

GRAND NATIONAL

Dialogue



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FOREWORD

The process of national development and democratic consolidation in Pakistan, spanning over seven decades, has yielded mixed results with the country still trailing behind on human security and development indices. The main reason for the slow progress in politics, governance, human security, and national development is the lack of futuristic and holistic national policy planning at the national level accommodating the aspirations of all federating units. Polarisation in politics indicates a lack of participation and governance which needs amelioration in the interest of national cohesion and solidarity. The binding glue of a federation indubitably is the social contract of a nation, embodied in its Constitution. The Constitution of the Islamic Republic of Pakistan spells out the policy planning responsibility of the government to promote national integration, good governance, national development, and human security vide Articles 37 and 38 of the Constitution.

A need was felt for a national dialogue to assuage the human security and governance concerns of the people of Pakistan in the interest of equitable development of all federating units of the country. To build genuine stakes of the federating units in the system of governance, it is imperative to initiate a national-level dialogue. The objective of the dialogue was to debate on issues germane to public welfare like governance, economic security, and national development to forge a national consensus and to offer the best possible policy prescriptions.

Islamabad Policy Research Institute (IPRI) initiated a Grand National Dialogue (GND) on eleven most important national issues in collaboration with the relevant experts. The debate on issues of relevance to national development, governance, and human security was conducted by incorporating the views of the think tank community, academia, media, the general public, and policy practitioners. The Dialogue partners were chosen after a careful appraisal of the core expertise and institutional strength.

The following objectives were in mind while conducting the GND:-

- To initiate a policy debate on issues of fundamental importance to governance, national development, and human security involving all stakeholders to promote a national consensus for reforms.
- To debate and yield practicable conclusions and actionable recommendations for policymakers.
- To debate and incorporate the best possible policy inputs of experts and important stakeholders from all federating units to enhance the credibility and acceptance of policy prescriptions.

The scope of the discourse remained around the following eleven themes:-

- Extremism/Militancy and De-weaponisation
- Foreign Policy in a Changing World
- Political and Governance System
- National Identity and Cohesion
- Population and Food Security
- Economic Security
- Energy and Power Sector
- Climate Change
- Health Security
- Water Security
- Education

The following ten dialogue partners were involved in conducting 56 different events, i.e. seminars, conferences, roundtables, media and youth engagements, and closed-door focused panel discussions:-

- Institute for Strategic Studies, Research and Analysis (ISSRA), National Defence University (NDU), Islamabad
- Pakistan Council of Research in Water Resources (PCRWR), Islamabad
- Center of Pakistan and International Relations (COPAIR), Islamabad

- Lahore University of Management Sciences (LUMS), Lahore
- International Islamic University, Islamabad (IIUI)
- Institute of Strategic Studies, Islamabad (ISSI)
- Institute of Regional Studies (IRS), Islamabad
- Health Services Academy (HSA), Islamabad
- Institute of Policy Studies (IPS), Islamabad
- COMSATS University, Islamabad (CUI)

Reports, based on events, were prepared by the Dialogue partner institutes. The reports were then vetted by Subject Matter Experts (SMEs). The following segments of the intelligentsia were also involved in debating subjects of extreme national importance:-

- Former ambassadors, bureaucrats, military officers, judges/lawyers, and police officers.
- Eminent members of think tanks, civil society, and academia including Vice Chancellors (VCs) and Professor Emeritus.
- Journalists, economists, educationists, and health, climate, and law experts.
- Students and youth representatives, especially from smaller provinces and deprived areas.
- Renowned media persons and anchors.

The booklet encompasses the gist of the Dialogue and recommendations on eleven subjects, incorporating the views of all Dialogue partners. A few subjects involving the inputs of different Dialogue partners have been consolidated due to their overlapping nature. IPRI owes gratitude to the efforts and dedication of all Dialogue partners without whom this Dialogue would not have been a success. Appreciation is also due to the IPRI's Board of Governors and the Chairman for their continual support and value addition to the Dialogue. It is hoped that this humble effort will be found useful by the policymakers at the national level.

***Amb Dr. Maj. General Raza Muhammad (Retd),
President IPRI***

ACRONYMS

ACDC	Arms Control and Disarmament Centre
AIG	Afghan Interim Government
AJK	Azad Jammu and Kashmir
ASEAN	Association of South East Asian Nations
AU	African Union
BHU	Basic Health Unit
BISE	Board of Intermediate and Secondary Education
BOI	Board of Investment
BRI	Belt and Road Initiative
CAD	Current Account Deficit
CAMEA	Centre for Afghanistan Middle East and Africa
CBM	Confidence-Building Measures
COMSATS	Commission on Science and Technology for Sustainable Development in the South
COP	Conference of the Parties
CPB	Child Protection Bureau
CPEC	China Pakistan Economic Corridor
CPSC	China-Pakistan Study Centre
CSP	Centre for Strategic Perspectives
CT	Counter Terrorism
CUI	COMSATS University Islamabad
CVE	Countering Violent Extremism
DCP	Disease Control Priorities
DRM	Disaster Risk Management

ECE Early	Childhood Education
EPHS	Essential Package of Health Services
EU	European Union
EVM	Electronic Voting Machines
FATA	Federally Administered Tribal Areas
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FIA	Federal Investigation Agency
FTA	Free Trade Agreements
GB	Gilgit Baltistan
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GIS	Geographic Information System
GMP	Gross Marine Product
GND	Grand National Dialogue
GWOT	Global War on Terror
HDI	Human Resource Indicators
HEC	Higher Education Commission
HEIs	Higher Education Institutions
HKK	Hindu-Kush Karakoram
IBIS	Indus Basin Irrigation System
IBP	Institution-based Practice
IGF	Internally Generated Funds
IIOJK	Indian Illegally Occupied Jammu and Kashmir

IIUI	International Islamic University Islamabad
IMF	International Monetary Fund
IPP	Independent Power Producers
IPRI	Islamabad Policy Research Institute
IPS	Institute of Policy Studies
IRS	Internal Revenue Service
ISSI	Institute of Strategic Studies Islamabad
ISSRA	Institute for Strategic Studies, Research & Analysis
IWT	Indus Waters Treaty
KP	Khyber Pakhtunkhwa
KSA	Kingdom of Saudi Arabia
LHW	Lady Health Workers
MENA	Middle East and North Africa
MNA	Member of National Assembly
MNC	Multinational Corporations
MP	Member of Parliament
MPA	Member of Provincial Assembly
MPC	Manpower Planning Cell
MQM	Muttahida Qaumi Movement
MTI	Medical Teaching Institutions
MW	Mega Watt
NAB	National Accountability Bureau
NACTA	National Counter Terrorism Authority
NADRA	National Database Registration Authority
NAP	National Action Plan

NARC	National Agricultural Research Centre
NATO	North Atlantic Treaty Organisation
NCCP	National Climate Change Policy
NCDs	Noncommunicable Diseases
NCEPG	National Counter-Extremism Policy Guidelines
NDCs	Nationally Determined Contributions
NDMA	National Disaster Management Authority
NDU	National Defence University
NEPRA	National Electric Power Regulatory Authority
NGO	Non-Governmental Organisation
NISP	National Internal Security Policy
NSD	National Security Division
NSP	National Security Policy
NTN	National Tax Number
NTSC	National Training Services Centre
OGDA	Oil and Gas Development Authority
OGDCL	Oil and Gas Development Corporation Limited
OGRA	Oil and Gas Regulatory Authority
OoP	Out-of-pocket
OoSC	Out-of-School Children
PBP	Priority Benefit Package
PCRWR	Pakistan Council of Research in Water Resources
PECA	Prevention of Electronic Crimes Act
PEIRA	Private Educational Institutions Regulatory Authority
PEMRA	Pakistan Electronic Media Regulatory Authority

PeP	Paigham-e-Pakistan
PHC	Primary Health Care
PIC	Permanent Indus Commissions
PIP	Petroleum Institute Pakistan
PKR	Pakistan Rupee
POPs	Persistent Organic Pollutants
PR	Proportional Representation
PRB	Pakistan Revenue Board
PARC	Pakistan Agriculture Research Council
PSO	Pakistan State Oil
PTM	Pashtun Tahafuz Movement
R & D	Research and Development
RHC	Rural Health Center
SBP	State Bank of Pakistan
SDG	Sustainable Development Goal
SDRs	Strategic Deposit Reserves
SHI	Social Health Insurance
SHPI	Social Health Protection Initiative
SLO	Student Learning Objectives
SNC	Single National Curriculum
SSP	Sehat Sahulat Programme
TEVTA	Technical Education and Vocational Training Authority
TLP	Tehrik-e-Labaik Pakistan
TTP	Tehrik-e-Taliban Pakistan
UAE	United Arab Emirates

UHC	Universal Health Coverage
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations International Children's Educational Fund
UNSC	United Nations Security Council
UoB	University of Balochistan
US	United States
USD	United States Dollar
WB	World Bank
WHO	World Health Organisation

POLITICAL AND GOVERNANCE SYSTEM

Dialogue Partner
Institute of Policy Studies (IPS)

CONCEPT NOTE

Political and Governance System

Pakistan has been a fragile democracy experiencing extended periods of military as well as civilian rule where democracy is still in the process of consolidation. After independence, as with many other colonial bequests, Pakistan inherited a Westminster-styled parliamentary form of governance system from the British. While the 1973 Constitution of Pakistan based on the parliamentary form of democracy in Pakistan was adopted consensually, the debate over the prospects of a presidential form of government in Pakistan continued. This debate about the ideal form of government, i.e. presidential or parliamentary, often surfaces as our system of electoral politics and governance continues to be pro-elite with serious entry barriers to less affluent classes in politics.

The political system and governance mode need to be more responsive to people's aspirations, especially to ameliorate human security and welfare concerns. There is a need to discuss and debate the structure of polity and governance while keeping in view Pakistan's complicated demographic landscape and longstanding governance issues. The overall objective of the debate should be to reform the existing system and to propose changes to make it more responsive to the national and human security needs of the country.

Scope of Discussion

- Evaluation of present political and governance systems along with recommended governance model for Pakistan keeping in view the political, cultural and demographic profile.
- Electoral reforms to counter elitist politics and promote inclusivity by removing barriers for entering politics
- Ways to enhance Parliaments' efficacy/sanctity and institutional harmony.
- Evaluation of the structure of the federation, including mainstreaming of GB & AJK.

- Devolution of governance to the grassroots level through the local government system.

BACKGROUND

The Institute of Policy Studies (IPS) in collaboration with the Islamabad Policy Research Institute (IPRI) conducted a series of roundtable discussions and seminars under the theme “Governance and Political System in Pakistan.” The events, held from October 2022 to April 2023, are as follows:

- **Roundtable: Pakistan’s Political System and Governance (October 20, 2022)**
Conducted jointly by the Institute of Policy Studies (IPS) and the Islamabad Policy Research Institute (IPRI).
- **Seminar: Political System and Governance in Pakistan (November 3, 2022)**
Conducted by the Institute of Policy Studies and the Islamabad Policy Research Institute (IPRI).
- **Interactive Session: Pakistan’s Political System and Governance (December 16, 2022)**
Conducted by the Institute of Policy Studies in collaboration with Islamabad Policy Research Institute (IPRI) and NUST’s Department of Government & Public Policy.
- **IPS-IPRI Joint Roundtable on Political System & Governance in Pakistan Report (April 14, 2023)**
Conducted jointly by the Institute of Policy Studies (IPS) and the Islamabad Policy Research Institute (IPRI).

Participants/Experts

- Senator Mushahid Hussain Syed, Chairman of the Senate Defence Committee.
- Mr. Owais Ahmed Ghani, former Governor of Balochistan and Khyber Pakhtunkhwa.
- Ambassador (Retd.) Asif Durrani.
- Dr. Syed Kaleem Imam, Former IG Police.
- Nazeer Ahmad Mahar, Executive Director at The Research Initiative.
- Ahmed Bilal Mehboob, President, Pakistan Institute of Legislative Development and Transparency (PILDAT).

- Syed Abu Ahmed Akif (former federal secretary).
- Farzana Yaqoob, Co-Founder of Mantaq and former minister of AJ&K.
- Dr. Noreen Saher, Associate Professor/Chairperson, Department of Anthropology, International Islamic University.
- Muhammad Arshad, CEO, Sehat Sahulat Program.
- Jawad Akhtar Khokhar, Advisor, Maritime Affairs, Planning Commission of Pakistan.

INTRODUCTION

There is no universally agreed definition of governance,¹ therefore, no model can be considered universally ideal. At the conceptual level, a simple reason for this lack of consensus is that governance is not confined to any one type of institution or department of human life. At the highest level, it is directly related to the global system, and at the national level, it is related to different tiers of government, various types of organisations, and public institutions at different stages.

In each case, the success or failure of governance is linked to the goals set in the particular sphere at a given point in time and place. Thus, a successful model of public governance for a nation is expected to take into account the structures, values, traditions, and historical and social attitudes in the society as well as the internal and external conditions of the country.

Despite this diversity, it is generally agreed that the success of any governance model depends on the degree of clarity, both in terms of words and practices, of the following four overriding questions:

Who has the power – *de jure* or *de facto*?

Who makes decisions and how?

To what extent the stakeholders are on board?

How effectively is the accountability rendered?

Governance in Pakistan

Just as there is no scarcity of literature on governance, there is no dearth of reviews and reports on the state of governance in Pakistan and how to improve it. This work has been done regarding the national level as a whole and includes almost every government sector, such as health and education, law and order, judicial system, economic situation, political

¹ Generally, governance is considered to be the process of making and enforcing decisions within an organisation or society. It involves establishing rules, regulations, and laws, as well as implementing and monitoring compliance.

and electoral system, etc. It has been carried out at different times on local and national initiatives as well as with the support of foreign experts and institutions.

The public governance situation in Pakistan is generally perceived as unsatisfactory. Notwithstanding many successes, and there are many, the perception both within and outside the country is quite depressing. The weak and deteriorating economic condition,² which is squeezing any fiscal or financial space for self-correcting mechanisms,³ the constantly challenging security environment owing to both external⁴ and internal developments,⁵ political instability,⁶ inconsistencies in managing external relations,⁷ and the worrying status of social indicators,⁸ particularly in the education⁹ and health¹⁰ sectors, along with increasing income inequalities are some of the factors cited as the background as well as the outcome of such a situation.

² The inflation (average consumer prices) has increased from 3.925% in 2018 to 12.148% in 2022. The gross debt has increased from 64.82% of GDP in 2018 to 77.751% of GDP in 2022. The unemployed percentage of total labour force has also negatively increased from 5.8% in 2018 to 6.2% in 2022. Along with that, unstable GDP growth rate, massive devaluation of the rupee, diminishing foreign currency reserves, and increasing fiscal deficit, among others, augment the fear of economic default. See, “World Economic Outlook Database,” International Monetary Fund https://www.imf.org/en/Publications/WEO/weo-database/2022/October/weo-report?c=564,&s=NGDP_RPCH,NGDPD,PPPGDP,NGDPDPC,PPPPC,PCPIPCH,LUR,GGXWDG_NGDP,&sy=1980&ey=2022&ssm=0&scsm=1&ssc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1 accessed January 6, 2023.

³ Self-correcting mechanisms of an economy, such as flexibility of wages and resource prices, act to pull an economy out of a recessionary gap or an inflationary gap and adjusts the market from disequilibrium to equilibrium. See, “What is meant by the self-correcting mechanism of the economy?” Sage-Advices, December 9, 2019, <https://sage-advices.com/what-is-meant-by-the-self-correcting-mechanism-of-the-economy/>

⁴ Mudassar Mukhtar, Waseem Ishaque, and Muhammad Shoaib Malik, “National Security Paradigm of Pakistan – Retrospective Analysis,” *NDU Journal* (2019): 173-180. <http://111.68.99.125/website/ndu-journal/pub-new/11-National-Security-Paradigm.pdf>

⁵ Mukhtar, Ishaque and Maloik, “National Security Paradigm...”

⁶ Ayesha Naz, Hafsa Jabeen, and Azra Nasir, “Interlinkages among Terrorism, Macroeconomic Instability, Political Instability, and Economic Growth in Pakistan,” *NUST Journal of Social Sciences and Humanities* 7, no. 1 (January-June 2021): 38, https://www.academia.edu/85210612/Interlinkages_among_Terrorism_Macroeconomic_Instability_Political_Instability_and_Economic_Growth_in_Pakistan

⁷ Farhan Hanif Siddiqi, “Exploring the Impulses in Pakistan’s Foreign Policy,” *South Asian Voices* (September 17, 2020), <https://southasianvoices.org/exploring-the-impulses-in-pakistans-foreign-policy/>

⁸ Pakistan’s HDI value for 2021 was 0.544, which puts the country in the low human development category. See, “Pakistan,” Human Development Reports, UNDP, last modified September 8, 2022, <https://hdr.undp.org/data-center/specific-country-data#/countries/PAK>

⁹ “Pakistan,” Sustainable Development Report, <https://dashboards.sdindex.org/profiles/pakistan/indicators>

¹⁰ “2021 GHS Index Country Profile for Pakistan,” Global Health Security Index, <https://www.ghsindex.org/country/pakistan/>

Corruption, red-tapism, and inefficiencies of the public institutions¹¹, which create everyday difficulties for the people at the grassroots by giving credence to this view, are adding frustration and bitterness to the society. Above all, the distorting equations, the actual as well as the perceived transgression of institutions¹² crossing their respective domains, have made the government machinery grossly ineffective in pursuing any comprehensive development path.

It is, however, important to note that the present unsatisfactory development progress of Pakistan is an outcome of multiple factors that have originated from the global political dynamics, the situation in the region, and most of all, the crisis of integrity, competency, and confidence within the country for seven decades. These multiple factors have created problems not only for the country's economic and political independence and internal stability but also for cultural and ideological identity.

¹¹ Michael Kugelman and Ishrat Husain, eds., "Pakistan's Institutions: We Know They Matter, But How Can They Work Better?" (Washington: The Wilson Center, 2018), 1. <https://www.wilsoncenter.org/publication/pakistans-institutions-we-know-they-matter-how-can-they-work-better>

¹² Muhammad Mumtaz Ali Khan and Imran Alam, "Good governance in Pakistan: Parameters, causes and measures," *Pakistan Vision* 21, no. 1 (2020): 325, 326, 328, 329, http://pu.edu.pk/images/journal/studies/PDF-FILES/23_v21_1_20.pdf

ANALYSIS

Can Things Get Better and How?

The above-mentioned aspects are important and require special measures to improve the ground situation as well as perceptions. Nothing substantial can happen in isolation as everything is interrelated. Moreover, it is a chicken-and-egg-like situation. Therefore, any process of reform in any sphere cannot be fully effective unless there is improvement in all the related spheres. Thus, the overall system needs to be seen and improved in the context of key questions like who has power. Who makes decisions? Are stakeholders on board? And how is the accountability rendered?

The process of improvement is related to improving the entire governance system. The basic foundations are well-defined in the Constitution. These need appropriate legislation and implementation mechanisms for their operations.

There are certain prerequisites for getting this reform process initiated and making it successful. To achieve this, the most important among these is a clear and consensus-based vision and political will of the leadership at the grassroots levels. This would need ownership by all stakeholders, which is essentially an outcome of inclusivity (taking stakeholders on board) in governance. Although inclusivity is important at every level – from local and institutional to national – the reality is that the culture of inclusivity in any society is developed through practices at the grassroots. It flourishes once it is genuinely operationalised at the highest levels. Thus it has a bottom-up and trickle-down effect at the same time.

It, however, needs to be reiterated that while ensuring inclusivity as a principle of good governance, countries and societies may differ in the ways to ensure inclusivity in the form of government and governance infrastructures. Historical, geographical, and strategic factors also influence the governance style of each country. This is the reason why many

different models of governance remain in vogue around the world.¹³ Thus, while discussing governance in Pakistan, or for that matter in any other country, it is necessary to benefit from the global experiences. However, the indigenous dimension should be an overriding consideration.

Similarly, it is not only logical to infer but is also globally exhibited that notwithstanding the model and structure, the quality of governance largely depends on the commitment and character as well as the role and performance of the rulers and the ruling classes, i.e. the quality of human resource who have the power and make the decisions.

A component of this aspect is how qualified these people are and how much acceptance they enjoy in the society. From the point of view of governance, this acceptance, rather than any ethnic, regional, linguistic, or sectarian bias, develops in an environment where people have confidence in their representatives, their sincerity, and their competence, and at the same time in the transparency of the system which brings them to the decision-making positions. This is directly related to the composition of the representative institutions and the electoral system serves as the most important mechanism for rendering accountability.

Constitution: The Key Governance Document

In this backdrop, the Constitution of Pakistan [1973] provides a clear vision for the society and a framework for the governance and governmental structure.¹⁴ It lays down and clearly outlines a system for governance and public representation.¹⁵ Notwithstanding the changes, this Constitution has remained generally acceptable over the past 50 years. The three

¹³ Democracy, republic, monarchy, communism, and dictatorship, each having different approaches based on objectives and national interests of states, are different models of governance across the globe.

¹⁴ The government structure of Pakistan is federal with three primary branches: the legislative, the executive, and the judiciary. Part III, IV, and V of the Constitution provide frameworks for government structure based on federation, provinces, and relationship between them, respectively. See, "The Constitution of the Islamic Republic of Pakistan," National Assembly of Pakistan, https://na.gov.pk/uploads/documents/1549886415_632.pdf

¹⁵ The Constitution, in the form of Articles 51, 59, 62, and 63, has outlined the prerequisites for public representation. See, "The Constitution of the Islamic Republic of Pakistan," National Assembly of Pakistan, as modified up to May 21, 2018, https://na.gov.pk/uploads/documents/1549886415_632.pdf

important features of this Constitution, which makes it acceptable, are its federal, democratic, and Islamic character.¹⁶

Along with this, the Constitution also provides clear principles for the political system. The establishment of national [and other levels] representative institutions,¹⁷ eligibility criteria¹⁸ for aspiring representatives, and institutions mechanisms to run the whole system are clearly defined.¹⁹ Also, the division in administrative units is clear.²⁰ The Principles of Policy²¹ are also explained concerning the decisions and their implementation after the formation of the parliament and governments. The roles of the legislature, executive, and judiciary and the relationship between them²² have also been clearly stated. Besides, it provides for governments at the grassroots level.²³

In this way, the Constitution of Pakistan provides the necessary foundations for good governance in the country. Nevertheless, there are serious issues with regard to operation and implementation; therefore, voices for a new social contract are also occasionally heard declaring the Constitution controversial. Concerns expressed by a significant number of people about their future in the country, the way society is getting severely polarised at the political, social, and institutional levels, and the way this is causing serious issues of

¹⁶ Prime Minister elect Zulfikar Ali Bhutto, addressing the National Assembly on August 12, 1973, two days prior to promulgation of the Constitution, said: “The country has a Constitution framed by the people. Nobody can deny that it is not a democratic Constitution. It is a Parliamentary Constitution because that has been the urge and the aspiration of the people for a long time. It is a Federal Constitution because the people have wanted provincial autonomy and on the basis of provincial autonomy, a Federal Constitution has been framed by their representatives. It is an Islamic Constitution because the urge and the sentiments of the people from the first day of Pakistan, have sought an Islamic Constitution.” See, The National Assembly of Pakistan (Legislature) Debates, Official Report, pages 8-9, August 12, 1973.

¹⁷ Part III and IV, “The Constitution of the Islamic Republic of Pakistan.”

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Part XII, Chapter 3, “The Constitution of the Islamic Republic of Pakistan.”

²¹ Part I, Chapter 2, “The Constitution of the Islamic Republic of Pakistan.”

²² All three branches of the government are assigned specified areas of responsibilities to achieve a system free of conflict. Different provisions, like Articles 68, 69, and 239, clearly state the ambit of these branches to avoid interference of responsibilities or conflicts.

²³ The 18th Amendment of the Constitution of April 2010 transferred responsibility for local government from the federal to the provincial governments. See, Article 140A, “The Constitution of the Islamic Republic of Pakistan.”

uncertainty, instability, and rising despair are some of the reasons cited in this regard. While such concerns are understandable, making the Constitution controversial, instead of emphasising its application, is a very dangerous approach.

Subordinate Legislation²⁴ – An Important Factor in Making the Constitution Effective

It is imperative to dispel the general impression that every day-to-day failure requires a constitutional amendment to improve governance. By providing the basic guidelines for the running of the affairs of the state, the constitution itself becomes indifferent. After that, it is the job of political parties, and concerned citizens, to get subordinate legislation from the parliament in the light of the constitution. This is often the first step towards better governance once the constitution is in place. One of the major problems at this time is the absence of subordinate legislation to address several governance issues. Let us take the issue of the judiciary, as an example, in this regard.

Subordinate Legislation Regarding Judiciary as a Case in Point

The independence of the judiciary is a cornerstone of governance. It is guaranteed in the Constitution.²⁵ However, due to a lack of subordinate legislation, the chief justice of the country (and high courts, in the case of provinces) has enormous discretionary powers. Such powers cause inconsistencies as per individuals' interpretations.

Consequently, political issues take priority and issues related to state affairs remain on hold. In the absence of detailed rules, the benches are formed according to the discretion of the chief justice. Moreover, it is the discretion of the Chief Justice to schedule the case or to keep it in abeyance. In principle, there may be room for limited discretionary powers to allow any genuine urgency or because of the importance of the case. To streamline the judicial matters, legislation is required especially regarding the timeline of cases and constitution of benches.

²⁴ Rules, regulations, orders, schemes, byelaws, etc. having the force of law, framed by the executive or any other subordinate authority in pursuance of the power conferred on it by the Constitution or delegated to it by an Act of Parliament.

²⁵ Article 2A as well as the preamble of the constitution guarantee the independence of judiciary.

Another important aspect is the functioning of the Supreme Judicial Council. The guiding principles for the Supreme Judicial Council are present in the constitution, but if a complaint is made against a judge, its judgment remains at the discretion of the Chief Justice, who could delay it. This requires subordinate legislation. There are occasions when judges retire and the complaints become ineffective. Due to the absence of a detailed law in the light of the constitution, the Supreme Judicial Council is practically a suspended institution even after fifty years with no office, no secretariat, and no law to govern its affairs.

The judiciary has to play a final and decisive role in establishing the rule of law which is an extremely important element of good governance. It corrects any malpractices in terms of governance and thereby ensures better functioning of the system. If the discretionary powers continue to affect this role of the judiciary, the errors will be perpetuated instead of being corrected.²⁶

Amendments to the Constitution

There is always room for necessary improvement or alterations in the constitution to accommodate the requirements of changing circumstances, yet talking about a new social contract or altering the fundamentals in the constitution reflects only naïve and unrealistic thinking. The fact is that this document, which was adopted by consensus in 1973, has outlined a clear procedure for change, and accordingly there have been 26 amendments to it so far. Moreover, despite successive changes in the governments, which included four military regimes as well, it has sustained itself for 50 years without compromising its fundamental character and basic features.

The option of amendments will always remain open in the future as well in the light of changing circumstances. The real and important question is how far the vision, governance framework, and priorities given in the constitution have been, and could be, implemented

²⁶ Ideally a balance in judicial restraint and activism needs to be maintained which, on occasions, seems tilting randomly. There could be many more ideas about the improvement of judiciary but the stress here is confined to only these two aspects in this larger study on governance.

according to its original spirit. Seen this way, and repeating the key questions mentioned above regarding good governance, the real problem is to eliminate the contradictions in the system. At present, these contradictions exist in several ways.

Approaching the Reforms

Defining the Context: Four Important Questions

The contradictions will be explained later. In the meantime, it will be useful to have a cursory look at the situation from a holistic perspective rather than any knee-jerk or impulsive reflex because of the prevailing scenario.²⁷ Indeed, the thinking paradigm and patterns play an extremely important role in reaching the correct diagnosis and formulation of the best responses. Four questions must be considered in this regard.

First, are the problems related to governance specific to Pakistan? The reality is that although there is certainly a difference in degree, Pakistan is not alone in the world or at the bottom, in terms of problems being faced by the people owing to weak governance situations.²⁸

The second question is whether the current crisis is a sudden development or whether some historical factors are also responsible for it. There is no doubt that there are historical factors. There is a colonial legacy in the administrative structure, culture of governance,

²⁷ A highly polarised political situation developed in April 2022, and continues to exist at the beginning of 2023.

²⁸ In the wider context, governance-related problems are afflicting the whole world. For instance, in UK, the appointment of three prime ministers in less than two months in 2022, created a condition of political chaos that was questioned as being a new normal of British politics. See, "Three PMs in two months, is political chaos the UK's new normal?" BBC, October 26, 2022, <https://www.bbc.com/news/uk-63383616>. Also, corruption remains a serious problem in EU countries. See, "Corruption," Special Eurobarometer SP523, European Union, <https://europa.eu/eurobarometer/surveys/detail/2658>. The alarming increase in mass shooting and gun violence has plagued the US. See, "Charts and Maps," Gun Violence Archive, <https://www.gunviolencearchive.org/>. In the social dimension as well, a developed country like the UK is stricken with sexual violence and rape assaults with no appropriate justice delivery in this regard. See, "Statistics about sexual violence and abuse," Rape Crisis, <https://rapecrisis.org.uk/get-informed/statistics-sexual-violence/>. "The illicit drugs market is big business, worth an estimated £9.4 billion a year. Around 3 million people took drugs in England and Wales last year, with around 300,000 in England taking the most harmful drugs..." See, Dame Carol Black, "Review of drugs: summary (accessible version)," Gov.uk, September 17, 2020, <https://www.gov.uk/government/publications/review-of-drugs-phase-one-report/review-of-drugs-summary>.

and the behaviour of the ruling elite, all of those are colonial legacies. It was primarily devised to maintain their control over a subjugated population.²⁹

The third question is whether only the local dynamics are responsible for the poor performance or whether there are external factors also behind it. There is no doubt that along with the weaknesses, external elements and factors have also played a significant role in corrupting the governance.³⁰

The fourth, and the most important question is directly related to the thinking patterns and parameters of consideration while proposing a plan of action for reforming the situation. Considering the larger picture indicated above and the strengths and weaknesses, how should the whole subject be approached?

