

# NEWS LETTER



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“ Pakistan is one of the most vulnerable countries to extremity of the climate change and is ranked fifth most vulnerable globally.

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- From the Desk of Chairman

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## Another Look at America's Afghanistan Involvement

It's been more than two decades since the United States sent in its troops to Afghanistan to punish the Taliban regime that was in office at that time. It had allowed the Saudi renegade prince Osama bin Laden (OBL), to establish a base in south Afghanistan where his followers trained people who launched what came to be called the

9/11 attacks on the United States. The planes hijacked by the OBL-trained pilots hit and destroyed the iconic World Trade Towers in South Manhattan and did some damage to the Pentagon, the headquarter of the American military.

Then President George W. Bush promised that the regime in Kabul would be punished for this incident. In late 2001, Washington sent in its troops into Afghanistan and, working with the forces of the Northern Alliance, a non-Pathan force based in the country's northeast, resultantly the Taliban regime in Kabul was dislodged. Its senior officials managed to escape and most of them crossed the range of mountains on the border with Pakistan and relocated in the Pathan dominated cities of Quetta and Peshawar. From there they continued to launch attacks on the Americans who stayed in the country for two decades.

After having concluded a treaty with the Taliban negotiated by Zalmay Khalilzad, the Afghan-American diplomat, Washington agreed to withdraw its troops from Afghanistan. This was done in some haste on August 15, 2021, that brought the Taliban back to power in Kabul. The pull-out was chaotic and resulted in the deaths of 13 American soldiers and scores of Afghans. The Afghans were killed at the Kabul airport as they were attempting to flee from the country. Ultimately tens of thousands of them found their way into the United States where they have added to the large and growing-in-number Afghan diaspora.

It has been clear for some time that America's long involvement in Afghanistan needs to be studied to guide future policies that takes the United States to foreign lands. To undertake this exercise, Congress establish a 16-member Commission headed by Sharmila N. Choudhry,

a scholar of Pakistani origin. "Today we make history," she said on the first day of the Commission's deliberations. She will work with her co-chair, Colin F. Jackson, a former Defense Department official. "Never before has the United States commissioned such a wide-ranging independent legislative assessment of its own decision-making in the aftermath of a conflict," said Choudhury when she opened the Commission's discussions.

The Commission will study what went wrong and what the American leadership could do differently the next time their country goes to war. Their mandate encompasses policies adopted and actions taken by four presidential administrations that were involved in the Afghan affair, the State Department, U.S. allies, and many other organizations and people. Feeding into the Commission's work will be the report written by the Republican Party's House Foreign Affairs Committee Party. According to a newspaper analysis the work of the Committee has "featured hours of heated debate and sometimes emotional testimony from Biden administration officials, military commanders, veterans and their families."

The Commissioners, in their opening statements, acknowledged that their mandate has become vast – to cynics, perhaps so ambitious as to be almost impossible to carry out. "But for many of us, the war still lingers in our minds. We carry the moral, physical and emotional injuries in our daily lives," co-chairperson Choudhury said. "Closure may not be possible for everyone. But space is needed for civic discourse." The Commission, no doubt, will give special attention to the involvement of Pakistan in the United States work in Afghanistan.



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## Tapping the Potential of Carbon Markets

Carbon markets serve as a tool to price carbon emissions to enable trade in carbon credits or carbon offsets. There are two primary types of such markets in vogue: compliance and voluntary. The former are largely government-regulated systems to establish limits to greenhouse gas (GHG) emissions e.g., “cap-and-trade principle”. The businesses which reduce their emissions, below the set limits, can trade their surplus ‘allowance’ as carbon credits to those exceeding the emission limits.

Voluntary carbon markets provide a platform for businesses to counterbalance their GHG emissions on their own volition. They could acquire carbon credits from authentic project developers or brokers based on well-defined criteria and verification by independent, third-party standard organizations such as Verra and Gold Standard Foundation.

While the official global carbon market has not been established as yet despite a fervent debate spearheaded by the United Nations under Article 6 of the Paris Agreement, a voluntary carbon market has already evolved with a potential of generating around \$969 billion to allow transition of both developed and developing countries to low-carbon economies.

Pakistan is one of the most vulnerable countries to extremity of the climate change and is ranked fifth most vulnerable globally.<sup>1</sup> In order

to address the climate change impact, the country updated its Nationally Determined Contribution (NDC) in 2021 which, inter alia, envisaged a conditional target of reducing emissions by 50% by 2030, shifting to 60% renewable energy and 30% electric vehicles; and a complete ban imported coal.<sup>2</sup> With overall ranking at 30 on the Climate Change Performance Index 2024, the country has been rated low in climate policy category, a very low in renewable energy and high in GHG emissions and energy use.

The country has huge potential for carbon investments and carbon trading to earn much needed revenues through carbon credits to address the twin challenges of sustaining economic growth and reducing emissions in compliance of NDC targets 2030. On the contrary, India is the second largest earner of carbon credits with its voluntary carbon market estimated to exceed \$1.2 billion.

Pakistan, therefore, needs to take effective set of measures to enable the country benefit from carbon market and trading including:

1. **Policy, Legal and Regulatory Frameworks:** The existing policy and regulatory frameworks should be updated based on available best practices e.g., European Union (cap-and-trade system together with the legal and regulatory frameworks).
2. **Institutional Mechanism:** An independent regulatory body should be established in conjunction with the Ministry of Climate Change and the related Provincial departments to ensure and oversee transparent operation of carbon markets in the country.
3. **Commodity Trading:** Pakistan should explore how the outcomes of projects like

the billions of trees plantation could be developed into a commodity for trading in the international carbon markets (Indonesia has already earned substantial carbon credits through its sustainable forestry management projects).<sup>3</sup>

4. **Increased Revenue:** China, Saudi Arabia and UAE have substantial carbon foot prints. The country could avail these carbon markets and potentially generate \$2 to5 Billion by 2030. China, in particular, is set to launch the world's largest carbon emissions trading scheme by 2025 (the 14th five-year plan, prioritizes carbon trading, including online trading).<sup>4</sup> Pakistan could access China's program by offering carbon offsets at cheaper rates.
5. **International Funding:** Pakistan could unlock Green Climate Fund with carbon-offset projects like high value Sindh mangrove restoration and trade carbon credits for prices ranging from \$1 to \$50, with credible organizations like Verra and Gold Standard.

#### Reference:

- <sup>1</sup> [pid.gov.pk https://pid.gov.pk >](https://pid.gov.pk)
- <sup>2</sup> [Climate Change Performance Index 2024 https://ccpi.org/country/pak/#:~:text=Pakistan%20ranks%2030th%20ov](https://ccpi.org/country/pak/#:~:text=Pakistan%20ranks%2030th%20ov)
- <sup>3</sup> [Vision of Humanity https://www.visionofhumanity.org > how-Pakistan-can-...](https://www.visionofhumanity.org)
- <sup>4</sup> Ibid



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## Climate Change—Carbon Dioxide Removal

Forestalling the irreversible impacts of Climate Change by 2100 will require actively and efficiently pulling carbon out of the atmosphere. According to the Intergovernmental Panel on Climate Change (IPCC) the Earth is on track to warm by about 3.2 degrees centigrade by the end of the century, relative to pre-industrial times. Even if all nations meet their current emission-reduction pledges, the world would still warm by 2.7 degrees by century's end.

