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NEWSLETTER

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From the Desk of the Chairman

Pakistan's difficult situation: Even though Pakistan is not as well connected with the world beyond its borders as are several other Asian and Middle Eastern nations, it is affected by global developments. Policy makers in Islamabad cannot be unmindful of global developments. Unfortunately for a latecomer to the global economy such as Pakistan, the world is decisively less welcoming than was the case when a number of East Asian economies produced their miracles.

The process of globalization was factored into development thinking in the 1980s and the 1990s. After the collapse of the Soviet Union in 1991, thinkers such as Francis Fukuyama put forward the "end of history" hypothesis. According to this line of thinking, ideological conflict that

had taken such heavy human tolls in the many bloody conflicts in the 20th century had faded into history. However, the rise of Donald Trump in the United States and that of several rightist groups in Europe have brought different types of conflict to the world. Ideology and religion have become of the central areas of conflict. Those who felt disadvantaged by globalization produced the Trump phenomenon in the United States and Brexit in Britain. A number of leaders in the West have built their political careers by becoming Islamophobic.

Some of the excitement associated with "globalization" has dissipated. There is backtracking even in the thinking world. For instance, Stephen King, an economist at HSBC,

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Previous Publications



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, one of the most global of banks, has published a book titled *Grave New World: The End of Globalization, the Return of History*, a riposte to Fukuyama's book *The End of History*. King argues that economic progress that reaches beyond borders is not "an inescapable truth". Geopolitical shifts will make a difference. After the end of the Second World War, America was globalization's leading architect and its main sponsor. It is either withdrawing on its own in fulfillment of Trump's call for "America First" or is being challenged on a number of fronts by competitors such as China. Beijing under President Xi Jinping is now the most vocal exponent of globalization.

The result, says Stephen King is that "cooperative arrangements between nation states will be increasingly hard to come by. Conflict - at least in the economic sphere - will become ever more frequent." But the United States is not the only developed part of the world that has to deal with challenges, both internal and external. According to a Charlemagne column in the news magazine *The Economist*, "the cherished European values of liberalism and respect for human rights are being challenged by a cohort of unpredictable leaders who seem not to prize or understand them. This is unsettling for the European Union, a slow moving club founded on reverence for the rule of law. For Europeans the shift is embodied in three presidents whose capricious impulses are shaping and constraining their foreign policy: Donald Trump, Vladimir Putin, and Recep Tayyip Erdogan." These three leaders are encouraging others by setting example

on the rise of nationalism in the European continent.

So what is the answer for a country such as Pakistan that is situated in a geopolitical space that is uncertain and also potentially dangerous. The states in Pakistan's neighborhood are becoming increasingly suspicious of one another. But solutions cannot be found by the countries working alone. The irony is that likely solutions require international cooperation, the very thing that populism makes more difficult. The problem is that regionalism, internationalism, globalization will be hard to work if the leader of the United States, the country that is still the world's largest economy and is militarily the most powerful, believes in going it alone. "Making America Great Again" means America will go alone.

Shahid Javed Burki

Message of the Month

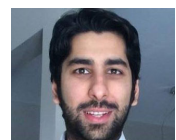


The spread of violent extremism and of the new form of jihadi terrorism, that are plaguing the population

Middle East like in Australia. This globalized terrorism is changing our daily life and is exploiting our fears to create fractures between communities. It uses the identity crisis felt by many young people to give misled answers and throw the seed of radicalization. As it knows no boundaries, it has to be faced by a common answer, with which governments, even if far away from each

other, can create a narrative of cultural and reciprocal understanding.