With the above questions in the background, recognition and acceptance of the fact that the situation is bad and has been getting worse since long is the first step. Denial would be the biggest obstacle to overcoming it, and so would be the blame game. Whatever is being faced today is the cumulative outcome of the misconduct.

Along with that, there is a need to come out of fear and the hope has to be rekindled that no matter how bad the situation is, it can be improved. Polarisation should not be allowed to undermine national achievements. While there is no shortcut, to boost morale across the

²⁹ The colonial power maintained its control on colonised public through (1) military, which operated as an occupation force to keep occupation intact, (2) civil service, the officials of which primarily worked like corporate managers responsible for collecting revenues, (3) judiciary, which, rather than delivering justice, only worked to decide according to laws given by the colonist regime, and (4) socio-economic elite, who were rewarded with land ownerships for loyalty to rulers. This elitist capture that the colonists incorporated in the system, has persisted even after 1947 with new benefits for the elites.

³⁰ War in the neighboring Afghanistan has influenced the country in a number of ways. See, for example, "The longest war in US history is, in fact, a proxy war with Pakistan." Bruce Riedel, "The US is not abandoning Afghanistan. It now needs a strategy to tackle the Pakistani deep state," Brookings, April 15, 2017, <https://www.brookings.edu/opinions/the-us-isnt-abandoning-afghanistan-it-now-needs-a-strategy-to-tackle-the-pakistani-deep-state/>.

board at the national level, even small successes need to be celebrated. There are many examples of this around the world and in the nation's history as well.³¹

Another aspect, which has also been pointed out above, is that human thinking tends to be driven by spur-of-the-moment which is not unnatural. However, for a sustainable solution, it is necessary to keep the historical trends, larger context, and overall perspective in mind.

Dealing With the Dichotomies in the System

It has been mentioned above that the real problems causing poor governance are related to the dichotomies affecting the national strengths. While there are a number of areas which need to be discussed under this subject, five key dimensions, elaborated below, can be picked here in the context of the theme under discussion.

³¹ A few examples are given here. Pakistan secured top third rank in the global normalcy index by *The Economist* showing the country's resilience and balanced policymaking during the Covid pandemic. See, "The Economist launches 'normalcy index' to quantify the return of pre-pandemic life in 50 countries," *The Economist Group*, July 1, 2021, <https://www.economistgroup.com/group-news/the-economist/the-economist-launches-normalcy-index-to-quantify-the-return-of-pre-pandemic>. Pakistan is the second largest state hosting refugees, while for more than four decades, it has been the largest one. See, "Pakistan world's largest host of refugees: UNHCR," *Radio Pakistan*, March 15, 2018, <https://www.radio.gov.pk/15-03-2018/pakistan-worlds-largest-host-of-refugees-unhcr>. Pakistan is amongst the world's top ten producers of wheat, cotton, sugarcane, mango, dates and kinnow oranges, and is ranked 10th in rice production. See, "Pakistan at a Glance," *Food and Agriculture Organization of the United Nations*, <https://www.fao.org/pakistan/our-office/pakistan-at-a-glance/en/>. Pakistan acquired nuclear power status in a very short time and became one of the nuclear states and the first Muslim country to achieve success in the nuclear programme. NADRA is among top system integrators in identification sector employing e-governance with a citizen-centric approach. See, Tariq Malik, "Technology in the Service of Development: The NADRA Story," *Center for Global Developments*, 2014, <https://www.cgdev.org/publication/ft/technology-service-development-nadra-story>. Pakistan has been a prominent producer of sports products like footballs used in FIFA World Cup. See, "Football made in Pakistan will be used in the FIFA World Cup in 2022," *Economy.pk*, April 1, 2022, <https://www.economy.pk/footballs-made-in-pakistan-will-be-used-in-the-fifa-world-cup-in-2022/>. The winning of Ramon Magsaysay Award by Akhuwat Foundation, the largest Islamic microfinancing programme of Pakistan is a big success story. See, "Saqib, Muhammad Amjad," Ramon Magsaysay Award Foundation, <https://www.rmaward.asia/awardee/muhammad-amjad-saqib>. In the Global Fire Power Index, Pakistan is denoted among the top 10 world powers after securing 7/145 rank for 2023. See, "2023 Pakistan Military Strength," GFP, https://www.globalfirepower.com/country-military-strength-detail.php?country_id=pakistan.

- **The Ideological Dimension:** The Constitution of Pakistan distinguishes itself from other countries of the world in terms of the concept of sovereignty.³² Likewise, it spells out the spirit and provides for such institutions that can help ensure the implementation of this concept of supreme sovereignty³³ in all areas of governance and legislation. However, in practice, neither the spirit is followed nor the institutions concerned are wholeheartedly allowed to play their role.³⁴ This dichotomy is expressively present even in the Principles of Policy.³⁵ There is also a good set of guiding principles, which bars any legal action against the violation of these principles.³⁶ If any immediate attention is required for improving the Constitution, this is one of the most important agenda items.

The paradigm of development is also an area related to the ideological dimension. What kind of development does the nation aspire to? The Western model essentially revolves around GDP and its growth. It has its own merits based on the value system it is founded on. While GDP growth is always welcome, development under an indigenous culture and value-based paradigm that revolves around the ‘Objectives of Shariah’³⁷ and emphasises developing a caring community founded on sustainable family institutions, needs to be highlighted. With this in view, self-reliance by making optimum utilisation of the country’s natural and human resources, welfare,

³² As set out in the Objectives Resolution in the Constitution of Pakistan, “sovereignty over the entire universe belongs to Allah Almighty alone and the authority which He has delegated to the State of Pakistan, through its people for being exercised within the limits prescribed by Him, is a sacred trust.”

³³ Complete surrender to Allah; the operational dimension to it is a model of governance that requires keeping objectives of Shariah in view while making any decision or taking any action.

³⁴ For instance, provisions and practices about Council of Islamic Ideology reports and the disregard shown to Federal Shariat Court decisions.

³⁵ With regards to promotion of local governments, promotion of backward areas, free education, speedy justice, end of social evils, reduction in income disparities, provision of basic necessities of life to all, and social and economic well-being of people, among others, are set out in the Principles of Policy in the Constitution but have low scope of implementation. See, Part I, Chapter 2, “The Constitution of the Islamic Republic of Pakistan.”

³⁶ The directives under Principles of Policy cannot be enforced by courts, provide no legal remedy, establish no legal rights, and are not permanent in nature. See Article 30, “The Constitution of the Islamic Republic of Pakistan.” Author’s name?

³⁷ Maznita Mokhtar, Mohamed Ariff, and Obiyathulla Ismath Bacha, “People’s Wellbeing: A Strive to Meet Maqasid Al-Shariah,” in *Handbook of Analytical Studies in Islamic Finance and Economics*, edited by Zamir Iqbal, Tarik Akin, Nabil Maghrebi and Abbas Mirakhor (Berlin, Boston: De Gruyter Oldenbourg, 2020), 521-525, <https://doi.org/10.1515/9783110587920-023>

conservation, simplicity, and austerity must be the cardinal principles of national development policies in all spheres.

- ***The Power Balance:*** The second major dichotomy is related to the domains and role of various institutions. In the 75-year history of Pakistan, long periods of breaking and suspending the constitution, owing to martial laws and military regimes, have made the question of ‘who has the power’ practically meaningless. Moreover, it is no secret now that even if the military is not directly in power, it calls the shots in almost all important areas of governance.³⁸ This duality has been generally named a hybrid model.

This model has given rise to a problem regarding the role and functions of the civil administration, which is responsible for governance at the operational level. The upright professionals among civil servants have lost the motivation and initiative. To others, this hybrid model of governance has provided excuses to justify their incompetence and failure or adopt an attitude of evading responsibility. As far as the debate about the parliamentary or presidential systems is concerned, it is unnecessary, and opening it in today’s sensitive environment is in no way advisable.³⁹ In a diverse society like Pakistan, the parliamentary system is much more suitable than any other option.

- ***Democracy and System of Elections:*** The third dimension is related to democracy and national politics which is directly related to the electoral system. It is said that

³⁸ Saeed Shafqat, “Pakistan military: sustaining hegemony and constructing democracy?” *Journal of South Asian and Middle Eastern Studies* 42, no. 2 (2019): 22, Pakistan_Military-converted-libre.pdf (d1wqtxts1xzle7.cloudfront.net)

³⁹ Both systems have their own merits and demerits; both have been experienced in Pakistan and neither of these experiences can be regarded as ideal. The Constitution of Pakistan provides a customised parliamentary system, which may be called the ‘prime ministerial form,’ where the prime minister has the power to appoint as many special assistants as he likes. While such things need to be rationalised, it has to be reiterated that it is necessary to observe the checks and balances that exist in any system. And in the final analysis, the success of the system depends on the individuals’ attitude to the rule of law and their character.

democracy does not exist anywhere in the world in its ideal form,⁴⁰ but the situation in Pakistan is even worse as there is hardly any political party that can be called genuinely democratic internally. A few family-based groups hold the position of representing the people in the country. This malpractice is also supported by the prevailing electoral system which helps a select few of the elite group to be elected for interests, based on their personal or group benefits, and based on caste, community, and regionalism rather than any programme and manifesto to improve governance and achieve national objectives.

Moreover, in the electoral system based on the ‘first past the post,’⁴¹ most of the representatives get elected to the parliament by obtaining votes from only a small percentage of the people of their constituency.⁴² This in no way serves the objective of electing a body that genuinely represents all stakeholders in their due proportion.

- ***The Issue of Devolution:*** The fourth dimension, which is also related to the political sphere, is devolution. Despite clear instructions in the constitution about the establishment of local governments, these are not established in the first place. Even if they are formed, those are deprived of the powers to make decisions and control resources. In the absence [or ineffectiveness] of these local governments, the bottom rung, and in a sense the most important level of governance, remains dysfunctional. The burden of governance per force shifts to the upper [provincial] level and spoils it in several ways. How heavy this burden is can be estimated from the fact that in terms of population the province of Punjab is larger than 183 countries of the world while in terms of area, Balochistan is bigger than 131 countries of the world. And interestingly many of these countries have local governments as a normal routine.

⁴⁰ Claude Longchamp, “The Perfect Democracy Does Not Exist – Not Even in Switzerland,” SWI swissinfo.ch, May 28, 2021, https://www.swissinfo.ch/eng/directdemocracy/swiss-democracy-in-an-international-context_the-perfect-democracy-does-not-exist---not-even-in-switzerland/45578888.

⁴¹ See Annexure.

⁴² See Annexure.

- ***Imbalance within Provinces:*** This leads to another important dimension of the issue of governance which is related to interprovincial disparities. The restructuring and rationalisation of the provincial architecture by revisiting the number of federating units in terms of their size, role, and resources is a requirement for national integration, inclusivity, and better governance. However, even with this alteration, the basic unit of governance should be the district and tehsils with local governments in place.⁴³

Proportionate Representation System

Moving for a Fairer Electoral System⁴⁴

The system of voting and counting votes represents the mechanism through which people record their approach and thinking on major issues of the day, enabling the organs of the state to reflect and fulfill the will of the public. These systems should be as accurate, reliable, and impartial as possible. The success of democracy in a society depends, in the final analysis, on the effectiveness of the method of representation adopted. If the process ensures just representation of all shades of opinion and assigns to each a weight in proportion to its total strength in the society, it would result in fair play and strengthen the roots of democracy. If it fails on this count, it will impair the proper working of democracy in spite of all the trappings and symbols of a democratic order.

Several methods of representation have been tried over the years in different democratic societies. All of them can be roughly grouped under two major categories.

The first method is known as the majority system or first-past-the-post system, where the country is divided into several single-member constituencies, and whoever gets the largest

⁴³ Addressing this would however need a constitutional amendment.

⁴⁴ This note has been adapted from an earlier IPS study, Khurshid Ahmad, "A Proportional Representation Model for Pakistan," in *Proportional Representation and the Revival of Democratic Process in Pakistan* (Islamabad: IPS Press, 1983). It discusses the proportional representation system and its significance and also gives a basic framework for its implementation in Pakistan. A detailed exercise needs to be conducted to further develop a Pakistan-specific model keeping in view the special needs of the time and current facts and data.

number of votes in their constituency is treated as the representative of that constituency in the national forum.

The other major system of representation is proportional representation. It is based on the concept that the whole electorate, both majority and minority, should be reflected in the decision-making body in such a way that the strength of the representatives of a particular viewpoint should approximately correspond to their relative position in the population. There are many ways in which this method has been implemented. The central idea in all of these cases is that the real emphasis should be on the political weight of every group or party and that each party should carry a weight in the decision-making body in proportion to its electoral support.

The current system of representation in Pakistan is based on first-past-the-post, which is considered to be a less efficient and unfair system of representation. In this system, the majority of votes in a given constituency wins the seat regardless of how small the majority is. This practice often leads to practically an unrepresentative government as the majority of representatives may not be from the majority of the population. On the other hand, national issues become secondary for the elected representatives. In most cases, their focus remains on their constituency issues and on the interests of particular groups whose support is considered vital for their electoral victory in the future.

Proportional representation, on the other hand, is a much more efficient system for representing all the stakeholders in the society. In this system, parties are allocated seats in a legislature based on their share of the total votes. It is designed to ensure that all citizens have an equal say in the political process regardless of their political affiliation. The idea of proportional representation has been around for decades, but it has gained more attention in recent years. Compared to first-past-the-post, it is a fairer and more equitable way to elect representatives to government. There are variations in form and operational details, depending on the political culture, administrative divisions, demography, and election history in different countries. Yet, the common feature is that, under this system, voters would cast their votes for a political party or list of candidates. The seats in the parliament

are then allocated according to the proportion of votes each of them or the list of candidates receives. While this is a popular form of proportional representation because it is simple, easy to understand, and easy to implement, variations, as indicated earlier, can be introduced according to a country's specific political requirements.

Proportional representation may have provisions for independent candidates. Depending on the form of proportional representation used, independent candidates may run for the seat as part of a party list in multi-member constituencies. Additionally, proportional representation systems may also provide for pre-election alliances between parties. This is often done through open lists, where parties can come together to form joint lists of candidates who are more likely to be elected.

Globally, around 90 countries use some form of proportional representation. In Europe, it is the most common form of the electoral system. Countries such as Norway, Sweden, Finland, Iceland, Denmark, Belgium, Luxembourg, the Netherlands, Germany, Austria, Portugal, Spain, Ireland, and Turkey are using this system. Outside Europe, Argentina, South Africa, Australia, and New Zealand are among those countries that are using this system.

A Look at the Objections to the Proportional Representation System and its Benefits

It is argued that the system often leads to unstable governments, but empirical evidence does not favour this contention. It is also contended that the system can lead to voters feeling disconnected from their representatives since they may not have a local representative to turn to for help. While this is true, it should be desirable as the national or provincial legislatures are not meant for individual benefits but to work for the community and society. Another argument is that proportional representation leads to a proliferation of political parties and a multiplication of splinter groups. While the argument carries some weight, the issue is resolved with the passage of time as the parties move for collaboration and alliances.

Benefits of the Proportional Representation System

The most significant benefit of proportional representation is that it allows for a more diverse representation in government. It warrants greater chances of representation of smaller groups and prevents one party from dominating the legislature. It ensures that elected representatives are relatively more competent and qualified, efficient, and reflect the views of the whole population rather than just a few powerful interests. This allows for a more inclusive government that is more likely to represent all segments of the population. In the first-past-the-post system, where the party with the most votes wins all the seats, smaller parties often find themselves without a voice. But with proportional representation, smaller parties can gain representation even with fewer votes than the larger parties. This can lead to a more balanced and representative government.

Moreover, proportional representation can lead to improved governance. This is because the system encourages collaboration between parties, as each has a stake in the outcome of policy decisions. This can lead to more effective implementation of policy and greater accountability of elected representatives.

Importantly, under the proportional representation system, a shift of emphasis occurs from the individual candidate to the party on whose ticket he operates. Individual influence is never totally eliminated, yet the focus is more on the party, its programme and its national character. This raises the level of discussion from individual traits to social and ideological issues and sets the political process to move in the right direction. This brings about very revolutionary and healthy changes in the operation and strengthening of the democratic processes in the country; the importance of the party increases and greater effort is directed toward strengthening the party and its institutions. Organisation of parties throughout the country gets a fillip because the strength of a party in each area is tied to its strength in the rest of the country. This also creates greater discipline and accountability in politics.

Moreover, the probability of a fair election is much greater in proportional representation than in the majority system. If a party is involved in rigging, it may change the percentage of votes marginally, but it would not be in a position to upset the results totally. In addition,

during the election campaign, the discussion concentrates on party ideology and programmes. So the voters and political workers can be trained, accordingly. This process has helped in the emergence of ideological parties in several European countries, and this has led to the reduction of tribal and monetary power in favour of ideologically-oriented political parties.

This system inherently produces greater cooperation and even ultimate integration among political parties. The result is that parties become more national and integrated through networks of agreements and alliances. More or less permanent groupings of like-minded organisations emerge and cleanse the political climate of some of the fog generated by too many parties and rival political groupings.

The system also reduces tendencies towards political violence by ensuring a place for each significant group a place in the national forum for decision-making. The divergence between the expected and actual results is usually narrow in this system.

RECOMMENDATIONS

How to Move On?

The five dimensions discussed above are not exhaustive in terms of a full and sector-wise diagnosis of the governance problem but indicate the main and overriding causes. While formulating the plan of action regarding good governance in the future, the focus must again turn to the four questions stated at the beginning of this discourse.⁴⁵ In light of these questions, smoothening the dichotomies in decision-making by correcting the entire system should be the top priority. An agenda based on the following points should form the basis for any governance reform programme.

- Respecting the Constitution, which is the basic guiding document, in letter and spirit. Elimination of institutional overlap and conflict, de-politicisation of the judiciary, and bureaucracy should be the top priority.
- According to the Constitution, the highest legislative body is the parliament. The governance will improve with the performance of the parliament. Therefore, steps have to be taken to improve the efficiency of individual members, its committees, and the quality of parliamentary debate. It has to be ensured that its fundamental task is legislation and monitor the performance of the government and its policies. The decisions taken here are not for any individual or group or even any particular institutional interest but truly in the context of national interests.⁴⁶ Similarly, to make the parliament effective and strong, it is necessary to ensure the stability of this institution.
- A review of the rules of business to improve the overall working and institutionalised decision-making, especially in matters of sovereignty, independence, and national security, is also needed. Most of all, it is the MPs' commitment and their professional qualities that count. Measures to achieve the highest level of excellence would require reviewing the whole process of elections.

⁴⁵ These include: Who has power – de jure and de facto? Who makes decisions and how? Inclusivity; to what extent the stakeholders are on board? How effectively is the accountability rendered?

⁴⁶ The distribution of billions of rupees to members of parliament and provincial assemblies in the name of development funds over the years is nothing but formalising and legalising the vested individual and group interests of MPs. Such traditions need to be stopped immediately.

Political Culture and the Electoral System

The flawed electoral system is more favourable to the elite capture and needs to be reformed. In the present electoral system, it is more or less impossible for genuinely competent people to be elected as public representatives based on a national agenda. This means the performance of the parliament will remain unsatisfactory. From this perspective, some fundamental changes in the electoral system, by moving to proportional representation from the ‘first past the post’ are inevitable.⁴⁷

- These changes could alter the political culture and result in the national interest and programme becoming the basis of representation in the parliament. The performance of the members elected to the parliament and political parties should also be evaluated on the same basis. Rebuilding of the political parties is also required through their mandatory democratisation involving intra-party elections by secret party ballot and elimination by law of the hereditary succession of political leadership which, in essence, is the very negation of inclusivity and democracy.

Exceptions are everywhere and some outstanding parliamentarians could always be found. However, expecting a candidate, who is elected with the support of a small percentage of the cast votes and whose political future is dependent on maintaining the support of those voters in a particular constituency, to struggle for the fundamental rights of his opponents and the fulfillment of national interests is an unrealistic expectation.

Hence, there is a need to amend the current majoritarian adult franchise system and move on to holding elections based on “Proportionate Representation.” This will ensure the representation of political parties in national (or provincial) legislature, proportionate to the percentage of votes they receive. It will provide greater access to non-feudal, non-elitist, educated middle-class people and professionals in the elected assemblies.

⁴⁷ See Annexure.

- Political nurseries must be operative to improve the quality of representation and efficiency in the parliament. Establishment and empowerment of local governments through the electoral process as per Constitutional prescription must be followed rigorously.⁴⁸

Moreover, student unions, labour, and professional associations are also indispensable for improving political culture. This will encourage opportunities for the youth in politics. Governance in the area of sports and games is not directly related to the political system and, therefore, requires a separate discussion. It however, encourages a rule-based system, basically grooming the young generation for future responsibilities.

- In the context of the political history of Pakistan and the specific socio-political condition, there is also a need to consider reducing the term of the government. Elections could be held every four years to allow people to express their choice, i.e. ideology, programme, party, or leader. Change/renewal of mandate every four years will inculcate new traditions of patience and struggle in the political culture.⁴⁹

It is also recommended that simultaneous elections of provincial and national legislatures should not be binding. Elections provide an opportunity to release or reduce the tension created in the political environment and at the same time an occasion to focus on the real performance of various governments and parties. Different maturity dates of the parliament and provincial assemblies' terms will only strengthen this process.

- The use (or otherwise) of electronic voting machines (EVMs) has been mentioned repeatedly in recent days with reference to future elections. It has become a major

⁴⁸ Article 140A provides for the establishment of local governments, while Article 219(a) and 219(d) charges the Election Commission to prepare for the elections of local governments.

⁴⁹ "No Pakistani prime minister has completed a full term in office," *Aljazeera*, April 9, 2022, <https://www.aljazeera.com/news/2022/4/9/factbox-no-pakistani-prime-minister-has-completed-full-tenure>

topic of political controversy in the current situation.⁵⁰ Regardless of the arguments for and against EVM, it is a minor issue compared to the many important steps outlined above to reform the electoral system.

E-governance Dimension

Digital technology and opportunities for handling big data have provided new prospects for improving the entire system of governance⁵¹ and not just elections. There is no dearth of talent in this regard in Pakistan and there has been significant progress in many small and big projects. A comprehensive, far-reaching, and clear vision and goals, as well as the necessary allocation of human and financial resources towards e-governance, is the need of the hour. This subject itself requires an exclusive discussion.

Proportional Representation Model for Pakistan⁵²

As stated earlier, there are variations in the operational details of the proportional representation system. Thus, nothing is sacrosanct about the modalities through which the system should be introduced and operated. Necessary changes could be made to suit Pakistan's unique needs, and below a model has also been suggested. Whatever arrangements are made for adopting this system in the country, the nation would have enough opportunities to improve it further through experience and experimentation. The most important thing is to make a beginning.

⁵⁰ Hina Binte Haq and Syed Ali Talha, "Electronic Voting Machines For Pakistan: Opportunities, Challenges and the Way Forward," paper presented at Rasta Conference, Pakistan Institute of Development Economics, Islamabad, March 28-29, 2022, <https://pide.org.pk/rasta/wp-content/uploads/Hina-Bint-Haq-Conference-Paper.pdf>

⁵¹ Pakistan has started giving considerable attention to the application of ICT and e-governance in various sectors. For instance, the implementation of big data technology during the Covid pandemic has contributed a lot to the nation's resilience and post-pandemic recovery. See, SparkLabs, and Augmentcare, "Battling Covid: Leadership and Technology Lessons Learned from Pakistan," August 13, 2020, <https://www.augmentcare.com/wp-content/uploads/2020/08/Pakistan-Covid-Case-Study-13Aug2020.pdf>. Moreover, the government's efforts to bring innovation through implementation of e-Governance initiatives in the public sector, e.g. NADRA, Sehat Sahulat Programme, and in banking sector, have resulted in improved service delivery. See, "e-Governance," NADRA Pakistan, <https://www.nadra.gov.pk/solutions/e-governance/>. See, "Sehat Sahulat Program," State Health, https://statehealth.com.pk/sehat_sahulat_program.php.

⁵² Adapted from an earlier IPS study, Khurshid Ahmad, "A Proportional Representation Model for Pakistan," in *Proportional Representation and the Revival of Democratic Process in Pakistan* (Islamabad: IPS Press, 1983).

The system of proportionate representation in Pakistan may be based on the following premises:

- For the National Assembly, the existing administrative unit of a Division will constitute a constituency, save in exceptional cases where a Division may be divided into two constituencies.
- For provincial assemblies, each District will form a constituency.
- A party or alliance of parties that gets less than five per cent of the total votes cast in the country and four percent of the votes cast in each province shall not be considered a national party eligible to be represented in the National Assembly.
- A party or alliance of parties which fails to get less than five percent of the votes in the province in which it has contested elections shall not be eligible to be represented in the provincial assembly.

The reason for making every administrative Division a constituency is to guarantee territorial representation along with the representation of political parties and political groups. Due to the federal nature of the state, the country cannot be considered as one constituency as a whole. Therefore, it is necessary that there should be at least four constituencies for the four provinces, in principle, in accordance with the provincial entities. However, as there are large disparities in the population size of the provinces, an alternative in the form of Division as a constituency has been suggested.

The idea behind making a Division a constituency is to maintain the territorial representative character intact along with the representations of political parties and groups. Besides, the arrangement will reduce parochialism and provincialism.

In the case of elections of provincial assemblies, it is proposed that each District should be treated as one constituency. This will further eliminate the tendencies of the *baradari* system and sectarian feelings and will also help enhance the representative character of a

provincial assembly by ensuring the representation of every district in the provincial assembly.

While, ideally, the entire election should be held on a party list system, for an interim period of transition, elections for a certain number of seats may be considered on the present majoritarian system. However, there should not be any independent candidates.

Agenda for Future Research

The objective of this report was to identify the core governance issues in Pakistan with respect to the country's political system and provide related recommendations. Governance itself is a vast topic with multiple dimensions. This discourse does not seek to address all aspects of governance as it falls beyond the report's scope. The core focus of analysis throughout the report has been the political system and its issues in the governance system in today's Pakistan. Even if the political system is to be extensively addressed, it can include a wide range of topics. The report has brought attention to them. However, in view of the concepts and ideas presented in the report, there is a need for further research and practical work on the specifics of the following diverse topics, each of which carries its significance and scope for good governance.

- ***Dichotomies:*** The report outlines five dichotomies in the political system i.e., the ideological dichotomy, the dichotomy of power balance, the dichotomy of democracy and electoral system, the issue of devolution, and imbalances within the provinces. A thorough analysis and research must be conducted to find viable and practical solutions to end these dichotomies for better governance.
- ***Electoral System:*** The report gives a general overview of the electoral process and the proportional representation (PR) system for it. However, topics such as public awareness and their training to operationalise the system, amendments to the Constitution and other legislation, and rules and regulations to conduct elections under the PR model, need further research.

- ***Political Nurseries and Local Government:*** In order to improve the political culture and to train the public, political workers, and administrative personnel, the report has recommended focus on political nurseries. In these nurseries, special emphasis should be laid on the establishment of local governments and the formation of student associations or unions. As the establishment of local governments is a constitutional requirement, it is necessary to conduct a study to determine how this requirement may be implemented in its letter and spirit. Similarly, detailed work is also needed for legislation and its implementation for student unions and other associations or platforms.
- ***Subordinate Legislation:*** A case study of the judiciary has been given on the topic of subordinate legislation, which remains a less focused area of attention. This also requires a thorough research.
- ***Sports:*** The world of sports is an extraordinary field of training for learning teamwork and respecting the rule of law. It has a relation to political culture improvement to inculcate respect for the rule-based system irrespective of the number of stakes involved in victory or defeat. This should be another future area of research focusing on how to organise and promote sports.
- ***Thinking Paradigm and Value-based Development:*** As discussed in the report, development under an indigenous culture and value-based paradigm that centers on the ‘Objectives of *Shariah*’ and emphasises the building of a caring community rooted in sustainable family institutions must be made a focus of future research. Topics such as the thinking paradigm and within this paradigm, the message of hope and value-based development, require a separate study with a view to putting forward detailed recommendations.

CONCLUSION

Human life has a lot of diversity and constant change is one of its main features. Against this backdrop, governance is not only a vast subject, but it is also a dynamic one. Being able to keep an eye on the upcoming changes and respond to emerging trends, according to one's vision and circumstances, is a sign of good governance and makes it more effective. In this analysis, important suggestions have been given with reference to Pakistan's overall governance, however, each of these requires additional and detailed work. Part of this in-depth work will be a review of the governance of various sectors and preparing an integrated strategy. It is important to point out that systems and structural weaknesses certainly affect governance, but the governance crises are closely related to the moral and ethical crises. In any society, if the moral condition of the people, and especially those who are in authority is declining, then measures in the structural changes cannot improve the situation. It should be recognised that notwithstanding many good qualities of Pakistani society, its overall moral condition is also deteriorating. In this context, it needs to be addressed not only as a part of improving governance but in its own significance. There is no doubt that human knowledge and skills are important features for governing the affairs of any unit in human society. However, only those organisations and nations achieve sustainable success which adheres to basic human ethics, moral principles, and values.

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NATIONAL IDENTITY AND COHESION

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CONCEPT NOTE

National Identity and Cohesion

Pakistan is a state that was created based on an ideology to protect the Muslim community's social, political, and economic rights from Hindu majoritarianism. The present BJP regime driven by the *Hindutva* ideology of exclusivism in India is a stark reminder of the wisdom of our founding fathers. Quaid-e-Azam Muhammad Ali Jinnah's 11th August 1947 speech in the Constituent Assembly, was a clear guideline for our national direction. Unfortunately, the country, after independence was beset by security and economic challenges that detracted it from the vision of our founding father of an egalitarian society and inclusive policy. Ethno-religious particularism instead of socio-political pluralism took hold of the country resulting in an autocratic rule and weak democratic interregnums. The consequence of the above has been the opening of visible fissures in national identity and cohesion thriving on social, economic, and political deprivations of the people and certain regions. In turn, these fissures manifest as identity politics by vested interests, militancy, and extreme political polarisation in the country. To alleviate the above, the country needs to foster patriotism and social cohesion through national values by upholding the principle of "Unity in Diversity".

