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NEWSLETTER

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From the Desk of the Vice Chairman

The First 100 Days- the Governance Challenge

Pakistan Tehreek-i-Insaf (PTI), during the pre-election campaigns and public rallies, pledged vociferously to, inter alia, improve the governance dysfunction, establish rule of law and ensure responsiveness of the state apparatus to the felt needs of the people. PTI presented on 20 May 2018 an ambitious agenda of the first 100 days of coming into power which included: governance transformation, strengthening the federation, revitalizing economic growth, rational optimization of agriculture and water, revolutionizing the social services sector and

ensuring Pakistan's national security. The "New Pakistan" slogan, rekindled the hopes and raised people's expectations phenomenally for a better Pakistan and as such PTI was voted into power.

The new government, indeed inherited massive governance challenges given the decadence and relegation of the public sector institutions over the last three decades to a pathetic functional state of "politico-ruler servitude". It soon embarked on implementing the 100 days agenda. Out of 34 deliverables envisioned, according to a report released on 29 Nov 2018, 18 have been accomplished (mostly the legal and reform frameworks and packages) while work on 16

Previous Publications



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deliverables are in progress including NAB and Civil Service Reforms. Depoliticization of Police which figured prominently in the pre-election campaign strangely seems to have been relegated to periphery.

There is no doubt that some of these initiatives if implemented diligently will bring about a transformative change in terms of a more responsive, responsible and accountable governance. The major issue, however, is not the "design" but the actual "delivery" of the reform measures to create a positive impact on the life and well-being of the people.

It appears that PTI did not carry out the prior home work to gauge the enormity of the challenges and as such pitched the reform agenda and performance targets of first 100 days much beyond the capacity and competence threshold of the Party. It envisioned "change and transformation" but did not carve out change management strategy.

Consequently, there is a discernible perception among the expert analysts and the

general people as to increasing adhocism, reactive modus operandi and haphazard approach to pursuing the governance reforms.

We earlier proposed and wish to reiterate a two pronged strategy to create an impact of improvement in governance: the first prong covering relatively a longer period between now and 2023 to reform the pervasive institutional and systemic dysfunctions in the political, economic, social, judicial and executive spheres of governance; and the second prong, for the immediate horizon, to improve the governance at the interface level between the public sector and the citizens for reducing the credibility deficit and visibly demonstrating the "culture of change".

More specifically, in the first 100 days, the government should have focused on the four major functional domains with utmost speed and high priority:

- (a) Improvement in the law and order and watch and ward function for peace and security of the citizens including a visible albeit progressive change in the "Thana culture", respect and dignity of citizens and control of street crime;
- (b) Better traffic management, removal of streets and roads' encroachment and control of unauthorized parking lots -a very potent and compelling vehicle to demonstrate rule of law and enforcement of the writ of state;

- (c) Efficient and effective management and delivery of and access of public to the already available basic services and utilities by toning up the relevant state apparatus;

- (d) Optimizing the operational efficacy of the municipal and local administrative machinery to carry out especially patch work on the roads, repairs of streets and sanitation system etc.

This would have been accomplished within the existing human, financial, institutional and organizational resources and the through enforcement of relevant legal, regulatory and planning frameworks. What is, however, required is much needed political commitment and administrative will as also faithful implementation of monitoring and accountability mechanisms.

**Shahid Najam,
Vice Chairman**

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



Message of the Month

Poverty, water scarcity, climate breakdown, food and health quality are the major development challenges related closely to agriculture. On top, the farmers and governments seem to have been ruthlessly bamboozled and conned by the global agrochemical, pesticide

and seed industries. At present, there is a credible piece of evidence to show that 'farming for the poor is more catastrophic than climate breakdown'. Vegetation has sustained and thrived for millions of years without deficiency of nutrition or threats from insects and diseases. The unbridled industrial agriculture characterized, inter alia, by massive usage of inorganic inputs increased the cost of production, decreased the food quality, degenerated soil and depleted the precious water resources.

