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NEWSLETTER

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From the Desk Of the Chairman

The two parts of the Asian continent – the Southeast and the South – are at different stages of economic development and global integration. East Asia is much more developed, having seen its collective gross product increase by 7 to 8 percent a year over the last several decades. It has largely eradicated poverty, although skewed distribution of income remains a problem. At least four countries in the region – Japan, South Korea, China, and Singapore – are now global players. Japan, the world's third largest economy, is the founding member of the G7, an informal group of seven rich nations. South Korea has been accepted into the more formal Organization for Economic Cooperation and

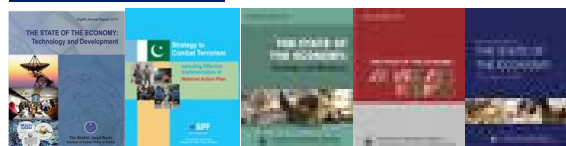
Development, the OECD. This organization keeps a close watch on how the world's more prosperous nations are working with one another and also with the world outside. China is now the world's second largest economy – in fact by one count – the purchasing power parity methodology for measuring national products – it took over the United States and became the world's largest economy in the last quarter of 2016. Finally, the city-state of Singapore is now one of the richest countries in the world in terms of income per head of its population. The structure of its economy is different than that of other large economies. It relies much more on external commerce as the main driver of growth.

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Previous Publications



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Several things make the East Asian success stories stand out and gain attention. All of the countries in the region made progress by using exports as the driver of economic growth. They took advantage of the economic and demographic structural changes that were taking place in the Western markets to produce and sell their products into them. Relying on exports, they moved ahead fast becoming what the World Bank in its 1993 report called the “miracle economies.” In developing international commerce they took advantage of the development of the rule-based trading system overseen by the World Trade Organization.

The Southeast production systems developed with the adoption of new technologies. Patterns of trade changed. The flow of trade moved significantly in the way goods were traded. Fairly quickly, global supply chains became the predominant mode of exchange. Individual countries could no longer be

identified with the final product. The enormously fast development of information and communication technology produced what the journalist Thomas Friedman called the flat world. That world made it possible to develop these supply chains.

Southeast Asia saw peace prevail among the countries in the region. The upheavals resulting from America’s war in Vietnam was history and the countries in the area were able to work together to promote national and regional good. The region was able to define its aims by creating and then strengthening over time regional arrangements such as the Association of Southeast Asian Nations, the ASEAN. Other regional arrangements such as the Asian and Pacific Economic Cooperation, the APEC, also gained in importance.

Also what economists call the flying goose model resulted in changing the relative positions of countries in the region as the area made economic progress. The birds in the formation assist each other; the one in the front, having borne the most wind pressure, tires and falls back, allowing another to take the lead. These adjustments are made constantly, as a matter of routine and without conflict.

Finally, the East Asian system of production and international commerce was developed within a rule-based global order. After the collapse of the Soviet Union and the demise of European Communism, there was considerable comfort in the belief that there would be no surprises to disrupt the system. That did not mean the global system was shock-proof. The most recent shock was the one delivered by what has come to be called the Great Recession of 2007-09. But the downturn was handled within the international system.

Some of the conditions that made East Asia prosper did not prevail in the southern part of the continent. Several large countries in the area had unsettled territorial disputes. No working regional organizations were at work to draw these countries together. The region did not get well integrated in the global system. These disadvantages notwithstanding, some of us believed that South would still be able to go forward by participating in the global supply chains. However, even that may be difficult in view of some of the Trump-induced changes in the global economic system.

Shahid Javed Burki

Message of the Month



I write this month’s message keeping in mind the unfortunate orders that have

been issued by the US president, Mr. Donald Trump, regarding a ban on visas from seven Islamic countries.

This is moreover against the very ideas that the founding fathers of the United States had envisaged for their home land.

I know that Pakistan is not in that list, but being an Islamic country, we feel strongly for those who have been targeted and discriminated against on account of their religious affiliations.