Prof. Andrea Margelletti
Chairman of Ce.S.I. – Center
for International Studies



From Research and Consultancy Wing

I had the recent privilege of going through a list of HEC recognized social science journals in Pakistan and as it turned Out, the list presented quite an interesting blend of information for people involved with economic research. It rated journals on the basis of their impact, relevance and quality and

stated if they applied for the tenure track system or appointment with the state universities or both. The three top categories were W, X and Y followed by Category Z. Categories W, X and Y applied to the tenure track system and BPS appointment both while category Z only applied to BPS. The highest rated

category W only contained one journal which was a statistics journal called 'Pakistan Journal of Statistics' published in Lahore by Dr. Hanif. Category X contained only 5 journals with two focused on Economics; one, the Pakistan Development Review published by the Pakistan Institute of

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Development Economics and the other, was the Lahore Journal of Economics published by the Lahore School of Economics. Category Y was the most highly populated journal category with 34 social science journals of which only three were Economics published by the University of the Punjab, Lahore, University of Karachi and Forman Christian University, Lahore. The lowest category Z contained 24 journals and none of them was Economics.

What this means is that economists in the country have only 5 journals to publish. If you analyze the demand-side there are at least 10 universities in Lahore only each of whom have a large or small Economics department that makes it necessary for teachers to comply with HEC requirements to be promoted to higher BPS levels or to make it to the tenure track system. This puts enormous pressure on the journals who are often under-staffed and therefore wait times to publish in Economics journals are too high to keep the good researchers interested who can often publish in top-rated international journals with ease.

Eventhough there's no harm in publishing for international journals as it may create a global demand and recognition for local researchers, very often the debate within the country and the reputation of its indigenous research is based on the quality of its local journals. And while the local journals continue to disincentivize good researchers through poor reviews and unnecessarily long wait times, the research within the Economics domain and the discourse on development and policy, that is an imperative in a developing but immensely capable country like Pakistan, remains largely subdued. This is also contended in my chapter on the 'Discourse History of Development in Pakistan' forthcoming in the BIPP and ISAS book 'Pakistan at 70 years'.

Asad Ejaz Butt



From Education and Learning Wing

(i) Groundwater Governance and Management in Punjab

A field workshop on "Groundwater Governance and Management in Punjab" was organized by the Groundwater Management Cell, Irrigation Research Institute on the 9th of December, 2017. The purpose of the workshop was, inter alia, to get all stakeholders on board in order to ensure efficient utilization of groundwater especially in the wake of depleting water resources. Dr. Mahmood Ahmad accompanied with Ms. Maham Asif and Ms. Tabeer Riaz, from BIPP participated in the workshop to share their perspective on participatory groundwater management. The local farmers had also been invited to point out and discuss the major issues and problems being faced by them regarding surface and groundwater and to suggest, through participatory approach, possible and potential solutions. Dr. Mahmood and Ms. Maham Asif had prepared a two pager handout for the farmers in Urdu to help them more clearly identify and articulate the possible

groundwater issues and their solutions. The slogan "Jinna Pani pao, onna kaddo" (you can only pump out the water that you have put in the ground) propounded them was heartily received by the farmers as a compelling message to induce behavioral change and promote sustainable use of ground water resources.

(ii) Consultative Workshop on CPEC

Asian Development Bank (ADB) held a Consultative Workshop on CPEC in hotel Avari on 14 December, 2017 as part of series of consultation workshops in the federal and provincial capitals to discuss the scoping study being conducted by ADB, inter alia, on the potential benefits of Economic Corridors in Pakistan. These Workshops are intended to introduce the proposed technical assistance, its detailed coverage and outputs that would all be anchored in rigorous research to facilitate evidence-based decision-making process to promote

transparency, accountability and good governance. Dr. Mahmood Ahmad, Ms. Maham Asif and Ms. Tabeer Riaz represented BIPP in the Workshop. The scoping study on the potential economic corridors in Pakistan, focuses on key aspects such as economics, institution and regulation, poverty and inclusivity, empirical data and diaspora role. Findings from the study will hopefully contribute to more comprehensive work to be carried out under the proposed technical assistance on Supporting Economic Corridors Development (ECD) in Pakistan that is considered to be a key for achieving Pakistan's growth aspiration of 7% per year. Maximizing benefits from CPEC seem to constitute the kernel of the scoping study. Through sharing the key findings with the relevant stakeholders, their valuable feedback would be sought to, inter alia, identify strategic policy Interventions

and regulatory frameworks required to maximize the potential ECD benefits.