Pakistan, Punjab in particular, has historically been food surplus. We must harness its full potential to generate exportable surplus by following the natural processes of vegetation for which the farmers need to know what is working and how. Empowering and educating the rural youth at the same time, to become our future farmers is an absolute imperative. If given the right opportunity, they have the energy, creativity and desire to enact change and build the food systems of tomorrow.

Asif Sharif

Chairman & CE

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From Think Tank Wing

Potential for Agricultural Growth

Agriculture Sector holds immense potential to spur sustainable economic growth in Pakistan. The GDP growth rate in Pakistan is generally dependent upon the growth rate in agriculture sector as it accounts for about 21% of GDP and employs about 43% of the labor force. During 2017-18, agriculture sector recorded 3.81 percent growth rate and surpassed its targeted growth of 3.5% and last year's growth of 2.07 %. Pakistan is uniquely endowed with vast areas of fertile agriculture land and one of the largest irrigation systems in the world. Two third of its population is estimated to reside in the rural areas whose major source of

income is agriculture and agriculture related activity.

Pakistan has yet to exploit its full potential in agriculture as it is still far behind its peers in terms of farm productivity. It is the right time to initiate policies to boost productivity and agro-based exports. In terms of climatic conditions, water and soil availability Pakistan enjoys a natural advantage for the cultivation of all the major crops. In the case of cotton, Pakistan is the 5th largest cotton producing country in the world but in terms of textile products exports, we are ranked amongst the lowest. To utilize this potential we need to dramatically improve both quality and productivity to achieve higher export values. Keeping in view the agricultural prospective of the country and to encourage the farmers government has announced some incentive

measures in the budget 2018-19.

Incentives: Budget 2018-19



Uniform GST of 2% on all fertilisers from July 1



The agriculture credit limit for the next fiscal year is Rs 1.1 trillion with reduction in interest rate



GST on agriculture machinery to be cut to 5 % from 7%



PIU value will increased to Rs 6,000 from Rs. 5,000



Proposed Agriculture Research Support Fund with an initial allocation of Rs.5 billion

The China Pakistan Economic Corridor (CPEC) has also unfolded many opportunities to fully utilize the agriculture export potential and seek access to the Chinese market.

Tabeer Riaz

Research Associate

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From Knowledge Management Wing

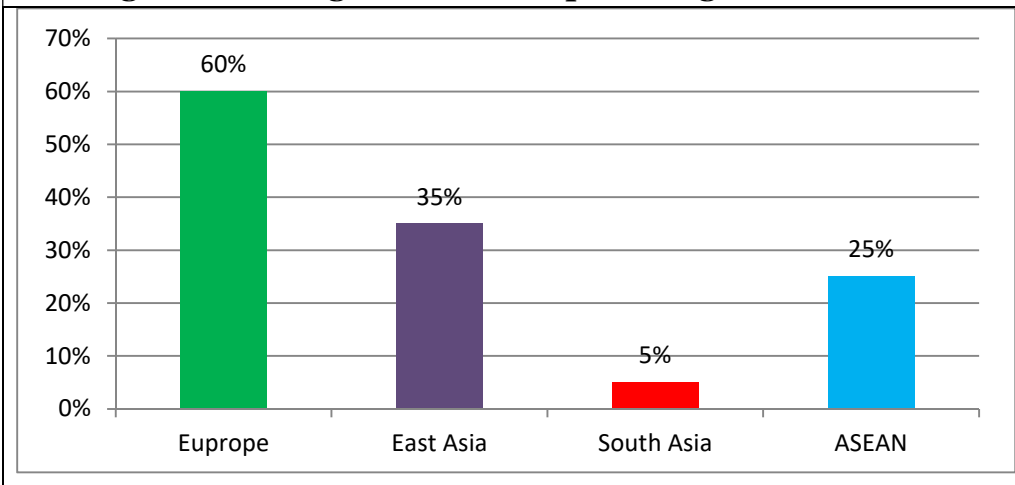
Intra-regional Trade in South Asia

Regional integration is a process in which states enter into a regional agreement in order to enhance regional cooperation through regional institutions and rules e.g. EU, ASEAN, NAFTA SAFTA, SADAC etc. The key objectives of regional integration includes cementing trade linkages in the region, economic growth, development of private and public sector, good and responsive governance, contribution to peace and security in the region and stimulating regional interaction with other regions of the world.

