



IPRI Newsletter

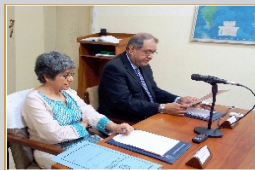
July 2015

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GANSU International Fellowship Programme 2015



Mr. Matthew B. Stannard, during discussion with IPRI scholars

U.S. Official Visits IPRI

Mr. Matthew B. Stannard, visited IPRI on July 23, 2015. The salient points made by IPRI scholars are as under:

War on Terror (WoT)

- WoT fought by Pakistan is a significant contribution of the state to international campaign against terrorism. Pakistan needs the support of international community in this regard.
- Pakistan military is well trained in conventional and non-conventional training.
- There is no evidence of presence of ISIS elements in Pakistan. The environment in Pakistan is no more feasible for terrorist outfits to survive. Pakistan has a strong military which has struck terror into the terrorists. The on-going military offensive against the militants had dismantled the terrorist networks in the tribal belt.

India-Pakistan Bilateral Ties

- Despite Pakistan's repeated efforts, India appears reluctant to re-start the peace talks. Indian violation of LoC and the provocative statements of Indian leadership had further deteriorated the bilateral ties.
- Indian opposition to China-Pakistan Economic Corridor (CPEC) is an unfortunate move. The economic corridor would constitute energy transfer. Gwadar is located at the junction of Middle East, Central Asia and South Asia. It offers shortest

route to Western China. The Central Asian Republics (CARs), through Gwadar, would also gain an access to warm waters. India and other regional countries that are short of energy could also gain benefit from the access to CARs through CPEC.

- The negative projection of Gwadar as a naval base is a part of malicious campaign to disrupt Pakistan's economic progress.
- The apprehensions linked to security of the economic corridor are baseless. Government of Pakistan has ensured fool-proof security of the CPEC and a security division has also been established for this purpose.

Pakistan-Afghanistan Relations

- Pakistan-Afghanistan bilateral ties are on a positive track. Both the governments' are cooperating on border management.
- The signing of Memorandum of Understanding (MoU) between the ISI and Afghan National Directorate of Security (NDS) would serve as a bulwark against terrorism.

Comments

- After the withdrawal of coalition forces from Afghanistan, Pakistan and the region have not lost their significance for the U.S and other allies.

Continued on p. 7

Guest Lecture

Growing Regional Trade: Implications for Pakistan

Ms. Robina Ather Ahmed, *Additional Secretary-I, Ministry of Commerce Pakistan* visited IPRI on July 15, 2015 to deliver lecture on the topic, "Growing India-US trade: Implications for Pakistan."



Ms. Robina Ather Ahmed

Additional Secretary at Ministry of Commerce, Pakistan

Qualifications:

M Phil Economics from Quaid-e-Azam University (QAU), Islamabad

Publications:

- Using Micro data to Estimate Pakistan's Tax Gap by Type of Tax (2013)
- Sectoral Contribution in GDP and Taxes: Further Insight (2007)
- Sectoral Contribution in GDP and Taxes: Seeking Missing Link (2006)

Following are the salient points of her lecture:

- Trade relations are part of political engagement. They can serve as a stepping stone to resolve and improve political issues.

India's exports to the US have doubled in last 10 years from \$16.5 billion to \$42.7 billion. India's import from the US have more than doubled from \$ 8.3 billion to \$ 20.4 billion and its share in the US imports have increased from 0.95% to 1.77%.

- Pakistan's exports to the US have almost remained stagnant in last 10 years from \$ 3.9 billion to \$ 3.65 billion. Pakistan's imports from the US have increased marginally from \$1.5 billion to \$ 1.8 billion and the share in the US imports has decreased from 0.17% to 0.11%.
- Pakistan has a limited export basket. Top 10 Pakistani exports have almost remained the same over last 10 years.
- The growing India-US trade relations have deep implications for Pakistan. These include: 1) India's emergence as U.S's major trading partner in the region; 2) Pakistan losing market share in the U.S, and 3) increasing India-U.S vested interests that have raised defense and security concerns and overshadow economic realities and considerations.

