQ one standard deviation higher than 100. 13.5 % will have an IQ between one and two standard deviations higher. 2.35 % will be between two to three standard deviations higher. And 0.15 % will be where Albert Einstein and other great minds will reside. On the left side the percent distribution of cognitive ability will be the same but the IQ will be declining. And the bottom 0.15 % will be those with very low cognitive ability.

The above is the distribution of "Potential cognitive ability". To realize these potentials the citizens will need an education system which helps them realize their respective potentials. If incomes will correlate with cognitive ability converted into talent for citizens to be able to gain wealth and

whatever else they seek, the inequality from "realized opportunity" will become skewed in favor of the proportion of the population on the right side of the Normal Curve.

The rest of the population, particularly that half of the population which will be on the left side of the Normal curve, will be left out? The current systems of wealth distribution based on job and wage will not be able to cope with the income distributional challenge required. And if, we generalize the question to distribution among nations, the challenge is even more severe.

These challenges may be just one generation into the future. (To be continued)



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State Authority, Institutions and Democracy

To most political theorists, more than attaining politically correct decisions, it is the collective political decision-making mechanism inherent in the democratic procedures that assures legitimacy of State Authority. (Swift, 200) Owing to this inclusive process many hold that democracy has both legitimate political authority, which other regimes may lack. A political authority owing its legitimacy from the willing compliance of the ruled, results in a more inclusive adherence and participation of the people in the overall growth of the country.

Here by State Authority, we mean in a normative sense, a legitimate right of the State to enforce its legal and moral rules/laws on the citizens within its jurisdiction. How does the state or ruler come about having this authority can vary from Locke's 'political voluntarism' (Wolff,39) whereby political relationships are the product of voluntary willingness on part of the citizens to entrust some of their natural rights to State to govern with, to Cho Wai Chan's interpretation of Confucian 'Perfectionism', wherein political authority instead of being a transferring act, as suggested by Locke, is more of an ideal ruler-ruled relationship of mutual trust and voluntary acceptance of each other's interest and goals. It is the duty of ruler to promote good life and ensure the wellbeing of the ruled. The third variant that in a way draws from Confucianism is Joseph Raz's Natural Justification Thesis, which elaborates that "you are obliged to follow any commands that, if followed, would more effectively help you comply with what you ought to do anyway." (Christiano, 278) This is however objected to by a few theorists like Thomas Christiano. To Christiano the legitimate authority of a state depends on whether State handles the conflicting views and interests well or not. Any Authority which disregards respect for views and participation of citizens on equal basis, even if "it acts on the basis of a correct view of what ought to be done" (Christiano, 280) suffers from lack of legitimacy.

So, the next question is whether Democracy has a greater claim to legitimate use of authority on the bench marks raised by these theorists? The answer is in understanding that Democracy is a way of expressing equal respect for views other than one's own. It is owing to unequivocal incorporation of

disagreement in the collective decision making, which raises the acceptability of the procedure in the eyes of the people, who have participated in this decision making. Other regimes brush aside or disregard or stifle dissenting voices. Democratic procedures don't, they neither necessarily reach correct deliberative outcomes, but at least promise to a certain extent, inclusion of all voices of people, irrespective of their being educated, or poor to what constitutes common interest.

The level of democratization of a society/country however is in the capacity of the countries to digest and imbibe it. How much democracy can people have and how much they are able to call legitimate for compliance is relative. Democracies, vary in degrees from its being more responsive to peoples intrinsic and instrumental hunger for it, as a viable procedure of decision making. This varying degree of adoption then consequently result in creation of a spectrum of diverse democratic institutions. The accountability frameworks, judicial systems, administrative hierarchies and local governments may be present in every country, yet the quality of responsiveness and inclusivity of the democratic institutions varies according to the capacity of each State's intake at handling the disagreeing voices without disregarding the general wellbeing of the country.



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Pakistan's Economic Analysis and Way Forward

As of the current economic analysis of Pakistan, the country faces a range of challenges and opportunities that shape its economic landscape. Several key factors contribute to the economic situation in Pakistan, including macroeconomic stability, fiscal and monetary policies, external debt, inflation, exchange rates, and structural reforms. Here, I provide an overview of the current economic analysis of Pakistan and discuss potential pathways forward.

Current Economic Analysis:

1. **Macroeconomic Stability:** Pakistan's economy has faced macroeconomic challenges in recent years, including fiscal deficits, balance of payments pressures, and currency depreciation. While efforts have been made to stabilize the macroeconomic environment through IMF-supported programs, sustaining stability remains a priority.
2. **Fiscal and Monetary Policies:** Fiscal consolidation efforts have been underway to address budget deficits and debt sustainability. However, revenue generation remains a challenge due to structural issues, including tax evasion and informal sectors. Meanwhile, the State Bank of Pakistan has adjusted monetary policy to manage inflationary pressures while supporting economic growth.

3. **External Debt:** Pakistan's external debt burden has increased in recent years, leading to concerns about debt sustainability and servicing obligations. Efforts to renegotiate terms with bilateral and multilateral creditors are ongoing, but prudent debt management strategies are essential to mitigate risks.
4. **Inflation and Exchange Rates:** Inflationary pressures have persisted, driven by factors such as energy prices, food inflation, and exchange rate movements. Exchange rate stability remains a priority to control imported inflation and enhance investor confidence.
5. **Structural Reforms:** Structural reforms are crucial for addressing long-standing challenges in key sectors, including energy, agriculture, and governance. Improving the business environment, enhancing productivity, and promoting private sector-led growth are essential for sustainable economic development.