That is significantly higher than the target of 1.5 to 2.0 degrees centigrade agreed by the 2015 Paris Agreement signed by 195 nations. The current trends of temperature increase on earth indicate that the 1.5-degree benchmark will be exceeded by the mid-2030s. This will increase the risk of climate events like deadly heat waves, more intense and more frequent storms, and accelerated melting of land-resting glaciers leading of inundations of coastal cities.

The most recent IPCC Report notes that we will have to begin employing carbon-extracting technologies now, not later. The US National Oceanic and Atmospheric Administration has invented a term for this process of carbon dioxide removal—CDR. The technologies for CDR are in their infancy currently drawing only about 2 billion tons of CO<sub>2</sub> per year out of the atmosphere. That is a small fraction of the 37 billion tons of CO<sub>2</sub> currently emitted yearly by

humans' energy consumption. Most of the CDR is from natural processes—forests-- planting more and/or managing them better.

To remain on track with the Paris Agreement targets the world needs to remove 10 to 15 billion tons annually by 2050. And by the end of the century the CDR required will be between 400 to 1000 billion tons annually. Where in the above range we have to be dependent on how much and how quickly we reduce carbon emissions during that period.

Land based CDR, including planting trees, restoring coastal ecosystems and building facilities that directly capture CO<sub>2</sub> from the air can take us only up to 10 billion annually. Further, such estimations must ensure sufficient area for food, water and biodiversity preservation. And whatever increases we can achieve in the productivity of the saved land.

So, the big suggestion is to tap the CDR capacity of the oceans. That may be done by increasing the abundance of oceans' photosynthesizing organisms, increasing the water's alkalinity so it can absorb more acidic CO<sub>2</sub>, and build CDR facilities in the oceans themselves.

But, Oceans 'waters are complex and always in motion making shifts in chemistry difficult to reliably monitor.

The two biggest challenges are time and seriousness of national efforts. If we do not begin NOW, we may not be able to save the earth from uncontrolled warming. We may have to say good bye to humans and evolve into creatures who can survive in the new earth—hot, humid, with non-human predator.



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## Outline of the Sectoral Plan for Industries Sector

### I. Overview

The Sectoral Plan addresses the challenges and strategies related to industrial growth, innovation, and policy interventions in Pakistan, in the context of the current macro-economic challenges. It outlines the current state of industrialization, identifies target gaps, and presents major initiatives aimed at enhancing productivity, competitiveness, boosting investment and sustainable development.

The limited fiscal space in Pakistan means that extra care needs to be given towards targeting industrial growth plan. A lopsided balance of trade means that export competitiveness should also be a central pillar guiding plan. Thus, these constrained funds should be targeted towards sectors that can have the largest impacts on growth and exports. While planning to target selection of sectors and the policy incentives we need to focus on sectors with the largest external economies of scale as they stand to benefit most from the industrial growth plan and policy. This is because they will see the largest increases in productivity vis-à-vis the incentives given. More importantly, a change of mindset and a putting in place an incentive structure which is aimed at building capabilities and continuously allocating resources from less productive to more productive activities are necessary for achieving any meaningful transformation. However, the incentives must be conditional on

achieving explicit targets for productivity gains and exports. For instance, explicit targets and conditions, such as export quotas, were set for the South Korean industrial conglomerates (chaebol) to continue receiving subsidized credit and other benefits. If firms failed to meet these targets, the government cut support off, allowing them to fail. As much as possible our sectoral plan should foster competition within and among beneficiary firms.

However, this does not mean that the sectoral plan should only focus on high end firms with the potential to be nudged into export leaders. Sectors (or firms at different points in the value chain within a sector) that face greater input distortions will also see greater responses to policy incentives. Special focus needs to be on nudging businesses that face distortions to get closer to their ideal size.

The bias in favour of higher import duties which in actual acts as export taxes has to be fixed. The cascading import duties result in export substitution. Increase in import duties in upstream sectors have reduced productivity of downstream firms. The sectoral plan while remaining conscious of lower downstream industry's problems also tries to address the lower productivity of these firms that are protected from import competition as they tilt towards higher profit margins by selling domestically rather than making any effort at becoming upstream exporters.

Lastly the aim of the Industrial sectoral plan should be to reduce the footprint of government and enable private sector to lead the industrial growth. The emphasis being on achieving broadly the following areas that are at the most serious impediments in the Growth Process:

- High Productivity and competitiveness through technology upgradation, pathway to industrial innovation, and removal of distortions through better allocation of resources

- Attracting export oriented or efficiency enhancing FDI. It is essential that there is a prioritization also in the effort and spending to attract and support FDI that produces goods at the final stage and which can be exported and subsequently result in higher growth. An efficiency enhancing FDI will require active policies to reduce trade costs, stream lining regulatory environment and reduce allocative distortions.
- Incorporating climate change and green transition: These considerations can open new markets abroad; especially as global buyers demand greener production processes. It can also facilitate adaptation.
- Employment generation through deepening of value chain integration and enhancing culture of entrepreneurship. Special focus on facilitating and enabling Women inclusion in Finance and Entrepreneurship.
- Inculcation of "reflexive institutions" (Dryzek & Pickering, 2018) which can self-correct as part of an iterative feedback loop. To roll out an outcome-based plan we need to have institutions like Ministry of Industries and Production and its ancillary agencies that can be self-critical, reflexive and iterative in their approach. We need to develop our Ministry of Industries into a dynamic entity that can metamorphose after scrutinizing its failures and successes. A mechanism within the Ministry to assess progress of various initiatives in terms of their desired outcomes needs to be established within the Ministry.

## II. Assessment of Current Challenges

1. *Low Total Factor Productivity*: Inefficient utilization of resources leads to low productivity. It is a multifaceted issue stemming from a combination of interconnected factors such as, issues with

technology, skilled labour, institutions, and policies.

2. *Low efficiency* enhancing FDI in Pakistan is mostly inward oriented with limited productivity spillovers to the rest of economy.
3. Pakistani Firms are smaller in size than in most comparator countries and struggle to grow.
4. *De-Industrialization*: Continually declining industrialization in the country due to non-existence of an Industrial Policy, inefficient resource allocation and high cost of doing business.
5. *Declining Manufacturing Share*: In external trade, primarily driven by high energy costs, tariff, and monetary policy regimes.
6. *Missing Industrial Transformation*: Economy has remained stagnant and to be dominated by similar low value-added manufactured goods and primary products over the past many decades. Industrial transformation from low-yielding to high-yielding sectors is required to boost the economy.
7. *Investment and Regulatory Environment*: A robust investment and regulatory environment is the cornerstone of economic growth, stability, and prosperity. Therefore, there is a dire need for simplification and improvement in regulatory environment for attracting foreign direct investment and improving the investment climate.
8. *Entrepreneurial Ecosystem*: Entrepreneurship is a key source of driving innovation and transforming new knowledge in to good and services. Pakistan currently ranks 120 on the Global Entrepreneurship Development Index (GEDI), creating a favorable entrepreneurial ecosystem will pave the way for industrial innovation and growth.