Recommendations

The following Pakistan-specific recommendations were made by Ms. Ahmed:

- There is a need to change the focus from military security to economic security, from strategic to commercial dialogue and from stabilization to growth.
- Export promotion should be preferred over import substitution.
- The supply side constraints need to be addressed and the cost of doing business must be reduced.
- There is a need for improved regional trade to



develop efficiency through improved export performance, open market access and improved production capacity.

- More emphasis should be given to building economic and commercial public and private partnerships.
- Pakistan needs to enhance its imports, exports and trade quality by reforming its trade policies and trade structures.
- The trade policies should be co-ordinated, coherent and export oriented.
- Interaction, co-operation and trade management between public and private sectors should be encouraged.
- Skilled, well trained and educated labour force is required for better labour productivity.
- Pakistan should play much active and practical role in SAARC to strengthen its regional trade.

Conclusion

- The prospects for the growth of Pakistan's economy need more attention. Pakistan should work on developing trade ties with the US, West and other regional countries.
- Pakistan needs trade reforms and coherent economic policies to progress in the global economic market in order to increase its trade at regional and global level.



Upcoming IPRI National Conference

Building Knowledge-Based Economy in Pakistan: Learning from Best Practices

Objective of the Conference: To initiate an informed debate on the subject and suggest plausible recommendations to the Government to facilitate transformation of Pakistan's economy into a KBE. Renowned economists, technical experts and policy professionals of Pakistan will participate in this conference.

Knowledge-Based Economy is defined as an economic structure that has the ability to create, store, share and analyse knowledge through networks and communities making predominant use of ICT.

Pakistan should also build up structures pertaining to knowledge economies based on four pillars of a knowledge economy, which are:

- Economic incentives and an institutional regime to provide incentives;
- An educated and skilled population;
- An efficient innovation and technology adoption system;
- ICT infrastructure.

Presently the Government of Pakistan has reduced the budgetary deficit from 8% of GDP to 5%, inflation rate has decreased from 10% a year to 5% and enhanced the foreign

Council has also included Pakistan in the "Next Eleven Economies," which will collectively overtake EU-27 in global power by 2030.

It is a good sign that the successive Governments in Pakistan during the last ten years have realized the significance of making Pakistan's economy as knowledge based. For instance, in 2005 and 2007, the Government had charted a roadmap of making its economy knowledge based for which Medium Term Development Framework (MTDF), 2005-10; Vision 2030 Approach Paper and IT Policy were prepared and sanctioned. Similarly, the present Government has approved the Pakistan Vision 2025. Moreover, in this context, best practices from other countries should complement Pakistan's aspirations in becoming a KBE.

Session Themes, Chairs and Speakers

Session I: Building Knowledge Based Economy in Pakistan: Potential and Prospects

Prof. Dr. Javed Ashraf, Vice Chancellor, QAU, Islamabad

Session II: Imperatives of Building Knowledge Based Economy in Pakistan

Dr. Fazli Hakim Khattak, DG, Planning Commission, Ministry of Planning, Development and Reform, Islamabad

Session III: Building Knowledge Based Economy in Pakistan: Modernizing Important Sectors of the Economy

Dr. Ashfaqul Hasan Khan, Principal and Dean, School of Social Sciences & Humanities, NUST, Islamabad

Session IV: Building a Knowledge Based Economy: A Way Forward

Prof. Dr. Mukhtar Ahmad, Chairperson, HEC, Islamabad

exchange reserves from \$ 11 billion to over \$17 billion. The IMF has projected real GDP growth of Pakistan to rise from current 4.24% to 4.7% in 2016. In future, Pakistan's growth rate is likely to further rise due to the expected rise in investors' confidence because of Pakistan Army's recent successes in the war on terror, improving relations with Afghanistan and Chinese investment in China-Pakistan Economic Corridor (CPEC). A recent US Government report prepared by its National Intelligence

Date: September 9-10, 2015

Venue: Shamadan Hall, Serena Hotel, Islamabad, Pakistan

Note: Entry is through card only

For Further Details, Contact:

Conference Coordinator:
Col. (R) Muhammad Hanif
Research Fellow, IPRI

Assistant Conference Coordinator:
Ms. Asiyah Mahar, ARO, IPRI
Email: asiyamahar@hotmail.com