(iii) The 74th session of the Pakistan Engineering Congress on Water

Dr. Mahmood Ahmad presented his paper

on '*Water Accounting and Auditing to Manage Water Scarcity - Global experience and possible guidelines for Pakistan*' in The 74th session of the Pakistan Engineering Congress at Pearl Continental, Lahore on 27th December, 2017. The paper, he acknowledged, was prepared with the analytical and editorial support provided by Ms. Maham Asif of BIPP, who was also present as a participant in the conference. The paper was received very well by the audience which tapped into the participatory

approach in demand management of the water resources in Pakistan- a topic seldom discussed by the engineers. Day 2 of the conference was on Groundwater Management, Dr. Mahmood Ahmad participated as co-chair in the session, two presentations were made, Groundwater Management in Lahore city by Zakir Hussain Sial from the Irrigation Research Institute and Water logging Issues in Sindh by a representative from WAPDA. The Congress concluded successfully. Its report, once published, will be shared with BIPP also.

Maham Asif



Training and Staff Development Policy Analysis Matrix (PAM)

BIPP continues with the series of learning lectures and workshops for the capacity development of its staff. In November 2017, Dr. Mahmood Ahmad, conducted a three day training session at BIPP Committee Room on Policy Analysis Matrix (PAM). PAM helps policy makers to address three central issues of agricultural policy analysis namely: competitiveness of the agricultural systems under existing technologies and prices; the impact of new public investment in infrastructure on the efficiency of agricultural systems; and the impact of new

public investment in agricultural research or technology on the efficiency of agricultural systems. The three principal purposes of PAM methodology are: (i) to calculate private profitability – a measure of the competitiveness of the system at actual market prices; (ii) to estimate the agricultural system's social profitability – the result if products produced and inputs used are valued in efficiency prices (social opportunity costs); and (iii) to measure the transfer effects of policies.

The research team benefitted a lot from these sessions and thanked Dr. Ahmad for providing his valuable insights on the key policy making and analysis processes.

Starting from 2018, BIPP plans to introduce monthly round table consultations and learning sessions around the Sustainable Development Goals (SDGs). The first will be on the health related SDGs.

Atr-un-Nisa



From Think Tank Wing

Some Major Challenges which need priority attention in 2018

The year 2018 confronts us with multiplicity of major challenges nationally and globally. The most pressing of these include: (a) stress on the eco and bio systems as a result of severity and rapidity of impact of climate change and (b) the rising incidence of economic and income inequality.

The former, though not being recognized by the government or private sector in Pakistan with the seriousness and concern it deserves, could lead to disastrous and irreversible consequences. With the depleting regenerative capacity of the finite renewable

natural resources, the denudation of vegetative cover, soil desertification, over exploitation of fisheries, atmospheric pollution, and above all the exhaustion and contamination of ground water resources. Pakistan is already among the 10 worst affected countries in the world due to climate change.

At the global level, the situation also seems bleak in terms of the threat to the eco and bio systems of the planet earth. President Trump recent decision to withdraw from the Paris Climate Accord 2015 on the plea that the agreement posed a pernicious threat to the U.S. economy and sovereignty

inflicted a severe blow to the Accord of 2015 which embodied the United States pledge to cut its greenhouse gas emissions 26 to 28 percent below 2005 levels by 2025 and to commit up to \$3 billion in aid to support the poor countries by 2020. Since US is one of the largest polluters in the world, its reluctance and withdrawal will have a major impact on the international efforts to combat the increasing enormity of the adverse impact of climate change. A renewed and intensified resolve of the international community through United Nations, in particular, OECD