Way Forward:

1. **Fiscal Consolidation:** Continued efforts are needed to strengthen fiscal discipline, broaden the tax base, and improve revenue mobilization. Implementing tax reforms, reducing fiscal leakages, and enhancing public financial management will support fiscal sustainability.
2. **Monetary Policy:** The central bank should maintain a prudent monetary stance to manage inflation while supporting economic recovery. Effective communication and coordination between monetary and fiscal authorities are essential to anchor inflation expectations and maintain

exchange rate stability.

3. **Debt Management:** A comprehensive debt management strategy should prioritize debt sustainability, diversify funding sources, and enhance transparency and accountability in debt management practices. Exploring debt restructuring options and reducing reliance on external borrowing will help mitigate risks associated with high debt levels.
4. **Structural Reforms:** Accelerating structural reforms is critical for unlocking Pakistan's growth potential and improving competitiveness. Prioritizing reforms in key sectors, such as energy, taxation, education, and governance, will foster inclusive and sustainable economic development.
5. **Investment and Trade:** Encouraging domestic and foreign investment, promoting export-oriented industries, and enhancing trade facilitation measures will stimulate economic growth and create employment opportunities. Strengthening regional connectivity and leveraging Pakistan's strategic location can further boost trade and investment flows.

In conclusion, addressing the current economic challenges facing Pakistan requires a concerted effort to implement sound macroeconomic policies, pursue structural reforms, and promote inclusive growth. By prioritizing fiscal consolidation, monetary stability, debt management, and structural reforms, Pakistan can overcome its economic challenges and build a resilient and prosperous future. Collaboration between government, private sector, civil society, and international partners is essential to achieve sustainable development goals and improve the well-being of all Pakistanis.



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Human Resource Development – A Key to our Prosperity and Progress

Indices play an important part in reflecting a country's state of affairs and its corresponding ranking relative to the rest of the world. There are many reputable agencies around the world who collect such data on regular basis, and along scientific lines, to ensure its authenticity, credibility and acceptance. Organizations such as the World Bank, the United Nations Development Program (UNDP), Transparency International, the World Economic Forum etc. have earned a reputation to publish unbiased and accurate data based on updated and statistically significant surveys and research. With advanced data compilation techniques and subsequent analysis, such data is now available for most spheres of life. Aspects of particular interest to developing countries may include data related to the state of the economy including GDP and inflation, education, employment, corruption, human rights including Gender Equality & Freedom of Speech, Climate Change and so on.

One such important index, especially vital for a developing country like Pakistan, is the Human Development Index, or HDI for short. It's important because it reflects the overall health of a nation. It is indicative of how developed and progressive a nation is. It is more than just an economic indicator

and includes primary elements such as Health, Education and Gross National Productivity per Capita (GDP/Capita) as an HDI measure. The HDI value of a nation rises as its human development level increases. Regrettably, when it comes to Pakistan, this very critical index has been dropping over the years. In the current year under assessment, it dropped three places in the HDI from last year, to a pathetic 164 out of 193 countries. This is despite the fact that Pakistan has a huge resource of young population. According to a UNDP report, 64pc of the total population is below the age of 30 while 29pc is between the ages of 15 and 29 years, which makes it one of the youngest countries in the world in terms of population. Unfortunately, we have miserably failed to utilize this massive untapped resource, with over 23 million school-age children out of school (highest in the world), accompanied by high levels of child malnutrition. This is compounded by the fact that, though Pakistan possesses a huge women resource making up 49% of the population, yet this resource figure is negated by the unfortunate fact that Pakistan ranks 145 out of 146 countries in the Gender Inequality Gap Index, thus resulting in low women empowerment. In addition, Pakistan suffers from a very low GDP (with a per capita income of only US\$ 1471 in 2023), which makes the situation worse. The net result is that Pakistan is faced with a human capital crisis which is profound with far reaching negative repercussions on the country's economy and its people.

As such, there is an urgent need for the country's authorities and policy makers to recognize the gravity of the situation and take necessary steps to pull the nation out from the predicament that it finds itself in. It's about time that they put their heads together and carry out an assessment of the key

challenges that Pakistan faces and avail the opportunities that present themselves for the country to improve its human development outcomes. As per a recent report from the World Bank "the Human Capital Review shows that Pakistan can realize substantial economic growth by bringing its population growth rate under control, investing significantly more in the supply and quality of health and education, and bringing women in the labor force".

It's still not too late. The onus is upon the people and policymakers to take all remedial measures to put this nation back on the road to prosperity and progress.



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High Inflation during Ramadan

Inflation during Ramadan poses significant challenges for individuals, families, and communities, threatening economic stability and social cohesion. This phenomenon is rooted in various sociological and economic factors, with implications that extend beyond mere fluctuations in price levels. Understanding the dynamics of inflation during Ramadan requires an exploration of its causes, effects, statistical trends, and potential solutions. Inflation during Ramadan can be attributed to several interrelated factors. Increased demand for consumer goods and services, driven by the preparation for large gatherings and feasts, contributes to a

surge in prices. Supply chain disruptions, such as transportation challenges and labor shortages, further exacerbate inflationary pressures. Businesses may adjust their pricing strategies to capitalize on heightened consumer spending during this period, leading to additional price increases.