It is however heartening to note that the US Civil Society has reacted strongly to such orders by President Trump and I feel that such actions will lead to further polarization hatred and nurture extremist tendencies.

On a more positive note, there are indications that this is going to be a good year for Pakistan. The stock market is booming, the power crises seems to be coming to an end. We are all hopeful that CPEC brings with it all the associated benefits that this country needs to jump start its economic growth.

Nasreen Kasuri

From Research and Consultancy Wing

The lack of math skills and convenience of churning out papers that are purely based on desk research seem to have contributed to the disproportionate surge in the secondary and qualitative research in Pakistan. Generally, researchers and academics find it easy and convenient to put together list of papers produced by western authors and synthesize their perspectives to produce substandard papers aimed at either complying with HEC requirements for promotion in university jobs or to access the funding opportunities made available by the various donor organizations working in While desk and qualitative research are not

bad things at all, in fact scholars around the world are now moving towards research that is more concentrated and rooted in the policy side than ever before. However, the dangers associated with primary and qualitative research, especially in the developing world where research and publication protocols are loosely defined, are that the thin line between secondary research and plagiarism is often transcended.

As legal cases regarding university professors plagiarizing in Pakistan continue to emerge, the credibility and authenticity of the research conducted in the country which has witnessed a surge in donor interest and funding, comes under serious question and scrutiny. This is where the role of research organizations like us, the Shahid Javed Burki institute of Public Policy at NetSol (BIPP) assumes all the more importance. While we have been publishing

original and quality research in the form of briefs, research papers, notes and editorials, our work concentrates on variables, policy strands and research areas that have not been explored before. A manifestation of this will be our annual report for 2016 that covers the policy strands and tools pertaining to water and agriculture that have not been introduced before in Pakistan. This is palpably reflected in the cross-sectional data based analysis we conducted for the health sector in Sheikhpura.

While the good work carries on, our future plans include publishing two interim reports in the year 2017 which will be coincided with periodical working paper publications from our team of experts.

Progress Report of the Smart Health Project “TEEMARDAR”

TEEMARDAR project has successfully completed its 18 months' duration in November 2016 while achieving all the envisaged milestones and objectives. The main objective of the Project was to ensure better and efficient health and inventory management and pro-poor delivery of health service at seven health outfits of district Sheikhpura. With the introduction of automated inventory management, the hospitals are able to serve on the average 100 more patients per day while budget for the medicines remains the same. Moreover, the public surveys conducted in and around the project sites revealed that the public satisfaction regarding government hospitals has increased from 19.1% to 25.5% since the inception of the project. The real time reporting through the Dashboard feature of the project has facilitated procurement and

supply planning of the medicines to ensure adequate stocks and availability of medicines throughout the year.

As a result of successful implementation of this model, the Secretary Primary & Secondary Healthcare, has made a special request to DFID UK to extend the project till June 2017 which has since been agreed to facilitate the smooth transition and amalgamation of TEEMARDAR solution into government's mainstream health operations. A revised agreement has been reached between BIPP and SNG/DFID where BIPP will act as transition manager to ensure the successful transition of the project. A Transition Management Team (TMT) has already been established by BIPP in consultation with the Deputy

Commissioner Sheikhpura. The team comprises a member each from BPP, DC Office Sheikhpura, Finance & Planning Department District Government Sheikhpura. Mr. Hafeezullah has been appointed as Transition Manager.

BIPP has also prepared a draft work plan with specific time-bound milestones for approval by TMT. At the same time, BIPP has also prepared a proposal for expansion and scale-up of the project for which multiple donors have been approached to explore the possibility of funding. Of particular mention is the formal proposal submitted to EBA-BHN (a DFID funded program) for their consideration.