As stated in the 1973 Constitution, a strong federal structure and adherence to democratic principles can help promote a culture of harmony, tolerance, and cooperation. In addition, good governance will further strengthen the citizen-state social contract by ensuring timely, equitable, and effective delivery of public goods. Vertical and horizontal social-economic inequalities in society need to be reduced to alleviate grievances. Finally, a nationwide effort must be made to preserve our unique national identity and guard against malicious designs of hostile actors seeking to destabilise Pakistan by exploiting the social fissures.

The Grand National Dialogue aims to generate an intellectual debate on the policy measures that need to be undertaken to strengthen the national cohesion that celebrates our

diverse cultural heritage, besides strengthening the bonds of the federation and fostering a sense of belongingness and unity in our people.

Scope of Discussion

- Pakistan's identity markers and nation-building vision of the founding fathers.
- Factors impacting adversely on national identity and cohesion.
- National integration model of different countries and lessons for Pakistan.
- How to strengthen Pakistan's federal structure through constitutional and democratic practices?
- How to promote sectarian and interfaith harmony?
- Recommend strategies for fostering national cohesion.
- How to ameliorate the sense of deprivation among underdeveloped/underprivileged regions and socio-economic classes.

BACKGROUND

IPRI held multiple conferences and roundtables under the theme of “National Identity and Cohesion-Unity in Diversity” as part of The Grand National Dialogue (GND). The aim was to generate an intellectual debate on policy measures that need to be undertaken to strengthen national cohesion, celebrate our diverse cultural heritage, and cultivate fraternal bonds of the federation. Following events were held under this theme including:

- **National Seminar, Marriot Hotel, Islamabad (August 25, 2022)**
- **National Seminar, University of Balochistan (UOB), Quetta (October 18, 2022)**
- **Roundtable, Islamabad Policy Research Institute (IPRI) (October 26, 2022)**

Participants/Experts

- Amb. (retd) Dr. Raza Muhammad, President IPRI.
- Brig. (retd) Dr. Raashid Wali Janjua, Director Research IPRI.
- Amb. (retd) Asif Durrani, Senior Research Fellow IPRI.
- Dr. Aisha Ghaus Pasha, Minister of State for Finance and Revenue, Pakistan.
- Amb. (retd) Riaz Mohammad Khan, Former Foreign Secretary.
- Dr. Abdul Malik Baloch, Former Chief Minister of Balochistan.
- Jamal Shah, Chairman, Pakistan Freedom Front.
- Mr. Owais Ghani, Former Governor of Khyber Pakhtunkhwa and Balochistan.
- Ms. Roshan Khursheed Bharucha, Former Federal Minister, Pakistan.
- Dr. Raja Qaiser Ahmed, Academic, Quaid-i-Azam University.
- Mr. Nasrullah Khan Zayrai, Member of Provincial Assembly, Balochistan.
- Mr. Sanaullah Baloch, Member of Provincial Assembly, Balochistan.
- Senator Mir Sarfraz Bugti, Member of the Senate of Pakistan.
- Senator Anwar ul Haq Kakar, Member of the Senate of Pakistan.
- Dr. Barkat Shah, Assistant Professor, Department of Pashto, UOB.
- Mr. Owais Ghani, Former Governor, Khyber Pakhtunkhwa and Balochistan.

- Dr. Muhammad Zia ul Haq, Professor, Faculty of Shariah & Law, and Director General Islamic Research Institute, Islamabad.
- Dr. Qibla Ayaz, Chairman Council of Islamic Ideology (CII), Islamabad.
- Dr. Arshi Saleem Hashmi, Head of Department, Department of Peace and Conflict Studies, National Defence University (NDU).

ANALYSIS

Overview

Since independence, Pakistan has been facing serious security and economic challenges that detract from the Founding Father's vision of an egalitarian society and inclusive polity. Ethno-religious particularism instead of socio-political pluralism took hold of the country resulting in frequent autocratic rules and weak democratic interregnums. As traditional security policies and challenges eclipsed the other national priorities, the autocratic regimes became the rule rather than the exception. The democratic politics was compromised and ethno-religious particularism took root in the society. Since Pakistan's independence, such frequent centrifugal tendencies caused an immense impact on Pakistan's social, economic, and political life while marking an overwhelming dent in Pakistan's national identity and cohesion. As conflicts over identity politics have remained a persistent feature of Pakistan's polity, rising ethnic militancy and extreme political polarisation have emerged as its manifestation. Keeping these challenges in view, IPRI held multiple conferences and roundtables under the theme of "National Identity and Cohesion-Unity in Diversity" as a part of the Grand National Dialogue (GND). The aim was to generate an intellectual debate on the policy measures required to strengthen national cohesion in the spirit of celebrating our diverse cultural heritage and strengthening the bonds of the federation.

The Issue

National identity and cohesion are interlinked. They have to be considered together while carrying out an appraisal of both in the context of a particular country. Pakistan's ethnic, social, and cultural diversity demands an appraisal of its national identity as understood by the masses and the factors affecting national cohesion. This research effort seeks to identify the markers of national identity and its basis, besides analysing factors contributing to national cohesion.

Key Takeaways

- Pakistan was established in 1947, as a separate state for Muslims of the Indian subcontinent. For the last 75 years, Pakistan has struggled to develop a cohesive national identity. Identity provides direction to pursue a nation's stated socio-economic and political objectives, and cohesion is a binding force that coalesces the whole nation into one union.
- Pakistan's early years experienced a political vacuum due to the early demise of Quaid-i-Azam Mohammad Ali Jinnah, which left mainly a colonial-era mindset holding the reins of power. With a bulk of senior members of the Muslim League either dead or retired soon after the independence, the responsibility to foster nation-building fell to second-tier politicians. The challenge was too complicated for them to handle as Pakistan had inherited a diverse and complex society beyond the ken of their political acumen.
- Pakistan has always been home to a diverse population, with different languages, cultures, and ethnicities. This diversity has never been judiciously appreciated and comprehensively incorporated into the national identity. Additionally, the prevalence of identity politics has accentuated divisions within the society and weakened national unity.
- In multi-ethnic and multi-linguistic states and societies, national integration is a function of equitable sharing of political power, and equal respect for the cultural and linguistic practices of various nationalities through an inclusive constitution. During Pakistan's nascent years, the strengthening of shared identity and national cohesion suffered in the absence of a unifying national constitution which was made after a lapse of nine years in 1956, by the Constituent Assembly of Pakistan.
- The unresolved conflicts with India and the irredentist claims of Afghanistan in the early years also engendered a security-centric political culture. Consequently, Pakistan has always been dominated by a state-centric security approach rather than human-centric security approach. This has in turn led to the alienation of masses from the state.

- Prolonged authoritarian rules and weak political leadership have prevented the development of strong national institutions and a sense of common purpose among its citizens. A healthy political debate and public participation required by the majority were ignored for a long time, leaving the space open for the military interventions.
- Pakistan has suffered persistent poverty, unemployment, and income inequality resulting in severe socio-economic disparities. These factors have further contributed to a lack of trust and unity among different segments of society. The country's ongoing economic crisis has weakened the government's ability to provide basic services and security to its citizens even more, which has further eroded national cohesion. However, there are several recognisable attributes to Pakistan's identity such as Islam, history, art, poetry, literature, and geography. These attributes have not been fully utilised to foster a shared national identity in Pakistan.

Identity Politics

- Identity politics mainly focuses on issues related to the social, religious, ethnic, or cultural identity of a particular group. In Pakistan, identity politics have gained strength mainly because of the failure of successive ruling elites to engender national identity and cohesion.
- We need to give due recognition to our cultural and historical identity markers. There is a deep detachment from our historical roots. For example, there is a reluctance to adopt our Indus Valley heritage dating from the pre-Islamic period, and a tendency to consider it incongruent with the Pakistani and Islamic identity. Unfortunately, most of the inorganic influences (courtesy of Afghan Jihad), and post-9/11 extremist tendencies, have led to an affinity to extremist religious values in the society.
- Pakistan is a country of diverse ethnic and linguistic groups, such as Punjabi, Sindhi, Pashtun, Baloch, Saraiki, Mohajir, and others. These groups have often been at odds with each other, with each group vying for political power and resources. This has resulted in a fragmented society, where the interests of one group are often pitted against the interests of another.

- Pakistan was created as a Muslim-majority country, and religious identity has been a central part of its national identity. However, different sects of Islam have also been in conflict with each other and sectarian violence has been a common feature in the country making the society dangerously vulnerable to sectarian conflict.
- The issue of identity politics in Pakistan has also been exacerbated by the instrumentalisation of particularistic identity by political parties for their electoral gains. For instance, the Muttahida Qaumi Movement (MQM) represents the interests of the Mohajir community in the urban areas of Sindh has often exploited this identity to gain political power.

Similarly, the Pashtun Tahafuz Movement (PTM) represents the interests of the Pashtun community. It has raised the issue of Pashtun's rights. The PTM's key grievances include the frequent military operations in Pashtun areas, which have caused massive displacement and loss of life.

Socio-Economic Disparities

- Socio-economic disparities have created a deep sense of deprivation in the smaller provinces of Pakistan and contributed to the fissures in the society. The failure of the state to integrate the masses of the smaller provinces into the governance system through inclusive and participatory structures has alienated the population, fueling resentment and ethnolinguistic polarisation.
- Unequal distribution of resources and wealth, amongst different federating units as well as among different social classes, exacerbates the differences, as feelings of deprivation gain traction with the small groups viewing privileged individuals accumulating unearned wealth. According to UNDP's National Human Development Report 2021, top twenty per cent in Pakistan hold fifty per cent of the national wealth as compared to a measly seven per cent held by the bottom twenty per cent of the people. The government's inability to provide adequate support and resources to the citizens adds to the feeling of alienation and disillusionment in the nation.

- Many grievances of the smaller provinces and administrative units of the smaller provinces stem out of perceived deprivations. For example, a feeling exists in Balochistan that its natural resources are being exploited while minimum dividends are being given to the local population. Given the lower development levels, the young generation from smaller provinces is disillusioned when visiting the urban capitals in Pakistan. This disillusionment gives way to resentment among the youth in the peripheral regions including Balochistan, former tribal districts of FATA, Gilgit-Baltistan, and South Punjab.
- Lack of national cohesion as a function of socio-economic deprivation has also led to political agitation and militancy in smaller provinces and peripheries in Pakistan. For example, the security situation in Balochistan is the outcome of the deprivation faced by the people of the province, which has been exploited by the sub-nationalist elements and external forces inimical to Pakistan for their vested interests.
- Mohajir grievances undergirded the rise of MQM militancy in Karachi wherein a highly educated urbanised community felt exploited and trapped in a perpetual cycle of inequity *vis-a-vis* other dominant communities partaking the largesse of the state at the cost of Mohajirs.

Poor Governance

- Bad governance is the root cause of all inefficiencies, including social injustice, economic inequality, regional disparity, unemployment, corruption, and nepotism in Pakistan. Weak governance has prevented the development of strong national institutions and a sense of common purpose among Pakistan's citizens.
- National security trumped human security from the early 1950s when a young nation confronted with existential threats of water denial, territorial violation, and irredentism by aggressive neighbours opted to piggyback on the politico-military support of the United States to neutralise looming threats to her national survival. National security imperatives and geo-political compulsions relegated the democratic process in favour of authoritarian rule resulting in the denial of the political rights of the masses.

- One of the prime prerequisites is the political inclusiveness for the empowerment of the people at the grassroots level. The political instrument to achieve people's empowerment is the local government system, which remains weak. Although the 18th Amendment has paved the way for provincial autonomy and devolution of power, the political power has not been transferred at the local government level. Article 140(A) of Pakistan's constitution emphasises the importance of devolving power to the most basic level of governance. i.e., local government level. Yet, the provincial governments have been reluctant to transfer political, administrative, and fiscal power to the local government.
- A fully functional and empowered local government system provides for the resolution of the social, administrative, and governance problems at the local level and frees the central government and bureaucracy to pursue larger political, economic, and security objectives of the state.
- Article 148 speaks of the obligations of federal, and provincial authorities, but the proper channel for all these representative entities to interact with each other is lacking. There is a plethora of issues faced by provinces that are not channeled appropriately to the federal authorities.
- Implementation of the 18th Amendment has met resistance from the central bureaucracy that stands to lose political influence if power is devolved effectively from provincial governments to local governments. However, such a challenge might still be an afterthought as local governments are a long way from exercising the level of autonomy guaranteed to them in the Amendment. The devolution of powers to the provincial level has instead strengthened political patronage in the provinces where political elites govern without any checks or regulations, independent of the central government to a large degree.
- The inability of political leaders and policymakers to deliver basic services to the people has provided a space for ethnoreligious 'nationalism and particularism' in the political landscape of Pakistan that has resulted in the polarisation of the society. Pakistan's social contract is currently elitist and exclusionary in nature. It does not take into account the perspective and capacity of the diverse demography of Pakistan.

For example, feelings of alienation from the national federal political process are becoming pronounced in Gilgit Baltistan (GB). Although GB is under the administrative control of Pakistan, there is a strong desire in the people of GB to become an integral part of the federal process.

Lack of Tolerance and Inclusion

- Any progress towards national integration in Pakistan is unachievable without inter-communal harmony. A good starting point is to foster tolerance in the society, which can be done through early schooling.
- A major social factor that has been nibbling away at national solidarity is the menace of sectarianism. Earlier on, a tolerant and syncretic version of Islam was practiced in Pakistan barring a few isolated incidents, all sects lived in complete harmony. That practice has been impacted adversely by the rise of sectarian organisations with foreign linkages and their internal proxies that promote division in society.
- The state sponsorship of religious seminaries for ideological needs during the Afghan war and external funding created a network of seminaries that was beholden to its interpretation of religion and not amenable to integration with the mainstream population. Religion, therefore, instead of being used as an integrative force was misused engendering social and political discord. Our national response has remained lacking in direction and resolve while dealing with the religious question.

Lack of Education and Modern Outlook

- Pakistan has lagged in providing quality education to all segments of the population leaving a vast and impoverished segment at the mercy of *madrassas*-run schools running on charity. Within the mainstream education system also there are glaring contrasts amongst different school systems, catering separately to impoverished and affluent classes. This educational apartheid translates into differences in thought and outlook, creating segmentation in the society. The lack of a common school system and curriculum in Pakistan has adversely contributed to national integration.

- According to the latest estimates, Pakistan's literacy rate stands at sixty-three per cent with the country spending a mere 1.7 per cent of its GDP on education as compared to an average of six per cent in the developed countries. Even an underdeveloped country like Kenya spends five per cent of its GDP on education.
- Article 25(A) of the constitution stipulates 'education' as a state responsibility. However, since the devolution of education to provincial governments, it has become cumbersome for Federal and Provincial governments to align their views on education.
- The key to national accomplishment in present times is the understanding of the human progression and the imperatives of modernity, which are directly linked to the knowledge-based assimilation of science and technology in the society. However, confusion persists between modernity and westernisation in Pakistan.

RECOMMENDATIONS

Response to Identity Politics

- Pakistan's political elite needs to forge a consensus on Pakistan's identity markers as defined in the Constitution.
- Encouraging inter-group dialogue can help reduce tensions and foster mutual understanding and respect between different groups. This can be achieved through community gatherings, workshops, and forums where people from different backgrounds can come together to discuss their issues and find common ground.
- The government should work towards resolving any past injustices and healing historical wounds, such as those related to the rights of ethnic and linguistic minorities.
- A reconciliation process for estranged Baloch and other communities should be started through active and sincere engagements and dialogue.
- Federal and provincial governments should launch investigations of alleged extrajudicial killings and enforced disappearances. The government should establish a commission to investigate these cases and ensure that those responsible are held accountable.
- The government should take steps to ensure an end to discriminatory practices against marginalised communities including racial profiling, harassment, and discrimination in employment and education.
- The government should provide compensation to the victims of violence and those who have lost their loved ones or their livelihoods as a result of violence.
- The federal government should engage with the estranged groups, such as PTM and Baloch leaders, to address their grievances and find a peaceful solution to their demands. This could include establishing a formal forum for dialogue and negotiation.

Alleviation of Socio-Economic Disparities

- Innovative social, political, and fiscal policies are of prime importance for the promotion of national integration. To achieve this end, the federal government needs to stress the equitable division of national resources among all the provinces without any bias.
- Emphasis should be laid on evolving policy parameters concerning human development. There is a need for speedy economic development in smaller provinces to reduce antipathy against the federation and improve the perception of people about the federation.
- Investing in infrastructure can have a significant impact on a country's physical connectivity. Connectivity plays an important role in creating a shared sense of identity and national cohesion. The government should focus on developing transportation, energy, and communication infrastructure linking all provinces, especially Balochistan, with the federal core.
- Federal and Provincial governments must invest in more high-quality skills imparting technical institutes in the smaller provinces to provide their young population with employable skills rather than leaving them at the mercy of radicalised sub-nationalists.
- Federal and provincial governments must find a way to separate politics from development projects and allocation of government jobs, which should strictly be on merit, especially in developing provinces. These deficits are fueling hatred against the government and federation.
- Internal dialogue is essential to assuage grievances and engender a feeling of inclusiveness in the deprived regions of Pakistan. The political parties of Pakistan should be encouraged to initiate the process of national dialogue involving smaller provinces to evolve a consensus on required socio-economic reforms.
- The provincial governments need to improve governance and eradicate corruption through special measures.

- State should engage with students from smaller provinces through seminars, dialogues, and roundtables where they are allowed to enter into dialogue with their parliamentarians and policymakers.
- The government can implement social safety net programmes to help the most vulnerable individuals and families, which would ultimately create a strong sense of belonging with the state. This can include cash transfers, food assistance, and support for education and healthcare.

Reforms in Governance

- Since Pakistan is a representative democracy, two important aspects should be observed by all stakeholders in the government. First, all pillars of the state should remain within the confines laid down by the Constitutional Law. Second, Pakistan should have an independent Constitutional Court. This court should solely focus on the constitutional aspects/violations.
- Public information policy, including the right to information, must be introduced along with free media to keep all stakeholders i.e., political leadership and executive bureaucracy accountable.
- The new system of proportional representation should be adopted so that popular parties are elected into power, instead of electable individuals. This will eliminate the continual blackmailing of the PM by the elected representatives. The party or coalition comprising more than 50 per cent of the votes should have its executive appointed as the chief executive of the province or the country. All political parties should be obliged to provide a prioritised list of the candidates for the respective house 3 months in advance before the elections, listing candidates for the Prime Minister, President, Speaker, and Chief Ministers.
- The powers of the Senate of Pakistan should be increased as it has equal representation of all the federating units of Pakistan. This measure could help assuage the feelings of deprivation in the underdeveloped provinces.

- Corruption can have a significant impact on the country's economic development and contribute to the sense of deprivation. The government should implement measures to increase transparency, accountability, and reduce corruption.
- The local government system needs to be introduced in all provinces in sync with the constitutional requirements. An empowered local government system is required where local problems are resolved at the local level.
- Political parties need to introduce and practice true democratic principles in their parties' internal working practices. The same democratic culture should be introduced in the Parliament by introducing policy changes through legislation and not ordinances.
- The Ministry of Inter-Provincial Coordination and the Council of Common Interests must be strengthened to effectively function as a bridge between the Federal and Provincial authorities.
- A performance audit of provincial governments, especially the utilisation of PSDP in the last five years, should be carried out and the improvements effected.
- There should be a Provincial-level Finance Commission on the model of NFC to distribute resources equitably to different districts and local governments.
- The governance deficit in Balochistan, GB, and AJK needs to be fixed as politics can wait but the grievances of the population, if left unassuaged, would redound to the advantage of nationalist elements.
- CPEC is called the gateway of BRI and GB plays the role of gateway to CPEC. The people of GB and other smaller provinces must be included and brought to the mainstream in the policy-making process of these projects.

Tolerance and Inclusion

- Values of tolerance, patience, and respect for others, should be taught in early schooling to promote inter-faith and sectarian harmony. History of Indus Valley Civilisation and other local cultures could be taught from early classes to develop a pride in indigenous history and culture. The federal and provincial ministries of education could draft proposals to this end.

- Federal and Provincial governments need to establish an effective communication strategy to raise a narrative of tolerance and inclusivity in society. Print, electronic, and social media can play an important role in this regard.
- While a ‘Whole of Government’ approach might be appropriate for Counter Terrorism, Countering Violent Extremism (CVE) requires a ‘Whole of Society’ approach. Countering violent extremism necessitates undertaking social reforms wherein every child is taught the value of CVE.
- Instead of focusing on *Madrassa* reforms, the government needs to work on Masjid reforms. Masjids are the power-yielding bases of the *Maulvis (religion teacher)*, which in turn feed violent sentiments into *Madrassas*. To that end, a ten-year reform campaign for Masjids should be meticulously planned by the federal and provincial governments. Unfortunately, governments do not plan reforms past their 5-year tenure which makes any attempts at reform, unsustainable.

Education

- There is a need for a standardised single national curriculum, which is flexible enough to accommodate diverse local cultures as well. A diverse and inclusive curriculum that reflects Pakistan's cultural, linguistic, and religious heritage can promote national unity by fostering a shared sense of identity and reducing cultural and linguistic barriers.
- Dedicated courses on civic education and national history should also be introduced at primary and middle levels of education to instill a sense of national pride and civic duty.
- It is also important to reduce the gap in educational attainment between urban and rural areas of Pakistan, which would lead to a decreased sense of deprivation in the peripheral areas. The government should prioritise investment in rural education, including building more schools along with necessary resources, such as textbooks, technology, and qualified teachers. It is also important to promote a culture of high-quality education in rural areas, through awareness campaigns and community engagement.

- There is also a need to address the gender gap in education to promote national unity by ensuring that all members of the society have access to quality education and can participate fully in the nation's economic and social development. To address this issue, the government should facilitate access to schools, scholarships, and high-quality learning environments for women.
- The gap in the education system of public and private schools must also be bridged to address the sense of deprivation prevalent among students belonging to different social classes. The government should improve the quality of education in public schools by investing in teacher training, and the school's infrastructure. The government should incentivise private schools to support public schools and promote collaboration between the two sectors.

CONCLUSION

The aim of holding this Dialogue series was to generate an intellectual debate on the policy measures that need to be undertaken to strengthen national cohesion, celebrate our diverse cultural heritage, and foster bonds of the federation. This report outlines key issues and challenges in the formation of a shared national identity and cohesion in the diverse society of Pakistan. These challenges have caused visible fissures in national identity and cohesion, leading to social, economic, and political deprivations for peripheral regions and the people. To address these challenges, IPRI organised multiple conferences and roundtables under the theme of "National Identity and Cohesion - Unity in Diversity" as part of the Grand National Dialogue (GND).

It is evident from the conclusions of this report that national identity and cohesion are critical issues that require immediate attention and action. The conferences and roundtables held under the GND initiative by IPRI have yielded valuable insights and recommendations on policy measures that can be implemented by policymakers to strengthen Pakistan's national identity and cohesion. By celebrating diversity and fostering a sense of belonging, Pakistan can move towards a more inclusive and egalitarian society, in line with the vision of its Founding Fathers. It is up to all stakeholders to take action and work towards this goal.



IPRI 

Grand National Dialogue
"NATIONAL IDENTITY AND COHESION"
 UNITY IN DIVERSITY

ROUNDTABLE

25th October 2022 | 11:00 AM
 Venue: Iobal Board Room, IPRI

Speakers

		
Guest of Honour Mr. Dawlat Ahmed Chani Former Governor of Baluchistan & Khyber Pakhtunkhwa	Discussion Dr. Qibla Ayaz Chairman, Director of Islamic Ideology	Discussion Prof. Dr. Saif Haq Director General, IRI ISI
		
Discussion Prof. Dr. Salina Akht Ali Professor, IRI NDU	Discussion Prof. Dr. Arshid Sabnam Head of Department, JPCS, NDU	Discussion Ms. Farooqa Siddiq Host, News Edge, C-News Network







FOREIGN POLICY IN A CHANGING WORLD

Dialogue Partner
Institute of Strategic Studies Islamabad (ISSI)

CONCEPT NOTE

Foreign Policy in a Changing World

Pakistan's geography confers upon it the advantage of connectivity with South, Central and West Asia. Economic diplomacy in Pakistan's context requires strong leveraging of political relations for economic gains while building new economic partnerships to support our political and strategic interests. As trade and economic connectivity gain importance in a more connected world, Pakistan must ensure a greater focus on economic diplomacy with human resource that has the right skill sets to capitalise on economic opportunities across the world.

Pakistan, therefore, needs to pursue a balanced foreign policy in sync with its national interests for the attainment of territorial as well as economic sovereignty. The attainment of the above objectives entails maintaining good relations with the global powers such as the USA, EU/West, China and regional countries such as Central Asian States, India, Russia, Afghanistan and Iran. Shunning block politics and embracing multilateral initiatives at global levels should, therefore, be one of the central tenets of Pakistan's foreign policy. Pakistan remains committed to the normalisation of relations with its neighbours based on mutual respect, sovereign equality, and a collective effort for finding pathways to conflict resolution to ensure a regional environment of shared economic cooperation and prosperity.

There is a need to discuss and debate the foreign policy challenges to this vision considering the peculiar security situation on our eastern and western borders, and use of the region as a conflict arena for competitive politics of global powers like China and the USA. The discourse should be able to highlight challenges as well as opportunities for Pakistan's foreign policy to reap optimal benefits of peace and connectivity along with probable solutions and actionable recommendations to capitalise on the opportunities and counter the challenges.

Scope of Discussion

- Pakistan's foreign policy challenges due to peculiarities of the regional and global security dynamics and regional and international politics.
- Foreign Policy options to leverage optimum geo-economics dividends through connectivity and partnerships with the regional countries.
- Best foreign policy options to promote economic diplomacy.
- Innovative diplomatic approaches for the conflict resolution of intractable conflicts between India and Pakistan.
- Navigation through foreign policy challenges in an era of confrontational politics between global powers.
- Moving towards a strong regional policy aimed at peace within and peace outside.

BACKGROUND

The Institute of Strategic Studies Islamabad (ISSI) in collaboration with the National Security Division (NSD) and Islamabad Policy Research Institute (IPRI), conducted a series of roundtable discussions and seminars under the theme “Pakistan’s Foreign Policy in a Changing World.” The events were held from October 2022 to December 2022, and were conducted by the Five Centres of Excellence at ISSI as follows:

- **Pakistan’s Foreign Policy in a Changing World (October 18, 2022)**
Conducted by the Arms Control and Disarmament Centre (ACDC) and China-Pakistan Study Centre (CPSC), at the Institute of Strategic Studies Islamabad (ISSI).
- **Pakistan-India Relations and the Kashmir Dispute (October 25, 2022)**
Conducted by the India Study Centre at the Institute of Strategic Studies Islamabad (ISSI).
- **Pak-Afghan Relations (November 1, 2022)**
Conducted by the Centre for Afghanistan Middle East and Africa (CAMEA) at the Institute of Strategic Studies Islamabad (ISSI).
- **Pakistan & the Muslim World (November 7, 2022)**
Conducted by the Centre for Afghanistan Middle East and Africa (CAMEA) at the Institute of Strategic Studies Islamabad (ISSI).
- **Pakistan-China Relations (November 08, 2022)**
Conducted by the China-Pakistan Study Center at the Institute of Strategic Studies Islamabad (ISSI).
- **Pakistan’s Relations with Major Powers (December 1, 2022)**
Conducted by the Centre for Strategic Perspectives (CSP) at the Institute of Strategic Studies Islamabad (ISSI).

Participants/Experts

- Senator Mushahid Hussain Syed, Chairman of the Senate Defence Committee.
- Amb. Inam ul Haque, former Foreign Minister of Pakistan.

- Amb. Dr. Maj. Gen. (ret'd) Raza Muhammad, President IPRI.
- Amb. Khalid Mahmood.
- Amb. Masood Khalid.
- Amb. Ayaz Wazir.
- Amb. Aziz Ahmed Khan.
- Amb. Asif Durrani, Senior Research Fellow IPRI.
- Dr. Asma Shakir Khawaja, Executive Director of Centre for International Strategic Studies, Azad Jammu & Kashmir.
- Dr. Ilhan Niaz, Chairman/Associate Professor (Tenured), Department of History, Quaid-i-Azam University (QAU).
- Dr. Munawar Hussain, Assistant Professor Area Study Centre, QAU.
- Mr. Altaf Hussain Wani, Chairman of the Kashmir Institute of International Relations.

ANALYSIS

Overview

The foreign policy of Pakistan is designed to internationally promote its national interests. Its image in the world as a dynamic, progressive, moderate, and democratic Islamic country is the main objective of its foreign policy. Moreover, Pakistan seeks to develop friendly relations with its neighbours and strengthen fraternal relations with the Muslim countries also. The policy also aims to consolidate its cooperation with the international community by upholding international norms at various multilateral forums and safeguarding the interests of its diaspora. The purpose is to defend Pakistan's Islamic ideology, its geographical location, nuclear capability, security requirements, economic compulsions, and national politics. All these factors play a seminal role in defining the contours of its foreign policy.

Over the past three decades, since the collapse of the Soviet Union on December 26, 1991, the geo-political environment has changed because of the emergence of the United States (US) as the sole superpower. In South Asia, both Pakistan's immediate eastern (India) and western (Afghanistan) neighbours, have undergone changes that have a direct impact on Pakistan's national interests. Similarly, great powers' competition between China and the US, both at regional and international levels, also poses new challenges, which Pakistan cannot ignore. Against this backdrop, ISSI conducted a series of events under the theme: "Pakistan's Foreign Policy in a Changing World," to analyse the regional and global issues faced by Pakistan.