The effects of inflation during Ramadan are multifaceted and extend across economic and social dimensions. Economically, inflation erodes purchasing power and reduces the affordability of essential goods and services, particularly for low-income households. Socially, inflation exacerbates inequalities, as marginalized groups bear the brunt of rising prices. Moreover, inflation during Ramadan may undermine the spiritual experience of the month, as individuals and families grapple with financial stress and uncertainty. Statistical data provides insights into the prevalence and severity of inflation during Ramadan. In countries with large Muslim populations, such as Indonesia and Pakistan, inflation rates have been known to rise by double-digit percentages during Ramadan. For example, in Indonesia, inflation rates have historically increased by an average of 1.7% during Ramadan, with food prices experiencing the most significant surge. Similarly, in Pakistan, inflation rates have spiked by up to 3.5% during Ramadan, with food and beverage prices witnessing substantial increases.

Addressing inflation during Ramadan requires a comprehensive approach that combines short-term interventions with long-term strategies. In the short term, governments and policymakers can implement measures to stabilize prices, such as price controls on essential goods, subsidies for vulnerable populations, and increased monitoring of market dynamics. Additionally, initiatives aimed at improving

supply chain resilience and promoting fair competition can help mitigate inflationary pressures. In the long term, investments in education, infrastructure, and economic development can address underlying structural issues that contribute to inflation and promote sustainable growth.

In conclusion, inflation during Ramadan is a complex phenomenon with profound implications for economic and social well-being. By understanding the underlying causes and effects of inflation during this period and implementing targeted interventions, policymakers and stakeholders can work towards alleviating financial burdens and fostering inclusive growth. Ultimately, addressing inflation during Ramadan requires a concerted effort to uphold the principles of equity, justice, and compassion in economic policymaking and social welfare initiatives.



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Bibi's Hamas Blindspot

Amidst the dying embers of the Palestinian self-determination and much speculated second spell of the Abraham Accords, the October 7 attack by Hamas brought this Palestine-Israel flashpoint to the fore and into the consciousness of the world leaders. It was a bold, arguably not well-thought out maneuver by Israel's adversary, however there is no doubt about the scale of death and destruction that has come on the heels of this guerilla warfare anomaly or as many would call it a move by the "resistance".

There is no permanent solution in sight as the Palestinians are victims of yet another *Nakba*, same as their ancestors experienced in 1948 but with greater loss of human life and summits of rubble and debris with lying atop the dead. As this article is being written, the official death toll has exceeded 32,782 Palestinians with over 75,298 have been injured; in the past 24 hours 77 people have been killed and 108 injured according to the Palestinian Health Ministry.

The broader goal for Bibi Netanyahu appears to execute the contemporary Anschluss of Gaza, with plans for Greater Israel being circulated by hasbara propaganda accounts on social media substantiated by sporadic attacks on Southern Lebanon. The rumor mill has been in overdrive despite Washington compelling Tel Aviv to display restraint in its war on Gaza, failing fall on its face to shape Bibi's reprisal not least the ground invasion and carpet bombing of both the North as well as South Gaza. However, notwithstanding its clear cut military superiority and intelligence, Israel doesn't seem to acknowledge Hamas beyond a ragtag outfit of militants, backed by Iran and Yemen, hell-bent to "erase" Israel's existence. Israel's far-right dispensation and much of the Zionist intelligentsia seem to have a strategic blindspot; Ahmed Yassin's Hamas is essentially an idea of armed resistance for a sovereign Palestinian state.

Israel can liquidate Hamas militants and its leaders, it could upend its widely analyzed tunnel system, but to destroy it would require a better diametrically opposite idea. Moreover, supposedly Israel succeeds to destroy Hamas by its definition of enemy annihilation, there is a possibility that a much more antagonistic and egregious outfit may emerge from the rubble of the decimated civic infrastructure of Gaza, just like in the aftermath of the US-led invasion of Iraq.

That would put Bibi and Biden in a rut of trying to placate or neutralize violence emanating from the strip, all because of Israel's immoral and disproportionate retaliation. For the US, it could potentially become another albatross around its neck, as it appears to lose its moral compass over "hugging" Israel close at the expense of the Palestinian plight.



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Navigating Challenges, Celebrating Milestones: A Recap of MC13

The 13th World Trade Organization Ministerial Conference (MC13) convened in Abu Dhabi, uniting trade ministers from 166 nations for a week of deliberations on pressing global trade issues. Despite high hopes, several critical negotiations failed to yield conclusive results. Foremost among these was the fisheries subsidies agreement, aimed at combating overfishing and illegal practices, which remained elusive despite extensive discussions. Similarly, talks on agricultural matters, including public stockholding and market access, reached an impasse, highlighting persistent challenges in this vital sector.

The integration of environmental concerns into trade policies, a crucial endeavor, was notably absent from the final outcome text, signaling a missed opportunity to address

pressing global environmental issues. Despite recognition of the need for dispute settlement reform, tangible progress in this area remained limited, with a commitment to complete reforms by 2024. "Let's continue to roll up our sleeves to advance this reform and deliver by 2024," WTO Director-General Ngozi Okonjo-Iweala remarked.