Speakers

Session I

- "An Overview of Pakistan's Economy: Current use of Four Pillars of a Knowledge Economy and its Further Promotion" by Dr Usman Mustafa, Head Department of Economics & Chief, Training and Project Evaluation Division, PIDE, QAU Campus, Islamabad
- "Significance of using Knowledge in the Economy: Current State and Future Strategy of Knowledge Management and Dissemination in Pakistan" by Dr. Asad Zaman, Vice Chancellor, PIDE, QAU Campus, Islamabad
- Transforming Pakistan's Economy as Knowledge Based: Existing State and Promotion of Role of Research and Development (R&D) in Science and Technology and ICT" by Dr. Sohail Naqvi, Vice Chancellor, Lahore University of Management Sciences LUMS, Lahore
- "Considering Local Dimensions in Building National Knowledge-Based Economy in Pakistan" by Dr. Tariq Bashir, Head of the Science Section, PCST, Islamabad

Session II

- "Enhancing the Role of Higher Education, Science and Technology and Innovation" by Mr. Amer Hashmi, Advisor NUST, President/Senior Fellow NUST Global Think Tank Network (GTTN)
- "Boosting Growth Rate and Export Earnings: Application of Information, Computer and Communication Technologies (ICT)" by Prof. Dr. Ather Maqsood Ahmed, Head Department of Economics, NUST Business School, Islamabad
- "Capacity Building of Human Resource and Services Sector: Improving Education and Technical Skills, using Innovations and ICT" by Dr. Vaqar Ahmed, Deputy Executive Director, SDPI, Islamabad

Session III

- "Revolutionizing Agriculture: Increasing use of Knowledge, Science and Technology and ICT" by Dr. Umar Farooq, DG (SSRIs)/CSO, Social Sciences Division (SSD), PARC, Islamabad
- "Modernizing Industry and Trade Regime: Using Modern Technologies, Innovations and ICT through Public and Private Partnership" by Mr. Muhammad Nadeem Bhatti, Chairman, FPCCI Regional Standing Committee on Garment Industry
- "Reforming Energy Sector: Exploring Fresh Sources of Energy Production using Modern Technologies and Innovations" by Dr. Gulfaraz Ahmed, Former Federal Secretary, Ministry of Petroleum and Natural Reserves, Islamabad

Session IV

- "Use of Foresight in Formulating and Implementing a National Policy" by Mr. Umar Sheraz, Senior Policy Analyst at COMSTECH Secretariat, OIC, Islamabad
- "Turning Pakistan into a Competitive Knowledge-Based Economy: Suggested Strategy and National Action Plan including Building an Institutional Regime to Provide Technical Advice and Incentives" by Dr. Muhammad Nadeem Javaid, Chief Economist, Ministry of Planning, Development and Reform, Islamabad
- "Learning from Best Practices: Denmark's Economy"
- "Learning from Best Practices: Chinese Economy"

Guest Lecture

Future of Composite Dialogue with India



Ambassador Aziz Ahmad Khan, Honorary Vice President Jinnah Institute and former Pakistan's High Commissioner to India visited IPRI on July 28, 2015 to deliver lecture on the topic, "Future of Composite Dialogue with



Ambassador Aziz Ahmad Khan

Honorary Vice President Jinnah Institute

Executive Advisor, International Relations quarterly, *The Criterion*.

Important Positions Held:

1996-2000: Pakistan's Ambassador to Afghanistan
2001-2003: Spokesman for Ministry of Foreign Affairs
2003-2006: Pakistan's High Commissioner to New Delhi

India." Following are the salient points of his lecture:

- In 1985, after SAARC Summit, Indian PM Rajeev Gandhi and President Zia decided to start a dialogue process between the two countries. Four-pronged composite dialogue process was agreed and four committees were established to discuss Siachen issue, Sir Creek, Commercial Relations, and people to people contact.
- As India remained adamant to discuss Kashmir issue, the dialogue process was suspended.
- Pakistani position on Kashmir issue had always been to resolve it through an impartial plebiscite under UN resolutions.
- In 1997, at Male SAARC Summit, Indian PM I.K. Gujral and Pakistani PM Nawaz Sharif decided to resume the dialogue process. This time eight issues were mentioned to be discussed under the composite dialogue process which included: 1) Peace and Security including confidence building measures (CBMs); 2) Jammu and Kashmir (J&K); 3) Siachen; 4) Wullar Barrage/Tulbul Navigation Project; 5) Sir Creek; 6) Economic and Commercial Cooperation; 7) Terrorism and Drug Trafficking; and, 8) Promotion of Friendly Exchanges in various fields. However, the dialogue process could not make progress due to escalation of Kargil conflict from Indian side.