The purpose of the events organised by ISSI was to devise policy options based on issues including, but not limited to Pakistan's relations with its neighbours, i.e. China, Iran, Afghanistan, and India, the Muslim World and with major powers including the US, Russia and the European Union (EU), as well as with East Asia, Africa and Latin America.

Major Conclusions

- Foreign Policy revolves around the protection of a country's sovereignty and territorial integrity while providing a peaceful environment for its citizens.
- Pakistan has reoriented its security policy, shifting it from geo-politics to geo-economics, and from being a state focusing on traditional security to the priorities of economic and human security.
- However, Indian hegemonic pursuits in the region; growing Indian influence in the Persian Gulf; Indian Illegally Occupied Jammu Kashmir (IIOJK); the US withdrawal from Afghanistan; growing great-powers competition; and the strategic partnership between the US and India in an attempt to contain China within the construct of the "Indo-Pacific," present formidable challenges to Pakistan in the conduct of its foreign policy.

Overall Foreign Policy

- Pakistan is likely to be dragged into the great powers' rivalry. Both the US and China are very important to Pakistan. Therefore, Pakistan will have to maintain a balanced relationship with both major powers.
- Nuclear weapons are important for Pakistan's security. Nuclear deterrence prevents any aggression against Pakistan. Pakistan must protect its nuclear programme, which is essential for its security. It is aimed at ensuring full spectrum credible deterrence against India. As a responsible state, Pakistan ensures the safety and security of its nuclear programme and assets by international standards.
- Pakistan has been accused as the "epi-centre" of terrorism by India and other foreign actors. Pakistan must review the overall situation of terrorism more efficiently, and address the loopholes causing defamation of the country.
- The National Security Policy (NSP) comprises a tripod of human, economic, and traditional security.
- Being a victim of climate change, Pakistan must adopt a high profile stance in the Conference of the Parties (CoP) as climate change is an existential threat to us.

- Azad Jammu and Kashmir (AJK) and Gilgit-Baltistan (GB) should be assigned the provisional status of separate provinces. The necessary constitutional amendments should be adopted to empower the people of these two areas.
- While India remains an adversary, due to its illegal occupation of Jammu and Kashmir, which Pakistan must project in all available forums in the world, there is a need to rationalise the relationship, especially the people-to-people links and the trade relations.

Afghanistan

- Afghanistan and Pakistan share a common history, religion, and geography.
- However, the relationship between the two neighbours has in recent years been marred by a trust deficit on both sides.
- Both countries need to respect sovereignty and nurture bilateral ties.
- The economic situation in Afghanistan is grim. However, peace and security in the country are currently much better than under Ashraf Ghani's government.
- The international community should strive to mitigate the plight of the people of Afghanistan by providing them with humanitarian aid and assistance.
- The international community must realise that a peaceful and stable Afghanistan is in the larger interest of regional peace.
- The continued presence of terrorist organisations in Afghanistan is a matter of great concern. The international community expects that girls' education and women's rights will be respected by the Taliban. Also, there is a growing demand to have an inclusive government as it is generally believed that political inclusivity will help save the country from slipping into a civil war.
- There is a need for a regional consensus on Afghanistan to ensure non-interference in the internal affairs of Afghanistan. The neighbours of Afghanistan may facilitate bilateral trade and connectivity through their countries.

India

- The prospects of Pakistan-India relations are not likely to improve unless the dispute of the Jammu and Kashmir is resolved.
- Given the trust deficit between the two countries, there is a need for confidence-building measures (CBMs) to create a healthy environment at the bilateral level.
- Pakistan must highlight the human rights violations in the Indian Illegally Occupied Jammu and Kashmir (IIOJK) internationally to compel India to respect the fundamental rights of the people of IIOJK. They should be allowed to exercise their right to determine their future according to the UN Security Council Resolutions.
- While bilateral disputes between the two countries have a long history, as neighbours, the two countries can take steps to promote people-to-people contacts and consider trade ties for mutual benefit.

China

- China and Pakistan have a strategic relationship. Both have different systems and different sizes but still have frictionless cooperation as China supports Pakistan's sovereignty, territorial integrity, and dignity. Pakistan and China are all-weather friends and this partnership has stood the test of time.
- Given an unfolding global great powers rivalry in South Asia, Pakistan and China should coordinate policies through mutual consultation amidst the changing geopolitical international scenario.
- China is enhancing its influence in Asia, Africa and Europe through cooperative policies and soft power, including BRI.
- CPEC provides an opportunity for Pakistan to improve its economy and should be given a high priority.

Muslim World

- Pakistan enjoys fraternal relations with the Muslim world and has supported the Muslim cause everywhere.
- Pakistan has always promoted the unity of the Muslim *Ummah*. In the case of disputes between two Muslim countries, it has always promoted the use of peaceful resolution of the issues.
- Other factors which at times override religious affinities include ethnicity and economics. The national interests of the Muslim countries take precedence over the shared interests of the Islamic world.
- The quality of Pakistani labour in the GCC countries is substandard and comprises mostly unskilled workers. Pakistan must improve its education style and impart vocational training to its labour force before sending it abroad.
- In the present circumstances, there is no possibility of recognising or establishing a relationship with Israel. Pakistan's longstanding commitment to the just and legitimate cause of the Palestinians must remain steadfast.
- Pakistan can enhance its diplomatic influence in the region and the world only through political stability and a strong economy.

Global Powers and Pakistan

- Pakistan and the US have enjoyed good relations since Pakistan's inception. America helped Pakistan develop multiple sectors including its defence, irrigation, science & technology, and agricultural sectors.
- Pakistan and the US have been allies and friends, but the relationship has been unequal and more transactional.
- Afghanistan was the latest crisis which brought Pakistan and the US closer. Pakistan facilitated the US and Taliban dialogue and helped Washington withdraw smoothly from Afghanistan. The US declared Pakistan a Major non-NATO Ally.
- The US opposition to the China-Pakistan Economic Corridor (CPEC) along with India runs against Pakistan's economic interests.

- A “reset” in Pakistan-US relations envisages cooperation in areas such as climate change, energy, education, and science and technology.
- India’s economic rise has enhanced its diplomatic importance, especially in the US and Europe. India is relevant to the West, especially the US, for obvious strategic reasons; of which curtailing China remains the most predominant force.
- India’s defense budget (\$72 billion) is much higher than Pakistan. This has created asymmetry in the defense sectors of India and Pakistan. This can cause instability in South Asia.
- China has been a time-tested friend and China-Pakistan strategic partnership remains strong.
- There is a scope to further improve Pakistan-Russia relations in multiple areas including trade, energy, science & technology and defense.

RECOMMENDATIONS

Putting Our Own House in Order

- There is a need to bring coherence among the public, political, and diplomatic narratives to achieve synergy in foreign policy.
- Political stability is crucial for making the country a significant economic hub.
- A strong policy to control population growth should be devised. This is vital for the ecological and economic survival of the nation.
- To tackle the climate crisis, Pakistan must save its arable land, and conserve its limited resources of fresh water.
- GB and Azad Kashmir should be given the status equal to other provinces and the people of GB should be constitutionally empowered. Similarly, the people of occupied Kashmir should be given the right of plebiscite under the auspices of the UN and according to the UNSC resolutions.
- Efforts should be made to produce more skilled labour and informed citizenry.

Afghanistan

- We should encourage greater trade relations with Afghanistan and encourage the latter to facilitate Pakistan's trade with the Central Asian states.
- Stringent measures by the Afghan Interim Government (AIG) against terrorist organisations based in Afghanistan, like the TTP, are required to establish amicable relations with the neighbouring countries.
- The expansion of bilateral and transit trade at the regional level must be given importance by Afghanistan and Pakistan.
- The interaction between Afghanistan and Pakistan's civil society and intellectual community should be strengthened. Linkages between civil societies, women's organisations, student organisations, and the intellectual community of both countries should be improved.

- The Chambers of Commerce of the two countries should be encouraged to devise strategies for enhanced bilateral trade. A proper dispute resolution mechanism should be agreed upon between the two countries.
- Pakistan should accept any consensus built amongst the immediate neighbours of Afghanistan on the question of the Taliban regime's recognition.

India and Kashmir

- Pakistan needs to formulate a clear policy regarding Kashmir: whether Kashmir is the red line for Pakistan when it comes to engaging India for trade or not? If yes, what alternatives do we have in case India does not respect our red line? Given that how are we going to manage the public sentiment in Kashmir and Pakistan about the issue? Pakistan should initiate a debate in its policy circles to reach a consensus about these questions and should formulate a clear policy stance on the issue.
- How is Pakistan going to pursue its case against the unilateral change of the status of Kashmir by India through the revocation of Article 370 of the Indian constitution which recognised the special status of Kashmir?
- To overcome the ecological issues confronting Pakistan, India, and Nepal, a joint study should be initiated on the state of glaciers shared by these countries.

Africa

- Under an "Engage Africa" initiative, Pakistan can focus on increasing trade and investment with African countries. It can further identify areas of mutual interest such as agriculture, textiles and technology, and explore opportunities for partnerships and joint ventures. This would not only increase economic cooperation but also create job opportunities in both Pakistan and Africa.
- To strengthen friendly ties with Africa and to access its markets, Pakistan should implement innovative methods of trade and marketing.
- Marketing strategies should also involve mechanisms regarding entering into Free Trade Agreements (FTA) with the countries of Africa.

- African Union (AU) has Free Trade Agreements with the European Union, which enables trade links to be fostered between both the regions. Pakistan may consider a Free Trade Agreement with the AU, enabling private businesses and entrepreneurs from Pakistan and African states to enhance trade.

South-East Asia

- Pakistan should arrange visits of the Heads of State and governments of South-East Asia to reinvigorate bilateral relationships.
- When pursuing economic diplomacy, Pakistan should aim for a full dialogue partnership and an eventual Pakistan-ASEAN Free Trade Agreement (FTA) with ASEAN.
- The Ministry of Commerce, Trade Development Authority and Board of Investment need to encourage the business community to explore prospects of trilateral cooperation involving China. Two potential projects can be undertaken with government support, i.e. (i) production of halal food in Pakistan in collaboration with Malaysia and China. Pakistan's livestock and land, coupled with Malaysian expertise and Chinese capital can lead to the export of quality halal food to markets in the region and beyond and (ii) a pilot project for processing units of Palm Oil in collaboration with Indonesia and Malaysia for onward export of finished oil products to Middle East and Central Asia.

Latin America

- Pakistan should engage in trade, environmental, industrial, and cultural ties with Latin America. This can prove instrumental in achieving the goals of the South-South Cooperation.

Muslim World

- The Saudi-Iran diplomatic deal mediated by China is something Pakistan should leverage to manage relations with KSA and Iran. Both states are very important to Pakistan, and relations with either of them must not come at the expense of the other.

- The GCC economies are diversifying which provides opportunities for Pakistan to expand its economic and trade relations with other countries.
- Pakistan should invite the GCC countries to set up industrial activities in Pakistan. Development will be concentrated in Pakistan, but at the same time, it will benefit them as well.
- Pakistan has adequate manpower. The government should train workers in line with the requirements of the Gulf countries.
- Pakistan should encourage its industrialists to set up industries before inviting the GCC countries to invest in Pakistan. This will ensure a conducive environment for investment and competition.
- Pakistan has not made full use of the non-political components of OIC, and these have been severely under-utilised, such as the social and cultural side. Similarly, the OIC has a fund for the preservation of Holy sites and the dissemination of information. Pakistan must benefit from such funds. There is expertise available in the Muslim World and Pakistan should use the OIC platform to get in touch with the relevant experts.
- Pakistan has to formulate a careful policy on Afghanistan and Iran while recognising its geographical realities and the trade and transit potential through these very important neighbours.



IPRI

Grand National Dialogue

Roundtable on "Pakistan's Foreign Policy in a Changing World"

Time: 11:00 – 13:00 hrs | Date: May 18, 2023

(Iqbal Board Room, IPRI)

 Mr. Anwar Hameed Member, IPR	 Mr. Shahid Hameed Former Member, Committee of Strategic Affairs	 Dr. Asim Ali Khan Member of Senate, Committee of Strategic Affairs	 Mr. Iqbal Former Member of Foreign Affairs
 Mr. Iqbal Dir. of Research & Analysis, IPR	 Mr. Shahid Hameed Former Foreign Secretary of Pakistan	 Mr. Iqbal Senior Counsel, IPR	 Mr. Iqbal Former Ambassador of Pakistan to China

ECONOMIC SECURITY

Dialogue Partner
Islamabad Policy Research Institute (IPRI)

CONCEPT NOTE

Economic Security

National Security Policy of Pakistan (2022-2026) puts economic security at the core of national security, premised on the realisation that without sustainable and inclusive economic growth, both the traditional and the human security of citizens are impossible. Following the introduction of the National Security Policy, the economic security of Pakistan was measured from a South Asian perspective using Anglo Saxon approach and an Asiatic approach. Both approaches revealed that Pakistan's position is weak and there is much to be done for economic security. Economic issues such as low economic growth, high inflation, high unemployment rate, low productivity, high exchange rate, fiscal deficits, political and economic uncertainty, and low productivity were prevalent and caused severe development and sustainable growth problems. The country's GDP per capita is low, and the percentage of debt to GDP ratio is high (87 per cent). Moreover, the percentage of fiscal debts is even higher in the case of Pakistan. Similarly, the commercial and social security comparison is also not satisfactory. The analysis concluded that the economic security of Pakistan is very weak and economic interventions such as structural reforms and macroeconomic transformation are required to bring the economy back on the path of sustainable development to ensure human security.

In this background, a research study on "Unlocking Pakistan's Economic Potential" under the Grand National Dialogue was undertaken to discuss the following objectives:

- Structural impediments to the economic development and reforms required for sustainable growth of national economy.
- Revenue collection/growth strategy to address fiscal deficit.
- Equitable distribution of resources to address vertical and horizontal economic inequalities.
- Fiscal management strategies.
- Strategies for export-driven industrial growth.
- Strategies to improve the investment environment in Pakistan.

To carry out this study, Economic Security, IPRI organised two seminars, three roundtables, a two-day youth engagement session, and a set of detailed interviews with prominent economists across all the federating units.

BACKGROUND

Islamabad Policy Research Institute (IPRI) in collaboration with Center for Security Strategy and Policy Research (CSSPR) and Karachi School of Business and Leadership (KSBL), conducted a series of roundtables under the theme of “Economic Security”. The events were held from August 2022 to April 2023 as follows:

- **Fiscal Deficit of Pakistan’s Economy” (19 August 2022)**
Conducted by Islamabad Policy Research institute (IPRI) and Center for Security Strategy and Policy Research (CSSPR) at University of Lahore.
- **Roundtable on “Power & Energy” (04 April, 2023)**
Conducted by Islamabad Policy Research Institute, Islamabad.
- **External Imbalances of Pakistan: Causes, Consequences and Remedies (23 August 2022)**
Conducted by Islamabad Policy Research institute (IPRI) and Karachi School of Business and Leadership (KSBL).

Participants/Experts

- Amb. Maj. Gen. (retd) Dr Raza Muhammad, President, IPRI.
- Dr. Aneel Salman, Chair- Economic Security, IPRI.
- Dr. Fiaz Chaudhry, Director LUMS Energy Institute & Ex- MD NTDC.
- Khalid Mansoor, Ex- CEO the Hub Power Company Limited.
- Mr. Shehryar Omar, CEO Petroleum Institute of Pakistan.
- Dr. Moeed Yusuf, Former National Security Advisor (Ex-Officio Patron).
- Dr. Ali Husanain, Associate Professor at LUMS.
- Dr. Fahd Ali, Dean of Faculty of Humanities & Social Sciences, ITU.
- Dr. Maqbool Hussain Sial, Professor at UMT.
- Dr. Ghulam Ghouse, Assistant Professor, University of Lahore.
- Dr. Athar Mansoor, Researcher, Shahid Javed Burki Institute of Public Policy.
- Dr. Ummad Mazhar, Assistant Professor, LUMS.

- Dr. Rafi Amir ud Din, Associate Professor, COMSATS University, Islamabad (Lahore Campus).
- Dr. Saima Sarwar, Associate Professor, GCU.

ANALYSIS

Historical Evolution of Pakistan's Economy

Pakistan made a difficult start and kept struggling with its governance till 1957. The decade of the 1960s, the period of the green revolution, witnessed high growth in agriculture and manufacturing. The 1970s was a difficult decade but with relatively better economic growth than in the 1950s. The 1980s was a problematic decade but the growth rate was decent. In the years (1988-1999), the country introduced structural adjustment programmes. As a result of these programmes, market-oriented reforms were initiated. The following decade, 1999 to 2008, was comparatively better than the last decade. The economy got a hit between 2008-2013 and took a nosedive. The following five years (2013-2018) were the years of economic stabilisation. Afterward, the economy dwindled and is still struggling to revive.

Structural Impediments to Economic Growth

Following are some of the structural impediments that act as binding constraints to sustained economic growth and development in Pakistan:

Immature Structural Transition

Pakistan as an economy leaped directly from being an agricultural economy to working in the tertiary sector (services sector) bypassing the manufacturing sector. This skipping of the phase where agri-economies evolve into industrial / manufacturing, created disparity in the workforce and resulted in increased inequality. Because the transition from agriculture to the services sector was not supplemented with the development of human resource and required a certain level of industrialisation. The services sector contributes around 60% to the Gross Domestic Product (GDP) but its share in employment is less than 25%. Whereas, agriculture contributes around 21% to GDP, and employs more than 50% of country's labour force. As workforce in the services sector is more skilled and earns much higher than the one employed in agriculture sector, this creates income inequality, ultimately leading to the elite capture.

Consumption-led Growth Model

The quality of our economic growth is poor. 96.2% of Pakistan's growth is consumption-led, which results in low savings and consequently low investment-to-GDP ratio. Since we have no industry, more than 90% of our consumption is import-based. Being a consumption-led economy, our demand for goods increases whenever there is economic growth. As a result, our imports increase and our propensity to consume dollars cannot match with capacity to earn dollars. This leads to recurring current account deficits.

Low Tax-to-GDP Ratio

The presence of an undocumented economy, distortionary tax exemptions, concessions, weak enforcement, low compliance by taxpayers, reliance on indirect taxes, and issues in improving tax administration are some of the factors that have brought the tax-to-GDP ratio down.

Reforms for Sustainable Growth of National Economy

- Pakistan needs to re-orient its economic policy with more focus on Asia. The reason is, in coming years, there will be more Asian economies. Pakistan also needs to learn from the economic growth of the Arab world.
- Pakistan also needs to diversify its sources of borrowing. Instead of looking towards the Western multilateral agencies, there is a need to engage with Asian financial institutions and capital markets. A lot of infrastructure can be developed by the private sector. The state needs to cut down on bricks and mortar.
- Pakistan has not diversified its export base and existing exports do not consist of high-value products. As a result, the foreign exchange reserves remain minimal. To have a healthy export sector and sustainable economic growth, Pakistan needs to invest in Research and Development in the export sector.
- The inconsistent policies due to recurrent changes in the governments have negatively impacted the country's economy. Investors are reluctant to invest in Pakistan owing to the political uncertainty, policy inconsistency, and weak legal system. To attract FDI, Pakistan needs to create an enabling environment by

strengthening its legal system and ensuring policy consistency. It will boost investors' confidence.

- Secretaries of all ministries and in particular economic ministries shall be appointed based on their professional expertise and their appointment will be protected under a tenure system for three years.
- Pakistan has one of the lowest tax-to-GDP ratios which is around 9% to 11%. The resource mobilisation to increase tax to GDP ratio is required for economic uplift.
- The low spending on education and health has negatively impacted the Human Resource Indicators (HDI). The youth bulge of Pakistan needs to be equipped with education and other skills so that they can contribute to the country's economy.
- The resource potential of Pakistan needs to be properly managed. In particular, the mining sector needs to be developed.
- CPEC is a win-win collaboration between Pakistan and China. The project is a congruence of Pakistan's Vision 2025 and China's Belt and Road Initiative (BRI). The energy projects, transport infrastructure, and technological exchange are products of CPEC. To ensure the timely completion and operationalisation of CPEC projects, continuity in policies is a must. The nine Special Economic Zones being planned under CPEC require sustained long-term economic policies.
- Pakistan needs to take ownership of its economic policies. CPEC project is for Pakistan's economic benefit. Therefore, Pakistan should take the lead. The 'economic value proposition' for the project should be generated from Pakistan's side. Secondly, calling the donor agencies to come and fix the problems is not advisable. Their interest is to earn money and political influence. Whereas, we as Pakistanis know what are our needs and what is in the long-term interest of Pakistan. Policies need to be aligned to leverage CPEC infrastructure for private capital.
- The participation of private enterprises in economic development is recommended. It will boost the country's fragile economy.

Investment Climate in Pakistan

In the case of Pakistan, the investment-to-GDP ratio remains below 15%. With no investment, the alternative policy adopted is borrowing. Due to the continuous borrowing over the years, Pakistan cannot borrow much anymore because it does not have repayment capability.

The fundamental binding constraint in a country's economic growth is the low investment-to-GDP ratio. When there is population growth, there has to be investment. In the case of Pakistan, the investment-to-GDP ratio remains below 15%. Whereas, the required level of investment-to-GDP ratio is 25% to increase production, productivity, and jobs for 2.5 million young people entering the labour market. Because of low investment, the country has been taking loans and debt has been accumulating. This debt accumulation is eroding the country's debt repayment capability.

Barriers to Investment

Following are some of the barriers to investment in Pakistan:

Security Threat

One binding constraint which Pakistan faces is the security situation. Externally, there is conflict in the neighbourhood and on internal front, there are extremist elements. No investor invests in an environment of conflict as economies grow in peace.

Chronic Twin Deficits

Chronic twin deficits are hindering investment in Pakistan. The budget deficit arises because of a chronic imbalance between revenues and public expenditures. This fiscal / budget deficit feeds into the current account deficit as the country takes loans to finance its budget deficit at the cost of engendering the current account deficit. The twin deficits take on toll on the country's domestic currency hindering investment, particularly foreign investment.

Increasing Reliance on Imports

The other binding constraint is Pakistan's over-reliance on imports of oil and food items. Their prices are subject to fluctuations in the global market and have been on the rise for the last two decades. They increase the cost of production, and thus, undermine investors' interest in investing and opening businesses in Pakistan.

Inconsistency of Policies

In addition to the binding constraints, the inconsistency of policies is another major barrier to investment. Due to policy inconsistency, the foreign investor does not risk money. In the past, there have been instances, where an investor with a sizeable investment has suffered because of a policy change or has entered into a judicial conflict.

Poor Dispute Resolution Capacity

Unfortunately, Pakistan lacks dispute resolution capability. A country that cannot protect property rights and cannot resolve commercial disputes, cannot attract foreign investment. According to a State Bank report, 57% of property cases take more than five years to resolve in courts.

Higher Corporate Tax

The government has burdened the corporate sector by levying high corporate taxes. The corporate tax rate of Pakistan is currently 31% which is quite high as compared to other Asian countries like Indonesia, Malaysia, Bangladesh, and Thailand which are 25%, 24%, 25%, and 20%, respectively. According to a December 2015 World Bank report, Pakistan's corporate income tax rate — tax on profits — is the third highest in the world. Thus, the investors cannot retain their earnings and consequently, are unable to invest. As a result, our investment-to-GDP ratio is one of the lowest in the region.

Strategies to Improve the Investment Environment in Pakistan

- The government needs to look at global investment trends which are managed through sovereign wealth funds that invest in the expansion of existing companies. This reduces the risk of movement of the foreign workforce. The key is to develop models of corporate governance that could attract private equity. Pakistan needs ventures like the Sovereign Wealth Fund. For example, the ‘Qatar Investment Authority’ is a sovereign wealth fund of a tiny and very rich nation, Qatar. The size of that fund is US\$ 356 billion. The ‘Public Investment Fund’ of Saudi Arabia is over US\$ 400 billion. The sovereign wealth fund of Shandong (an Eastern Chinese province, along the Yellow Sea) is US\$ 300 billion.
- To invite an investor, the preferred option should be to allocate an asset for investment. For instance, the Oil and Gas Development Authority, Pakistan State Oil (PSO) has an interest in the oil and energy sectors.
- While attracting investment from abroad, the negotiation needs to be made through an economic proposition. The approach that Pakistan’s friendship with China, defense, and religious ties with Saudi Arabia will push the countries to invest in Pakistan, needs to be changed.
- The kind of investment coming into the country also needs deliberation. With the technical industry coming in, the competitiveness of the local industry is likely to improve. In comparison, encouraging fast-moving consumer goods like McDonald will not be a good investment.
- The other fundamental steps required for attracting investments are; a) a policy framework that encourages competitive industry; b) availability of financing; and c) incentives for exports, value addition, job creation, and innovation.
- Institutionally, an independent BOI with authority to resolve investor complaints and facilitation of commercial disputes. We may need to look at picking winners like value-added agriculture, emerging technologies, knowledge economy, and regional trade logistic sectors. The key is more market-led institutions with little interaction with ministries. The Board of Investment (BOI) should not be a Ministry. BOI’s job is to talk to investors. The team forming part of BOI should comprise investment

bankers and engineers. Likewise, the planning commission should be led by a think tank and not headed by a Ministry. Other departments, like Pakistan Railway, also do not need to be a Ministry. The institutional reform which is the dire need of the hour is about the detachment of economic decision-making from politics. The technical issues require technical solutions. The energy sector can be fixed through experts (and not through a Ministry of Energy).

- Economic investments need to be handed over to professionals/experts. To bring in investment, a forum comprising experts needs to be in place. The role of the private sector in business investments is important.
- Bodies like the ‘Dubai Financial Centre,’ ‘Qatar Financial Centre’ and ‘Kazakhstan Financial Centre’ (in process) are examples of corporate economic zones, where companies register and where the law of the country does not apply. The corporate economic zones have their own registration and financing mechanisms. An investor gets everything in one building and that is what the investor wants. Such an institutional reform is needed in Pakistan, wherein a private sector-led body has a lead role in business.
- The structure of the economy needs to be put right so that the labour has a dignified job and get their salaries timely. In contrast, if the economy is weak and to pay off salaries / and bills, delays are there, it will reinforce the trust deficit. People will lose trust in business. The dignified revival of the economy requires a projection to the investors that there is an economically conducive environment. This will also enhance the investors’ trust and confidence.
- There is a fault-line in the banking system, the domination by commercial banks needs to be replaced by the private sector development banks. This will generate long-term industrial financing capability.
- To bring in Chinese investments, Pakistani companies are already in collaboration with Chinese entrepreneurs. They need to expand their business contacts.
- The building of an economic zone in a city (or area) needs economic deliberation. Seeing the cities in terms of economic growth, Sialkot is one city that is not living on subsidies. Sialkot is a competitive city contributing 13% to the country’s overall

exports. Building of an economic zone next to Sialkot would be more beneficial for the national income than having an economic zone next to Rashakai. The economic zone in Rashakai will take 30 years to develop.

- Pakistan needs to reach out to the markets of East Asia, the region is fast emerging as an economic powerhouse. Pakistan has cordial ties with the regional countries. There is a need to inform people about East Asia's economic prowess. The Asian financial markets offer opportunities for Pakistan to trade. The foreign office needs to send career diplomats to countries of East Asia.

Pakistan's Taxation System: A Critical Appraisal

The experience of the past few years highlights that the structural weakness in the tax structure (relatively heavy dependence on trade/industry and indirect taxes) and the institutional weaknesses in the tax collection machinery (especially on the income tax side) have been dampening the revenue growth for some time.

Tax-to-GDP ratio of Pakistan is around 10%, which is one of the lowest in the region. Almost 50% of Pakistan's economy is undocumented. There is a sectoral imbalance in Pakistan's tax structure. The contribution of the agriculture sector to Pakistan's GDP is 22%, and our government collects around 0.03% of total tax revenues from it. Our industrial sector accounts for nearly 20% of GDP, and the government collects 70% of taxes from it. The services sector contributes around 58% to GDP, whereas tax collection from this sector is only 30% of the total tax revenues. The retail and trade segments within the services sector do not pay taxes even though they both contribute around 20% to the country's GDP. So, there is a clear sectoral imbalance in tax collection. The tax structure of Pakistan is also marked by federal imbalance. In Pakistan, provinces collect only 16% of tax as compared to federal tax collection, which is more than 80%. Pakistan heavily depends on indirect taxes, which is 60% of our total tax collection, and of the direct taxes, withholding tax constitutes the major share (70% of indirect tax collection). Indirect taxes are regressive as they fall on the poor and middle class. The country has seven million NTN holders and only 3.2 million of them file tax returns. To increase tax revenues, untaxed individuals and companies ought to be brought under the tax net. In short, the experience of the past few years highlights that the structural weakness in the taxation structure (relatively heavy dependence on trade and indirect taxes) and the institutional weaknesses in the tax collection machinery (especially on the income tax side) have been dampening the revenue growth for some time. Tax structure needs to be based on income rather than sectoral preferences. Tax policy and collection need to be separated as it has created massive distortions. Focus on automation is critical.