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From Think Tank Wing Drift into "Democratic Deviance"

Democracy, peace and security play a pivotal role in combating poverty and advancing sustainable human development thereby ensuring well being for all. Terrorism, civil unrest, conflicts and instability, in all their forms and manifestation, are anathema to human development and pose immense challenge to the democratic order. They unleash death, destruction, disintegration and disabilities and in their wake bring human suffering, misery and affliction. Corruption, abuse of political or bureaucratic power for personal gains, bribery and money laundering add to the enormity of problem and have massive repercussions for the economic and financial sustainability of a country, its polity and governance. Poor and

the marginalized are the worst affected who are denied the opportunity to earn their livelihood; the resources and funds for social sector and safety net programs; the voice to articulate their priorities; and the security to pursue and realize even their coarse necessities of life.

The rule of law together with transparency, accountability, and responsive governance are essential if development efforts and social justice are to be ensured and secured. A robust national integrity and oversight system; a vibrant civil society yearning for responsive, responsible and inclusive development; free access and exchange of information and ideas; and, respect and protection of the fundamental human rights are sine qua non for the success of democracy and its institutions. Democratic advancement, however, is not a linear process nor is irreversible. The democratic gains achieved through historic struggle and sacrifices of the civil society, the pluralist institutions and the citizens may relapse and drift into "democratic deviance" and "majoritarianism" if the state

institutions especially the Parliament fails to perform its constitutional role and becomes the tool for advancement of the narrow interests of the handful of political elite.

The confrontational politics, harassment, intimidation, abuse of power and infringement of the right of expression and speech in the name of the regulatory function of the government foment subversion, suspension or violation of the constitutional order. The probability of conflict, violence and civil unrest with severe damage to public property and loss of innocent lives becomes imminent. The leaders have to play their role to ward off the possibility of such backsliding and instability and eventual setbacks to democratic development. They need to espouse good governance, lead by front in terms of their integrity and rectitude, encourage and respond to the needs of the civil society, promote human rights, and create the environment for participation of all groups in the democratic processes.

Climate Change, Water and Food Security Nexus

The climate change, water, and climate change nexus is becoming a prime concern for sustainable development of the economy at large and agriculture sector in particular. During the past century, global temperatures have risen by nearly 1 degree Celsius (due to burning of hydrocarbons and deforestation) and are expected to increase further by 1.4-5.8 degree Celsius by 2100. It has been reported that one percent increase in temperature would lead to loss of Rs. 4180 per acre to the net revenue per annum. Dissemination of new farming techniques including new irrigation technology, new methods of crop farming and developing new varieties that are tolerant to paradigm shift is required in agriculture sector.

On water, Pakistan is now becoming a water economy. We have not been able to add value per unit of water to its potential and this should be central theme to our future water/agriculture policy discourse. On the other hand, the availability of water resource is declining

due to climate change and loss of quality. With rise in population, the future food security need is to be met with less water -- meaning we'd have to enhance water productivity (more crop per drop) and allocative efficiency (more value per drop).



Food security, at the same time, is being affected by stagnant and declining productivity, largely attributed to growing

water shortage and climate change are reflected in shifting cropping pattern. Changes in water quantity and quality due to climate change are expected to affect food availability, stability, access and utilization. This will invariably lead to decreased food security and increased vulnerability of poor rural farmers, especially in the arid and semi-arid regions of the country.

Given the importance of food security, water and climate change nexus, BIPP is planning to initiate a series of advanced short courses beginning this fall as part of the newly envisaged “Burki University of Advanced Sciences”. Further it plans to conduct a sound analysis of this nexus to address the issue and bring awareness among all stakeholders.