**III. Sectoral Plan for Industrial Development can only succeed if it follows the Pathway for Industrial Innovation: Export Enhancement, Value Addition and Diversification**

The industrial innovation pathway being proposed in the plan is a multifaceted process that allows a continuous iterative process of creative destruction, whereby the firms would be encouraged to learn while doing. By focusing on the following key steps, industries can foster a culture of continuous innovation, leading to sustainable growth and competitiveness across the industrial sector. The six (06) specific pathways include:

### **1. Policy Incentives to Upgrade Technology or Invest in Product Value Addition**

These incentives may take various forms, such as conditional tax credits and regulatory concessions aimed at encouraging businesses to upgrade their technology or invest in adding value to their products. By reducing the financial burden associated with these upgrades, policy incentives shall assist companies stay competitive in an ever-evolving market.

### **2. Training, Prototype Development, Capacity Building for Technical Know-How**

A robust industrial innovation pathway necessitates a focus on human capital. Training programs and capacity-building initiatives are essential to equip the workforce with the technical know-how required for modern industries. Developing prototypes and engaging in hands-on training shall bridge the gap between theoretical knowledge and practical application, thereby enhancing the overall skill set of employees and fostering a culture of continuous learning and innovation. It shall also increase labour productivity, thereby contribution to increased total factor productivity.

### **3. Creative Destruction – Schumpeter & Feedback**

The concept of creative destruction shall be promoted in firms to replace outdated

technologies and business models, leading to economic growth and transformation. Feedback mechanisms within this process shall allow for the refinement and improvement of innovations, ensuring that only the most effective and efficient solutions prevail in the market.

#### **4. Firms as Agents of Change – Injection, Adoption, or Diffusion**

The government shall support firms towards adopting a proactive approach to identifying opportunities for innovation, investing in research and development, and collaborating with other stakeholders to ensure the widespread adoption of new technologies.

#### **5. Product Development and Diversification**

Continuous product development and diversification are essential components of an effective industrial innovation strategy. By developing new products and diversifying their offerings, companies can mitigate risks associated with market saturation and changing consumer preferences. This approach will not only help in maintaining a competitive edge but shall also open up new revenue streams and markets, contributing to long-term business sustainability.

#### **6. Innovation or Acquisition of Technology Creates New Policy Demands**

The introduction of new technologies often leads to the emergence of new policy demands. Governments and regulatory bodies shall adapt to these changes by developing and implementing policies that support and regulate technological advancements. This includes addressing issues related to intellectual property, cybersecurity, and ethical considerations, ensuring that the benefits of innovation are maximized while mitigating potential risks.

#### **IV. Focus Areas That Would Have Greatest Impact on Productivity, Competitiveness, Export -Oriented Efficiency Enhanced FDI, Inclusivity and Sustainable Growth**

Understanding where constraints are greatest in each sector is an important area for analysis. Ensuring productivity growth and job creation in services could rest on encouraging low-skilled job creation of firms in non-tradable sectors and the provision of public inputs and technologies that complement labor, especially for smaller businesses. Well-designed incentives for universities and firms to invest into raising the skills of the labour force can help Pakistan grow its export of professional services like in ICT. Relaxing bureaucratic and otherwise cumbersome regulations for select industries can reduce the burden firms face in importing and investing. Apart from the above following focus areas have been chosen to create greatest impact for industrial growth.

##### *1. Increasing Productive Activities: Technology Upgradation and Innovation through the new iterative pathway*

- Facilitating and supporting the industry to adopt/acquire modern technology in manufacturing sectors.
- Providing tax incentives for companies investing in automation, improving production efficiency and quality.
- Introducing sector-based lending programs for acquiring latest technologies.
- Energy efficiency and productivity improvement programs.
- Creating hubs for research and development across industrial zones to foster innovation and productivity.

##### *2. Deepening Global Market Integration: Implementing Standards and International Compliance*



- FDI Strategy along-with a focused delivery strategy focused on prioritization of upstream producers to achieve high growth.
- Implementing strict standards regime for exporters to meet international quality and safety norms.
- Offer conditional tax credits to encourage businesses to enter and expand in international markets.
- Provision of an online resource for accessing current global market trends and regulations.
- Establishing facilitation centers to support and facilitate the enterprises in tackling international market entry challenges.
- Leverage and strengthen strategic partnerships (Domestic & International).

### 3. *Improving Resource Efficiency: Enforcing Resource use Standards*

- Setting and enforcing standards for sustainable resource use across major industrial sectors.
- Introducing Tax Credits Schemes to reduce resource consumption and waste.
- Awareness creation and advocacy campaign regarding efficient resource management practices.
- Creation of research centers for developing efficient technologies and resource optimization

### 4. *Maximizing Domestic Value Capture: Promoting Domestic Value Chains*

- Mandate a minimum percentage of locally sourced materials in manufacturing processes.
- Tax incentives for using local raw materials.
- Promote the benefits of adding value to products using domestic components through a national campaign.
- Promoting sub-contracting and vendors development programs for strengthening domestic value chains.

- Establish institutions to facilitate technology and skill transfer to domestic industries, increasing their value addition capabilities.

### 5. *Structural Transformation: Shifting towards High Value Products*

Pakistan, like many developing nations, faces the challenge of transitioning from a predominantly agriculture-based economy to one driven by industry and services.

- Incentivizing, facilitating and supporting industry to move beyond reliance on a few primary commodities.
- Revisit existing sectoral approach/policies and replace these with a system of incentives that reward the entrepreneurial endeavour, irrespective of sectors.
- Promoting processing and value addition manufacturing across sectors.
- Encouraging R&D and technology transfer.
- Creating a conducive business environment through tax incentives, regulations, and trade policies.
- Special financial assistance for High Value Products manufacturing.
- Research hub for identification and awareness creation on potential opportunities.

### 6. *Entrepreneurship and Innovation*

- Strengthening entrepreneurial ecosystems to promote high growth venture creation.
- Alternate investment markets for firms
- Grants program for starting and scaling-up businesses across sectoral value chains.
- Policy incentives for new technology development and product diversifications.
- Opening up EDF financing for innovative investments
- Promoting industrial digitalization thorough IOT, IA and Industry 4.0.

- Facilitating FDI and reindustrialization through innovation and availability of investment space.
- Capacity building support and business development services for enterprise up-scaling.