According to World Bank, South Asia is the fastest growing region in the world with a population of 1.67 billion people and economic growth of 7.1 percent over the last decade but at the same time, it is one of the least integrated regions with lowest intra-regional trade in world. Intra-regional trade accounts for only 5 percent of South Asia's total trade as compared to 25 percent of ASEAN's trade (See Figure below). Trade barriers and lack of connectivity have impeded the intra-regional trade. The other major factors behind the low level of intra-regional trade include high trade costs, investment restrictions, historical political tensions, frozen conflicts, trust deficit between the countries, poor border infrastructure and facilitation variety of high tariff barriers. Cumulatively, these factors hinder intra-regional trade and make goods and services more expensive and highly uncompetitive.

There is a huge gap between the real trade and the potential trade which could be three times more than the current trade among the South Asian countries. If the trade barriers and impediments are gradually removed, the current South Asian trade could be enhanced from \$23 billion to \$67 billion (World Bank). Reduced trade restrictions can also increase Pakistan- India trade from \$3 to \$20 billion and raise Bangladesh exports to India by 300 percent. Progressive liberalization, investment promotion to foster value chains, strengthening facilitation of transport and trade at border, peaceful resolution of the perennial conflicts and comprehensive effort for greater cooperation through the existing mechanisms like South Asian Association for Regional Corporation (SAARC) can help increase trust and drive regional integration.

Figure: Intra-regional Trade as percentage of total Trade



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From Education and Learning Wing

A Training Session with the Directors of L&DD on China Pakistan Economic Corridor at UVAS on 08-10-2018

A training session was held in the University of Animal and Veterinary Sciences, Lahore (UVAS) on *China Pakistan Economic Corridor: Review and Policy Analysis* for senior field staff including Directors of Livestock and Dairy Development Department Punjab as part of the capacity development initiative of L&DDD. Mr. Shahid Najam,

Vice-Chairman the Shahid Javed Burki Institute of Public Policy at Netsol (BIPP), accompanied by Dr. Mohammad Qaseem, Head Business Development and Advocacy Wing of BIPP, conducted the session. The participants were briefed about the strategic rationale of China behind the Belt and Road Initiative (BRI), its size and scope (BRI proposes \$3 trillion investments over next 30 years in nearly 64 countries represent almost 60% of world population and 33% of global GDP; the importance of China Pakistan Economic Corridor (CPEC) as a key component and front runner of entire BRI; and how Pakistan could maximize the benefits associated with CPEC to achieve sustainable human development.

The participants showed keen interest and raised quite a few issues keeping in view the enormity of development

challenges which Pakistan faces- especially poverty and regional disparity. A strategic shift in development planning and programming, need for technology/knowledge driven entrepreneurial economy and inclusive development, and greater economic integration with Global Production Networks and Value Chains were emphasized. It was also observed that CPEC agenda should go beyond energy and infrastructure sectors and focus on local productivity gains in the agriculture, small and medium enterprises and trade and commerce sectors.

During the course of the session, an engaging interaction on issues like leadership, core competencies and managerial skills substantively added to the usefulness of the session.

Dr. Qaseem

Head of Business Development and Advocacy Wing

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





From Education and Learning Wing

CPEC and SMEs: A new perspective

The recent series of agreements between China and Pakistan within the China-Pakistan Economic Corridor (CPEC) Framework, is being viewed as a turning point for the Pakistani economy. There is, however, a considerable degree of nebulosity and dearth of detailed information on the major components being implemented under the CPEC long term plan especially with regards to CPEC potential for stimulating sustainable economic development. BIPP invited Mr. Siddiq ur Rehman Rana a veteran in the fields of small and medium industries (SMEs) and industrial development with a focus on China to present his perspective to the BIPP team. Mr. Rana, averred that SMEs sector offered maximum potential under CPEC to spur economic development. He proposed a four-key component model to optimize CPEC benefits for SMEs. Firstly, wealth creation through SMEs through micro level grass root assessment of industrial and agricultural produce potential at Tehsil level; secondly incentivizing