- General Musharraf during his tenure tried to restart the composite dialogue process. But all the peace-making efforts were ceased after Samjhuta Express Bombings of 2007 and Mumbai attacks of 2008.
- India now considers itself as a regional power with larger economy, increased military build-up and huge maritime expenditures. It has extra-regional ambitions and aspirations.

Recommendations

- A new composite dialogue process built on a new format is required to settle the bilateral disputes between India and Pakistan.
- The Government of Pakistan should develop national consensus on what kind of dialogue process it should have with India and what sort of format it should take.
- Kashmir issue should be resolved in accordance with UN Resolution.
- Expansion in CBMs needs to be considered.
- People to people contact should be improved by granting unilateral relaxation in visas and by promoting student exchange programmes and cultural activities across the border.

Addition to our Library

Political Order and Political Decay: From the Industrial Revolution to the Globalization of Democracy



Author: Francis Fukuyama

Position: Olivier Nomellini Senior Fellow at the Freeman Spogli Institute for International Studies (FSI); Chairman of the Editorial Board of The American Interest Senior Fellow at the Johns Hopkin's SAIS Foreign Policy Institute; and Non-resident Fellow at the Carnegie Endowment for International Peace and the Center for Global Development.

Qualification: Ph.D. (Political Science) from Harvard University

"The book is magisterial in its learning and admirably immodest in its ambition,"

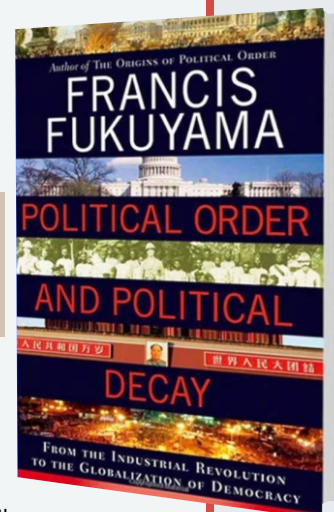
David Gress - The Wall Street Journal

"A major achievement by one of the leading public intellectuals of our time,"

Michael Lind - The New York Times Book Review

In this book, Fukuyama takes up the essential question of how societies develop strong, impersonal, and accountable political institutions. Fukuyama follows the story from the French Revolution to the so-called Arab Spring and the deep dysfunctions of contemporary American politics. He examines the effects of corruption on governance, and why some societies have been successful at rooting it out. He explores the different legacies of colonialism in Latin

America, Africa, and Asia, and offers a clear-eyed account of why some regions have thrived and developed more quickly than others. He boldly reckons with the future of democracy in the face of a rising global middle class and entrenched political paralysis in the West.



IPRI Review Meeting

How to Improve Governance in Pakistan?

Mr. Khurram Abbas, Assistant Research Officer in his presentation on "How to Improve Governance in Pakistan?" Discussed the concept of governance and prospects for the improvement of governance in Pakistan.

Components of Good Governance



Reform Measures

The suggested reform measures highlighted during the presentation are:

- The culture of elections within political parties should be introduced.

- Extensive experience of management at local levels would help public representatives to develop a sound understanding of problems faced by the locals.
- The informed segments of society need to do persistent advocacy in universities by educating youth. The role of media and the role of political education cannot be ignored in the campaign for good governance.
- The transfer of officials on the basis of political affiliations, personal likes and dislikes, should be discouraged.
- Multinational companies (MNCs) eagerly want to find new ways for promoting their products. Joint ventures by civil governments at district and regional level with some MNCs can increase facilities to common citizens particularly in health, education and energy sectors.
- There is a need to find new areas for satellite cities which would not only solve the issue of



urbanization but it could create enormous economic opportunities for unemployed people.

- Pakistan needs to adopt the modern ways of communication in state institutions, for instance, e-governance etc. that would improve government performance in the country.
- Sense of ownership among the people should be increased. Without public support and cooperation in administrative work, betterment in the governance is not likely.
- Good governance requires numerous small but timely and efficient decisions which should be formulated as per the need of time.