## 7. *Infrastructure Development*

- Establishment of Special Economic Zones (SEZs) and Export Processing Zones (EPZs).
- Allocation of land for SME Plots in SEZs and EPZs
- Introduce Plug and Play Model
- Allotments on land lease model

## 8. *New Incentivized Policies - Catalyst for Industrial Transformation*

- Women Entrepreneurship Policy & NAP
- Women Inclusive Finance Sector Development Program in Collaboration with ADB worth US. \$ 155 Million negotiated. REMIT (an FCDO funded project) & UN Women on board to develop Women Entrepreneurship Policy & Action Plan.
- National Productivity Master Plan (NPMP)
- Industrial innovation and transformation action plan
- Enhancing/upgradation of national infrastructure
- Better public governance/e-governance
- Mobile Devices and Manufacturing Policy
- Localization of parts and components, like chargers, cables, hands-free, bluetooth, etc.
- Enable local manufacturing of tablets, laptops, dongles, POS machines etc.
- Initiate exports of mobile phone handsets.
- Enabling tariff structure and provision of incentives (e.g. R&D Allowance).
- Solar Panel and Allied Equipment Policy
- Tax incentives for local manufacturing/production of SPs and AE.
- Electric Vehicle (EV) Ecosystem
- Incentives for local manufacturing of EVs

under AIDEP 2021-26.

## 9. *Greening Industry*

- Incentivizing domestic value capture
- Sustainable adaptation through green product development
- New policies for solar panels, electric vehicles, and circular economy projects
- Incentivizing the CO<sub>2</sub> emissions reduction in local manufacturing

## V. **Feedback loop**

Successful implementation of the Sectoral plan rests on continuous iterative feedback loop and institutional capacity to undertake corrections. Policies and plans need to be executed and carefully examined over their life cycle in terms of the outcome milestones committed above. Without adequately staffed and resourced institutions, such plans will not realize their intended objectives. To roll out an outcome-based plan we need to have in house monitoring mechanism that is constantly assessing the policies outcomes. This would enable Ministry of Industries and its ancillary agencies to become accountable, self-critical, reflexive and iterative in their approach. We need to develop the Ministry into a dynamic entity that can metamorphose after scrutinizing its failures and successes.

We would need to further establish an Industrial Advisory Committee, which would oversee the implementation of the Sectoral plan and the feedback iteration required to correct the course. Keeping in view the resource constraints of the Government, the Ministry of Industries will have to explore and collaborate with its strategic partners across the industrial and academic landscape to ensure proper implementation of the plan. By being grounded in data analysis and frequent monitoring, successful implementation

of sectoral plan can help change the broader industrial growth landscape of Pakistan.

## VI. Conclusion

The brief outlines a comprehensive approach to revitalize Pakistan's industrial sector through strategic policies, innovation, and targeted initiatives aimed at sustainable development, global competitiveness and export led growth. The proposed outlines of the sectoral plan is based on a coherent assessment of policies and considering the growth challenges Pakistan is facing.



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## Deforestation in Pakistan: Causes and Effects

Forest ecosystems play an essential part in mitigating the adverse effects brought about by climate change. They absorb and store Carbon dioxide from the atmosphere, thus helping counter global warming and related adverse consequences.

Deforestation in Pakistan is a significant environmental issue, with far-reaching consequences. Pakistan fares very badly when it comes to managing its forests. According to the World Bank, only 4.78% of its land has a forest cover, making it the worst-off country in Asia (except Afghanistan) in terms of the country's deforestation rate.

Pakistan is a forest deficient country. Every year it loses 27,000 hectares of natural forest area. With a huge percentage of the rural population

depending on the forest resource for its livelihood, the deforestation predicament is nothing short of a 'Green Emergency' for this country. Pakistanis in general do not consider deforestation and climate change as much of an issue. Illiteracy and poverty are probably the main causes for the extreme apathy which exists amongst its citizens. Because of them being considered non issues in the eyes of the public, topics such as deforestation and climate change have never been of major interest to our politicians and decision makers. However, remaining oblivious to the gravity of the situation would only accelerate the process of environmental disaster that this country is currently heading towards.

### Causes of Massive Deforestation:

1. *Massive population explosion:* Pakistan is the 5<sup>th</sup> largest country in the world with a population of around 241.49 million. More than 60 percent of the population resides in rural areas and depends heavily on forests for basic needs, particularly biomass energy.
2. *Agricultural Expansion:* Farmers clear forests to create more land for crops and livestock.
3. *Timber Harvesting:* Both legal and illegal logging contribute significantly to deforestation. Timber is harvested for construction, furniture, and other uses. For example, Sheesham (*Dalbergia sissoo*, also known as Indian Rosewood) and Deodar (*Cedrus deodara*, also known as Himalayan Cedar) is harvested heavily and mostly illegally. In Dargai, a town in the Malakand District of Khyber Pakhtunkhwa, Pakistan, for commercial reasons to manufacture high quality furniture, mostly in connivance with local forest rangers.
4. *Urbanization:* The expansion of cities and towns leads to the clearing of forests to make way for new housing, infrastructure,

and industrial areas.

5. *Fuelwood Collection:* Many rural communities depend on wood for cooking and heating, leading to the unsustainable harvesting of trees.
6. *Overgrazing:* Livestock grazing in forest areas can prevent natural regeneration of trees and lead to soil degradation.
7. *Role of Fossil Fuels:* Fossil fuel related projects such as oil exploration and coal mining require massive infrastructures including clearing forests and cutting trees. Also, extraction and burning of fossil fuels result in massive emission of Greenhouse gases, pollution of air and water and acid rain on account of the release of Sulphur Dioxide and Nitrogen Oxides, which can damage forest ecosystems and impede forest growth. Furthermore, use of fossil fuels give way to urbanization which in turn promotes deforestation.

### Impact of Deforestation

1. *Destruction of Habitats:* Deforestation leads to the destruction of habitats for many species, resulting in loss of biodiversity and endangerment of wildlife. Unfortunately, there is little awareness or concern for wildlife preservation in this country.
2. *Climate Change:* Trees absorb carbon dioxide, and their removal contributes to increased greenhouse gases in the atmosphere, exacerbating climate change.
3. *Soil Erosion:* Without tree roots to anchor the soil, deforestation can lead to severe soil erosion, reducing the land's fertility and increasing the risk of landslides.
4. *Flooding* (including flash flooding), siltation of water reservoirs and irrigation systems.
5. *Water Cycle Disruption:* Forests play a crucial role in maintaining the water cycle. Their removal can lead to changes in local rainfall patterns and water availability.

### Conclusion

We have to realize that Pakistan is in dire straits with regards to deforestation and take concrete steps to reverse deforestation. Strict enforcement of law must be taken against the timber mafia to stop illegal wood logging / harvesting. We must launch awareness programs especially amongst the rural population, highlighting the importance of forests and the need to preserve them. Reforestation initiatives such as the Billion Tree Tsunami in Khyber Pakhtunkhwa must be launched in earnestness with the aim to restore degraded forests and increase forest cover. We must reduce our heavy reliance on fossil fuels for power generation and switch over to more environmentally friendly renewable and sustainable sources of energy. We must collaborate with international agencies to benefit from their experience and to take necessary measures to preserve our forests and mitigate the adversities related to the climate change. Appropriate policies must be formulated and implemented in letter and spirit, backed up by solid legal framework.



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## Political Morass & Unprecedented Times

Pakistan's apex court's verdict on reserved seats in favor of Pakistan Tehreek-e-Insaf (PTI) has further amplified the gulf and unease amongst what has now become contesting power centers in the political physiognomy of the country. On one hand government

ministers including the Defense Minister, Khawaja Asif have doubled down on the opprobrium against the judiciary, while the likes of PTI has further built a case against the legitimacy of the precarious coalition government of Shehbaz Sharif. In other words, the situation punctuated by doldrums between the opposition and the government continues to compound as the government has begun flirting with the idea of banning PTI.