value addition to products by training, technology, markets and finance; thirdly engaging private sector in economic zones investment; and lastly, creation of a knowledge corridor through CPEC. The model does not demand huge investments from the government rather it seeks for a paradigm shift in the policy approach towards development. In response to the queries and questions, Mr. Rana stressed that CPEC could transform Pakistan to become a trading hub specializing in exporting goods and technology rather than merely a transitory route for the passage of good and products. With improved production that matches domestic and international demand, the country would set on a path of self-reliance by import substitution and focusing on the production of needs-based value-added export goods. Agriculture, minerals, and engineering are key components for SMEs. Mr. Rana also argued that synergy between expatriates, civilians and the military was sine qua non to make the country a leader in exporting engineering goods to China and other potential markets.



Visit of Mr. Saleem Ranjah EDG, Board of Investment Pakistan

Mr. Saleem Ranjah who is currently serving as the Additional Sectary/Executive Director General of the Pakistan Board of Investment, Islamabad has joined BIPP as a member of the institution's Advisory Council. Prior to assuming the EDG office in BoI, he held key leadership positions in government and non-government organizations such as the National Vocational and Technical Training Commission (NVTTC), Akhuwat (Foundation), Taleem Foundation, and Benazir Income Support Program (BISP). Mr. Ranjah has also successfully designed and implemented a rural development project in Sargodha covering education, health, interest-free microfinance, agriculture extension and skills building of local community.

Mr. Ranjha visited BIPP office on November 23, 2018 and shared with the staff his innovative ideas to achieve highest standards of performance and efficiency towards realizing the strategic objectives of an organization. He familiarized the staff with Data Management System (DMS) by demonstrating the scope and potential of the indigenously



developed DMS under his leadership at the Pakistan Board of Investment, Islamabad. The DMS has enormously improved department's operational efficiency in terms of timely, transparent and environment friendly conduct of official business and activities. He emphasized that with such a software, it has been made easy to keep track, ensure storage and trace edits in the file and indeed the entire decision process. It also cuts on the use of paper and saves time by digitally providing access of relevant documents to concerned individuals. It was agreed to benefit from Mr. Ranjha's expertise to enhance BIPP data management capacity and other ventures in the future.

BIPP's Vice Chairman Extension Lecture at the Civil Services Academy, Lahore

On November 22, 2018, the Vice Chairman BIPP, Mr. Shahid Najam addressed the participants of 46 Common Training Program at the esteemed Civil Service Academy, Lahore. The topic of his lecture was, "Competency Framework for Human Resource

Management" which aimed at familiarizing the newly recruited batch of young Central Superior Services (CSS) officers with the integrated competency framework (ICF) for effective utilization and management of human resources as also enabling them to develop managerial and leadership traits. It should be noted that during the course of his career with the United Nations, he was involved in the design and implementation of ICF in the entire gamut of HRM i.e., recruitment, deployment, development, career growth and succession planning. The speaker dwelt on the challenges faced by the organization especially the top leadership in human resource management emphasizing that acquiring talented and the brightest workers was just the beginning- the key challenge was to retain them 25 years down the line with the same energy, motivation, commitment and creativity which they exhibited at the inception of their career. He elaborated on the "integrated competency framework" which presented an amalgam of three inextricably intertwined set of competencies: (i) the core values; (ii) the managerial competencies; and (iii) job-specific competencies. Combined these traits lead to effective management of an organization. The last chunk of his presentation was dedicated to explaining a 'senior management competency framework'. This sub-model

focused on the need to develop leadership, complexity management and relationship management skills amongst the top management. The framework provides a successful tool for human resource management in government and non-government organizations. The probationer raised a number of interesting and pertinent questions as to the progressive decadence of the state institutions and civil services to which he responded by inter alia alluding to praetorian bureaucratization of the political system and subsequent politicization of the state bureaucracy where mediocrity and loyalty became the sole determinant of career progression and deployment and values of merit, integrity, commitment, objectivity and ethics were dispatched to the dustbin of HR management. He strongly argued that while the ruler-political elite were responsible for this deterioration, the civil service as an institution was to be apportioned major blame having succumbed to the nefarious pressure in the myopic pursuit of postings, perks and privileges.