Amidst these challenges, MC13 also witnessed significant successes. Despite opposition, the moratorium on e-commerce was extended until 2026, showcasing the ability of WTO members to navigate contentious issues and maintain consensus. An agreement was reached on services domestic regulation, streamlining procedures to facilitate services trade and promote economic growth. Furthermore, a landmark commitment to gender equality was made, ensuring non-discrimination in service provision permits, marking a significant step forward in promoting gender inclusivity within the WTO framework.

The expansion of WTO membership with the accession of two Least Developed Countries, Comoros and Timor-Leste, underscored the organization's growing relevance and inclusivity on the global stage. Additionally, the finalization of the China-led Investment Facilitation for Development (IFD) Agreement alongside MC13 promises to enhance global economic resilience and contribute to achieving sustainable development goals. While the Chinese Minister of Commerce Mr. Wang Wentao explained, "This Agreement will contribute to achieving the 2030 Sustainable Development Goals, and to the modernization of WTO's rule book. We call on all WTO Members to support its incorporation into the WTO system at MC13."

In short, MC13 was a testament to both the challenges and triumphs inherent in global trade negotiations. Despite facing obstacles,

the conference showcased the resilience of the WTO and the commitment of its members to advancing global trade cooperation. As we reflect on the outcomes of MC13, let us remain optimistic for continued progress and collaboration in shaping the future of international trade.



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Pakistan's Global Stand: Navigating the World Competitive Ranking

Our planet Earth is comprised of 195 countries, spanning diverse landscapes from the vast expanses of Russia to the bustling streets of India and Pakistan, the serene islands of the Pacific, and the rugged terrain of Africa. Despite the myriad complexities within our global community, all nations, including Pakistan, contribute to the rich tapestry of human civilization, sharing common goals and facing common threats. Recognizing the existence of 195 countries underscores the significance of diplomacy, cooperation, and mutual respect among nations. It serves as a reminder of the imperative for dialogue and collaboration to address pressing global challenges such as climate change, poverty, and conflict. Acknowledging the diverse perspectives and experiences of each country, internationally recognized nations consistently perform well on various indexes developed by esteemed organizations and published annually in reports. Among these, the World Economic

Forum's Global Competitiveness Report holds particular prominence, evaluating factors such as economic performance, global efficiency, government efficiency, business efficiency, and infrastructure according to the 2023 ranking criteria.

The initial release of the Global Competitiveness Report, also known as the World Competitiveness Yearbook (GCY), debuted in 1989. It serves as a comprehensive repository of both qualitative and quantitative data crucial for evaluating global competitiveness. The data collection process draws from three sources: hard data, survey responses, and background information. Background information is factored into survey data at a ratio of one-third, while the remaining two-thirds are derived from international and national sources in the form of hard statistical data. Through the Global Competitiveness Index (GCI), the report meticulously assesses both the microeconomic and macroeconomic foundations of national competitiveness. Competitiveness, delineated as the amalgamation of institutions, policies, and factors influencing a country's productivity levels, stands as the central focus of analysis.

Over time, spurred by technological advancements and catalyzed by the COVID-19 pandemic, researchers have refined their methodology by subdividing primary criteria into factors for the 2023 annual report, which covers 64 countries. Within the economic criteria, four factors are discerned: Domestic economy, international trade, international investment, employment, and prices, with each further segmented into different sub-factors. Government efficacy evaluation encompasses public finance, tax policy, institutional framework, business legislation, and societal framework. Business efficiency is assessed through factors such as productivity

and efficiency, labor market, finance, management practices, attitudes and values. While, basic, scientific and technological infrastructures, health and environment, and education are factors of infrastructure. In total, data is collected across 336 parameters, drawing from hard statistics, survey responses, and background information.

Pakistan, positioned as a developing country, holds a strategic geographic location, bordered by India, Afghanistan, Iran, and China. It serves as a pivotal bridge connecting South Asia, the Middle East, and Central Asia. Moreover, the majority of Pakistan's population is under the age of 30, representing a dynamic workforce poised to fuel economic growth and innovation. With its abundance of natural resources, Pakistan boasts a diverse range of assets capable of significantly bolstering economic development for the nation and beyond.

Pakistan's historical participation in competitiveness reports has been consistent, facilitated by MISHAL Pakistan, an institute partnered with the World Economic Forum, which historically supplied relevant data for these reports. However, in 2023, Pakistan remained absent from the aforementioned index. As a developing nation, Pakistan faces numerous challenges in enhancing its global competitiveness. One significant hurdle lies in its economic stability and growth trajectory, marked by elevated inflation rates, substantial fiscal deficits, and a sizable informal economy, hindering its ability to attract investments and foster sustainable growth.

Governance and institutional effectiveness present another formidable challenge. Pakistan struggles with widespread corruption, bureaucratic complexities, and inefficiencies within public institutions, all of which obstruct business operations and deter foreign.

Investment. Infrastructure deficiencies further impede Pakistan's competitiveness, with inadequate transportation networks, energy shortages, and a lack of modern facilities hampering productivity and escalating operational costs.

Moreover, Pakistan encounters obstacles in human capital development. Despite its sizable and youthful population, the country grapples with low literacy rates, inadequate healthcare provisions, and disparities in skill alignment within the labor market, undermining its ability to compete effectively on the global stage.