However, there's a broader debate about shifting center of gravity, a phenomenon which would have been virtually unconceivable in a country where the military establishment has always assumed the role of ideological guardians of the nation of over 240 million more or less since in the incipient years of Pakistan. Their de facto role in state affairs remained plain and unquestioned, while obeisance for the military seemed to be bio-programmed into the DNA of a large populace of the country, especially in the Northern and Central Punjab, while dissent was systematically put under the harrow. In the past two years or so this unassailable power center continues to find itself in a beleaguered state, and inviting the wrath of especially the Middle-class and considerably large portion of the youth. This paradigm shift has been particularly brought about by virtue of the social media as PTI strategically used various social media platforms to outflank opponents in the battle of narratives. It won't be hyperbole to deem PTI and its social media relatively new but noteworthy power center that has unprecedentedly challenged the establishment and creating room for itself by "playing hardball".

So far there hasn't been a fruitful antidote to neutralize PTI's narrative, some may call it new media propaganda machine enabling motivated reasoning amongst the followers of the aforementioned party. Amidst this power struggle, there is another phenomenon that

continues to add to the turmoil. It appears that two pillars of state, judiciary and the military establishment have become internecine poles of power. This alludes to a greater imbroglio of two institutions at loggerheads with each other, who until recent history, have mostly been in the same corner. A cash strapped Pakistan can't afford to mire down in this morass as Fitch has already predicted economic gloom and dissolution of the current seemingly government led by a no-hoper Chief Executive within 18 months. This can't remain business as usual as it will push the country towards a *Götterdämmerung* crossing the Rubicon. It is the need of the hour that all stakeholders to take one step back, withdraw from the collision course and onto the path of reconciliation.



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## Role of AI in SME Sector

Artificial Intelligence (AI) holds transformative potential for advancing the Small and Medium Enterprises (SME) sector in Pakistan. SMEs are essential for the country's economic development, contributing significantly to job creation and GDP growth. Leveraging AI can address key challenges faced by SMEs and stimulate sectoral growth. Here's how AI can play a pivotal role in the development of SMEs in Pakistan:

- 1. Enhancing Productivity and Efficiency:** AI technologies can streamline and automate various business processes, improving productivity and operational efficiency. Automation tools powered by AI can handle repetitive tasks such as data

entry, inventory management, and customer service. For example, AI-driven chatbots can manage customer inquiries and complaints around the clock, allowing human employees to focus on more complex tasks. This leads to cost savings and more efficient use of resources.

- 2. Improving Decision-Making:** AI enables data-driven decision-making by providing SMEs with actionable insights from large volumes of data. Through machine learning and predictive analytics, businesses can forecast market trends, consumer behavior, and financial performance. This helps SMEs make informed decisions regarding inventory management, marketing strategies, and financial planning. For instance, predictive analytics can help SMEs anticipate customer demand and adjust their supply chains accordingly.
- 3. Facilitating Market Expansion:** AI can support SMEs in expanding their market reach, both domestically and internationally. Natural Language Processing (NLP) and sentiment analysis tools can analyze consumer feedback and preferences, helping businesses tailor their products and services to meet market demands. AI can also identify new market opportunities by analyzing global trends and competitor strategies. This is particularly beneficial for Pakistani SMEs looking to explore new markets and attract international customers.
- 4. Driving Innovation:** AI fosters innovation by enabling SMEs to develop new products and services. Advanced AI technologies, such as machine learning and computer vision, can be used to create innovative solutions and improve product design. For

example AI can assist in developing new features for existing products or creating entirely new offerings based on market needs. This helps SMEs stay competitive and differentiate themselves in the market.

- 5. Optimizing Financial Management:** AI tools can enhance financial management by providing SMEs with advanced forecasting and budgeting capabilities. AI algorithms can analyze financial data to detect patterns, identify potential risks, and recommend strategies for cost management and investment. This enables SMEs to maintain financial stability and plan for long-term growth.
- 6. Boosting Customer Engagement:** AI technologies such as personalization engines and recommendation systems can improve customer engagement by offering tailored experiences. For instance, AI can analyze customer data to recommend products and services that match individual preferences, leading to increased customer satisfaction and loyalty.

To harness the benefits of AI, SMEs in Pakistan must overcome challenges such as limited technical expertise and high implementation costs. Government initiatives and partnerships with technology providers can support SMEs in adopting AI solutions through funding, training, and infrastructure development.

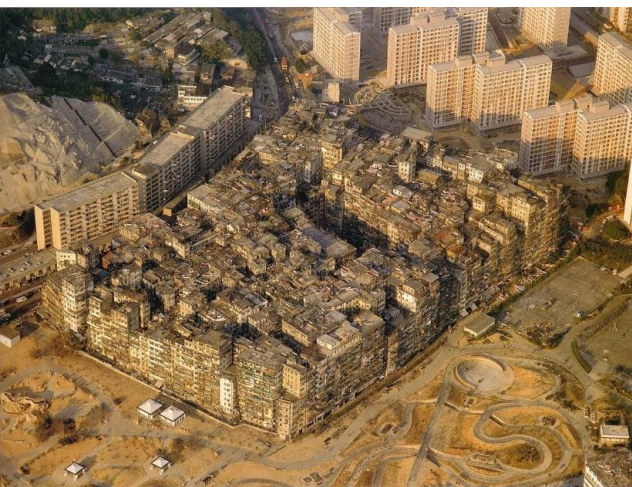


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## Hak Nam – The City of Darkness

Imagine a city so densely packed that not even light can get through to the floor, a city entirely blanketed by shadows that even locals called it the 'city of darkness', Hak Nam in Cantonese. Kowloon Walled City wasn't made for settling. Initially a military fort under Chinese rule, it became a disputed territory when Hong Kong was leased to the British in 1898 after the Opium Wars. While the fort remained mostly uninhabited, over the years housing a few military officials, the city saw a boom in population after World War 2, when it was relatively forgotten by Chinese authorities. After WWII, many refugees sought refuge within the remains of the walled city, and since the area was still under Chinese rule, there wasn't much the Hong Kong Government could do to stop people from settling within the confines of the fort.



Thus, Kowloon Walled City was born; what was once just a temporary refugee camp turned into something more everlasting. As masses of

people flocked to the city, the population grew to 50,000 within just a couple of decades, becoming one of the most densely populated cities in the world, with a population density of 1.255 million per square kilometre. As people flocked to the city, buildings started growing inwards, then upwards, until they grew into each other. The only way residents could find their way around was through an intricate network of tight, dingy alleys.

Since there was no government present, an anarchic society of sorts, it resulted in a city outside the rule of law, with no taxes, no healthcare or business regulations, no planning, and no police. This meant businesses could flourish as they had no safety regulations, which attracted more people as opportunities for growth became endless as industry thrived at a fraction of the cost; many of the products of Kowloon would secretly make their way out of the city. This also meant that organised crime was rampant, such as drug manufacture and sale. However, other forms of crime were not so common; they were almost non-existent. In fact, what had been created was instead a tightly knit community, and locals found solace and safety roaming the dark and eerie alleys of Kowloon. While the entire city was wrapped in darkness, light did touch the heart of the city, as it was unanimously decided that no building would be built there. The heart of the city also bore the emergence of a self-regulated government within the enclaves of the city.