BIPP Collaborates with Civil Service Academy, Lahore

Recently, the Civil Services Academy approached BIPP to supervise the syndicate research assignment of the probationers as part of their training program to enhance knowledge, work in team and develop skills for high quality research. Accordingly 14 probationers along with their coordinator visited BIPP on 29 November 2018 for the purpose. The research topic decided in conjunction with CSA was: China Pakistan Corridor- Potential for Sustainable Development and Poverty Alleviation. The participants were given a

presentation covering the overview of BIPP's areas of strategic research, the methodology and brief description of the salient features of the syndicate research assignment and the expected envisaged. The participants agreed with the distinctive value add which would provide to the research work in terms of coming with a Knowledge Product (upstream policy recommendations) and Development Intervention Model (downstream program) to make the research effort more meaningful and solution oriented. This will also enable the participants to gain insight to the development practitioner perspective compared to the core research work.

The probationers were also introduced to BIPP's research team which in addition to VC, will

assist the group work on various components of the assignment. Towards the end, the following was accomplished in the first sessions:

- selection by consensus of the Chairman and Secretary of the Group for research work;
- agreement on the methodology - inclusive, participatory, voluntary and socially cohesive;
- establishment of three groups for the components: sustainable development; CPEC framework; an potential for poverty alleviation;
- the tentative allocation of the individual assignment;
- BIPP's focal points;
- compliance of the timeline or various stages of the research work

The Chairman and Secretary will revert to BIPP during next week advising the allocation of individual specific assignment.



Kainat Shakil
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- US-China relations: a dilemma for Islamabad
- Imran must keep working relations with Iran
- The US challenge to China

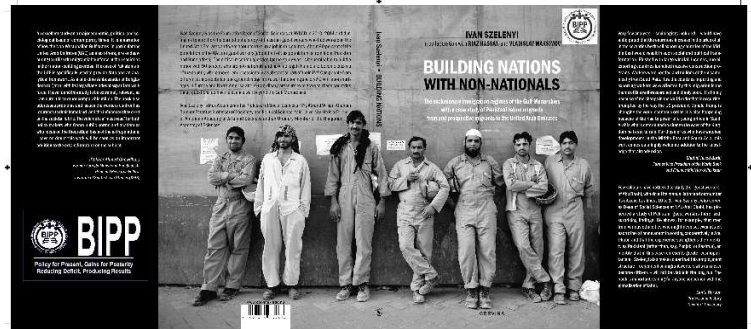
In addition to the briefs and articles a book titled “Building Nations with Non-Nationals” by Ivan Szelenyi, Riaz Hassan and Vladislav Maksimov has been published by the institute.



From Knowledge Management Wing

BIPP during the preceding two months has produced a number of policy brief and articles, in particular the following:

- America’s travails in Afghanistan
- Politics of hate and extremism in India
- Pakistan’s place in the Trump global disorder
- PM Imran Khan’s maiden trip to China
- In Japan, China finds a new friend
- Dense fog is coming back again over Lahore
- An existential moment for Afghanistan



Ali Asghar Gill
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From Finance and Administrative Wing

Financial Market Situation

The high volatility in the stock and financial markets continue to impact BIPP's endowment funds investment both capital and the monthly returns. Devaluation of PKR against dollar and increase in the interest rate will hopefully engender recovery within coming two weeks.

Audit for the Fiscal Year 2017-18

BIPP as a registered non-profit entity under Societies Act 1860 is in the process of getting its annual financial account for the fiscal year 2017-18 audited. BIPP is regularly submitting its WHT Returns on monthly and timely basis. The submission of Annual Income Tax Return for the year 2018 is an under process.

New Hiring



Ms. Kainat Shakil has joined BIPP team in Nov 2018 as Research Associate. We wish her best of luck and look forward to working with her as a dynamic and creative team member in our research and consultancy assignments.

Awais Khalid
Manger Finance
The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan

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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