Revenue Collection / Growth Strategies to Address Fiscal Deficit

- Decentralisation is very necessary for Pakistan to collect taxes and raise the GDP by 15% to 17% annually. The government should continue the Federal Devolution Project, which began in the Musharraf era. The country needs to learn from China's decentralised tax collection mechanism. China not only devolved taxing power to its provinces but also at the municipalities' level as well. There is competition among municipal corporations to attract investment. China's federal government does not collect taxes more than 55%.
- Pakistan has \$400 to \$600 billion of real estate and the entire property tax in Pakistan is 20 billion rupees. A lot of real estate services are given exemptions because of the political clout. If the government taxes them, it can collect around 400 billion from real estate and another 350 billion from the top 10% of the landholders who have more than 25 acres of land which is equal to our tax exemption limit.
- It is proposed that a national tax agency with the mandate to impose a simple and harmonised tax code be established. It must replace or restructure every bit of FBR and all other federal tax authorities in the country which will be responsible for the collection of taxes at the federal level with an active role of the National Tax Council.
- Recouping of sales tax losses due to under-invoicing and under-reporting.
- Recoupment of tax loss by transfer pricing by the Multinational Corporations (MNCs).
- Collation of data regarding non-filers from credit bureaus established under the Credit Bureaus Act 2015, working under the regulatory control of SBP.
- Recouping of loss of customs duty by tracking down under-invoicing through data/information matching. Once this is done, the Internal Revenue Service (IRS) should recover evaded sales tax and income tax.
- Crackdown on smuggled goods.
- Sales tax on goods was a provincial subject at the time of independence (section 100 of the Government of India Act), and it needs to be back with the provinces.
- The right to collect tax on income, including agricultural income, should be given to the Centre.

- Due to expanding services sectors, the structure of our economy is changing. With the change in economic structure, the business models of enterprises are also changing. Many elements of changing business models are tax distortionary. Therefore, the government needs to focus on these distortionary aspects to increase tax revenues.
- Complexity in laws and return filing processes prevent the induction of potential documented taxpayers. Simplifying the law will automatically simplify the procedure as well. Kiosks of revenue authorities established at post offices at tehsil and district levels could facilitate taxpayers in filing returns without involving expensive and exploitative practitioners.
- It is proposed that all tax collection agencies in Pakistan may be merged into a single entity called the ‘Pakistan Revenue Board (PRB).’ The practice is likely to ensure the effective enforcement of tax laws both at the federal and provincial levels. It would also facilitate the taxpayers to deal with a single agency. The taxes would be collected efficiently by pooling resources in one place, having a centralised data warehouse, and avoiding the multiplication of expenses.
- The existing four-tier appeal system consumes much time. The ‘Appellate Tribunal Inland Revenue’ and ‘Customs Tribunal’ should be merged into a new entity; the entity may be called ‘National Tax Tribunal.’ The first appeal should go directly to this Tribunal. Appeals against orders of the Tribunal should lie with the Supreme Court alone. Members for Tax Appellate Tribunal should be recruited in the same manner as judges of the High Court.
- Instead of announcing periodic tax amnesties, the government should ask all citizens to take benefit of a flat rate of 10% and file returns for past years without any penalty or additional tax.
- The government must build institutions to generate tax revenue. With the help of NADRA records, traders and retailers can be trailed and brought under the tax net.
- Those who fail to comply should be dealt with strictly under the law.

- Perks and privileges of government officials, ministers, judges, bureaucrats, and defense personnel need to be rationalised in line with global best practices. For instance, cars, fuel, and utilities must be monetised.
- Extremely lavish and colonial houses are given to government officials. These properties need to be handed over to an independent real estate company that could raise huge revenue by productive use and potential sale of these properties. Government offices and houses can be accommodated in smarter premises outside the cities. Malaysia's Petronas Holdings is a successful example to follow. The UK is following the same practice.

Balancing the Budget: Improving Public Expenditure Management

In policy circles, it is mostly the revenue mobilisation that catches their attention. Whereas, unmanageable recurrent public sector expenditures have evaded any serious emphasis of the policymakers. In Pakistan, the size of the government has been growing tremendously. Last year, public sector expenditures, of two-level governments- federal and provincial governments, were 23% of GDP. Thus, one-quarter of the GDP is consumed by the government alone.

In policy circles, it is mostly the revenue mobilisation that catches the attention. Whereas, unmanageable recurrent public sector expenditures have evaded any serious emphasis of the policymakers. In Pakistan, the size of the government has been growing tremendously. Last year, public sector expenditures, of two-level governments- federal and provincial governments, were 23% of GDP. Thus, one-quarter of the GDP was consumed by the government alone. Pakistan has a National Finance Commission. It mentions the responsibilities of all the three tiers of government. Because of the disparity in the economic inheritance or fortunes of provinces and districts, we have a mechanism by which collection of revenue is mostly done by the Federation and then it is passed on down to the provinces and ultimately to districts through provincial finance commissions. As per the 7th NFC Award, the Federation received only 42.5% of the divisible pool (total revenue)

and the rest (57.5%) went to the provinces. The federal government with all the responsibilities, including the more expensive ones, like defense and debt-servicing, and with its funds reduced, goes into huge deficits. Data from 1982 to 2015 highlights that 20% of the budget is financed by borrowing from outside. Interest payments are the single largest burden on the budget. This year, the government will have to pay Rs5.2 trillion, around 70% of all tax revenues in interest payments. While globally, post-2008 financial crisis, countries have pursued financial repression, keeping interest rates low in response to debt accumulation, IMF has prescribed higher interest rates to Pakistan, which have risen from 11% to 20% over three years, further contributing to increased public debt to over 80% of GDP. Instead of raising revenues, the government's focus is sourcing external debts to finance this deficit. The fiscal deficit for the fiscal year 2022 is recorded at 8.6% of the GDP. IMF wants it to reduce it to 4.9%. This target is impossible to achieve because 85% of the tax revenue is required to pay for defense expenditures and debt service. The revenue left after debt-servicing is used to run the government and all other public expenditures. That is the reason, the state's spending on development expenditures has remained low and static over the years and needs more resources let alone cutting the budget. Because we are ranked among the lowest in the development indicators. Fifty percent of newborn children are stunted. Pakistan has the world's second-highest out-of-school children. There is a lack of access to safe drinking water, lack of quality education, lack of healthcare, etc.

Fiscal Management Strategies

- All political governments must ensure strict implementation of the Fiscal Responsibility and Debt Limitation Act. It was enacted in 2005, which says that no budget or no government can allow the debt to GDP ratio to exceed 60% to 65%.
- Austerity is one way of curbing the twin deficits. The cost of running the government should be minimised by encouraging online means of business.
- The government must close down all the federal departments and ministries that are responsible for any functions that have been devolved to provincial governments.

- The government needs to cut subsidies, especially the untargeted ones. There should be no subsidy going to sugarcane growers, and the sugar industry. Wheat subsidies should also be revised.
- Around 1.3 trillion rupees are allocated to the defense budget without any debate on it. If we do not scrutinise the defense budget today, it does not mean we will not audit it tomorrow as well. Due to the economic crisis, economic decisions are getting out of our government's hands. Sooner or later, our government would have to debate and audit such black boxes on the instruction of the IMF. The black boxes, like the defense budget, in our public expenditures, need to be opened. Cutting down the non-combat defense budget is the first step in this direction.
- Pakistan practices a legacy pension system where pensioners are paid directly from the revenues as part of the current expenditures. This practice is inherently unsustainable as pension expenditure is growing at around 25% which cannot be provided by an economy growing at a significantly lower rate. In the budget 2021-22, Rs.500+ billion were allocated for pensions. Pakistan borrows to fund this pension liability. The government should reform pension funds management so that the direct fiscal allocation for pensions will be gradually eliminated, and may structure superannuation on a priority basis. Pensioners may enjoy the savings by setting up special-purpose vehicles.

Balance of Payment Crisis

Over the years, Pakistan's exports have gone down from 16% to 10% of the GDP. In the manufacturing sector, we are producing and exporting 150 products less than what we were exporting in the 1990s. Consequently, our share in the global trade has fallen from 2% to 1%. The fact that Pakistan ranks below much smaller economies in terms of its exports, speaks volumes about the challenges it faces.

Pakistan has been facing a balance of payment crisis for over a decade, caused by an ever-ballooning trade deficit, dwindling investment, and barriers to foreign remittances. Recently, the State Bank of Pakistan (SBP) published the balance of payment data. It revealed that the country had \$17.41 billion for the fiscal year 2021-22. Over the years, Pakistan's exports have gone down from 16% to 10% of the GDP. In the manufacturing sector, we are producing and exporting 150 products less than what we were exporting in the 1990s. Consequently, our share in global trade has fallen from 2% to 1%. The fact that Pakistan ranks below much smaller economies in terms of its exports, speaks volumes about the challenges it faces. Pakistan reported a trade deficit of \$48.4 billion in FY22, valued at approximately 1.5 times that of the total exports of \$31.1 billion. With reserves held by SBP currently at \$7.9 billion, not only our domestic currency is under pressure (resulting in currency devaluation and inflation) but also the government is struggling to meet its financial obligations. This has created an environment of uncertainty. Following are some of the factors contributing to external imbalances in Pakistan:

Factors Responsible for Balance of Payment Crisis

Increasing Reliance on Imports

Pakistan has an import-led growth model. Therefore, dependence on imports is increasing day by day and adding to the trade deficit.

Exports with high price elasticity and low-income elasticity

Pakistan's export mix is such that the export goods have low-income elasticity and high price elasticity. Because of low-income elasticity, the demand for exports doesn't increase

even when the global economy is growing. High price elasticity implies that with the increase in prices of exports, its demand falls in the global market.

Limited Export Basket

Unfortunately, Pakistan has a limited number of goods in the export basket to sell, which is the main cause of the trade deficit. The textile sector has not focused on ready-made garments and winter clothes, which are the most demanding textile products in the international market. On the engineering and manufacturing side, exports figures are 4 billion dollars only. Exports are too narrow on specific products. For example, we earned 19 billion dollars in the textile industry, whereas we are compatible with only seven products, which is our scope of exports in the main textile industry.

No Regional Trade

There is not much regional trade going on in the South Asian region. It is just 5% of the country's total trade. One of the solutions to Pakistan's economic problems is trade with India.

Low Productivity

One of the biggest challenges that Pakistan faces is the lack of productivity and the inability to add value to production. Its goods lack competitiveness both regionally and globally. The lack of economic growth in Pakistan compared to its counterparts in the region has hurt its ability to compete globally. In 2006, Pakistan had a higher GDP per capita than Bangladesh, India, and Vietnam. Pakistan had a GDP per capita of \$836, while Bangladesh had a GDP per capita of \$509. The lack of productivity has a domino effect on the worker's output in the manufacturing sector, hence reducing the ability of the firms to export. In essence, the workers lack productivity, which is leading to a disadvantage for the exporting firms. In 1996, Pakistan had higher exports as a percentage of GDP than both Bangladesh and India. Today it is lower. Bangladesh, Vietnam, and India have reported significant growth in their exports as a percentage of GDP over the last two decades. Pakistan's exports remains stagnant. While other economies in the region are benefiting from greater integration with other regional and global economies, Pakistan suffers on this count.

Non-integration in Global Supply Chain

While Asian economies are increasing their participation in global value chains, Pakistan remains a laggard. According to a recent publication by the Economic Advisory Group, participation of Pakistan in global value chains is minimal. India, Vietnam and Thailand all reported values of more than \$90 billion in 2017, in terms of participation in global value chains, while Pakistan was at a meager \$6 billion. Vietnam's participation in GVCs increased from \$12 billion in 2007 to more than \$90 billion in 2017.

Policy Responses to Balance of Payment Crisis

Addressing the Trade Deficit:

- Exploring substitutes for essential imports such as petroleum products by switching to alternative sources like wind, solar, nuclear, and hydel power can help reduce demand and save foreign exchange.
- To reduce the trade deficit, we need to discourage imports by levying import duties and providing subsidies to the export sector. It should be coupled with the provision of subsidies to export expansion bureaus.
- All the social sector ministries ought to be merged into one human development ministry.
- Dollarisation is the biggest challenge to Pakistan's economy at the macro level. Pakistan pays its import bill in dollars to all its trade partners. It increases the demand for dollars and consequently devalues the domestic currency. Pakistan needs to control dollarisation. Entering into currency swap agreements followed by their effective implementation is one way to do it. Trade agreements with the countries are of no help to Pakistan if transactions take place in dollars.
- Pakistan needs to understand and utilise its potential intelligently. Bangladesh is the best example to follow.
- Pakistan needs to invest in research and development in agriculture sectors where we cannot meet our yearly wheat requirement. For example, our requirement is 26 metric tons and we produce 24 metric tons, so we import. Per acre, Indian products produce 1900 kg of wheat with the use of technology and other latest machinery, but we only

produce 40-50 kg per acre in the same climate situations and with the same land conditions.

- Adopting Cartagena Protocols on risk assessment and biodiversity, as well as passing a Labelling Law to categorise exports into organic, hybrid, and Bt crops, can help avert a free fall in the export of food, cotton, and cotton manufactures.
- The current policies to support exporters through favours and handouts tilts the balance in favour of larger exporters that are not only concentrated within a select few industries but have failed to innovate. This exacerbates the challenges and reduces the competitiveness of firms in the global and regional markets. The export financing zones should be privatised and strategies should be implemented to double the capacity of successful export industries like Sialkot.
- It is also recommended that the government sets up trade information portals to support exporters. Information asymmetries between the larger and the smaller exporters are likely to create significant disadvantages for the smaller exporters as they struggle to access their export markets. This also prevents the participation of small exporters which can be crucial in exporting new products to new markets.
- Instead of targeting specific firms to boost exports, the government must ensure that smaller exporters receive the right information to export their products. Several African and Central Asian countries have developed trade information portals that provide accurate information to exporters and importers on trade procedures and processes along with the time taken, and officers responsible for each step. This is likely to reduce the trade obstacles that prevent smaller exporters from participating in international trading activities.
- Pakistan is mostly involved in forward linkages as it sells raw materials and intermediate goods which are converted into exports to its trading partners, while East Asian economies focus on adding value to production within their borders by increasing the foreign value-added content in their exports through backward linkages. Exports will increase with the improvement in the capability to efficiently convert intermediate goods to finished goods. Pakistan is unable to add value to its

production, while other economies have successfully created extensive networks regionally and globally to achieve the best mix of input and boost their exports.

Enhancing Productivity

- The recommendation moving ahead is to encourage greater productivity levels by fostering competition, technology transfer, and innovation. Small and medium enterprises must be encouraged to be more competitive while ensuring that the quality of goods produced by them meets international standards. For instance, firms that adopt international certifications that set standards in production and provide blueprints for different processes are likely to see a significant jump in their productivity levels. This will also help boost exports. This will require the creation of venture capital and technology support funds with the help of China and other multi-lateral banks.

Increasing Remittances

- Pakistan's biggest export asset could be its human capital. We have been underestimating remittances, but the fact is that they constitute a major share of our foreign reserves. They constitute around 90% of total exports. Pakistan needs to send its labour to foreign countries, and it should be skilled like India and the Philippines. The government needs to promote and work on primary and secondary educational foundations. Any workers who belong to Pakistan should be highly skilled workers, which can increase the remittances through proper channels.
- Pakistan's remittances are now increasing day by day with more secure and transparent channels. There is a lot of work to do in our system to permanently remove these Hawala accounts and promote other international remittance digital tech platforms like PayPal etc. in our country. Pakistan has six large banks that have more than 85% of remittances. This should be divided into other small banks as well as exchange companies. Pakistan collected 60% of the remittance portion over the world and the rest from the UAE and other Arab countries.

- Research shows that 70% of rich economies are controlled by people over the age of fifty-five years (Michael Spence). This is an opportunity for Pakistan to train our young people to tap markets like Germany and Japan. There is a huge demand for nursing, hotel management, elderly health care, and general data management. This could double Pakistan's remittances in a short period.

Attracting Investment

- Investments ought to be steered towards productive sectors of the economy where Pakistan has a comparative advantage. It will help boost exports and help Pakistan overcome the balance of payment crisis. Special Economic Zones can be the best sites for investment if they are developed and managed properly.
- There is a scope for heavy engineering in Pakistan and the government needs to focus on it. For this, it needs to cooperate with businesses to invest more in the country by guaranteeing the security of contracts and consistency of policies.
- Privatisation and strategic placements of profit-making state-owned companies like power plants, OGDCL, National Bank, and PSO can attract investment from regional sovereign wealth funds. This will require efforts to structure attractive valuations and transactions by professionals.
- It is extremely important to look after existing international companies and resolve their issues on a priority basis. These companies can play a major role in bringing more investment and business to Pakistan.

Blue Economy of Pakistan: An Untapped Potential

By using the available data of multiple sectors of the blue economy in Pakistan such as fishery, shipbreaking, tourism, mangroves forest, shipping, and ports, the Gross Marine Product of Pakistan is calculated at USD 1526.94 million (242.78 billion PKR) in 2020.

Given its strategic location, the blue economy has appeared to be an Alternative Development Paradigm for Pakistan. Given the vastness of oceanic resources, the blue economy has been touted as the panacea for all economic woes of less developed coastal countries like Pakistan. Pakistan is blessed with 290,058 square kilometers of seawater and a 1047-kilometer-long coast. About 40% of global ships sailing through Europe, the Middle East, Asia-Pacific region, pass by its waters which makes Pakistani waters and coastline in general and Port of Gwadar in particular, the most viable route of the Belt and Road Initiative. Besides the trade potential of the maritime sector, it is also very important for security purposes due to its geographical location in the Indian Ocean. Pakistan has fully acknowledged the goal (SDG 14) and included it in its vision for 2025. Vision 2025 and the “Official Marine Doctrine” both highlight the significance of the sector for Pakistan’s economy and security and recognise the need for sufficient and cost-effective resource building for sustainable growth. With around US\$ 2 billion export potential, the fishery industry is not only important for trade but also for our food security and national income as it generates around 1.5 million employments. Pakistan has one of the largest shipbreaking yards 'Gadani' since the 1960s, but India and Bangladesh are leading in shipbreaking in this region. The shipbreaking industry is the main source of iron ore and steel production. The spending of Pakistan on seaborne trade (imports & exports) is around US\$ 3.5 billion as freight charges to foreign vessels. By using the available data of multiple sectors of the blue economy in Pakistan such as fishery, shipbreaking, tourism, mangroves forest, shipping, and ports, the Gross Marine Product of Pakistan is calculated at US\$ 1526.94 million (242.78 billion PKR) in 2020. However, the GMP of Pakistan is less than half of their neighbouring countries (Bangladesh and India) and both countries are earning

6-7 billion US\$ per year. It is because the sector has been neglected by successive governments, and has been met with many challenges.

Barriers to Leveraging Blue Economy's Potential

Poor Budgetary Allocation

A look at the budgetary allocation to the Ministry of Maritime Affairs portrays a gloomy picture for the blue economy. In the current fiscal year, total funds disbursed to MOMA comprise only 0.046% of the total budget. The amount of funds has decreased over the years.

Outdated Marine Policy

Up till now, Pakistan has had just one policy document, “The Marine Merchant Policy 2021”. It doesn't cover the whole blue economy.

Discouraging Taxes

Tax incentives are concentrated only in the shipping sector, and the rest of the sectors are ignored. A plethora of regulatory taxes (12 in total) coupled with cumbersome registration procedures are the biggest barriers to private businesses and investment. There is a dire need for an integrated policy of maritime and natural source development which should include all the governments across the board.

Lack of Data

There is a lack of research-backed data, and thus informed policies cannot be developed to promote a blue economy.

Diminishing Cargo Capacity

The cargo list capacity of Pakistan has shrunk from 40% in 1971 to 8.5% today, out of total cargo. This lack of data availability and political instability are impeding the development of the blue economy.

Security Threats

There are security threats in Gwadar from anti-state elements. Therefore, investors are reluctant to invest in the region.

Tapping the Blue Economy's Potential: Way Forward

- Budgetary disbursement to the Ministry of Maritime Affairs should be increased, coupled with their adequate allocations to all sectors of blue economy. Public-private models can be followed to attract private investment in the sector. Domestic and foreign investors should be invited to invest in the blue economy by adapting business-friendly legal and financial regimes. People like DP World in UAE bring in expertise. Pakistan needs to open up to private capital for ports and transport infrastructure.
- Pakistan does not only require an investment policy for developing a blue economy but it also requires restructuring the role of ministries, ports management, and navy offices. If opened up with an appropriate governance structure, this sector could yield substantial results.
- The current tax incentives target only the shipping industry out of all sectors of the blue economy. They should be applied to other sectors of the blue economy as well. Furthermore, some regulatory taxes should be reduced.
- Cumbersome rules ought to be eliminated and registration procedures of businesses\investments must be simplified.
- Media should raise public awareness about the dividends of a 'Blue Economy' and 'Green Growth.' To this purpose, the government and think tank community can conduct events, awareness campaigns, and festivals on the blue economy, and invite the media for coverage. The government can invest in mass communication departments of universities and encourage the students to prepare documentaries focused on highlighting the blue economic potential of Pakistan.
- Research and education in the fields of Maritime and Oceanography shall be encouraged. HEC can instruct universities to include Bachelor's or Master's degree programmes on the blue economy.

- Security issues in Balochistan pose a challenge to blue economy efforts. It is essential to ensure the participation of all stakeholders, especially indigenous people for sustainable blue growth in Pakistan. Efforts should be made to ensure regional peace and stability, which is required for kick-starting blue economy growth.
- Coastal tourism should be promoted in such a manner that it considers local customs and traditions.
- Locals should be convinced and taken into confidence before launching any project or scheme in the coastal areas. Steps should be taken to enhance the skills of the locals by providing them with vocational skill-based training. There are more than a million people across the coastline whose livelihoods depend on the sea. Anthropologists and historians should study them to mainstream them in the development of the blue economy.

Economists' Corner- Major Economic Problems and Their Remedies

As part of research study on economic security, prominent economists were identified across all the federating units. They were interviewed at length to get to know about the major economic problems followed by their tangible remedies. A thematic analysis was performed on the recorded responses. Results are highlighted in the table below.

Top Five Economic Problems	
Seq. No	Economic Problems
1	Low Productivity
2	Political Instability
3	High Population Growth
4	Inflation
5	Debt Issue

Low Productivity

The majority of the economists identified low productivity as the major economic problem. This problem is affecting the output in each major sector, resulting in increased cost of production which brings both the profit and the competitiveness of products down.

Remedies

- Investment in human resources is the ultimate key to boosting productivity. Currently, our public spending on education and health is around 2.3% and 1.2%, respectively, which is way lower than the World Bank and World Health Organisation's recommended level of 5% each. The government immediately needs to increase its budgetary allocation to health and education on a priority basis.
- Hands-on training in working in their respective fields should be given to students studying science and technology, especially engineering, during their engineering coursework. Their course outline must be revised with more focus on practical

learning. Strong linkages with the industry should be established to help them understand what skills and levels are in demand in the job market.

- Institutions/authorities such as the Technical Education and Vocational Training Authority (Tevta) should be reformed, which offer short technical courses and training. It will help create a large pool of skilled labour who can then easily be employed in the construction industry, repairing IT devices, home appliances, automobiles, etc.

Political Instability

Pakistan's economy is held captive by its political instability. Irregular political exchanges led to the breakdown of policy implementation and undermined the enforcement of law and authority in the country. The unprecedented change in political power has resulted in policy discontinuity and bred uncertainty in the market. That is the reason investors avoid investing their money just at the stake of indeterminate government policies which are usually short-term with no future vision and security.

Remedies

- The political governments' lack of consensus on economic policies has harmed the economy. The 'Structural Adjustment Programs' have failed to deliver, the prime reason being the lack of political ownership. Thereby, to have economic stability, the political parties need to have a consensus on certain fundamentals of the economy.
- An 'Economic Security Council' should be constituted. It should comprise both civil and military leadership. All political parties should have representation in it. This council should take all the decisions related, which should be binding on whoever wins the next election.

High Population Growth Rate

Rapid population growth in Pakistan leads to higher unemployment, lower per-capita income, and depletion of natural resources. It is caused by poor family planning, high fertility, low status of women in society, and illiteracy.

Remedies

- The high population growth rate can be controlled through public and political officials, media campaigns, religious scholars, and celebrities who can address and endorse the matter through different platforms and strengthen the family planning activities of the government.
- Investment in the female education can lower the fertility rate apart from increasing gender equality.
- Increasing female labour force participation can be effective in controlling the population.
- Government's expenditures on contraceptive use campaigns and community-based programmes can also reduce the fertility rate.

Inflation

Inflation in Pakistan has spiked to a 50-year high of 27.3% in recent months, putting a disproportionate effect on the middle-class and the lower middle-class segments of society. It has already stretched their savings, destabilised household budgets, and hugely eroded their purchasing power.

Remedies

- Efforts should be made to reduce food prices through administrative measures.
- Instead of relying on imported items, the domestic capacity of production should be focused and improved.
- The government should refrain from trying price controls as they have never worked.

Debt Issue

Pakistan could not come out of the debt trap since entering the first International Monetary Fund (IMF) programme in 1958. The growing size of the government, provision of untargeted subsidies, negligible tax base, higher cost of doing business, and increasing imports coupled with dwindling exports are some of the factors contributing to the country's ever-growing dependence on foreign loans. A lion's share of the tax revenues is

flown out for debt-servicing, leaving very little for development expenditures. So, all the public expenditures are again financed by taking foreign loans and this cycle keeps on repeating.

Remedies

- The government of Pakistan needs to mobilise its revenues by broadening the tax base.
- The government needs to work on improving the competitiveness of its exports by rolling back untargeted subsidies and rather providing performance-based subsidies to the export sector.
- The cost of running the government can be brought down by digitising the government departments and their processes.
- The government needs to work on the skill development of its labour. As remittances are the major export of the country, skilled labour would bring in more foreign remittances.
- Should Pakistan go for debt restructuring? If yes, then bi-lateral debt comes first, followed by multi-lateral.
- Debt needs to be replaced by private capital. That needs financial market reforms and changing the policies and institutional structure of the investment promotion.

CONCLUSION

The economic crisis in Pakistan is engendered by inconsistent economic policies and short-sighted quick fixes by successive political regimes. The long-standing structural weaknesses of the economy and low productivity growth pose risks to a sustained economic recovery. The persistent fiscal deficits have taken a toll on the economy in terms of their implications on the country's growth, public debt, inflation, and repeated borrowing from domestic and international banks to finance the income-expenditure gap. Strong aggregate demand pressures, in part due to previously accommodative fiscal and monetary policies, paired with the continued less conducive environment for exports and investment, have contributed to a record-high trade deficit, weighing on the rupee and the country's limited external buffers. Domestically, political tensions and policy slippages also lead to protracted macroeconomic imbalances. Against this backdrop, alternate avenues of economic development can be explored to harness their economic potential such as the blue economy potential. It is a wake-up call for the government of Pakistan to let go of its exploitative tax policy and rectify the sectoral and federal imbalances within its tax structure to raise the overall tax collection. The black boxes in the public expenditures need to be opened up. Investment in non-productive sectors ought to be discouraged coupled with the rollback of untargeted subsidies. Government should adopt an export-led growth strategy rather than an import-driven economic policy to address external imbalances in the economy.



EXTREMISM/MILITANCY AND DE-WEAPONISATION

Dialogue Partner
Institute for Strategic Studies, Research and Analysis (ISSRA),
National Defence University, (NDU)

CONCEPT NOTE

Extremism/Militancy and De-Weaponisation

Pakistan confronts multifaceted internal security threats with a complex geography, a history of protracted wars, and conflicts contributing to its internal security dilemma. Along with terrorism and militancy, narco-trafficking and organised crime have been on the rise with activities of sabotage and extortion taking hold in pockets of ungoverned areas. In the 21st century such groups, cartels, and networks have adopted increasingly lethal and innovative techniques to evade detection by law-enforcement agencies. These conditions present a persistent challenge for policymakers and the executive arms of the state.

An eclectic mix of terrorist entities like TTP, IS-K, BLA, and the variegated nature of terrorism once again demands robust counter-terrorism strategies. The socio-economic and political root causes of terrorism and militancy need to be identified for the fructification of countering violent extremism (CVE) policies and strategies at national and provincial levels. The National Action Plan, which was a national response to terrorism after the watershed incident of APS Peshawar, needs to be re-assessed for its efficacy and its place in the overall national internal security and counter-terrorism architecture.

Crime, militancy, and terrorism are differentiated, yet are overlapping phenomena. Extremism both of religious as well as secular variety is the driver of militancy which needs to be tackled by analysing its aetiology. There is a need to debate the factors contributing to the above-mentioned internal security problems with a view to crystalise actionable recommendations to address the contributory factors as well as capacity deficits of the government's law-enforcement apparatus.

Scope of Discussion

- Root causes and drivers of religious and secular versions of extremism.

- The proposition of holistic interventions, with a particular focus on different forms of terrorism in Pakistan, to overcome enabling and breeding factors of radicalisation, extremism, and terrorism.
- Discuss, from a holistic perspective, the existing capacity deficit of state and non-governmental entities in tackling the ongoing threat of terrorism, and extremism in the light of regional realities such as the Afghanistan situation.
- What kind of plans should the government put in place to introduce systematic de-weaponisation at the national level with a specific focus on hotbeds of militancy and terrorism? This includes an assessment of the economic costs of terrorism to the Pakistani state.
- Identifying a strategy to break the vicious nexus between terrorism and terror economy enabling terror activities in Pakistan.
- Possible development of assessment and evaluation matrix to evaluate the progress of common points of CVE and counter terrorism strategy under NAP, National Security Policy, and Internal Security Policy 2018.

BACKGROUND

Institute for Strategic Studies, Research & Analysis (ISSRA), National Defence University, in collaboration with the Islamabad Policy Research Institute (IPRI), conducted a seminar and a roundtable under the theme “Extremism/ Militancy and De-Weaponisation.” The events were held from August 2022 to May 2023 at ISSRA and IPRI as follows:

- **Roundtable Discussion: Extremism/ Militancy and De-Weaponisation (1 August 2022)**
- Conducted by the Institute for Strategic Studies, Research & Analysis (ISSRA), National Defence University.
- **National Seminar: Extremism and Intolerance: A Threat to National Cohesion (3-4 January 2023)**
- Conducted by the Institute for Strategic Studies, Research & Analysis (ISSRA), National Defence University.
- **Roundtable on Extremism/ Militancy and De-Weaponisation (May 31, 2023)**
Conducted by IPRI at Iqbal Hall, IPRI.