However, by 1993, the Hong Kong government started demolishing the city and called for the construction of the park, and by 1994, only the ruins of the city remained. However, the legacy of Hak Nam wasn't completely dead; the maze-like structure and lack of light ended up inspiring the

cyber-punk aesthetic of movies like Blade Runner and the architecture of Ghost in the Shell.

Today, where Hak Nam's buildings once stood is now Kowloon Walled City Park, with a bronze model serving as a reminder of the bustling life of Kowloon Walled City.



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## TETR College of Business: Learn Business by Doing Business

A graduate student at Wharton Business School, University of Pennsylvania, Pratham Mittal, laid the foundation of Technology, Entrepreneurship and Training Research (TETR) College of Business. It is a college of entrepreneurship with the motto of producing successful businesspeople and entrepreneurship not based on theory but on practical experience: learning business by doing business.

The college is unique in its working and learning model. There is no specified campus. It has no exams or grades. It focuses on hands-on experience, exposure, cultural immersion, building leadership skills, student exposure to worldwide business experts, real-life business projects, and monetary help for young entrepreneurs who want to initiate start-ups. The college taught students by including students in practical business. Keeping the theoretical part aside, students learn not by learning about business but by doing it.

It is focused on skills development instead of rote memorization. It includes different workshops, lessons from business experts, engaging in daily business problems, and repeated tests of their skills. The student applies the skills and lessons they learn during a lecture by building real businesses by engaging with brands and customers and fieldwork in the market. TETR college aims to bring the entrepreneurship spirit in every field without following the traditional way of learning and then doing business. It aims to globalize business and entrepreneurship under the motto that one cannot become successful global businesspeople by remaining in one market, they need to explore globally.

TETR is currently operating in 7 locations across the globe, including Dubai, Singapore, New York, New Delhi, Rio De Janeiro, Accra in Ghana, and Milan. Recently, it has opened base camps in 4 other countries: China, France, Luxemburg, and Belgium, in partnership with UBI School of Business. The enrolled student travels for four months in one of the TETR base camps and practices business with world prestigious universities like IIT in India, NUS (National University of Singapore) in Singapore, INSEAD in France, and SDA Bocconi in Italy. Students are trained by business leaders and experts from top universities like Harvard, Stanford, MIT, and Cornell.

TETR has established different businesses and projects across many countries. During the 4 months business trip TETR established an E-commerce business in Dubai. In San Francisco a business was established to integrate Artificial Intelligence (AI) into real business. In India, they launched a consumer brand by experiencing the market daily and visiting top Indian multinational companies, meeting with successful business people, and getting a handful of experience. They



develop a community-driven business in Singapore, and visit the top notch Fintech centers in Singapore. Other projects include an NGO (non-governmental organization) in Ghana, which aims to fundraise and deliver marketing skill building, a sustainable venture program in Rio De Janeiro, a YouTube business in Madrid and New York in which the students have regular interactions with Google office and work on AI and startups.

The TETR college is unique in its type with practical entrepreneurship goals. It works on a quite different model and starts to give its results in practical business in a brief time. It is currently operating on a small scale with only 100 students in each batch, but the founder and his team aim to expand it on a global level and bring a revolution in education, particularly business education.



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## The Rise of Social Media Influencers: Marketing Lessons from the Ambani Wedding

With social media, the emergence of what is now called the "social media or citizen influencer" has been observed. These are people who may have never been on television or walked the red carpet at a Hollywood premiere. They are passionate individuals who have developed a reputation and a large following on social media platforms, allowing them to influence their audience's thoughts and purchasing decisions. Social media influencers boost brand visibility

and credibility by providing genuine endorsements and recommendations, which frequently resonate with viewers more than traditional advertisements. Their active engagement with followers and versatile content generation allows marketers to efficiently reach and connect with their target audiences.

Anant Ambani and Radhika Merchant's wedding was a high-profile affair, costing between \$132-156 million, that was precisely planned to maximize its global impact. The Ambanis' did not simply host a party, but a three-day spectacle. More than just luxury, the marketing approach involved using a star-studded guest list, from A-list celebs, sports stars, global business leaders to social media influencers, to generate substantial media coverage and social media noise. The event celebrated Indian culture and customs, in line with the 'Make in India' strategy, which aims to strengthen the country's reputation as a luxury event destination while also benefiting the local economy.

The Ambani wedding marketing plan relied heavily on social media influencers, including high-profile celebrities such as Kim Kardashian, Khloe Kardashian and Julia Chafe. The Kardashian sisters' participation along with the content shared by Julia Chafe, highlighted the wedding's splendor and Indian cultural heritage to a global public. By tapping into their extensive follower bases and utilizing hashtags, the event gained widespread attention and real-time audience involvement. Local influencers like Kusha Kapila and Dolly Singh also helped by sharing exclusive behind-the-scenes, extravagant design, and celebrity interactions. The influencers' engaging and appealing posts taught key marketing lessons, demonstrating the efficacy of bringing on board notable figures and diverse content to increase brand

visibility and worldwide reach.

Influencer marketing significantly increased the Ambani's brand visibility and strengthened India's reputation as a high-end event destination. The event successfully established the Ambani family as cultural icons and enhanced India's international reputation. In the future, marketing can be improved by focusing on building strong communities with influencers, leveraging data to select the right influencers, and creating engaging and interactive experiences with emerging technologies such as Augmented Reality (AR) and Artificial Intelligence (AI).

To summarize, the Ambani wedding demonstrates the transformative potential of influencer marketing in altering global perceptions. By combining high-profile and local influencers with targeted social media interaction, the event not only boosted the Ambani brand but also promoted India as a luxury hub. Future marketing strategies can capitalize on this success by incorporating community-driven approaches, analytics-based influencer selection, and cutting-edge technologies to create compelling and interactive experiences.



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### **Democracy's Lifeblood: The Imperative of Citizen Participation**

The very essence of democracy lies in the active participation of its citizens. People are the soul of a democratic government, and a democracy without demos is nothing more

than a carcass devoid of soul. The etymology of the word 'democracy' itself is sufficient to underscore the eminence of people's participation: 'demos' means people and 'kratos' means rule. Thus, it is unfathomable to contemplate the rule of people without their participation. In essence, the path to a vibrant democracy hinge on a shared commitment to genuine participation, where the people's voice resonates in every aspect of governance. It is a journey that demands popular sovereignty, vigilance, and an unwavering belief in the power of the demos.

Upon examining the principles delineated by the United Nations or the criteria outlined by political scholars, the inherent congruity between the demos and democracy is conspicuously evident. The indispensable connection between the citizenry and democracy is manifest in the ideals of democracy set forth by the UN. The international body, which is a juncture of all the nations of the world, has come to a conclusion that democracy is the only form of government that ensures good governance. For this purpose, it has listed a few ideals of democracy that every democratic government should strive to achieve. Those ideals encompass concepts such as popular sovereignty, free fair and frequent elections, universal suffrage and freedom of expression and association.