Addressing these challenges necessitates collaborative efforts from both the public and private sectors. Implementing comprehensive economic reforms to stabilize the economy, enhancing governance structures and transparency measures, investing significantly in critical infrastructure projects, and prioritizing education and skills development initiatives are essential steps toward strengthening Pakistan's competitiveness on the World Competitiveness Index and fostering sustainable economic growth.



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Debunking Contesting Economic Policy Arena Between Global North & Global South for STI

UN 2030 agenda pertaining to Sustainable Development Goals (SDGs) attempted to sketch policy blueprints through which all countries can realize social inclusivity, economic prosperity, and environment sustainability. For most of the developing states, sustainable economic development is still a huge predicament to establish and improve their social capacities to tackle prevailing human development and environment concerns. The economic pillar of SDGs includes goals 8 through 12, which set targets for the economy in the areas of fair labor standards, economic expansion, innovation, infrastructure, income inequality, sustainable cities, and responsible production and consumption. Science, Technology, and Innovation (STI) have been identified as a crucial tool to augment implementation of SDGs concerning to sustainable economic development in developing regimes. Despite global Technology Facilitation Mechanism (TFM) to enable international cooperation and urge to promote the development, transfer and dissemination of STI to developing regimes and calls for capacity building to enhance the use of emerging technologies, there has been persistently contesting policy landscape between global north associated

with technologically developed nations and global south with more developing sort of technological orientations.

The 2018 SDG Index and Dashboard Report emphasizes how slowly sustainable production and consumption patterns are evolving, as well as how high-income nations have a substantial spillover effects on the environment, the economy, and national security, undermining efforts by other nations to meet the SDGs. Considering this dilemma in policy guidelines and practical policy orientations for STI, most of the states in global south seem contesting minimal state interventions and market liberalization in STI policy arena against the original thought of neoliberal economic philosophy. Neoliberal economic paradigm characterized by less state interventions and more market liberalization, had initially advocated the STI policy arena in modern times mostly in global north, contributing to 'new innovation policy' and increasing utility in terms of economic growth led by 'technological change'. Although neoliberal economic perspectives facilitated emergence of some good public governance models in modern times like New Public Management (NPM) which proved beneficial under particular organizational fields and practices, however, the prevailing economic deficits in STI policy arena for developing regimes are pushing some countries in global south to develop indigenous models for STI, having necessary state interventions and mechanism to engage across the board stakeholders in collaborative process for policy deliberations.

The Latin American economic thought held that the constant drop in the value of raw materials exported by the least developed nations in relation to the value added to manufactured goods imported from wealthy nations was the source of the economic

subordination mechanism. Inspired by this economic thought, countries in Latin America have been seen deviating from STI policy design from global north by introducing indigenous policy framework at macro and meso-micro-levels. Similarly, policy shifts could have been observed in African Union's initiatives in promoting STI development. Malaysia, a vibrant developing economy in Southeast Asia also launched its national STI framework as a transition effort for move from technology user to technology developer for its socioeconomic development. These contemporary policy shifts in developing states reflect declining coordination performance between global north and global south for STI development. It demands not only the current framework for STI by least developed states to stimulate the transformative changes required in the political, social, and environmental pillars for sustainable economic development, but also large-scale action-oriented policy coordination across nations of different regions.



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5G Technology: Empowering Connectivity and Communication

5G Technology is a fifth-generation wireless technology and the most recent advancement in mobile networking services. Super-speed mobile network 5G operates at a substantially higher speed, greater capacity, and improved reliability than current fourth-generation (4G)

technology. Caretaker Federal Minister for Information Technology and Telecommunication, Dr. Umar Saif, announced that 5G services would be launched in Pakistan by July-August 2024 where the government would auction 300MHz of spectrum. While some countries have already implemented 5G technology, others will adopt soon. In the fields of science and technology, healthcare, agriculture, communication, entertainment, business, real-time simulation, and gaming, 5G will bring about in a revolution.

5G delivers extremely fast download speeds that can facilitate smooth streaming, gaming, and the instantaneous download of big files, with potential download speeds up to 20 gigabits per second (Gbps). 4G has an average speed of 10 Mbps and 5G has an average speed of 10 Gbps. 5G's ultra-low latency, reduces the time between sharing and receiving data to milliseconds, is one of its biggest benefits. Applications such as augmented reality, remote surgery, and autonomous vehicles depend on this very immediate response time. Telemedicine applications, allowing healthcare professionals to monitor patients, conduct consultations, and execute surgeries with remarkable precision. Compared to earlier generations, 5G networks have a much greater capacity, which allows more devices to connect at once without encountering congestion or slowdowns, making it perfect to enable smart homes, industrial automation, and smart city initiatives. 5G networks can provide the reliable, low-latency communication required for autonomous vehicles to communicate with each other and their surrounding environment, paving the way for safer and more efficient transportation systems.

Challenges face by 5G technology are:

- **Health Concern:** Some people have expressed concern about the potential health impacts of 5G, including as increased exposure to radiofrequency (RF) radiation. However, the World Health Organization (WHO) and other scientific authorities have determined that the amounts of radiofrequency radiation released by 5G technology are safe.
- **Security and Privacy Concern:** This is one of the most crucial issues that 5G must overcome in order to secure the security of personal data. 5G will need to clarify the uncertainties around security concerns such as trust, privacy, and cybersecurity, which are increasing around the world.
- **Legislation of Cyber law:** Cybercrime and other forms of fraud may possibly increase as a result of 5G technology's high speed and widespread availability. As a result, cyberlaw regulation is a critical topic that is primarily governmental and political in character (both national and international).