Participants/Experts

- Major General Ehsan M. Khan, DG ISSRA.
- Mr. Ihsan Ghani, Former Director General, of the Intelligence Bureau and National Coordinator of NACTA.
- Dr. Syed Kaleem Imam, Former IG Police Service of Pakistan.
- Maulana Tahir Mahmood Ashrafi, Chairman Pakistan Ulema Council.
- Prof Dr. Arshi Saleem Hashmi, HoD, PCS, NDU.
- Amb. Dr. Raza Muhammad, President IPRI.
- Brig (R) Dr. Rashid Wali Janjua, Director of Research, IPRI.
- Dr. Shabana Fayyaz, Professor and Chairperson, Defence and Strategic Studies, Quaid i Azam University, Islamabad.
- IGP Muhammad Tahir Rai, National Coordinator, NACTA.

- Mufti Abdul Shakoor, Former Federal Minister for Religious Affairs and Interfaith Harmony.
- Mr Aneeq Ahmed, SI, Islamic scholar.
- Dr Khalid Zaheer, Islamic scholar and academic.
- Ms Nasim Zehra, Journalist and Author.
- Mr Orya Maqbool Jan, columnist, poet, playwright, Television anchor person, and Advocate High Court of Pakistan.
- Dr Mufti Zubair Usmani, Expert on Islamic Financial Systems in economy & banking.
- Dr Arfa Sayeda Zehra, Former caretaker provincial minister of Punjab.
- Javed Ahmad Ghamidi, philosopher, educationist, and scholar of Islam.
- Dr Anis Ahmed, Social scientist, an educationist, and Professor of Islam.
- Mr Khursheed Nadeem, scholar, media person, social activist and author of 8 books.
- Ms Munizae Jahangir, broadcast journalist and documentary filmmaker.
- Dr Ikram ul Haq, Secretary, Council of Islamic Ideology.

ANALYSIS

Overview

The problem of extremism, militancy, and weaponisation in Pakistan is complex and multidimensional. It is necessary to look at the historical underlying causes, and evolution of militant groups in Pakistan to comprehend the dynamics of the militancy. The Afghan-Soviet War in the 1980s, in which Pakistan, the US, and other allies backed Afghan Mujahedeen rebels opposing Soviet occupation, is where extremism, militancy, and weaponisation in Pakistan got a major fillip. The spread of weaponry and the influx of Afghan refugees played an enabling role in the emergence of militant groups in Pakistan. The complex relationships that Pakistan has with its surrounding countries, especially Afghanistan and India, and its strategic location have greatly influenced the dynamics of militancy. The Merged Districts, formerly called FATA, comprising the border region between Afghanistan and Pakistan have been serving as a haven for several militant organisations, creating a propitious environment for extremism and militancy.

The state of Pakistan does realise the severity of these issues as these adversely impact national cohesion and integration. Pakistan, hence, has come up with both hard and soft approaches to tackle the menace of extremism, militancy, and weaponisation. Today, extremism and intolerance have emerged as serious threats to national cohesion within Pakistan. Successive governments in the past have undertaken initiatives like the National Security Policy (NSP), National Action Plan (NAP), National Internal Security Policy (NISP), and *Madrassa* reforms to tackle the menace of extremism, intolerance and terrorism. The NSP, while defining the challenges to national cohesion, states that “divisive discourse around ethnic, religious, and social differences is a concern, exacerbated by disruptive external support that aims to undermine national cohesion and incite disharmony on issues of identity.” It also outlines the solution, i.e. fostering “social cohesion through national values and ethnic, religious, cultural and linguistic diversity.” Thus, national cohesion can be fostered in Pakistan by analysing the etiology of extremism and intolerance that is rooted into political, religious, and social differences.

To debate and find answers to these challenges, the Institute for Strategic Studies, Research & Analysis (ISSRA) of National Defence University (NDU), Islamabad in collaboration with the Islamabad Policy Research Institute (IPRI) conducted two events, i.e. a roundtable discussion titled “Extremism, Militancy and De-Weaponisation” and a two-day national seminar titled "Extremism and Intolerance: A Threat to National Cohesion.” Both events were organised as part of the IPRI’s “Grand National Dialogue” (GND). IPRI also organised two events, i.e. a roundtable and a panel discussion on the subject. The main conclusions and recommendations of the discourse are given below:

Main Conclusions

- The history of extremism and terrorism includes “Anarchist Terrorism” (1880 to 1914), which started in Russia and spread across the world, followed by “Anti-Colonialism” and “Anti-Americanism” variants. Religious extremism is neither a new phenomenon nor is associated with Islam only. Extremism is a phenomenon that exists in all societies; however, it becomes problematic when it infiltrates the mainstream and states, threatening peace and stability.
- The phenomenon of extremism is still contested with no singular universally accepted definition. Concepts like intolerance, violent extremism, and radicalisation are still nebulous and have various interpretations, both at national and international levels. There are several terminologies, e.g. extremism, intolerance, violent extremism, radicalisation, and terrorism which are interchangeably used in the discourse. There is a need to define these terminologies, at least at the state level so that individuals, society, and the government speak the same language. A working definition of extremism in Pakistan can be the absolute belief in one’s truth/stance, which stems from a deeply entrenched sense of self-righteousness.
- Masjid (Mosques) under private control, *madrassas* without broad-based education, and a lack of a common narrative against intolerance are three major factors behind extremism in Pakistan. In Pakistan, violent extremist Islamist groups have presented and promoted their specific worldview by skillfully utilising divisive narratives.

- Since attaining its independence, Pakistan has seen periods of diverse but related ethnic, sectarian, and religious conflicts that have promoted extremism and violence. With moral and financial aid from both internal and external players for militancy, both of religious and non-religious nature, Pakistan has been saddled with an ecosystem of ethnic and religious radicalisation. However, the level of violent extremism had increased since Pakistan and the US teamed up to fight communism in South Asia, particularly in Afghanistan and then in the post-9/11 phase.
- In the past, Pakistan has seen periods of intense political and social unrest, which have aided in the spread of extremist beliefs. The terrain of extremism has been shaped by several factors, including the Afghan-Soviet War of the 1980s, the influx of Afghan refugees, and the participation of other actors in the area. The spread of *madrassas*, many of which promote radical ideologies, makes matters more difficult as those serve as havens for extremist ideas.
- Extremist ideas also gained traction in Pakistan due to socio-economic divides, especially amongst the impoverished strata of the population. People who have limited access to economic and educational possibilities tend to become more frustrated and disillusioned, which increases their susceptibility to extremist views and radicalism.
- Pakistan's fight against extremism has been made more difficult by its geopolitical dynamics and strategic location. The nation had been under siege in its worldwide fight against terror. It is facing several challenges from both inside and outside the world. Pakistan's domestic policies have been impacted by the country's alignment with the US during the Cold War and again in the Post-9/11 period. This alignment also contributed to a sense of insecurity that strengthened extremist attitudes.
- The militancy in Pakistan has been greatly impacted by the Afghan Taliban's influence and cross-border operations. The umbrella group of several terrorist factions, i.e. Tehrik-i-Taliban Pakistan (TTP), got reinvigorated and carried out multiple attacks inside Pakistan, especially after the US withdrawal in August 2021. Pakistan had been vigorously fighting terrorism, waging war in the tribal regions, and putting counter-insurgency strategies into action. Nevertheless, there have been

mixed results from these attempts due to obstacles like the porous border between Afghanistan and Pakistan and the tenacity of certain extremist organisations.

- The complexity of the terrorist environment in Pakistan has also increased due to the existence of international Jihadist networks like Al-Qaeda and IS-K. The nation has been at the center of the Global War on Terror (GWOt), facing pressure from other countries, especially western, to stop radicalisation and eliminate terrorist organisations.
- The character of militancy in Pakistan has changed, as certain militant organisations have adopted new strategies like suicide bombs and urban terrorism. Differentiating between “good” and “bad” militants has also proven difficult for the state. There must not be any difference between good and bad militants. Militants are bad for the state of Pakistan and that must be the thumb rule.
- Extremism, militancy, and weaponisation continue to challenge Pakistan’s security and stability. There is a lack of effective implementation of policies and measures to address this problem. The NSP, NAP, and Paigham-e-Pakistan (PeP) are important frameworks that aim to counter extremism and promote consensus among diverse groups in rejecting violence. The NAP is still a comprehensive framework that aims to address extremism and militancy through various measures. The PeP is a unique document that represents a consensus among all ethnic and religious groups in Pakistan on the rejection of violence and extremism.
- Extremism, especially in Pakistan’s tribal areas, also gets sustenance from the feelings of marginalisation and discontent among the people in underdeveloped regions, which render them susceptible to exploitation and radicalisation.
- Internal challenges include sense of socio-economic deprivation, illiteracy, poverty, exclusion, corruption, inflation, and underdevelopment, while external challenges are influenced by India, Afghanistan and the US.
- The use of religion for political purposes by right-wing extremists along with sectarianism fosters extremist tendencies in Pakistan. Misuse of religion by extremists has also been witnessed for political purposes. Left and right wings of

extremism were often used for regime change, which did not serve Pakistan's interests.

- The NISP comprises a multitude of points and recommendations, making it impossible to focus on all of them. Despite the policy formulation, implementation is not effective due to the lack of division of objectives into actionable phases or milestones. There is a significant gap between policymaking and policy implementation. There is abundant literature and policies to deal with extremist and terrorist tendencies in Pakistan, but the major concern is the lack of implementation, which the sitting governments should prioritise to deal with extremism and militancy.
- *Madrassa* reforms were left half-way. Those need to be followed through.
- There are push and pull factors behind extremism. Push factors are always within the society while pull factors are individual-based. Push factors include the absence of the rule of law, disempowered communities, especially youth, dysfunctional religious & contemporary education, the negative role of media, the absence of a value system, and decaying cultural ethos. The pull factors include personal greed, extremist tendencies, economic grievances, and a warped religious understanding.
- Prolonged frustration leads to violence in societies and extremism is the direct outcome of frustration, disillusionment, discontentment, and helplessness. Also, vulnerability at individual and group levels mostly contributes to extremism.
- Poverty is not the main cause of extremism and intolerance in the case of Pakistan. It is an issue of governance as state machinery is not performing its due role. Major contributor is the weak and selective enforcement of the law.
- Intolerance and extremism are the product of egoistic behaviours, narcissism, and self-righteousness. It is also an indication of a society bereft of civic values imparted through values-based education. It is the state's responsibility to promote ethical and moral values besides imparting quality education.
- Bad governance contributes to the push and pull factors of extremism and intolerance. It is the responsibility of the state to manage and regulate the society through the rule of law, and adequate resource management for the overall welfare of citizens regardless of religion, creed, and gender.

- Weaponisation of any human society is unacceptable but people in tribal societies have developed a culture of carrying weapons due to a peculiar threat environment with little or no presence of a state to enforce law and order. If given an opportunity, people would tend to embrace peace and tranquility and give up unnecessary weapons. Contrarily if there is no peace and a society is ruled by warlords and militant groups that dominate socio-political space, it would be difficult to convince people to give up arms. The Pakistan Army after the *Zarb-e-Azb* Operation, successfully disarmed a whole tribe inhabiting North Waziristan, but the threat and warlord-ism continued, hence after the *Zarb-e-Azb*, the citizens preferred to migrate instead of living in that environment.
- If the government wishes to pursue de-weaponisation, it should be very clear whom to disarm, the common citizenry or the armed groups. License dispensation on merit regulating the possession of a specific caliber of weapon/ammunition needs to be ensured.

RECOMMENDATIONS

Based on the observations of the experts during different events, the following recommendations are offered:

Governance and Rule of Law

- Adherence to the Constitution of Pakistan and the rule of law will help foster national cohesion besides countering the menace of extremism and intolerance within the society.
- The remedy lies in enforcing the writ of the state, ensuring the rule of law, the provision of socio-economic justice, and high-quality education. The rule of law is a key element in shaping a society. A society without justice cannot survive. Therefore, the provision of a speedy, fair, and effective justice system, regardless of ethnicity and religious beliefs is a prime requirement.
- All government and political institutions should ensure transparency and accountability of the financial support they receive from national and international sources.
- Policymakers should change their perspective and focus on the needs and interests of the people when designing new policies. They should consult with the affected communities, consider the social and environmental impacts, and ensure that the policies are inclusive and participatory.
- Establish a national commission on extremism and militancy to oversee the implementation of the existing policies and initiatives and to monitor the progress and impact of the actions taken. The same commission should engage with marginalised groups to assuage their grievances.
- Muttahida Qaumi Movement (MQM), Tehrik-i-Taliban Pakistan (TTP), Tehreek-e-Labaik Pakistan (TLP), and Baloch nationalists cannot be clubbed together. These have different agendas and *modus operandi*. There cannot be one solution to terrorism, insurgencies, and various forms of extremism (ethnic, and religious) etc. Develop tailored and context-specific strategies to engage with each group through dialogue, negotiation, or coercion, depending on the situation and the level of

violence. Involve relevant stakeholders, such as civil society, media, religious leaders, tribal elders, and local communities, in the design and implementation of the strategies.

- The government should implement and promote the National Counter Terrorism Authority's (NACTA), National Counter-Extremism Policy Guidelines (NCEPG 2018), through various means, such as workshops, seminars, and policy actions.
- Paigham-e-Pakistan (PeP) should be proliferated down to academia, government offices, and society.
- Strengthen the coordination and cooperation among federal, provincial, and local governments and different security and law-enforcement agencies to ensure a unified and effective response to the threats of extremism and militancy.
- Invest in human development, social welfare, infrastructure, and economic opportunities in the underdeveloped and conflict-affected regions of the country to reduce poverty, inequality, and deprivation.

Education and Madrassa Reforms

- Securitisation and politicisation of religion are major challenges, therefore, Pakistan should adopt a de-politicised and de-securitised policy towards the regulation of mosques and Madrassas so that they become beacons of tolerance, and religious harmony.
- *Madrassas* reforms should be undertaken as a priority including curricular reforms. Twelve years of basic education should be made compulsory before admission to any specialised discipline including religious education.
- The state should take control of mosques as it is being practised in the Middle East, Malaysia, and other important Muslim countries.
- Pakistan needs to promote a social environment where dissent is possible. It can be done by imparting education that promotes critical thinking. There should be zero tolerance for extremism and hate speech.
- Faculty exchange programme in *madrassas* should be started so that *Ulema* of all sects could promote religious harmony and understanding.

CVE

- The nation should foster a shared narrative that reflects its common aspirations, values, and challenges. The intellectual community of the society, including philosophers, religious scholars, teachers, etc., should play a key role in shaping this narrative based on scientific reasoning. The state should not impose a religious narrative but allow it to emerge organically from society.
- The media and entertainment industry should be encouraged to project the common history, heritage, and national heroes.
- To curb extremism, the state needs to ensure its writ at all costs. However, it is advisable to shift focus from a hardcore traditional security paradigm to a non-traditional security paradigm while priority needs to be accorded to those points of the NAP that have not been implemented so far.
- Pakistan needs to evolve a strong and logical narrative against extremism and intolerance. The intellectual community of the society including philosophers, religious scholars, and teachers, should contribute towards building a national narrative based on scientific logic. It is not the responsibility of the state to provide a religious narrative, but it should emerge organically from society. In this regard, the role of media becomes critical in propagating a common narrative. Adherence to PEMRA's code of ethics is very important.
- To effectively combat extremism, strategic communications initiatives must shift their emphasis from the preferred state narrative to what is the “right” message that will emotionally resonate with the audience.

Societal Mobilisation/Engagement

- Engage in dialogue and consultation with all segments of society, especially the marginalised and vulnerable groups, to address their grievances and needs, and to foster a sense of belonging and ownership among them.
- Enhance the role of civil society, media, academia, religious leaders, and youth in promoting tolerance, diversity, and peace education and in countering hate speech, misinformation, and radicalisation.

- Addressing youth frustration through education reforms is a key tool against extremism.

De-weaponisation

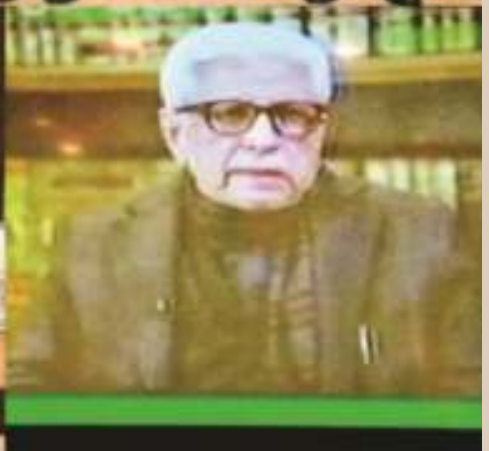
- Regulate or eliminate informal weapons manufacturing markets to stem the flow of illegal weapons besides reviewing and amending the arms ordinance to introduce stricter penalties for offenders. Mandate the registration of weapons at the nearest police station for better oversight.
- Implement a rule disallowing the registration of weapons bought in one province and registered in another province. Develop police apps to streamline registration and enable efficient tracking mechanisms. Digitise the sale of weapons to enhance transparency and control.
- Enforce strict penalties for the public display of arms to discourage their flaunting.
- Incorporate provisions in PECA to regulate the sale of weapons via social media platforms. Conduct awareness campaigns to curb weapons' proliferation.
- Strengthen measures to prevent cross-border smuggling of weapons.
- Install scanners at inter-provincial and international borders to detect illegal weapons.
- Address the rent-seeking culture in the Ministry of Interior and Provincial Home Departments concerning oversight of weapons licensing. Engage tribal communities to gradually control the possession of weapons while enforcing regulations. Establish comprehensive surveillance and strict regulatory measures for arms manufacturing and dealerships

General

- In today's globalised world, no country enjoys absolute sovereignty. Everything comes with a price so Pakistan should set its strategic priorities keeping the socio-economic well-being of the citizens at the center of each strategic priority.
- Islam is a religion of peace, but the perception of reality is different. This is the time to change misperceptions through practical actions. So, socioeconomic well-being and justice as enshrined in Islam must be at the heart of the strategic planning for CVE.

CONCLUSION

Extremism, militancy, and weaponisation are complex issues, which necessitate a careful and all-encompassing approach. Through effective tackling historical, socio-economic, and geopolitical issues, Pakistan should strive to establish a robust society that repudiates extremist beliefs. To combat extremism and guarantee a safe and prosperous future for Pakistan and the surrounding region, international cooperation and a dedication to fostering tolerance and understanding are essential. The complicated and multidimensional problems of extremism, militancy, and weaponisation in Pakistan have negative repercussions for domestic stability. Five factors have contributed to the extremism in Pakistan, i.e. the Soviet invasion of Afghanistan in the 1980s, the global war on terror after 9/11, the hasty withdrawal of the US from Afghanistan, misgovernance, and the rise of criminal mafias. Regulating government and religio-political institutions to ensure transparency and accountability of financial flow is needed to address the misuse of religion. There is also a dire need to develop tailored strategies for different extremist groups and involve relevant stakeholders in the design and implementation of those strategies. Policymakers are urged to focus on the needs and interests of the people, consult affected communities, and ensure inclusivity and participation in policy-making process.



POPULATION CONTROL AND FOOD SECURITY

Dialogue Partner
Institute of Regional Studies (IRS)

CONCEPT NOTE

Population Control and Food Security

Home to an estimated 240 million persons with a growth rate of 2.4%, Pakistan is one of the most populous countries in the world. A vast segment of Pakistan's population constitutes the young cohort. This youth bulge can act as a demographic dividend that could propel Pakistan towards significant economic development, as well as a liability if proper steps are not taken to impart quality education and vocational skills. Overpopulation can have a deleterious impact on a country's available resources, leading to energy shortages, water scarcity, and over-stressed health facilities. Pakistan is one of the fastest urbanising countries in South Asia with projections of 50% population inhabiting urban areas in two decades. There is a need to stabilise the population besides futuristic urban planning and adequate investment in the development of the rural economy to contain migratory pressures.

What especially requires immediate attention is the population's impact on food resources. The dwindling arable land, overstretched water resources, climate change effects, and profit-driven cropping patterns pose serious threats to Pakistan's food security. Thirty-eight percent of Pakistan's population is currently food insecure, with limited availability of nutritionally adequate and safe foods. To sustain itself, and meet the food needs of its growing population, Pakistan needs a healthier economy and improved agricultural performance.

Scope of Discussion

- Pakistan's population explosion and contributory factors to rapid population growth.
- Strategies to ensure food security.
- Impact of population growth on the environment, urban infrastructure, and economy.
- Socio-economic threats posed by unchecked population growth.

- Agricultural practices.

BACKGROUND

Islamabad Policy Research Institute (IPRI) in collaboration with Institute of Regional Studies (IRS), Islamabad, conducted a series of roundtable discussions and seminars under the theme “Population and Food Security.” Experts from Islamabad, Peshawar, Wah, Sargodha, Faisalabad, Balochistan and Sindh participated in the events. The aim was to get a national narrative on population and food security. The event dates and venues are as follows:

- **Roundtable at IRS Premises, Islamabad (Opening Dialogue) – October 11, 2022**
- **Seminar at University of Sargodha (Punjab Perspective) – October 26, 2022**
- **Roundtable at University of Wah – October 31, 2022**
- **Roundtable at University of Peshawar (Khyber Pakhtunkhwa Perspective) – November 1, 2022**
- **Talk at IRS Premises (Speaker, Representative Ministry of National Health Services, Regulations and Coordination, Government of Pakistan) – November 10, 2022**
- **Webinar (participation from Balochistan Province) – December 14, 2022**
- **Webinar Jamshoro University (participation from Sindh Province) – January 16, 2023**
- **Concluding Roundtable at IPRI Premises, Islamabad (June 13, 2023)**

Participants/Experts

- Ambassador Dr. Raza Muhammad, President IPRI.
- Ambassador Nadeem Riyaz, President Institute of Regional Studies (IRS), Islamabad.
- Dr Zeba Sathar, Country Director, Population Council Islamabad, Pakistan.
- Dr Abid Qaiyum Suleri, Executive Director and Senior Research Fellow. Sustainable Development Policy Institute (SDPI), Islamabad.

- Dr Ali Mohammad Mir, Associate / Reproductive Health Programme, Director Programmes Pakistan Office.
- Brig (retd) Dr Raashid Wali Janjua, Director Research IPRI (Moderator).
- Dr Sabina Durrani, DG Population Programme Wing, Ministry of National Health Services, Regulations and Coordination, Government of Pakistan.
- Ms Romina Khurshid Alam, Ex-Convener, Sustainable Development Goals. (SDGs), Minister of State & Special Assistant to the Prime Minister and Member National Assembly of Pakistan (MNA).
- Dr Shazia Sobia Aslam Soomro, Parliamentary Secretary, Ministry of Health Services, Regulation and Coordination.
- Ms Aisha Khan, Founder and Head of the Civil Society Coalition for Climate Change & Mountain and Glacier Protection Organization.
- Mr Nadeem Bukhari, ex-advisor to Prime Minister on Food Security.
- Dr Irfan Ashraf, Assistant Professor, University of Arid Agriculture, Rawalpindi Academic Environmentalist.
- Mr Omer Khalid Butt, Anchorperson, Producer & Researcher PTV World.
- Dr Qaisar Abbas, Vice Chancellor University of Sargodha.
- Dr Omar Riaz, Department of Earth Sciences, University of Sargodha.
- Dr Muhammad Irfan Ullah, Department of Entomology, University of Sargodha.
- Dr Abdul Rehman, Department of Agronomy, University of Sargodha.
- Dr Muhammad Khalid Bashir from University of Agriculture, Faisalabad.
- Professor Shabir Ahmad Khan, Director Area Study Centre, University of Peshawar.
- Dr Zia Uddin, Chairman Human Nutrition Department, Agriculture University of Peshawar.
- Dr Abdul Satar Shah, Director Technical, Halal Food Authority, KP Government.
- Mr Rizwan, Agriculture Office, Agriculture Institute, Peshawar.
- Dr Ahmed Farhan Saeed, Assistant Professor, ASC University of Peshawar.
- Dr Saeed also supported empowerment women and their role in economic growth activities.

- Dr Haneef Ur Rehman, Department of Environmental Sciences, University of Turbat.
- Dr Muhammad Aslam, Dean Faculty of Marine Sciences, Lasbela University.
- Dr Manzoor Ahmed, Pro Vice Chancellor Gwadar University.
- Mir Sadaat Baloch, President Balochistan Council for Peace and Policy.
- Mr Shoukat Ali Sathio, Monitoring and Evaluation Specialist.
- Dr Shuja Mahesar, Director Pakistan Study Centre, University of Jamshoro.
- Dr Rafique Ahmed Lashari, Associate Professor and Director, Center for Pure and Applied Geology, University of Sindh.

INTRODUCTION

The Islamabad Policy Research Institute (IPRI) under its Grand National Dialogue (GND) Series targeted the critically significant areas of population and food security. In doing so, IPRI collaborated with the Institute of Regional Studies (IRS) Islamabad, to hold a series of events to engage with relevant stakeholders on the aforesaid issues. The collaboration featured a series of seven events spread across various provinces to receive maximum input from practitioners, academics, and government representatives alike. Following the Opening Dialogue, which was organised at IRS premises, IRS, with the collaboration of IPRI organised six events with the University of Sargodha, the University of Wah, the University of Peshawar, the Jamshoro University, the University of Faisalabad, and the University of Balochistan. The events were conducted in a hybrid manner and were covered by local media. During the events, the participants, including representatives from the student bodies, media, academia, policy circles, and relevant ministries brainstormed workable solutions to prepare for the complexities of the rising population and concomitant food security. The underlying premise herein is understanding the challenge of food security and burgeoning population independently and in sync with each other, in addition to understanding the impact(s) of subsidiary issues such as climate change which further complicate these challenges. This report consolidates responses and information on the aforementioned triad (i.e., population, food security, and climate change) collected during various events organised across the provinces.

ANALYSIS

Overview

The world's population stands at 7 billion at present and is growing rapidly alongside unprecedented levels of human consumption that presents serious risks to the environment and quality of life. Changing consumption patterns, the intense effects of climate change, and the growing shortage of water and land, all add to the difficulty of producing enough food for the world's expanding population. In recent times, adequate food production and equitable division of available resources have emerged as a major challenge globally. The food production uses up half of the planet's livable land, 70 per cent of its freshwater supply, and contributes to about a quarter of the world's greenhouse gas (GHG) emissions. The loss of biodiversity, as well as air and water pollution, deforestation, soil erosion, antibiotic-resistant bacteria, and water scarcity, are all directly related to food production. Between 25 and 30 per cent of the entire amount of food produced is lost or wasted, and between 8 and 10 per cent of GHG emissions are attributable to this phenomenon. Altered precipitation patterns and a rise in the frequency of extreme events like heat waves, floods, droughts, and climate change have already impacted food security.

As per recent statistics, 2 billion people across the globe are food insecure due to disrupted demand and supply chains. Pakistan in this regard is no exception. Pakistan is a low-income country. Its population in the last 75 years has increased by four times while the arable land has increased by only 40 per cent. In terms of agriculture and sustainable production of food resources, it is concerning that the arable land in Pakistan is not only limited but is shrinking due to non-agriculture uses such as the construction of housing societies. Fresh water supply is depleting significantly and the soil health is deteriorating due to the excessive use of chemicals, while the demand for food is increasing due to demographic pressures. Food insecurity might not be directly associated with the quantity of the population but a combination of the quantity and quality of the population, wherein the population is large and not productive enough to meet its needs. The only sustainable way

forward is to think, plan, and implement a reset that results in an efficient, inclusive, resilient, and sustainable food system in Pakistan.

Pakistan's population has more than doubled over the past 20 years, growing at a rate of roughly 2 per cent each year. By 2030, the population is projected to be 244 million, and by 2050, it will be 300 million. Given the existing resources, such as land, water, soil, etc., which are essential for acceptable quality and quantity of food production, the exponential rise in population is extremely alarming. The challenges posed by climate change, particularly its effects on agricultural activity, are already being faced by Pakistan. Natural disasters including floods, droughts, storms, and others, together with a lack of fresh water, soil erosion, and significant weather variations, harm the country's food supply systems. In such circumstances, a growth in population does not only pressurise the various facets of the country's economy but also bears the potential of affecting the quality of life generally.

According to the 2018 National Nutrition Survey, 36.9 per cent of people experience food insecurity in Pakistan. This is mostly owing to the lowest and most vulnerable segment of the population's inadequate economic access to a sufficient and varied diet, especially among women. The survey also revealed that the region had the second-highest rate of malnutrition, with 18 per cent of children under 5 suffering from acute malnutrition, 40 per cent of kids in the same age group being stunted, and 29 per cent being underweight. Additionally, it is noteworthy that food contamination is as much a part of the issue as food scarcity and deprivation. When nutrients are chemically synthesised or are intrinsically of lower quality, the energy concentration of food declines. Almost 70 per cent of Pakistan's population does not have access to a staple-adjusted nutritious diet, according to the World Food Programme (WFP). Also, half of the population, i.e., 20.5 per cent is undernourished, which stunts both mental and physical development in children under the age of five. The Global Hunger Index (GHI) has placed Pakistan at 92nd position out of 116 countries in 2021, with a score of 24.7, designating its level of hunger as "severe."

The devastating floods in Pakistan during June-August 2022, destroyed crops and stocks and submerged enormous tracts of farms, worsening the already tenuous food and nutrition

security situation. Communities that were already on the brink now have to deal with the abrupt shock of losing agricultural land and livelihoods after the disastrous flood destroyed 45 per cent of the country's cropland and killed 80 per cent of farm animals in some regions. One of the worst-hit provinces during the floods was Sindh, which produces a sizeable quantity of the food within the country. Crops like rice, onions, tomatoes, and other vegetables that had been growing on thousands of hectares were destroyed. Additionally, transport of the food that survived was severely disrupted given the destruction of more than 6,000 kilometres of road and bridge networks. As per the situation analysis carried out by the WFP in December 2022, 33 million people were adversely affected in 94 districts out of which 20.6 million people required humanitarian assistance while 14.6 million required food assistance. The report also stated that 7 million children required nutrition services, 4 million children lacked access to health services and 5.5 million people no longer had access to safe drinking water. While the figures are alarming, Pakistan has resiliently tried to manage the available resources whilst exploring avenues for expansion.