countries, China and India will be required to reinforce the targets of emission controls agreed in the Paris Accord and to convince US not to wriggle out of its commitment. As for the income and economic inequalities, the world continues to witness widening gap between the affluent and the poor. The richest 1% of the world's

population is getting wealthier, owning more than 50% of global wealth, according to 2017 report of the Credit Suisse while the bottom half of the global population owns less than 1% of the total world wealth. The richest decile holds 87% of the world's wealth and the rest of humanity has to contend with 13% of the world wealth. To make things worse, it is estimated that 10% of the richest individuals emit as much greenhouse gases to the atmosphere as the lowest 90%.

In Pakistan also, the state of inequality is on the rise. The richest 20% consume seven times more than the poorest 20%.

The enormity of problem as identified by Dr. Mahbub-ul- Haq in 1968 in terms of 22 richest family controlling the 66% of national assets, continue even today to plague and thwart the efforts for distributive justice. Pakistan Multi-dimensional Poverty Index shows that 54.6% of rural Pakistanis are poor compared to 9.3% in the urban areas. This huge disparity and inequality especially in income pushes society toward instability and disintegration.

These are the universal challenges that the whole world must address with urgency and earnestness.

Shahid Najam



From Finance and Administrative Wing

ISO 9001-2015 Certification:

The Shahid Javed Burki Institute of Public Policy at NetSol (BIPP) has been awarded ISO 9001-2015 certification after thorough verification of the quality of its HR, financial and asset management systems. The Pakistan Branch of the Bureau Veritas Certification after series of consultation and audit procedures has certified that the BIPP management system fully accord with the prescribed international quality and management standards.

Finance Department, a pillar of an Organization:

BIPP Finance Wing, with the induction of the new finance and Operations Manager, is now equipped with the necessary skills mix and analytical ability to further improve its HR, financial, accounting and

asset management functions. Better financial planning, budget management and austerity measures contextualized in the BIPP's short term and long terms financial health, have already started paying dividends and resulting in the efficiency gains. The liaising with auditors is being effectively carried out to ensure proper monitoring and veracity of accounts. FWBIPP's networking with the stakeholders and external partners notably with the auditors, solicitors, bankers and statutory organizations such as the Inland Revenue and Federal Board of Revenue is being pursued effectively.

BIPP Employees Provident Fund Account

A Board Resolution was passed in the 4th BOD Meeting of 30 Oct 2017 for opening

a separate bank account of Employees Provident Fund. Accordingly, long and cumbersome procedure for opening the new account with the Muslim Commercial Bank is under way to benefit BIPP employees.

Audit for the Fiscal Year 2016-17 and Tax returns

The audit for the fiscal year 2016-17 has been successfully completed and the financial statements arranged for publication. The submission of WHT Returns on monthly basis and Annual Income Tax Return for the year 2017 has also been filed with BIPP status as "Filer"

Awais Khalid

From Knowledge Management Wing

Recent Publications Policy Brief

- Review of National Narratives
<http://www.sjbipp.org/publications/PB/pdf/PB-45-17.pdf>
- Epitomizing Non-CPEC Foreign Direct Investment in Pakistan
<http://www.sjbipp.org/publications/PB/pdf/PB-44-17.pdf>
- Pakistan's Population Troubles
<http://www.sjbipp.org/publications/PB/pdf/PB-43-17.pdf>

Issue Brief

- Limits to Freedom of Gender Equalizing Expression
<http://www.sjbipp.org/publications/IB/pdf/IB-08-17.pdf>
- LEAVE NO ONE BEHIND: End Violence against Women and Girls
<http://www.sjbipp.org/publications/IB/pdf/IB-07-17.pdf>

Working Papers

- Annotated Bibliography – Building Integrity
<http://www.sjbipp.org/publications/RP/researchpaper/RP-19-17.pdf>

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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