Dr. Mahmood Ahmed

From Education and Learning Wing Economic Development and Poverty

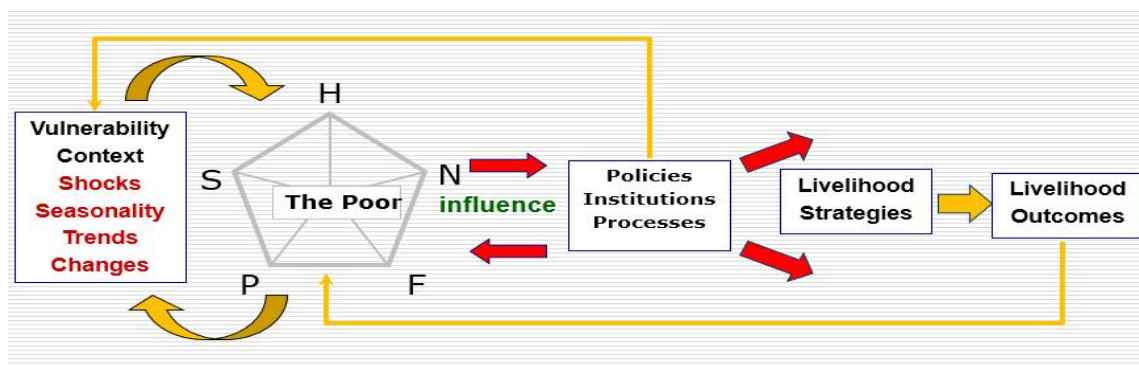
Mr. Shahid Najam (Vice Chairman, BIPP) was invited by the Senior Management Wing of National Management College Lahore for a two-hour session on “**Economic Development and Poverty**” with the participants of 20th Senior Management Course on December 20, 2016. In his presentation, he dwelt on the evolution of various strands and theoretical perspective on economic development, basic concepts of income inequality, poverty and development indicators applicable in governance in general and also highlighted the major economic challenges currently faced by the country.

Mr. Najam also talked about the widespread incidence of multi-dimensional poverty in Pakistan with special focus on rural-urban and inter-provincial disparities which in some parts of Baluchistan and Sind was as alarming as 70%+. He also gave a

comparative analysis of the HDI Ranking of Pakistan especially on income, education and health with countries like Iran, Sri Lanka, India and Bangladesh. Pakistan, as per the UNDP Human Development Report 2015, ranked 147 out of 188 countries whereas Iran ranked 69, Sri Lanka 73, India 130 and Bangladesh 142. This eloquently spoke of the poor performance of the country and of its economic policies. He also analyzed the impact of some of the poverty alleviation programs and strategies like the Benazir Income Support Program (BISP) and the wide gap between the intended objectives and its implementation deficit.

While emphasizing the need for context specificity and research based policy making, Mr. Shahid Najam

suggested a comprehensive strategic framework for poverty reduction based on the livelihood assets and stressed the need to espouse composite of policy, institutional and process level measures which would augment the livelihood assets i.e., the human capital, natural resource assets, financial endowments, physical assets and social assets of the poor and marginalized segments of the society. He also underscored the need for economic growth with equity, compensatory policies and social safety-net programs, and, investment in education and health. In doing so, the troika of economic, social and environmental dimensions have to be inextricably interwoven to ensure intra as well as inter-generational equity.



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From Knowledge Management Wing

BIPP's Website, both its format and contents, has been further improved with the gratis assistance of two consultants from USA i.e., Mr. Emmad Burki and Mrs. Saira Burki during December 2016. The two consultants also advised BIPP in fine-tuning the proposed Affiliation Agreement with the University of Missouri Saint Louis, USA.

BIPP is also in the process of establishing a

"Media Mentions" section on its website to more effectively carry out its advocacy and knowledge dissemination functions. This section will include both print and electronic media e.g., press releases, media coverage photos, and videos in which BIPP has been mentioned. In addition, the layout for BIPP's annual report 2017 and cover pages for policy briefs, research papers and newsletter have been re-designed to make these visually more pleasing and substantively attractive to engage the readers. A BIPP intern under the supervision of Head Knowledge Management Wing did the graphic designing.

Recent Publications

Policy Brief

- Drift into "Democratic Deviance"
- Organic Agriculture

Publications from the Partner Institutes

- Current Trends in China-South Asia Relations
- Conflict in Balochistan
- GST Implementation in India: A Solution with Complications

Editorials

- The Trump presidency for Pakistan
- South Asia in the emerging world order
- Relying on the Chinese support
- Building a better future on rich endowments

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Mission Statement

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

Partners



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