It is worth noting that Pakistan has over a period of past few years remained cognisant of the depleting resources and has directed serious attention toward effective management of available resources. This is evident from several significant policy measures, such as the National Zero Hunger Programme, the Food Security Assessment Survey, and the government's adherence to the UN Sustainable Development Goals (SDGs) 1 and 2 regarding poverty and the Zero Hunger Challenges.

High levels of malnutrition, frequent natural hazards like flash floods and droughts, and drastically shifting weather patterns throughout the country continue to be problems for Pakistan, despite the country's significant investments to speed up progress towards the SDGs and its national development programme, Vision 2025. Socioeconomic effects in the aftermath of Covid-19 and lately, floods have, however, added to this fire, degrading the financial resources and policies already in place.

Considering the various levels of security and their impact on human security, it is noteworthy that all four levels of security, i.e., global, regional, national, and individual are interlinked and bear crucial significance in the life of a nation. However, individual security is the foundation of all securities without which the national, regional, and global securities are likely to falter.

Pakistan Agriculture Research Council (PARC) and the National Agricultural Research Centre (NARC) lack basic communication with the agricultural universities. Research programmes premised around innovative agricultural services/practices need to be better propagated among the relevant organisations to establish a triad of government, R&D, and academic organisations to come up with the most pragmatic solutions to impending challenges.

MAIN CONCLUSIONS

- With the increase in population, Pakistan is likely to face an acute shortage of resources with a negative impact on the socio-economic indicators. The malnutrition in the country coupled with increased population growth patterns requires immediate policy attention.
- While the debate around population control places the religion in a questionable position (most often), however, as per the research conducted by the Population Council, Islamabad, religion does not come up as a reason for not practicing family planning. Moreover, religious scholars have not objected to the narrative of population and family planning either. The narrative of family planning focuses on the health and safety of the mother and the child.
- While comparing Pakistan with other densely populated countries like India and Indonesia, the latter have tackled the issues of food insecurity and resource depletion by managing their population growth. Bangladesh is another success story of population control. The country adopted voluntary methods to address the high population growth rate. China's population control measures helped the country in overcoming famine. The policies pursued by these countries are examples for Pakistan to follow and come out of the crisis of population explosion and food insecurity. The population control policy of China might seem too drastic for a Muslim country like Pakistan. However, Pakistan can follow in the footsteps of Muslim countries like Bangladesh, Indonesia, and Iran. Iran has advocated population control and the country experienced the fastest decline in fertility in the world.
- Food security essentially has to do with having enough food available to meet the population's dietary and nutritional demands and also encompasses the quality of available food resources in terms of nutritious value. For Pakistan, this difficulty has significantly increased over the past 10 years, mostly as a result of disproportionately

high fiscal expenses and (underfunded) government programmes incapable of delivering optimally.

- Growth patterns have altered to quite an extent due to climate change, not to mention the added risk of natural disasters since Pakistan tops the list of countries vulnerable to climate change.
- It is imperative to devise context-specific farming approaches within the country which may differ in their planning and execution from province to province but must be adequate to maximise resource production.
- Pakistan at present needs to look into alternative food resources to cover up for the gaps in food provision to most of its populace. This entails exploring various other sources of nutrition that are readily available and require minimal capital investment to benefit from. There is a strong correlation between overpopulation and hunger and it is high time to address the challenge of food insecurity in Pakistan.

RECOMMENDATIONS

Population

- The idea in Pakistani society which has led to large families is the desire to have a male child. Such kind of approach can be changed with religious teachings. In Islam, Prophet Muhammad's (PBUH) lineage extended from his daughter, so the idea that a family's name cannot progress further in the absence of a male heir is incorrect. Religious scholars need to educate society about the respect that Islam accords to the birth of a daughter.
- The idea often associated with a big family is jihad. The phrase employed to encourage people towards more children is 'Big Family, Jihad Easy'. In our society, especially in rural areas religious scholars are regarded as beacons of light and people look up to them for advice. Religious scholars should have a lead role in educating local communities about birth control and family planning. The concept of 'Small Family, Happy Family' should be promoted to have less number of children.
- Female education should be a priority. Moreover, women's participation in economic growth activities should be encouraged.
- Subjects of family planning and maternal and neonatal healthcare should be taught at the matriculation level.
- The laws against child marriages need to be strictly implemented.
- The institution of midwives and Lady Health Workers (LHWs) needs to be financially empowered. LHWs also need to be respected in society. The improvement in the institution of LHWs should be province specific as in the case of Punjab, the requirements may vary from KP. Likewise, in Sindh, the orientation towards midwives might differ from that of Balochistan. The problems as well as the capacity issues in the four provinces are different, so the strategy employed needs to be in line with the ground facts of the respective province.
- Adoption should not be restricted to issueless couples, rather couples having children should be encouraged to adopt children of economically weak families. This practice will not only enable children of poor families to study but it will also share the

economic burden of the country. Thereby, the adoption needs to be normalised with a wider scope.

- Media through talk shows and dramas should promote the idea of family planning.

Food Security

- The national cropping policy should be given to provinces keeping in mind the country's food security needs and a ban on water-intensive crops be imposed in water-scarce areas.
- Establish a framework wherein the Pakistani government regulates market price for each crop.
- Ensure availability and accessibility of clean drinking water to limit health hazards. Introduce urban micro-farming and turn households into micro-farms.
- Organise workshops on kitchen gardening and climate-smart agricultural production.
- Enhance the lining of canals to preserve water losses.
- Reduce carbon emissions and stop using fuels to enable the creation of more organic agriculture.
- Refocus attention to biotechnology for improved crop yield.
- Celebrate Farmers' Day every year to recognise the contributions of the farmers towards society. This would inspire young people to pursue farming as a career.
- Lay the grounds for universities, research organisations, and private-sector organisations to effectively engage, especially, on a knowledge-sharing basis across provinces to maximise output.
- The standard of agriculture universities in KP and Balochistan should be improved to bring those at par with international standards.
- Encourage large corporations to participate in agriculture through public-private partnerships, not just for production but also for preservation and storage.
- Offer support services for livestock, such as vaccination drives to stop prevailing illnesses and to give access to a variety of nutrient-rich feed and pastures.
- Mass migration from villages to cities burdens the resources of urban areas. Thereby, it is recommended that the villages need to be developed and brought at par with the

urban centers. Appropriate health, educational, and infrastructural capital within the villages can substantively reduce the influx of internal migrants towards cities and developed areas in search of better opportunities/facilities.

- The practice of building housing societies on arable land should be discontinued.



WATER SECURITY

Dialogue Partner
Pakistan Council of Research in Water Resources (PCRWR)

CONCEPT NOTE

Water Security

Water management is the biggest challenge of the 21st century being confronted by Pakistan due to inadequate water management practices, insufficient storage capacity, irrigation inefficiency, population explosion, over-exploited groundwater, climate-induced water stress, and India's water hegemony as an upper riparian state. Continuing mismanagement of water resources is resulting in increasing water insecurity in the country. Pakistan is already a water-stressed country that has not optimally managed its available water potential through adroit water conservation and storage strategies. A significant amount of water is being lost due to irrigation inefficiency, poor water management, and conveyance losses (between the canal head works to the farm gate).

A huge rise in the number of private tube wells in the country has resulted in intensive aquifer mining. Groundwater is consequently sinking by a meter every year. Overall operation, maintenance, and repair costs for water infrastructure are high and often ignored. Since irrigation users pay minimal charges for operation and maintenance costs the financial viability of infrastructure to prevent seepage losses becomes questionable. The delta ecosystem suffers as a result of seawater intrusion, which damages the arable land during periods of reduced river flow since minimum flows in the river system and delta ecosystems are required to preserve biodiversity and protect the mangrove forests. Against this backdrop, there is a need to debate the issue of water scarcity recognising the need for water management. The debate should yield action plans and strategies for policymakers.

Scope of Discussion

- Water scarcity and the challenges posed to our food security, power generation and domestic consumption.
- Trans-boundary water sharing issues with India and climate induced threats to water security.

- Optimal strategies for water management and water resource development to ward off water stress and losses.

BACKGROUND

The Pakistan Council of Research in Water Resources (PCRWR) in collaboration with the Islamabad Policy Research Institute (IPRI), conducted a series of roundtable discussion, seminar, media interaction, and panel discussion under the theme “Water Situation in Pakistan.” The events were held from October 2022 to November 2023, and were conducted by the PCRWR as follows:

- **Water Scarcity, a Non-Conventional Threat (October 21, 2022)**
A one-day seminar conducted by the Pakistan Council of Research and Water Resources (PCRWR) at PCRWR Islamabad.
- **Optimal Strategies for Sustainable Water Resource Management (October 27, 2022)**
A media interaction conducted at the Pakistan Council of Research in Water Resources (PCRWR) Islamabad.
- **Transboundary Water Sharing Issues (November 23, 2022)**
A panel discussion conducted by the Pakistan Council of Research in Water Resources (PCRWR) Islamabad.
- **Water Situation in Pakistan (November 29, 2023)**
A roundtable discussion conducted by the Islamabad Policy Research Institute (IPRI) at IPRI Islamabad.

Participants/Experts

- Ambassador Dr Raza Muhammad, President IPRI.
- Dr. Muhammad Ashraf, Chairman, PCRWR.
- Brig. (retd) Dr. Raashid Wali Janjua, Director Research, IPRI.
- Ambassador Asif Durrani, Senior Research Fellow, IPRI.
- Ms. Bareerah Fatima, Deputy Director, PCRWR.
- Dr. Muhammad Tariq, Director, Agriculture Extension and Adaptive Research, Punjab.
- Mr. Habib ur Rehman, Director (Hydrology) Irrigation Department Sindh.

- Mr. Qurban Jatoi, Superintendent Engineer, Irrigation Department, Balochistan.
- Engr. Nasir Ghafoor, Chief Engineer (South) Irrigation Department, Khyber Punkhtunkhwa.
- Dr. Fayyaz ul Hasan, Pro Vice Chancellor, PMAS-Arid Agriculture University Rawalpindi.
- Honorable Federal Minister, Syed Khursheed Ahmed Shah, Ministry of Water Resources.
- Dr. Rashid Aftab, Director Riphah International University.
- Dr. Toqeer Ahmad, Assistant Professor COMSATS University Islamabad.
- Dr. Hifza Rasheed, Secretary, PCRWR.
- Dr. Muhammad Arshad, Researcher, IWMI Pakistan.
- Dr. Rashid Aftab, Director, Riphah Institute of Public Policy, Islamabad.
- Mr. Ali Tauqeer Sheikh, Consultant, World Bank.
- Dr. Shakil Durani, Former Chief Secretary, KP/Sindh/AJK and Ex-Chairman-WAPDA.
- Dr. Azeem Shah, International Researcher and Chief of Party (WMfEP), IWMI-Pakistan.
- Mr. Arshad H. Abbasi, Energy & Power Sector Specialist at SDPI.

INTRODUCTION

To chalk out strategies for sustainable water resource management and to raise awareness among various segments of society about water conservation and its sustainable use, IPRI initiated and organised a Grand National Dialogue (GND) in collaboration with the Pakistan Council of Research in Water Resources (PCRWR).

The Dialogue comprised a series of different events including; seminars, media interaction sessions, and panel discussions (Table 1). The primary aim of the dialogue was to deliberate on the contemporary water sector issues of the country and provide recommendations to the policymakers based on the views and opinions put forward by experts and other key stakeholders. The Dialogue was designed to maximise the participation of all stakeholders in the water management process, including local communities, government, and industry, to ensure that their needs and concerns are taken into account. Another important aspect driving the Dialogue was to prepare for and adapt to the impact of climate change on water resources, including drought, flooding, and changes in water demands.

The scope of the Dialogue revolved around themes that are complex and are affecting Pakistan adversely. In this context, the themes framed for the experts and stakeholders were sub-divided as per the following:

- Water scarcity and the challenges posed to our food security, power generation, and domestic consumption.
- Optimal strategies for water management and water resource development to ward off water stress and losses in the wake of changing climate.
- Transboundary water sharing issues with neighbouring countries sharing the Indus Basin and climate-induced threats to water scarcity.

Table 1: The Details of Grand National Dialogue

Description	Topic	Date	Venue
Seminar	Water Scarcity, a Non- Conventional Security Threat	October 21, 2022	
Media Interaction	Optimal Strategies for Sustainable Water Resource Management	October 27, 2022	PCRWR, H-8/1, Islamabad
Panel Discussion	Transboundary Water Sharing Issues	November 23, 2022	

The events focusing on different topics of national importance were organised, to discuss the different dimensions of prevailing water issues as well as raise awareness of water levels among the public. Moreover, these provided a platform for stakeholders regarding knowledge sharing, exchanging ideas, and prioritising practical solutions to address the challenges faced by the water sector.

ANALYSIS

Water Scarcity, a Non-Conventional Security Threat

Pakistan is primarily an agrarian country with the agriculture sector contributing almost 20% share to its GDP. It provides raw materials to textile, leather, rice processing, edible oil, sugar, and various food processing industries. The country is amongst the world's top ten wheat, cotton, sugarcane, mango, dates, oranges and rice producers. Thus, this sector is a major source of economic activities; a source of livelihood for the majority of the population; a caretaker of food and nutritional security; a means to combat poverty, especially in rural areas; a supplier of raw materials for the industries; and, a major source of foreign exchange earnings. The country has a huge rural population of 132.2 million (more than 64% of the total population) engaged in some way in on-farm or off-farm activities related to agriculture.

Water is indispensable for the agriculture sector. The Indus Basin Irrigation System (IBIS) is the major irrigation source for Pakistan's agriculture sector. Out of the total area of 79.6 million hectares, 22.1 million hectares is cultivated of which almost 80% is irrigated. Despite having one of the largest irrigation systems and the 4th largest groundwater aquifer in the world, the country is fast becoming water-scarce. It crossed the water scarcity threshold in 2005 and might touch the absolute water scarcity line by 2025.¹ More importantly, food security is directly linked with water security as 50 to 70 times more water is required to grow food than water used for domestic purposes in Pakistan. About 90% of the food production comes from irrigated agriculture, whereas dry-land (rain-fed) agriculture contributes only 10%. It will not be out of place to mention that the average yield of crops per unit of water use is much lower than international levels, giving rise to a significant gap between actual and potential yields.

¹ Qureshi, R.H. and Ashraf M. (2019), Water Security Issues of Agriculture in Pakistan. Pakistan Academy of Sciences (PAS), Islamabad, Pakistan, pp. 41.

The IBIS is highly dependent on transboundary waters, as the Indus Basin is shared, besides Pakistan, by India, Afghanistan, and China. Population growth and urbanisation are exerting more pressure on the already dwindling water resources. This situation is catalysed by the ever-changing climate. It is estimated that about 70% of the total average flows in the Indus system come from snow and glacier melt in the Hindu-Kush Karakoram (HKK) range. Variation in the trends and timing of snowfall and changes in snow and ice melt due to climate change disturbs the balance of primary sources of irrigation in the IBIS with serious implications on the agriculture sector resulting in threatening the national food security.

Pakistan is one of the most affected countries due to climate change, as evidenced by recent prolonged droughts and accelerated precipitation events such as unprecedented floods of 2010 and 2022 and prolonged drought of 1997-2002. Lack of awareness regarding climate extremities and water scarcity among the general public and coordination between key stakeholders responsible for addressing the issues are the prime challenges in tackling the climate change effects and disaster risk reduction. This situation is more alarming since Pakistan relies heavily on transboundary waters flowing in from India and Afghanistan. Being a lower riparian country there is a great risk of water fluctuations in the shared basin which can be detrimental to national security if these issues are not resolved amicably. The mistrust among the riparian countries due to the lack of science-based information sharing is also increasing the prevailing rifts.

The key water issues and challenges can be categorised into the following three broad domains:

- Water Resources Development
- Water Resources Management
- Water Resources Governance

Water Resources Development

In Pakistan, surface water flows are highly seasonal – 84% flowing in 3 to 4 monsoon months and the rest 16% flowing during the remaining months. With climate change, the wet seasons are becoming more wet and the dry seasons drier. This necessitates the importance of water storage – to carry water from wet years/seasons to dry years/seasons. However, against the world average of 40%, Pakistan’s storage capacity is only 10%. The present water storage capacity of Pakistan in terms of days is 30, while that of India is around 120 days and Egypt’s about 1,000 days.² The per capita storage of Australia and the USA is over 5,000 m,³ China 2,200 m,³ Egypt 2,362 m,³ Turkey 1,402 m,³ Iran 492 m³ while in Pakistan it is only 159 m.³ Furthermore, the increased silting of storage reservoirs is an important factor, aggravating the water shortfall. Some reports also suggest that Pakistan’s existing dams will exhaust their reservoir capacity by the end of the next decade. It is important to note that the recent floods showed that Pakistan was endowed with a big resource of water, but the lack of water reservoirs precluded its subsequent use and availability.

It is argued that instead of building large reservoirs, we should focus on building small and medium-sized dams. However, it is also a fact that though small and medium reservoirs are very important and efficient yet these cannot be alternatives to large reservoirs that are needed to counter the floods in the large river basins besides being important sources of hydropower generation. It is, therefore, paramount that the construction of large dams is taken up on an emergency basis to store and regulate the water flow in dry periods.

About 12 Mha (40%) of the cultivable land is dry land where livelihood depends on rainwater. These areas offer huge potential for storing rainwater. There is no denying the fact that the waters of hill torrents and rainwater are very valuable sources of water, which have been overlooked in the past. The devastation caused by the recent floods in the country due to unprecedented heavy rains has underlined the importance of these sources. It is

² Qureshi, R.H. and Ashraf M. (2019), Water Security Issues of Agriculture in Pakistan. Pakistan Academy of Sciences (PAS), Islamabad, Pakistan, pp. 41.

estimated that hill torrents alone provide about 20 MAF of water during the rainy season in the country. Several studies were undertaken to harness the potential of hill torrents and make them useful for the drought periods in these areas. Due to the higher capital costs of the storage structures, and lack of political will, it has been overlooked.

The failure to develop an integrated flood management plan to harness and manage the abundance of water during monsoon season not only plays havoc with the country but also results in proliferating wastage of water.³ The structures for controlled flow in hill torrents, therefore, may result in effective flood management for drought periods to enhance the cultivable area. This would result in thousands of families benefiting from the increased availability of irrigation water.

Water Resources Management

The present irrigation system is over a hundred years old. With the passage of time, it has become inefficient and its management and maintenance are becoming big challenges. The problems with the management of this irrigation system are both social and technical. The old and obsolete methods of irrigation are still being used by farmers which result in on-farm water application efficiencies of under 60%. The mismanagement of water is having its biggest impact on the agricultural sector with one of the lowest crop yields per unit of water in the world. Since water consumption cost is low, there is nothing to discourage the excess and overuse of water. Moreover, reliance on tube wells to extract groundwater and over-extraction depletes the aquifer besides negatively affecting the salt content of the soil, leading to further environmental degradation.

It is disturbing to note that *abiana* (water prices) is unscientifically determined and inefficiently collected, which leads to large-scale pilferage and overuse. Excess water use, because of low cost, leads to gross overuse which is the prime cause of waterlogging. The water rates need to be fixed on the volumetric basis of water utilised in the fields and the full *abiana* recovered in proportion to use. This is as much a matter of efficiency as equity

³ A Rude Awakening. Report of the Judicial Flood Inquiry Tribunal, 2010

because the big influential farmers use low-cost canal water in the head reaches rather than the more expensive tube well waters (for which diesel or electricity is paid for by the user) in the tail sections.

There is also a fear that a decrease in river water inflow into the Arabian Sea will lead to seawater intrusion into the coastal area with adverse impacts on the coastal ecosystem, especially the mangroves. It is generally quoted that about 2 million hectares of land in the districts of Thatta, Badin, and Sujawal have been salinised due to seawater intrusion. The phenomenon of seawater intrusion needs to be closely monitored so that the extent and causes of seawater intrusion are thoroughly explored. The other issue with water resource management is the disposal of wastewater in freshwater bodies. A negligible proportion i.e. 8% of wastewater in Pakistan is treated through sedimentation ponds to a primary level only but most of these treatment plants are not functional. Therefore, the treated wastewater can be estimated at around 2-3%. There is no prevailing concept of treatment at the secondary and tertiary levels in Pakistan.

Moreover, no plan exists for the planning and management of water use within the country. Due to this, mistrust has evolved within the provinces leading to rifts among the provinces on water distribution and use. There should be a dynamic and vibrant forum for the proper management and distribution of water resources at the country level to address the issues of provinces about water resources. A robust water accounting mechanism is inevitable for developing trust among the provinces as per the water apportionment accord 1991, and provinces must utilise their full share as per allocation. Transparent data sharing and monitoring of the flows at strategic points will build trust among the provinces. The strategies should also be devised to sell the water rights of the surplus water from the small provinces to large metropolitan cities.

Water Resources Governance

Water governance is defined as a set of systems that control the process of policymaking strategies and execution of plans, including monitoring mechanism. It requires the involvement of all stakeholders in the management of water resources.⁴ Water governance components can mainly be categorised into Water Laws, Water Policies and Water Institutions. There are multiple laws and policies enforced in the country viz; Canal and Drainage Act (1873), the Indus Waters Treaty (1960), Water Apportionment Accord (1991), National Environmental Quality Standards (1993), Provincial Irrigation and Drainage Authority Acts (1997), Pakistan's Vision 2025, National Environment Policy (2005), Balochistan Integrated Water Resources Management Policy (2006), National Drinking Water Policy (2009), National Disaster Risk Management Framework (2007), National Climate Change Policy (2012, 2021), National Water Policy (2018), The Punjab Water Act (2019), and The Khyber Pakhtunkhwa Water Act (2020), etc. Despite having plenty of legislative instruments, the biggest gap is the absence of effective mechanisms to implement these laws/acts.

In Pakistan, water governance is highly unsatisfactory due to policy inefficiencies, inadequate infrastructure, and poor implementation of rules/regulations in all water-use sectors. Policy implementation is slow and incomplete. Given the lack of coordination and capacity issues among the stakeholders and water organisations most policies overlap in nature and create contradictions at federal and provincial levels. This leads to ambiguity and confusion in assigning responsibilities between the federal and provincial governments. Further, the legal framework for water management is very complex and the various policy instruments are seldom reviewed/amended with the changing requirements. This renders the Acts/Policies ineffective.

Water management technologies aimed at improving water use efficiencies have evolved but our system is yet to adopt technology for monitoring water use and its accounting.

⁴ Neef, A. (2009). Transforming rural water governance: Towards deliberative and polycentric models? *Water Alternatives*, 2(1), 53-60.

Certain initiatives have been taken in the past to introduce telemetry at strategic locations but the situation due to poor management is abysmal. Today, telemetry system is largely broken down and absent because provinces, by and large, do not efficiently operate the telemetry system (except in Chashma barrage) with misreporting or non-reporting as a norm. This results in mistrust, excessive misuse, wastage, and pilferage of irrigation water across Sindh, Punjab, and KP provinces. It has been estimated that irrigation water, nearly equal to the combined capacity of Tarbela and Mangla dam reservoirs, is being used for agriculture in the middle and lower Indus River but is unaccounted for in the books.

A lack of political will and deadlock between provincial and federal governments aggravates the above situation. Pakistan requires serious and sincere efforts to resolve this issue. Effective reforms, coherent decision-making processes, and the introduction of telemetry monitoring will provide appropriate legislative mechanisms for the sustainability of the water sector. There is a dire need for strict monitoring and evaluation mechanisms to ensure transparency in the data collection processes, and effectiveness in policy execution. The country does not have any other option to ensure effective management of this scarce resource. Negligence and ineffective planning would cause incalculable damage to the existing water infrastructure.

Media Interaction for Optimal Strategies

One of the key tools available to sensitise the public and stakeholders of water issues and challenges is the media. Media, be it electric, print, or social, has an unparalleled reach. It is presumed as the fourth pillar of the state owing to its importance and reach. Thus, media interactions and programmes play a pivotal role in promoting public awareness on water conservation and sustainable water management practices. By reaching a wider audience, it is possible to inculcate behavioural change and encourage individuals and communities to adopt water-efficient practices sustainable water management initiatives. In this context, an interactive session with media was organised on the topic, “Water Conservation and Sustainable Water Resource Management.” As more than 60% population of Pakistan consists of youth, the target audience for the session was students from various educational institutes.

The following problems were identified in the discussion:

- i. Lack of awareness and coordination among the stakeholders
- ii. Absence of service delivery concept
- iii. Inadequate wastewater treatment infrastructure
- iv. Lack of implementation of existing regulatory policy instruments
- v. Inadequate water pricing in all water use sectors
- vi. Lack of storage capacity
- vii. Impact of climate change on water resources.

Low Water Cost

The agriculture sector being the biggest consumer of water enjoys great subsidies when it comes to the use of water and pricing. Water is treated as a free commodity mainly due to the meager tariffs on water. This is also true for other water use sectors. Water has never been considered an economic good. Due to low water productivity economic value of water in agriculture is very low – in fact, low water productivity in agriculture and other sectors is because of the low economic value attached to water. With the growing population water requirements in all water use sectors are increasing manifolds. Unfortunately, no data is available to estimate the economic value of water in all sectors.

Crop Zoning

Another neglected area is the effective crop zoning due to which water use is not rational, especially in the sugarcane and rice crops. The lack of proper crop zones and subsequent groundwater abstraction for irrigation of high delta crops in areas where groundwater is already under threat has made the situation even more worrisome. Water pricing should also be realistic based on the water used by each crop.

Population Growth

Among the above-all issues, population growth is the biggest threat to the sustainability of water resources. The higher population growth of almost 2% per annum exerts an extra burden on water resources. The increase in population leads to a decrease in per capita water and land availability. Moreover, the increased urbanisation and lack of rational land

use policies has worsened the situation by shrinking the natural waterways and recharge zones necessary for groundwater recharge. The government should work to control the population and devise a plan to discourage new colonies and societies in the water-scarce areas.

Trans-Boundary Water-Sharing Issues

Pakistan heavily relies on transboundary water resources and shares several rivers with neighbouring countries. The Indus River serves as the primary source of water. The river originates from the Tibetan plateau and flows through Indian-occupied areas before reaching Pakistan, where it ultimately discharges into the Arabian Sea. With a length of approximately 3,200 km, the Indus River plays a crucial role in providing water for irrigation and various other purposes to multiple regions.

The Indus Waters Treaty (IWT) between Pakistan and India was signed in 1960, after nine years of negotiations with the help of the World Bank, which is also a signatory. The IWT is considered one of the most successful international treaties. It has survived frequent tensions, including three wars, and numerous local conflicts, and has provided a framework for irrigation and hydropower development for more than half a century. Former U.S. President Dwight Eisenhower described it as "one bright spot, in a very depressing world picture that we see so often." The Treaty allocates the Western Rivers (Indus, Jhelum and Chenab) to Pakistan and the Eastern Rivers (Ravi, Beas, Sutlej) to India. At the same time, the Treaty allows each country certain uses on the rivers allocated to the other. The Treaty sets out a mechanism for cooperation and information exchange between the two countries regarding their use of the rivers, known as the Permanent Indus Commission, which has a commissioner from each country. The Treaty also sets forth distinct procedures to handle issues which may arise.⁵

⁵ <https://www.worldbank.org/en/region/sar/brief/fact-sheet-the-indus-waters-treaty-1960-and-the-world-bank>.

Similarly, the transboundary water sharing issues between Pakistan and Afghanistan involve the sharing of water resources from the Kabul River. Moreover, the water resources in the Kabul River Basin are under increasing pressure due to climate change, population growth, and the expansion of agricultural and industrial activities. The construction of dams and other water infrastructure projects on the river by Afghanistan will reduce the flow of water into Pakistan, affecting its water supply and agricultural production.

Like any other treaty, the IWT has its strengths and weaknesses. However, one of the main issues perhaps was that it was not properly implemented. The Permanent Indus Commissions (PIC) do not meet as regularly as appropriate. Moreover, the Pakistan Commission on Indus Water is being run on an ad-hoc basis and has inadequate technical staff as compared to its Indian counterpart, where it has huge manpower with approximately 80 members, including Ph.D. scholars and engineers. Being a lower riparian country, Pakistan stands to lose much more, if the treaty is not followed in letter and spirit. It was also highlighted that Pakistan had not fully utilised its available share of water from the eastern and western rivers as per the treaty. Moreover, the diversion of rivers in India, including Sutlej and Beas, has had a significant impact on the downstream areas. The reduction in the flow of these rivers has adversely affected agriculture, fisheries, and the overall ecology of the region.

Another issue, which is often overlooked while dealing with transboundary waters, is the drains carrying all kinds of pollutants including Persistent Organic Pollutants (POPs) entering Pakistan from India. These drains ultimately discharge into freshwater bodies. This has a serious impact on the local ecosystems. There are also indications that due to heavy groundwater abstractions in Indian Punjab supported by electricity subsidies, the groundwater table is declining at a fast rate. This may also have serious impacts on the groundwater aquifers along the eastern borders of Pakistan. In addition, there are

inadequate facilities to accurately take real-time measurements of transboundary water once it enters Pakistan as well as at all the strategic locations.⁶

As far as transboundary issues with Afghanistan are concerned, Pakistan receives a good share of water from Kabul, Kurram, and Gomal Zam rivers, which are tributaries of the Indus River. River Kabul contributes a significant quantity of water (about 20 MAF annually) to the Indus. Pakistan is both upper and lower riparian on this river. However, it has almost been ignored and there is no dedicated institution dealing with River Kabul and its watershed. Moreover, there is no proper flow measurement system except at Nowshera. Afghanistan currently does not have major dams on its rivers, but it does not mean that it will not construct dams in the future as well. Therefore, being a lower riparian, Pakistan needs to protect its water share and plan, accordingly. A formal treaty or agreement should be inked between both the countries. It was also suggested to formulate an independent authority or commission to look after the activities of the Kabul River basin for effective water management in the basin.