Democracy is based on the touchstone of popular sovereignty. Popular sovereignty means that people are the real sovereigns and repositories of power. Laski, an eminent political scholar, once said, "Power should flow from the will of the people and not from the barrel of the gun." At its core, democracy operates as a covenant or a social contract wherein the populace entrusts a select group of elected representatives with governing authority, while retaining the prerogative to

remove them from office. In this way, they are the real sovereigns and it is none other but the people who rule. Where there is no popular sovereignty, people would not participate and democracy would cease to exist.

Popular sovereignty can be exercised by voting in an election to elect the representative. For this very reason, UN has listed free, fair and frequent elections as an ideal of democracy. Among the many modes of participation of the masses in a polity, voting is the most important and the most powerful one. An election to the government must be free, fair and frequent. Free, because the people-the real sovereign- are given opportunity to vote without fear and according to their own conscience. Fair, because it is the people who decide who will rule them. Thus, their choice should be respected and their participation should be in true sense. Frequent, because the government should be held accountable and the populace be given a chance to participate again and express their will through ballot. The importance of free fair and frequent elections is also manifested in Article 21 of Universal declaration of human rights. It states that, the will of the people should be basis of the authority of government; "this shall be expressed in genuine and periodic elections based on universal and equal suffrage." So, one can say that popular will, manifested through elections, is the basis and the watchword of democracy.

Participation of people is synonymous with democracy, but it is not the selected few people who may participate in the process of government making. All those who are sane and adult have the right to vote. This is what UN pointed to while enlisting universal

suffrage as an ideal democracy. Lord Bryce says, "A form of government in which ruling power of a state vests, not in any particular class, but in the whole community." Universal suffrage, basically, connotes that every citizen of a state, male or female, is entitled to vote. Put differently, this implies that every citizen holds the entitlement to engage in the electoral process by virtue of the foundational principle of equality.

In addition to election, a democratic government must ensure freedom of expression and association. When discussing avenues of civic engagement beyond the act of voting, the freedom to express the views about the government and to form association are of paramount importance. Elections are, generally, held every five years. So, is it that people participate after five years? No, this cannot be the case. People can openly criticize, praise and apprise the government. A government that doesn't allow the freedom of expression and association cannot be a democratic government because if people don't participate, it ceases to be a democracy.

In a similar vein, the criteria to assess a democracy outlined by Dr. Mazhar-ul-Haq, a prominent political scientist, underscores the paramount importance of citizen participation for a democracy to live. He believes that these tests are the touchstones on which every democracy should be judged. If a democracy fails to tick all the boxes enumerated below, it would not be deemed a genuine democracy. These tests are: a government where people are free to criticize; a government where people have the right to change it; a government where all are equal before the law; a government which provides equal opportunity; and a government where people are free from fear.

Upon a closer perusal, it becomes evident that all of these criteria are interconnected with the active involvement of the citizenry. A government where people are free to criticise is a deliberative democracy in which opinions and oppositions are respected. People are allowed to participate in discourses and debates against or in favour of the government. Unbridled participation of the populace in a government is the basis of a democratic government. Hence, any government that stifles the people's capacity to criticize and engage in deliberation cannot be categorized as democratic.

Moreover, a government that denies its citizens the right to change the leadership or does not ensure equal opportunities while subjecting its people to fear fails to uphold participatory principles, thus falling short of a democratic ideal. To qualify as a democratic government, it must not only embrace participatory principles but also grant its citizens the legitimate means to alter the course of leadership when deemed necessary.

After presenting the theoretical framework of the nexus between demos and democracy and underscoring that these two are inextricably linked, let's now delve into the factors contributing to less or no participation. These factors can be attributed to either government's shortcomings or indifferent populace.

Now a days, blatant dictatorships have disappeared. Classic coup d'etats as in Pinochet's Chile or Ayub's Pakistan are rare. Governments work under the guise of democracy. While professing a commitment to democracy, they strive to undermine the liberties and participation of the very populace that vests them with the mandate

to govern. Elections are rigged and engineered. People vote, but in the guise of the process the authenticity of their participation is fundamentally compromised. The elections are neither free nor fair. Puppets are brought into positions of power by the undemocratic forces to further the hidden agendas.

Another strategy embraced by self-proclaimed democrats involves the appointment of loyalists to key posts as PM Victor Orban of Hungary did to consolidate and elongate his stay at the office. The aforementioned two case studies are so relatable to every citizen of Pakistan that substituting the names of Prime Ministers with any of ours would make no difference. Every premier that has sat on the throne of our national assembly has in one way or the other tried to emulate the aforementioned democratic villains. Thus, narrowing political space, stifling political participation and undermining democracy.

In conjunction to the role played by the government, sometimes the people of a country display apathy and inertia. It is even more dangerous than a government trying to assert its power. Lord Bryce said that "indolence and indifference on the part of citizen are the two enemies of democracy". Montesquieu has reiterated the same in the following words: Tyranny of a prince is not so dangerous to the public welfare as the apathy of a citizen in democracy". It goes without saying that vigilance is the price of democracy, and those who don't pay this price suffer at the hands of despots and tyrants.

Having briefly outlined the reasons for less participation, let us now deliberate on strategies to bolster engagement and thereby

foster a more democratic government. Participation can be enhanced by educating the populace; eradicating poverty; inculcating civic sense; devolving power; and forming inclusive and democratic institutions.

All the true democracies have one thing in common; they have educated public. K.K Aziz in his book Making of Pakistan said, "Education precedes politics." For that matter, education is the single most important thing democracy needs. It is aptly said that democracy and illiteracy cannot go together, primarily because effective participation is attainable only within educated polity. Such an electorate has civic sense and is cognizant of its rights. Thus, education is of utmost importance in enhancing participation and fortifying democracy.

Apart from lack of education, poverty is a considerable factor that hinders participation. This is due to two reasons. Firstly, those who do not have time to fulfill their basic needs would never spare time for politics. Secondly, poverty often results in illiteracy, consequently leading to lack of civic sense and a disinterest in political process. These aforementioned factors play an important role in apathetic behaviour of the people. To enhance participation, people must be pulled out of poverty or this would continue unabated.

Inculcating civic sense and devolving power to the local levels will instill in the citizenry the urge to rule themselves. The populace will feel empowered. This will not only improve civic sense but also the collective political acumen. Achieving this objective necessitates the establishment of inclusive and democratic institutions at every tier of governance, whether at the local, provincial, or national level.

Recapitulating the write-up, there is no better way than citing the hackneyed quotation of Abraham Lincoln, which succinctly encapsulates the entire discussion: "Democracy is the government of the people, for the people, and by the people." This quote in an axiomatic manner emphasizes that democracy is a government that is formed and run by the people themselves, and holds that a government without the participation of people could be anything but democracy.



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## BIPP Round Up

On behalf of the Management and Staff of The Shahid Javed Burki Institute of Public Policy at Netsol (BIPP), we are pleased to announce the joining of Prof. Dr. Mohammad Nizamuddin to the Institute's Board of Directors. He brings to the board a diverse experience of over 50 years in the national and international development sector.