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Design Thinking in Policymaking

Public administration is undergoing a design revolution, with *Design Thinking* emerging as a powerful tool for crafting citizen-centric policies. This approach departs from traditional top-down methods, prioritizing the needs of the public through three distinct design philosophies.

The first, the *Rational Design Perspective*,

embodies a Sherlock Holmes-like approach. Experts gather and analyze data to identify the single, optimal solution for a given problem. This method emphasizes objectivity and rationality, aiming to simplify complex issues through a systematic search for answers.

In contrast, the **Pragmatic, Learning-by-Doing Approach** throws caution to the wind. Embracing creativity and experimentation, it utilizes workshops, prototypes, and "living labs" to test and refine solutions. This approach prioritizes exploring a range of ideas and fostering user testing, often involving diverse stakeholders in the process.

Finally, the **Co-Creation and Dialogue Approach** dismantles the traditional expert-driven model. Here, designers collaborate directly with citizens, organizations, and professionals, placing them at the center stage of the design process. This approach fosters joint learning, creativity, and a collaborative effort to reframe problems and co-create solutions.

These design philosophies are not mutually exclusive, each offers unique strengths. The Rational Design Perspective excels at identifying optimal solutions, while the Pragmatic approach thrives on exploration and experimentation. The Co-Creation approach fosters stakeholder buy-in and a deeper understanding of citizen needs.

Academic research is validating the promise of design-oriented solutions. Journals are increasingly filled with studies exploring practical tools for governments, focusing on developing evidence-based solutions ("information-driven" approach) or sparking innovative approaches to complex problems ("inspiration-driven" approach). However, for design thinking to truly flourish, a deeper understanding of its effectiveness is crucial.

Analyzing design interventions and exploring their application in policymaking hold immense potential.

By bridging the gap between academic knowledge and real-world solutions, Design Thinking offers a powerful tool for public administration. It embraces these design philosophies and stimulating a more citizen-centric approach, public policy can evolve into a more innovative and effective force for positive change.



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Climate Change Resilience: An Overview of the Alarming Situation in Pakistan

Since 1950s Climate Change is a well-documented issue and global community has been working to mitigate and adapt for last 60 years from combating Ozone Layer depletion to the conservation efforts to avoid mass extinction of biodiversity. As a developing country awareness in Pakistan arrived late, proper Climate Change Policy got compiled in 2021 but was not sufficient for avoiding the devastations of Floods in 2022 in which almost one-third of the country's area was under water. Now the Government agencies with the help of Non-Governmental Organizations (NGOs) and Academia attempted to understand the scale of the problem and devised a National Action Plan (NAP) for the upcoming threats of Climate Change. However, the argument is simple that these

measures are insufficient with regard to Global efforts. Last Federal Government aimed to receive U\$10 Billion during the Geneva Conference for Climate Resilience Fund but it was to no avail.

Pakistan is considered to be the 8th most highly affected country by Climate Change while its contribution in Global Green House Gas Emissions is less than 1%. This is an alarming situation for Pakistan, the Federal Government has taken few steps to mitigate Climate Change like earmarking subsidy for Solar Panel imports and have targeted 60% Electric Vehicles (EV) by 2030. Such acts are appreciable but not sufficient enough as Pakistan is lacking especially in case of EV policy and insufficient Carbon Resilience Fund. Now the situation is grim although there is a lot of potential that can be explored, first of all understanding the indigenous causes of Climate Change must be identified; the issue of Smog in Lahore is not only due to brick kiln or crop burning but smog is also due to use of fossil fuels to power vehicles. Moreover, as a way forward, coordination among all the stake holders is essential in combating Climate Change and the agenda should be added in the National Security Policy. To conclude, Climate Change is a reality and emergency measures must be taken both in terms of Mitigation and Adaption.



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BIPP Round Up

On February 14, 2024, Mr. Shahid Javed Burki (Chairman BIPP) presided over the 12th meeting of the Board of Directors (BOD) along with board members Mr. Shahid Najam, Ms. Jahanara Burki, Mr. Babar Yaqoob and Mr. Ayub Ghauri. The meeting discussed agenda items including the Progress Report, Scholarship Programs, Briefing on 16th Annual Report 2023 & NITS book launch, Financials of BIPP, and Way Forward. The BIPP staff were commended for the teamwork under the tutelage of the brass of the institute.