IPRI Review Meeting

Are More Provinces Required?

Mr. Khalid Chandio, Research Officer in his presentation on "Justification for More Provinces" evaluated the need and demand for the creation of new provinces in Pakistan.

The Salient points highlighted during the presentation are:



- The demand for creation of more provinces re-emerged after the 18th constitutional amendment in the year 2010.
- The factors that have contributed to the demand of new provinces include poor governance in some interior areas of the provinces, distance from the provincial capitals, ineffective local government system etc.

Factors that Does not Favour Demand for More Provinces

- Any attempt to make more provinces has the potential to increase violence and conflict.
- Keeping in view the present state of affairs in the country, creation of new provinces would encourage ethnic movements.
- Presently, Pakistan is involved in the international war on terror that has incurred economic loss of around US\$ 107 billion, thus creation of new entities that would add the cost to national expenditure does not appear to be a viable option.
- Provincial minorities in the provinces are economically and politically better



off than the respective majorities.

- Provinces have got their share in the National Finance Commission Award which has enhanced prospects of better governance.
- There is need to see the political, administrative and fiscal implications of provincial autonomy granted to provinces under 18th amendment.

Recommendations

- **Without justifiable demands, the decision to make more provinces must not be considered as it is raised by few groups who have their own vested interests.**
- **Any future provinces should be formed on the basis of population and not on linguistic or ethnic basis.**
- **There is need to improve governance at grass roots level. The local bodies should effectively utilize financial resources to address the problems of the local population.**

Addition to Our Library

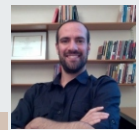
The Iron Cage of Liberalism

International Politics and Unarmed Revolutions in the Middle East and North Africa

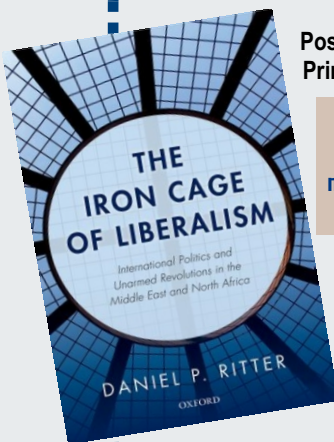
Author: Daniel Ritter

Position: Assistant Professor of Politics and International Relations at the University of Nottingham

Primary research interests: Contentious Politics and International Relations



"Having committed rhetorically to the West's fundamental political discourse of democracy and human rights, the dictators in Tehran, Tunis, and Cairo found themselves paralyzed when nonviolent crowds challenged them with tactics and demands fully compatible with the political ideals the regimes claimed as their own."



In this book, Daniel Ritter seeks to understand unarmed revolutions by posing two interrelated questions: Why do nonviolent revolutionary movements in some countries topples autocratic regimes while similar movements elsewhere falter, and why has the world witnessed the proliferation of unarmed revolutions in the last forty years? Through a comparative historical analysis of the Iranian, Tunisian, and Egyptian revolutions, he argues that

close and friendly international relations between democratic states in the West and authoritarian regimes elsewhere constitute a plausible explanation for nonviolent revolutionary success.

In an original conceptualization of revolutionary dynamics, Ritter argues that Western-aligned autocrats eventually find themselves restrained by their strong links to the democratic world through a mechanism he refers to as 'the iron cage of liberalism.'

Foreign Fellowship

GANSU International Fellowship Programme 2015



Attended by: Ms. Amna Ejaz Rafi, Assistant Research Officer, IPRI
Theme: "The Building of New Silk Road" **Date:** 15 June- 15 July 2015
Venue: Lanzho (Capital of Gansu) **Organizer:** Gansu Provincial Foreign Affairs Office

Issues in Focus during the Fellowship

The Salient issues that were discussed during the fellowship are briefly highlighted as under:

- Chinese northwest province of Gansu, strategically located at a meeting point of Eastern and Western China, since ancient times has been the hub of foreign cultures. The passing of Silk Road through Gansu, further raise the province's strategic significance.
- In addition to geo-strategic location, Gansu's natural resources, multi-ethnic culture, educational/medical progress make the province an attractive site for domestic, regional and global players.
- Chinese led 'Silk Road Economic Belt', the 'Maritime Silk Route' (often consolidated as the One Belt One Road OBOR) and the 'Vision for 21st Century Eurasian Connectivity' is significant steps towards regional integration. The OBOR would physically connect markets of Asia, Europe and beyond.
- China-Pakistan Economic Corridor (CPEC) incorporates '1+4' cooperation structure with the CPEC at the center and Gwadar Port, energy, transport infrastructure and industrial cooperation being the four key areas to achieve common development. The project is expected to deliver tangible benefits to the people of Pakistan and the region at large.