Moreover, BIPP is proud to present the first graduate of Khalid Sherdil Scholarship Program, the talented Ms. Sabeen Gull. Please visit the link below to watch the narration of her arduous journey to achieve this milestone, having hailed from a far-flung area of Punjab.

[https://www.youtube.com/watch?v=8vxRkEcN\\_ks](https://www.youtube.com/watch?v=8vxRkEcN_ks)



On July 1 2024, a Memorandum of Understanding (MOU) was signed between BIPP and The Sahara College Narowal (TSCN). The document was duly signed by Mr. Shahid Najam (Vice Chairman BIPP) and Ch. Israr Ul Haq (Executive Director of Sahara for Life Trust). 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 especially relating to education, research & consultancy, and developing/running a mechanism for the BIPP scholarship program.



In addition, on June 25, 2024, BIPP and Beaconhouse National University (BNU) signed a Memorandum of Understanding (MOU) to establish a framework for cooperation in areas of mutual interest. This partnership will focus on political, economic, social, and governance issues relevant to Pakistan. BIPP and BNU will work together to develop and disseminate research publications, organize events on topics of national and global significance, and offer training courses in governance, public policy, IT, and agri-preneurship. Additionally, the partnership will facilitate knowledge sharing through access to online libraries and information resources. This collaboration between BNU and BIPP is a significant step towards promoting high-quality research, informed policy development, and capacity building in Pakistan. The joint efforts of both institutions will contribute to a deeper understanding of critical issues and develop effective solutions for the country's progress.





On July 24, 2024, the Lahore Chamber of Commerce and Industry (LCCI) hosted a follow-up workshop on the 5Es Framework, organized by BIPP. Mr. Kashif Anwar (President LCCI) presided over the event. Dr. Ejaz Sandhu, (Director of Operations at BIPP), delivered the welcome remarks. Dr. Suleman Lodhi, Dean and Professor at the University of South Asia, provided an in-depth overview of the 5E Framework, focusing on the knowledge economy, cluster-based development, and the triple helix model. He also explained the associated questionnaire. The workshop concluded with an engaging question-and-answer session, encouraging a robust discussion among the participants.

Furthermore, BIPP recently hosted a meeting with agriculture and environmental experts, bringing to the fore several innovative initiatives. Key highlights include the use of seed infuse technology for olive plantations in Namal University Mianwali, strategies to strengthen local food production systems, and the integration of agri-preneurship into the bachelor's programs. Additionally, Climefy discussed the development of a climate impact calculator, while BIPP will identify industries for impactful case studies. These efforts aim to promote sustainability and innovation in agriculture and combat climate change.



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## Economic Review

Boomer crops, which account for 6.3% of agriculture's growth, are the primary driver of FY24's projected 2.4% GDP growth. Growth in the industrial and service sectors is predicted to be 2.4% and 1.2%, respectively. In FY24, there is a projected 7.4% fiscal deficit and a primary balance of around 0.4% of GDP. In FY24, the current account would continue to balance at around 0.1% of GDP.

The FY25 budget has been released by the authorities, with a 3.6% GDP growth and a 12% projected inflation rate in mind. A primary balance of 1% and a planned 5.9% of GDP are allocated to the fiscal deficit. It is anticipated that tax receipts will increase by almost 40% annually to represent 10.4% of GDP. It is also anticipated that debt servicing expenses will increase by around 19%, or 7.9% of GDP.



Measures to increase real estate taxes and expand the tax base are included in the budget.

At its meeting, the Monetary Policy Committee opted to drop the policy rate by 150 basis points to 20.5%, noting reduced inflation readings, especially in May. June saw a little increase in inflation to 12.6%. The average annual rate of inflation in FY24 was 23.4%. The reading north y/y is the result of rising energy prices. In June 2024, core inflation was 14.1% y/y.

According to PBS, the trade imbalance expanded by 15.1% m/m to USD 2.4B in June 2024 as a result of an 11% m/m fall in exports, which came in at USD 2.5B. Conversely, imports were steady at USD 4.9 billion. The trade deficit in FY24 fell by 12% year over year to USD 24 billion. Comparing FY23 to FY24, imports have stayed at USD 54.7 billion. To USD 30.6 billion, exports have climbed by 10.5%. Compared to the USD 9.1B holdings at the end of May 2024, SBP's foreign exchange reserves decreased slightly to USD 8.9B for the week ending June 21. Reserves are supported by rollovers, flows from bilateral and multilateral agreements, and a moderate current account deficit (USD 0.5 billion in 11MFY24 compared to USD 3.8 billion in SPLY).



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## A Game-Changer in the 2024 Election Drama

On July 13, 2024, the political landscape was rocked by an unprecedented act of violence. Former President Donald Trump, amid a raucous Pennsylvania rally, became the target of an assassination attempt. The gripping image of Trump, defiantly raising his fist with blood streaming from his ear and an American flag waving above him, has quickly become a symbol of resilience and controversy. His immediate, dramatic response mouthing the words "Fight! Fight! Fight!" has amplified the drama surrounding this incident.

The assailant, Thomas Matthew Crooks, a 20-year-old registered Republican, has been identified, but the motives behind his actions remain murky. Intriguingly, Crooks once donated \$15 to ActBlue, a Democratic political action committee, raising questions about his true political leanings. Despite these complexities, the uncertainty surrounding Crooks' motives has not stopped Republicans from blaming President Joe Biden and the Democratic Party for the shooting. The attack has become a flashpoint for partisan blame, with Trump's allies poised to leverage the incident for political gain.

The narrative that Trump is an existential threat, previously emphasized by Democrats like Joe Biden and Representative Mary Gay Scanlon, now faces a significant challenge. The assassination attempt complicates the argument against Trump, making it difficult for



Democrats to highlight the dangers of his policies without being accused of inciting further violence. This twist could lead Democrats to focus more on advocating for civility and condemning violence, potentially putting them at odds with a narrative spun by Republicans that they contribute to a hostile political climate

The looming shadow of January 6, which Biden has used to criticize Trump's "big lie" and the Capitol breach, could also be overshadowed by the recent attack. If brought up, Republicans might accuse Democrats of fueling the atmosphere of violence on July 13.

For Trump, the attack has reinforced his portrayal as a heroic outsider battling against a corrupt political establishment. This incident adds a dramatic chapter to his ongoing narrative of being a victim of politically motivated attacks and claims of a stolen election. His supporters, already fiercely loyal, are likely to be further galvanized by his brush with death, intensifying their devotion.

The dramatic nature of this event comes at a challenging time for Biden, whose campaign has struggled with perceptions of his frailty. The image of Trump rising defiantly from an attack versus Biden's struggles could significantly impact voter perceptions as the election looms.

In the wake of this dramatic incident, both parties are poised to navigate a rapidly shifting political landscape, with each side especially the GOP likely to leverage the assassination attempt to reshape the narrative in their favor.



*Excellence Competence Commitment Integrity & Impact*



# BIPP

Policy for Present, Gains for posterity,  
Reducing Deficit, Producing Results

## 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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