Centre for Security, Strategy and Policy Research (CSSPR), the University of Lahore (UOL) hosted the launch of BIPP's 16th annual report "The State of the Economy: Threads of Governance – Weaving the Past, Present and Future in Pakistan" on February 20, 2024. The event was graced by Prof. Dr. Muhammad Ashraf (Rector UOL), Mr. Shahid Javed Burki Mr. Shahid Najam (Vice Chairman BIPP), Dr. Ejaz Sandhu (Director Operations BIPP), Prof. Dr. Rabia Akhtar (Dean Social Sciences), Mr. Sarfraz Masih (Principal, Lahore School of Nursing), Mr. Firas Shams (Research Associate BIPP) along with other team members. The launch entailed a detailed presentation of the report. The report provides a rational and evidence-based assessment of the precarious economic situation and governance dysfunction of Pakistan. It explores themes like climate change, gender disparity, the role of international laws and religion, 18th Amendment etc. It recommends sustainable development and people-centric policymaking in Pakistan. The event ended with a question-answer session.

address by Prof. Farah Rasheed Malhi (College Principal). Mr. Shahid Najam delivered opening remarks, focusing on his chapter about path to good governance. Following this, Mr. Shahid Javed Burki, provided an overview of the report. A detailed presentation of the report, covering key policy findings and recommendations, was de by Mr. Firas Shams. The event was moderated by Dr. Ejaz Sandhu, while Mr. Babar Yaqoob (Vice Chairman Operations BIPP), also graced the occasion. The event concluded with a question-and-answer session, engaging the students in discussions related to the Annual Report and its findings.



On February 28, 2024, the University of South Asia (USA), Raiwind Road Campus hosted the launch of BIPP's 16th Annual Report. The event was attended by Prof. Dr. Muhammad Akram Chaudhary (Rector USA), Prof. Dr. Suleman Aziz Lodhi (Dean USA), Mr. Shahid Javed Burki, Mr. Shahid Najam and Dr. Ejaz Sandhu with other team members. A Memorandum of Understanding (MOU) was also signed between the USA and BIPP. The purpose of this MOU is to provide a framework of cooperation between the parties in the areas of mutual interest on a non-exclusive basis and developing short-term courses in international business, globalization and conduct professional training as well as foster and collaborate in policy dialogues, and joint research.



On February 27, 2024, Govt Graduate College for Women Wahdat Colony Lahore , also hosted the launch of BIPP's 16th Annual Report. The event commenced with the recitation of the Holy Quran and a welcome



On March 8, 2024, BIPP awarded 39 Scholarships to female students of King Edward Medical University (KEMU) Lahore in the disciplines of Allied Health Sciences and Allied Vision Sciences based on need cum merit to help the students realize their career objectives, contribute to achieving national development objectives and play their overall societal role as enlightened citizens of Pakistan. The distinguished gathering was graced by Mr. Shahid Javed Burki, Mr. Shahid Najam, Dr. Ejaz Sandhu, Prof. Mahmood Ayyaz (Vice-Chancellor KEMU), Prof. Muhammad Moin (Chairman Scholarship Committee KEMU), Prof. Syed Asghar Naqi (Registrar KEMU), Prof. Dr. Farhana Sajjad (Chairperson & HOD Department of Anatomy & Histology), Mr. Ashar Hussain (Deputy Registrar), Mr. Rashid Javed (Assistant Registrar) and other esteemed guests.

BIPP, we understand the importance of investing in the future of our nation, and we believe that education is a powerful catalyst for positive change. These scholarships represent our commitment to nurturing talent and supporting students in their pursuit of knowledge.



On March 10, 2024 Centre for Public Policy and Governance (CPPG), Forman Christian College University (FCCU) Lahore organized a seminar on the book, titled "Towards a Knowledge Economy: National Innovation and Technology System of Pakistan". The book is jointly written by Mr. Shahid Najam, Dr. Athar Mansoor and Mr. Rehmat Ullah. The book proposes the adoption of a vision "Developing Innovative Pakistan" and also an implementation framework embodying a charter of innovation, the respective roles and responsibilities of the major actors and entities in the innovation and technology eco-system and plan of action at the federal, provincial and district levels to ensure National Innovation Technological Systems' (NITS) seamless integration at all levels and across all sectors.



During this event of significance, Mr. Burki articulated his thoughts, emphasizing the auspiciousness of the occasion, which coincided with International Women's Day. At



BIPP in collaboration with Directorate of Financial Aid at Lahore College for Women University (LCWU) organized a seminar on BIPP's 16th annual report on March 11, 2024 in Iqra Auditorium. Distinguished attendees included Mr. Shahid Javed Burki, Mr. Shahid Najam, Mr. Babar Yaqoob, Dr. Ejaz Sandhu, Dr. M. Afzal (Dean Faculty of Social Sciences), Mr. Abdul Ghaffar Ali (Director Financial Aid) and Ms. Hina (Deputy Director Financial Aid). A large number of faculty members and students from different departments also participated in the seminar. Dr. Aqsa Shabbir, Principal of Intermediate College, extended a warm welcome to the participants. The Chairman of BIPP provided an insightful overview of the report, followed by valuable comments from Mr. Shahid Najam and Dr. M. Afzal, the Dean of the Faculty of Social Sciences. A detailed presentation of the report, covering key policy findings and recommendations was delivered by Mr. Firas Shams. Dr. Aqsa Shabbir acknowledged the valuable contribution by BIPP in offering fully funded scholarships to the students of Computer Science, Software Engineering, Electrical Engineering, and Pharmacy.



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Analyzing the Shifts in Pakistan's Foreign Investment Profit Repatriation

In the latest financial analysis disseminated by the State Bank of Pakistan (SBP), it has been observed that the central financial institution has implemented a reduction in the allocation of profits and dividends derived from foreign investments. This strategic maneuver has elicited a wave of critique from investors, who have labeled the financial year 2023's profit repatriation as overly stringent, while independent financial analysts have categorized this approach as detrimental to fostering an investment-friendly environment. The recorded influx of foreign investment witnessed a decrement of 17% during the period extending from July to February of fiscal year 2024, in comparison to the corresponding interval of the preceding fiscal year, notwithstanding a relaxation in the outflow of profits.