U.S. Official Visits IPRI



Continued from p. 1

- China's economic ingress in the region; the investment in Afghanistan and the CPEC are of interest to the regional and global players.
- India's opposition to CPEC and peace in Afghanistan are perilous for the success of the economic corridor.

Experience Shared by IPRI Scholar

- Firstly, I would like to thank the Gansu Provincial Foreign Affairs Office for hosting the fellowship programme. The fellowship gave me an opportunity to get familiarized with the Chinese culture. I found the Chinese people hospitable. The archaeological sites and religious places of the Gansu province portray the ancient civilization and the ethno-religious diversity, while, the on-going infrastructural development reflects the area's path towards progress.
- During my interaction with other fellows, I shared Pakistan's perspective on the regional connectivity. I mentioned that South Asia is the least integrated region of the world; it has failed to grow in comparison to other regional groupings like Association of Southeast Asian Nations (ASEAN) and European Union (EU). In this context, the China-Pakistan Economic Corridor (CPEC) is a huge opportunity. The corridor would likely link together several economic zones and physical links between various regions of the world.



- During the visit to Lanzhou University, I met a number of Pakistani students doing their post-graduate and doctorate studies. A number of foreign students from Asia, Africa and Europe are also studying at the University. Enhancement of such student exchange programmes and technological cooperation will strengthen bilateral as well as regional ties.

Publications by IPRI Scholars (July 2015)

**Air Cdr (R) Khalid Iqbal,
Non Resident Consultant**

"AIIB: A Hope for Developing Countries"

(The Nation)

"SCO comes of Age"

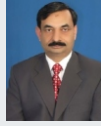
(The Nation)

"The Millennium Deal: Myth and Reality"

(The Frontier Post)

"Afghan Peace Needs a Helping Hand"

(The Nation)



**Col (R) Muhammad Hanif,
Research Fellow**

"UNGA & Pakistan -India Relations"

(Pakistan Observer)

"Disputes Resolution with India"

(Pakistan Observer)



**Asghar Ali Shad,
Research Fellow**

"Kashmir, Karachi Aur 'Raw'"

(Nawa-i-Waqt)

"Modi Se Mulakat--- Aak Jahiza"

(Nawa-i-Waqt)

"MQM--- Mumkina Mustakbil"

(Daily Pakistan)



"Saniha Gurdaspur Aur Bihar Chanaho"

(Daily Pakistan)

"Meman Ki Phansi---- Yeh Berhamni Insaf"

(Daily Pakistan)

**Muhammad Munir,
Research Fellow**

"Outcome of SCO Summit"

(Pakistan Observer)



**Khalid Hussain Chandio,
Research Officer**

"US & Asia's Security Structure"

(Pakistan Observer)



**Muhammad Nawaz Khan,
Assistant Research Officer**

"SCO and Regional Security"

(Pakistan Observer)



**Khurram Abbas,
Assistant Research Officer**

"Striding Towards a 'No Spying Pact'"

(Daily Times)

"Nuclear Deal & Issue of Reversibility"

(Pakistan Observer)



**Saman Zulfqar,
Assistant Research Officer**

"Iran Nuclear Talks: Challenges Ahead"

(Daily Times)

**Asiya Mahar,
Assistant Research Officer**

"Middle East Politics after Nuclear Deal"

(Azer News)



**Aymen Ijaz,
Assistant Research Officer**

"Dealing with Heat Wave Crisis"

(Pakistan Observer)



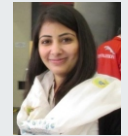
**Gulshan Bibi,
Assistant Research Officer**

"AIIB: New Hope for Developing Countries"

(Pakistan Observer)

"Civilisation en route to Avoiding a Clash"

(Pakistan Observer)



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The library subscribes to a number of national and international journals, magazines and online links.

The books are classified under the Dewey Decimal Classification (DDC) system.

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