The International Monetary Fund (IMF) has voiced its reservations regarding the SBP's rigorous regulatory stance on the remittance of profits and dividends accruing from foreign investments. An examination of the SBP's financial records reveals that the aggregate profit repatriation for the initial eight months of fiscal year 2024 amounted to \$759.2 million, a significant escalation from the \$225 million reported in the analogous timeframe of the prior fiscal year, marking a substantial increase of 237.4 percent or \$534.2 million.



However, the fiscal landscape also depicted a scenario where the inflow of Foreign Direct Investment (FDI), tallying at \$820 million, narrowly surpassed the outflows constituted by earnings and dividends. Despite this, the net inflow failed to significantly ameliorate the nation's dollar liquidity scenario, with the outflow deficit standing at a mere \$61 million in comparison to the inflows. In efforts to bolster the reserve levels to \$8 billion, the SBP orchestrated funding strategies, albeit insufficient to bridge the fiscal gap necessitated by the trade deficit and debt servicing obligations. An impending payment of \$1 billion is slated for April to address the maturity of Euro bonds.

Delving into industry-specific insights, the manufacturing sector registered a pronounced increase in profit outflows, amounting to \$206 million, as opposed to a comparatively modest figure of \$28 million recorded during the same phase of the preceding year. A focal analysis revealed that the profit outflows were predominantly concentrated across four major sectors: manufacturing, wholesale and commerce (\$197.3 million), gas and electricity (\$110 million), and finance and insurance (\$105 million).

Further scrutiny of the data elucidates that the disbursements concerning profits and dividends in February were calculated at \$64.9 million, in stark contrast to the \$4.9 million documented in the corresponding month of the previous year. This comprised \$64.5 million in Foreign Direct Investment (FDI) proceeds and \$0.4 million in returns on Foreign Portfolio Investments (FPI). Amidst significant market fluctuations, foreign investors managed to repatriate \$55.5 million in profits attributed to FPI during the period spanning July to February of fiscal year 2024, marking an increase of \$37 million from the same timeframe in the preceding year.

Notwithstanding a historically consistent influx of FDI, Pakistan has observed a dwindling trend in foreign direct investment over recent years, with China previously being recognized as the predominant investor. However, the fiscal year 2024 has seen a notable diminution in investment inflows from this leading contributor.



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Building Climate Resilience: Financial Approach

Pakistan stands at a crossroads, facing the harsh realities of climate change amidst the pressing need for sustainable development. As the 8th most vulnerable country to climate change, Pakistan is grappling with environmental challenges that demand immediate attention and innovative solutions. In the face of this urgency, building climate resilience requires a multifaceted approach that integrates both financial strategies and proactive policies.

The recent smog episode in Lahore serves as a stark reminder of the immediate threats posed by climate change where only 5 days (1%) met the air quality standard out of 765 days. Unchecked urbanization, unsustainable agricultural practices, and industrial emissions have contributed to severe environmental degradation, exacerbating the climate crisis. The consequences are dire: loss of green spaces, declining air quality, water scarcity, and threats to food security. It's evident that a paradigm shift is needed to address these

challenges effectively.

One of the fundamental barriers to building climate resilience in Pakistan is the lack of adequate financing. Despite the enormity of the task at hand, securing the necessary funds remains a significant challenge. The country needs an estimated \$350 billion over the next 5-7 years to combat climate change, with a substantial gap of \$7 billion due to misaligned priorities and insufficient international funding. Relying solely on external financing is unsustainable, necessitating a shift towards long-term sustainable financing strategies that prioritize climate resilience.

International aid agencies play a crucial role in supporting Pakistan's climate agenda, providing financial assistance and technical expertise. Initiatives such as the EU's micro hydropower plant project in Malakand and the UKAids support for clean energy initiatives highlight the importance of international collaboration. However, reliance on external funding alone is not sufficient. Pakistan must also focus on mobilizing domestic resources and fostering collaboration between government agencies, the private sector, and civil society.

The private sector holds immense potential in driving climate-resilient investments and innovation. Leading companies like Nestle and Coca Cola are already pioneering sustainability efforts through initiatives such as regenerative agriculture and recyclable packaging. However, to fully harness the potential of the private sector, supportive government policies and incentives are needed. This includes measures to reduce regulatory barriers, provide financial incentives for climate-friendly investments, and promote corporate responsibility.

Building climate resilience requires the need for effective governance and policy implementation. Fragmented data, administrative inefficiencies, and policy inconsistencies hinder progress towards climate goals.

Streamlining administrative processes, centralizing data sources, and establishing uniform legal frameworks are essential steps towards overcoming these challenges. Additionally, promoting transparency, accountability, and stakeholder participation can help ensure that climate finance is allocated efficiently and effectively. An approach that integrates financial strategies, proactive policies, and collaborative efforts. While the challenges are daunting, there are also opportunities for change and innovation. By mobilizing domestic resources, leveraging international support, and engaging the private sector, Pakistan can take significant strides towards a more sustainable and resilient future. It's time for collective action to address the urgent threat of climate change and secure a better tomorrow for generations to come.



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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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