Another important aspect highlighted during the deliberations was that accurate data is not available and there is a trust deficit among the riparian countries due to the absence of a proper data-sharing mechanism. As a consequence, the rivers' health is severely impacted as minimum environmental flows in the eastern rivers are not maintained. Due to this, the river ecology is under serious threat. Moreover, it was also suggested to formulate the transboundary organisation comprising technical experts from law, water, hydraulics, and remote sensing background in order to foresee the issues of IWT and the Indus Basin.

⁶ Ashraf M. (2019) Water Issues: Thinking Beyond Rhetoric, *Hilal Magazine*, Rawalpindi URL: <https://hilal.gov.pk/eng-article/detail/MzMwMA==.html#>

RECOMMENDATIONS

The recommendations of the National Dialogue are summarised below:

- To harness the full potential of water resources, effective legislation/ regulatory frameworks should be introduced and implemented in true letter and spirit.
- Sustainable development and management of water resources should be given top priority. Building multipurpose water reservoirs, including large dams, is extremely important for storing excess water from melting glaciers and runoff from monsoon rainfall. Moreover, watershed management should be an integral part of every water storage project.
- Large dams are indispensable to augment water storage in the country since these act as a buffer against floods and droughts. Moreover, these regulate water distribution in dry periods.
- To maximise water availability and efficient use, efforts must be directed at mitigating losses in the system by improving conveyance and application efficiency.
- There is a need to utilise the full potential of hill torrents. Moreover, it should be recognised as an important resource for effective water and flood management in hill torrent areas.
- Implementation of real-time telemetry system must be made at all strategic points in all provinces to bridge the trust deficit for effective monitoring as well as water accounting.
- Appropriate high-efficiency irrigation technologies, like drip and sprinkler system, should be promoted for the efficient use of available water in the farming community. Conservation of water should be prioritised and farmers should be provided with water-conserving and climate-smart agriculture technologies. Moreover, policies should be made for local production of components of these technologies to reduce cost and to ensure mass-scale adoption.
- A realistic and consumption-based pricing system of water use for agricultural, industrial, and domestic purposes needs to be developed and effectively implemented.

- Pollution of the surface water bodies and groundwater aquifers affects the whole ecosystem in general and human health in particular. Therefore, nature-based solutions for water management and treatment should be introduced because exotic technical/ engineering solutions may not work in the changing climate scenario.

CONCLUSION

It is evident that water scarcity and climate change are realities and pose a serious threat to the water sector, in the process, compromising food security. These issues are multi-dimensional starting right from inland water resources management to transboundary waters. A holistic approach with robust legislation is inevitable to combat the issues. These issues can only be resolved by engaging all the stakeholders, and providing an enabling environment, through a strong political will. There is also a dire need to engage in serious regional dialogues with neighbouring countries that share the Indus River Basin.



EDUCATION

Dialogue Partner
International Islamic University Islamabad (IIUI)

CONCEPT NOTE

Education

Education is a basic public good and an essential component of the human security matrix. The indices of education in Pakistan portray a bleak picture. Pakistan is below the universal literacy standards. The overall literacy rate stands at 62.8 per cent with the net primary school enrolment being 64 per cent. Around 20 million children between the ages of 5-16 years are out of school. The Gender Disparity in literacy rate is also significant with the male literacy rate being 73.4 per cent, and the female literacy at 51.9 per cent. The quality of education and teaching faculty is exacerbated by a wide gulf between government-owned and private school systems, which merits a serious review in the interest of producing internationally competitive human resources. Sufficient attention has not been paid to technical and vocational education in Pakistan. The technical and vocational training institutes are deprived of the requisite infrastructure, teachers and tools for training. Pakistan is a signatory to the Millennium Development Goals (MDGs) and Education for All (EFA) goals. However, the country has not been able to achieve the MDGs and EFA goals so far because of financial and management challenges.

Hence, there is a need to formulate a holistic policy vision for the education sector in Pakistan to bring about a qualitative improvement in human security indices.

Scope of Discussion

- Evaluation of the quality of education at school, college, and university level to suggest measures/strategies to effect the desired improvement in keeping with the demands of the modern era.
- Integration of *madrassas* in national educational mainstream.
- Improvement in existing school infrastructure and a monitoring mechanism for the elimination of Ghost Schools.

- Development of high quality vocational training institutions at tehsil level to produce highly skilled manpower for absorption in job market at local as well as international level.
- Improving the quality of teachers and removing the difference in quality of education and teaching faculty between government owned and private school system.

Background

The International Islamic University, Islamabad (IIUI) in collaboration with the Islamabad Policy Research Institute (IPRI) conducted a seminar, roundtable discussions and media talk under the theme “Sustainable Educational Development.” The events, held from October 2022 to May 2023 at IIUI and IPRI, are as follows:

- **Seminar on Sustainable Educational Development (October 17, 2022)**
Conducted by the Faculty of Education, IIUI at Allama Iqbal Auditorium, Faisal Mosque Campus, IIUI.
- **Roundtable on Sustainable Educational Development (November 1, 2022)**
Conducted by the Faculty of Education, IIUI at Allama Iqbal Auditorium, Faisal Mosque Campus, IIUI.
- **Media Talk on Sustainable Educational Development (November 21, 2022)**
Conducted by the Faculty of Education, IIUI at Allama Iqbal Auditorium, Faisal Mosque Campus, IIUI.
- **Roundtable on Sustainable Educational Development (May 16, 2023)**
Conducted by IPRI at Jinnah Hall, IPRI.

Participants/Experts

- Prof. Dr. Haroona Jatoi, Former Joint Educational Advisor, Islamabad.
- Prof. Dr. Maryam Chughtai, Director, National Curriculum Council of Pakistan.
- Prof. Dr. Abdul Rashid Director General, International Institute of Islamic Economics, IIUI.
- Mr. Wasim Gohar, Public Policy Expert & Secretary, National Assembly Special Committee on Agricultural Products.
- Prof. Dr. Munawar S. Mirza, Professor Emeritus, University of the Punjab.
- Prof. Dr. Rafaqat Ali Akbar Professor/Director, Institute of Education & Research (IER), University of the Punjab.
- Prof. Dr. Bakare Najimudeen, Institute of Peace and Conflict Studies, NUST.
- Prof. Dr. Riaz ul Haq Tariq, EX-Chairman NACTE.

- Dr. Muhammad Zaman Associate Professor, Department of Sociology, Quaid-i-Azam University Islamabad.
- Dr. Aamir Tuaseen, National Rahmatul lil Aalameen, Authority, Government of Pakistan.
- Maulana Dr. Zafar Iqbal Jalali, Principal, Jamia Islamia, Islamabad.
- Prof. Dr. Irfan Rind, Head of Department of Education, IBA, Sukkur, Sindh.
- Prof. Dr. Ashfaque Ahmed Shah, Dean, Faculty of Education, University of Baltistan.
- Prof. Dr. Hafiz Muhammad Inam Ullah, Professor, Institute of Education and Research, University of Peshawar.
- Dr. Batool Atta, The University of Azad Jammu & Kashmir.
- Dr. Fouzia Younus, Principal, IMCG Humak, Islamabad.
- Abid Gill Hussain, Deputy Chief Advisor, JICA.
- Dr. Shafqat Munir Ahmed, Sustainable Development Policy Institute, Islamabad.
- Dr. Noor Fatima, Department of Politics and International Relations, IIUI.
- Dr. Iftikhar Hussain Shah, Additional Director General, Technical Education and Vocational Training Authority, Head Office Lahore.
- Dr. Azhar Mahmood, Associate Professor/Chairperson, Department of Educational Leadership & Management, IIUI.
- Dr. Shafquat Ali Janjua, Area Education Officer Federal Directorate of Education, Islamabad.
- Dr. Ali Bangash, Deputy Director, FGEI (C/G) Directorate GHQ Rawalpindi.
- Dr. Shahanshah Babar, Secretary, Board of Intermediate & Secondary Education Rawalpindi.
- Dr. Muhammad Azhar, Deputy District Education Officer, Attack, Punjab.
- Dr. Afzal Babar, President, Private Schools Network, Islamabad.
- Mr. Waseem Ajmal, Additional Secretary, Ministry of Federal Education and Professional Training.
- Prof. Dr. N. B. Jumani, Vice President (A&F), International Islamic University Islamabad

- Prof. Dr. Samina Malik, Vice President (Female Campus) International Islamic University Islamabad.
- Dr. Shamsa Aziz, Associate Professor/Chairperson, Department of Teacher Education.
- Senator Engr. Rukhsana Zuberi, Member, Senate Standing Committee on Federal Education and Professional Training, National Heritage and Culture.
- Prof. Dr. Muhammad Sarwar, Dean, Faculty of Education, IIUI.
- Dr Azeem Shah, Chief of Party (WMfEP), International Water Management Institute (IWMI)-Pakistan.
- Sikandra Ali, Deputy Educational Advisor, National Curriculum Council Secretariat, Islamabad.

INTRODUCTION

The International Islamic University Islamabad (IIUI) and the Islamabad Policy Research Institute (IPRI) jointly organised the Grand National Dialogue on Sustainable Educational Development (2022). A series of three events were held on the 17th of October 2022, the 1st of November 2022, and the 21st of November 2022. The major goal of this magnificent debate was to solicit proposals from the expert panellists, so that some useful advice could be provided to the policy-makers.

On October 17, 2022, the inaugural seminar took place, with three sessions of insightful conversation on Higher Education and Sustainable Development, Education and Peace Building in Youth, Education, and Emerging Needs of the Society. The second event, which was a continuation of the first seminar, took place on November 1, 2022, and the final event was scheduled on November 21, 2022. This last segment of the Grand National Dialogue was based on the media talk.

Overall, more than 30 experts from all the provinces of Pakistan, including Gilgit Baltistan and Azad Kashmir, participated in this event and provided their expert opinions, which have been summarised in this final report.

ANALYSIS

Education Policy and Concerns

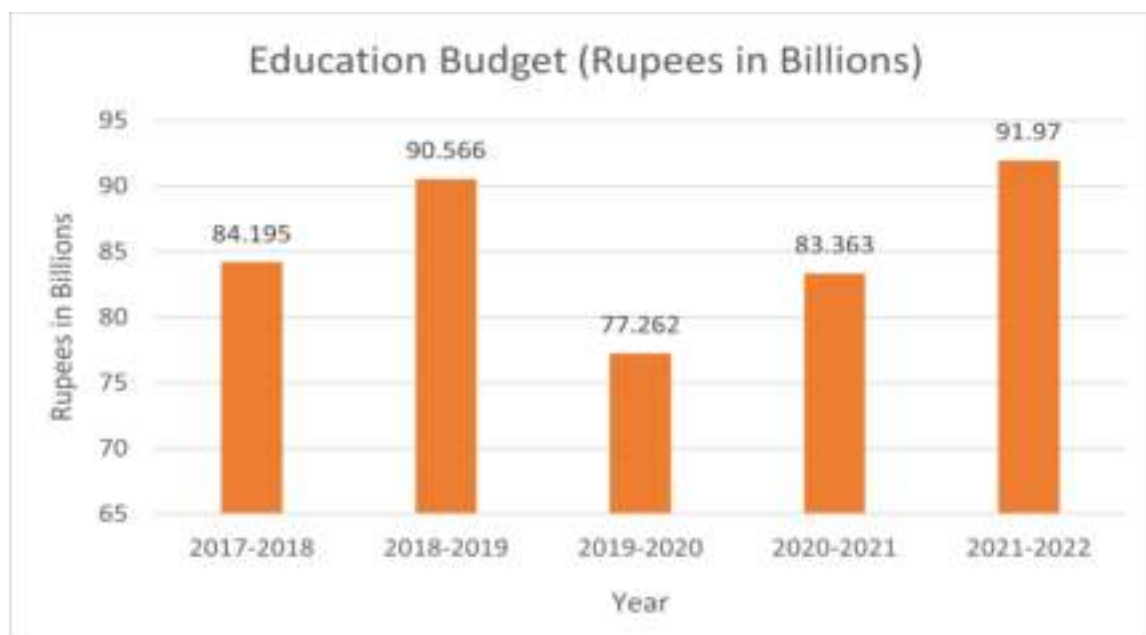
Inconsistency in policymaking has always been a barrier to sustainable educational development. In other words, the execution of the policies had been a consistent problem. In comparison to other countries, the majority of the education policies in Pakistan have been very ambitious and impractical. Additionally, these policies lacked implementation mechanisms and understanding, for they were founded on rhetoric rather than reliable evidence. Pakistan made an effort to achieve “inclusive and equitable quality education” by the Sustainable Development Goal (SDG), (Quality Education), and to promote opportunities for lifelong learning across gender, economic, and access disparities.

However, none of these battles could be won, as the main reason for this predicament is the inconsistency of educational policies.

Budget Allocation: Not Sufficient

The Budget allocations for Education have always been insufficient. Even the allocated money had not been provided on time, and sometimes not even spent for several reasons.

Graph: 1 Shows Education Budget Allocation



Source: (Federal Budget of Pakistan 2021-2022, 2022)

Graph#1 shows the last five years of budget allocation for education. It has been inconsistent and fluctuating.

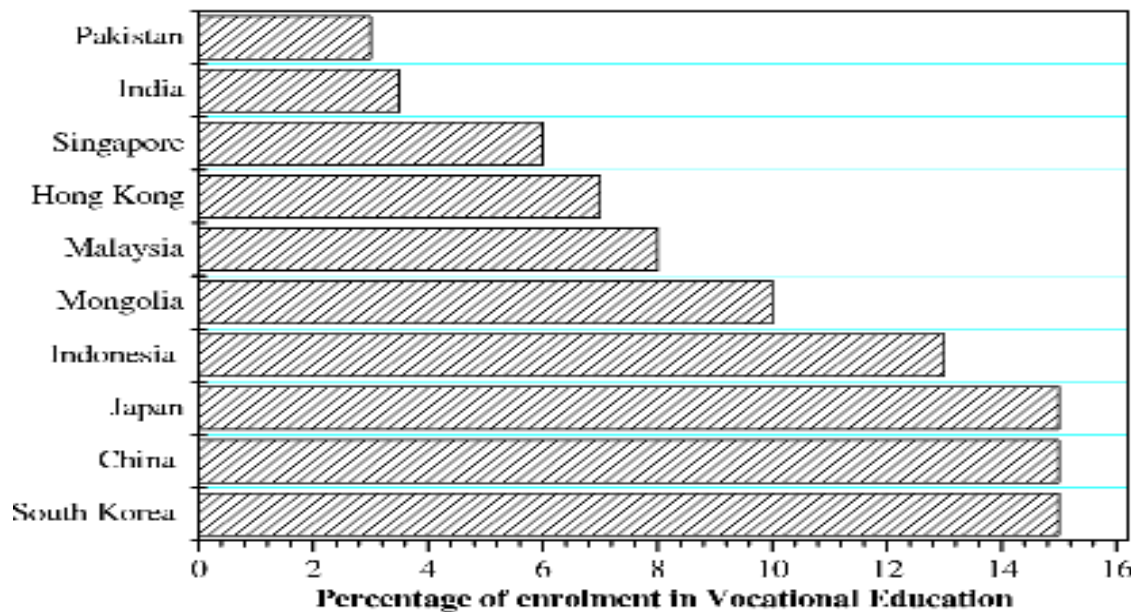
Low budget allocation, a bulk of several failing education plans, and a combination of political, social, and economic growth have resulted in sub-optimal educational output in the country. The crippling of Pakistan's educational system is mostly attributed to budget allocations due to insufficient financial resources. The existing education budget is undoubtedly inadequate to meet the requirements of the expanding population, and to incorporate contemporary technologies in the educational system.

Education System and its Conflicts

There are various parallel systems of education running in the country i.e. public, private, elite, and *madrassa*. Street Schools are also emerging due to overpopulation. Moreover, within the public and private school systems, there are clear divisions in the private education system like elite-class, average, and low-class schools. Not only this, there are multiple challenges within different strata of private educational systems, such as challenges of gender disparity, literacy rate, female education, income levels, teachers' training, and challenges in the number of students. In addition to these conflicts, quality education is also a great issue. Unfortunately, parents are not aware of this, and they do not raise their voices to have quality education for their children. They take it as their destiny to be poor, uneducated and to be exploited by others. Hence, there is a dire need to realise the importance of education by analysing all factors.

Technical Education and Need of Revision

The industry and technical/vocational education is not in focus. There are several areas to be addressed, including an outdated and less inclusive curriculum, a dearth of laboratories, a lack of facilities because of a limited budget, and a shortage of skilled and trained teachers.

Graph: 2 Enrolment in Vocational Education in some Asian Countries

Source: (Ansari, 2013)

The status of technical and vocational education is reflected in the above figure which mirrors Pakistan's low priority towards this particular part of the education system.

Peace Education and Sustainability

Although there is a bias against religious education, religion is a complete code of life that promotes harmony and peace. Within the confines of Islamic or religious education, there is also a pressing need to update the current curriculum by adding lessons on harmony, tolerance, dispute resolution, and respect for others.

Curriculum and Issues

Figure: 1 Reflects the Syllabus



Undoubtedly, developing a curriculum is a dynamic, adaptable, and continual process elsewhere in the world, yet this aspect is not given importance in Pakistan. Unfortunately, real-world situations are not reflected in the curriculum. As a result, in the current educational system, academic knowledge and practical experience are not bridged. Moreover, the teacher training curriculum does not align with the curriculum used in real-world settings. Not only this, but the Ministry of Education and the Higher Education Commission (HEC) do not identify the true needs while working in parallel directions.

Single National Curriculum

The curriculum is considered to be an essential constituent in nation-building. A Single National Curriculum has been launched, but the gap between Curriculum and Standards of learning outcomes continues to exist. Learning standards are mandatory for effective learning. Therefore, Single National Curriculum (SNC) should be concerned with similar learning experiences especially, when a child is passing through the journey of the

educational process. It should include holistic standards related to infrastructure, textbooks, evaluation methods, co-curricular activities, and teaching techniques.

Teachers: Capacity Building and Professional Development

The system for teachers training needs to be improved because theory and practice differ greatly. Also, there are differences in the curricula of public and private schools. The primary issue is the competence of teachers. Quality education is often hampered by teachers' abilities and lack of curriculum execution.

Gaps in Teacher Education and Exposure to Policies

There are several gaps and challenges in the domain of teacher education. Instead of training and workshops, the desired outcomes have not been achieved due to a lack of resources, poor teacher induction system, lack of motivation, lack of information, and presence of a surfeit of square pegs in round holes (wrong people on right jobs). However, quality teachers are less than needed, and are away from training and research. That is why new teaching methods, lesson planning, and personal and professional development, are unknown to them. The result is, they produce unskilled students who cannot do research, and the promotion of students to the next class without in-depth knowledge or conceptualisation makes the situation even worse.

Teaching Ethics

Ethics are standards of actions set in society to enable youth to recognise their actions as right or wrong. Individuals need to be taught how to evaluate and categorise their actions performed during the day. Certain ethical attributes like respecting others, compassion, emotional balance, truthfulness and altruism need to be included in curriculum. Standards to evaluate one's actions are not set in our society. There are no regulated standards, and moral guidelines or ethical standards are not observed in education.

Lack of Career Counselling Services for Students

Career counselling enables students to explore future career options, and make informed decisions about their future careers. Career counselling opportunities are not available in educational institutions to enable students to set career-related goals and develop strategies to achieve those goals. Due to the non-availability of career counselling services in

educational institutions, students cannot be motivated to discover numerous career options available. As a result, students explore careers preferred for them by their parents or suggested by their friends. Educational institutions fail to introduce students to career options as per their aptitude. Although it can be done through a variety of assessment techniques, the educational institutions are not exploring students' aptitudes. Individuals having degrees in career counselling can be appointed as Career Counsellors or Career Guides in educational institutions to enable the students to make informed decisions about their careers. Career Counsellors can also guide learners to devise different strategies to achieve career-related goals, navigate the job market, and overcome the obstacles about their career success.

Examination System: SLOs and Examination

Figure: 2 Reflects Traditional Examination System

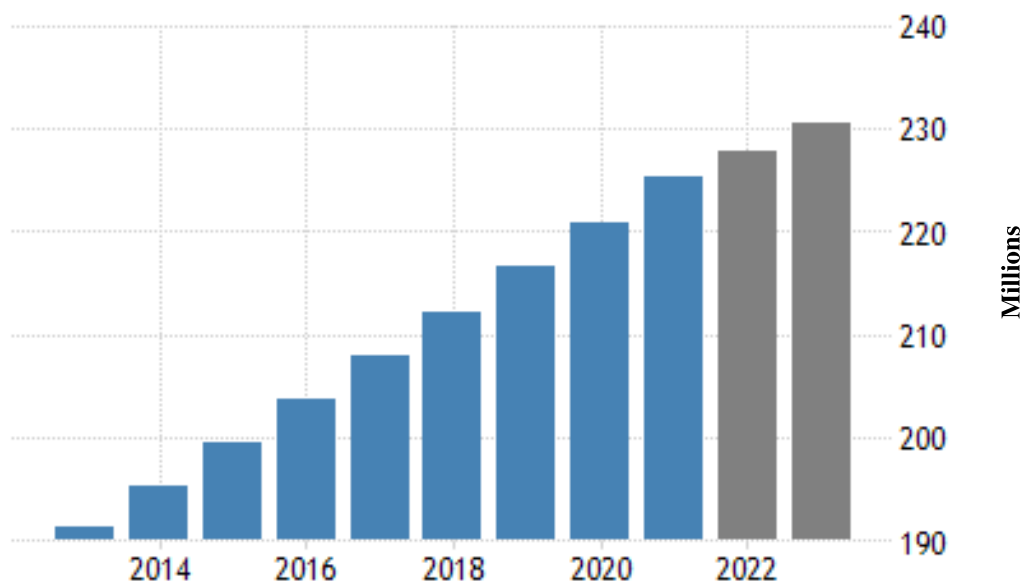


The examination process and boards prefer textbook-based study to concept-based learning. When it comes to creating policies, the evaluation of student performance and

accomplishment is not taken into consideration. This causes the curriculum and teacher preparation policies to diverge from the national policies.

Population Growth and Enrolment Rate

Graph: 3 Shows Population Growth in the last 12 years

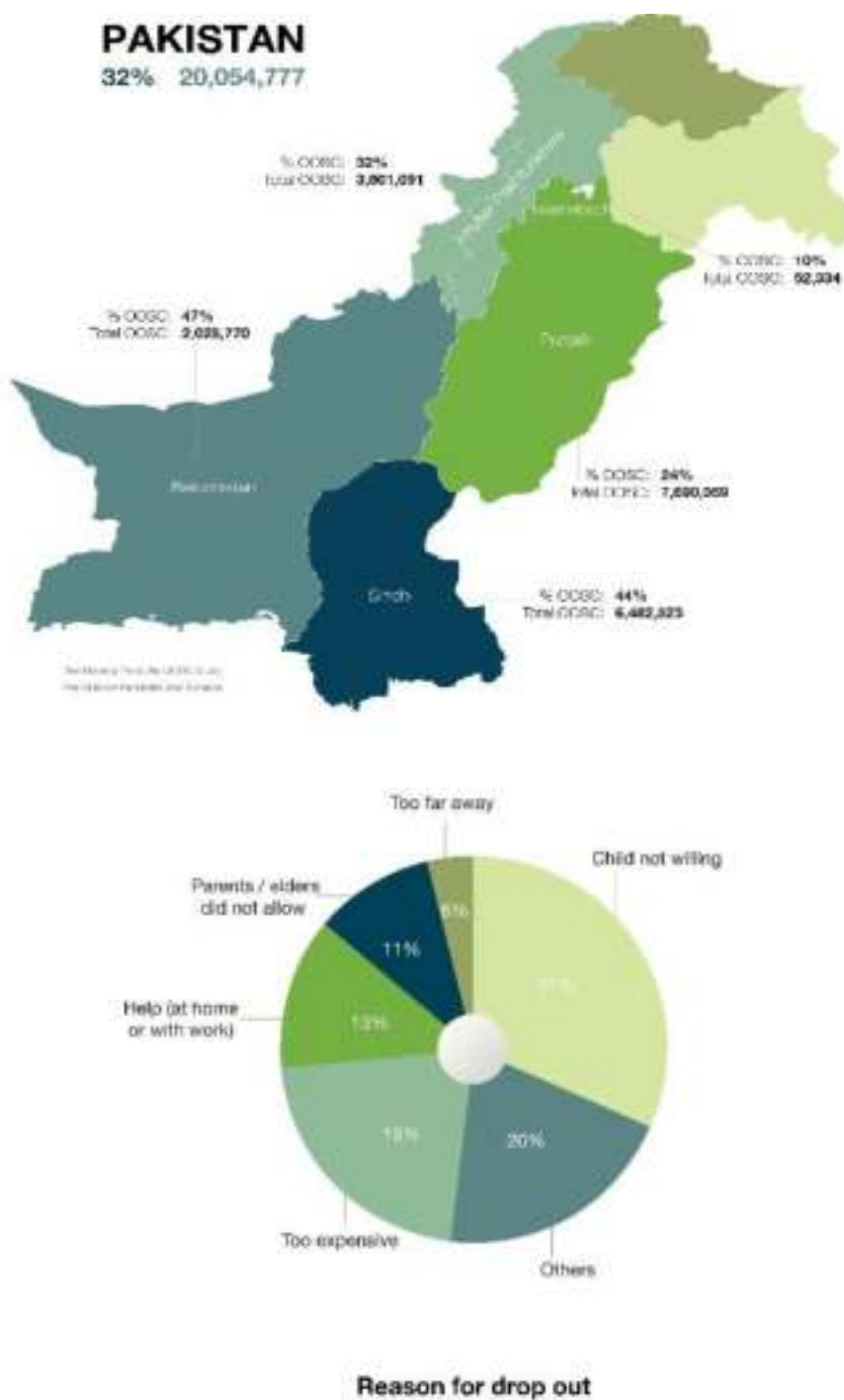


Source: (tradingeconomics.com/Word bank, 2022)

The enrolment rate and population growth rate are not consistent and policy due to which policy formulation becomes difficult. There has been a frequent growth in population as shown in Graph#3. The bulk of Pakistan's population lives in rural regions, where families choose to send their kids to auto workshops or other occupations as they cannot afford the costs associated with school education.

Out of School Children (OOSC): Gender Perspective

Figure: 3 Reflects Out of School Children in Pakistan



Source: Hima Zia Faran, Z. Z. (2021, 9 3). *The Missing Third: An Out of School Children Study of Pakistani 5-16 Olds*. Dawn.

As reflected in **Figure#3** 20 million children belonging to (5-16) year's age group are out of school, while Article 25A of the Constitution of Pakistan depicts that getting an education is the fundamental right of every child. Usually, these children are labelled as illiterate. These children are not out of school by choice. Their families' socio-economic condition does not allow them to go to school. Similarly, Article 11 of the Constitution of Pakistan prohibits the employment of less than 18-year age group. In contrast to this, child labour is a common practice across the country.

RECOMMENDATIONS

Consistent Educational Policies

Sustainability, credibility, practicality, and accessibility must be the salient features of every educational policy. The above would be possible when there are subsequent doable and effective policies to tackle the emerging issues in time. Educational policies must be based on national, religious, cultural, and ethical values. For this purpose, the policymakers must consult the educational policies of the developed countries and readjust these according to their circumstances.

- ***Development of Manpower Planning Cell (MPC)***

A Manpower Planning Cell (MPC) at the Planning Commission may be established involving major stakeholders like provincial governments, HEC, TEVTA, PEIRA, youth, and public representatives. MPC possibly will analyse the policies and plans to investigate the reasons for failure in achieving the targets. Moreover, it should make projections about the type of human resources required during the next ten/twenty years.

- ***Domains of MPC***

MPC may play its role in different domains like designing active teaching-learning pedagogies, planning and conducting student activities, inculcation of values in the school as well as in the community, making strategies and devising methods for the assessment of learning outcomes related to content and cognitive skills and dispositions.

- ***Planning and Monitoring***

MPC may also contribute in planning and monitoring the implementation through relevant bodies and authorities such as HEC and Provincial Education Departments. Youth can play a vital role in the planning, implementation, monitoring of outputs, and devising relevant strategies for the achievement of effective results.

- ***Development of Aptitude Tests***

An aptitude test to identify the talent and ability of the youth must be ensured by MPC. For this purpose, strategies may be devised to educate the youth for selecting/opting for the subjects based on their aptitude. This would assist them in making a knowledge-based education choice that could strike a balance between freedom of choice and future needs/employability.

Sufficient Budget Allocation

Sufficient budget allocation must be ensured to execute quality education practices. Along with the government, trusts, NGOs, professional associations, philanthropic organisations, religious institutions, and social movements must be taken on board for financial support. The current expenditure 1.77% of GDP (The Economic Survey of Pakistan 2021-22) needs to be enhanced up to 4 % of GDP.

Uniform Education System

Integration of *Madrassas* into the national educational mainstream is an urgent necessity. To achieve this, stakeholders from both domains must come together to devise a comprehensive and feasible plan. It is crucial to provide the same education till matric level to all children in public and private institutions, with *Madrassa* education offered as a specialisation. Introducing a credit transfer system and inter-provincial transferability can help facilitate this integration. Moreover, there is a need to transition from traditional teaching methods to more technology-driven and globally-oriented approaches, incorporating industrial visits, live projects, role plays, case studies, and group assignments. Additionally, a non-formal basic education mechanism should be designed, taking into account the development of 21st-century skills.

In the pursuit of Vision 2025, meeting the six indicators for higher education institution ranking, including academic and employer reputation, faculty-student ratio, research quality, and international students and faculty ratios, is essential. Private institutions can play a significant role in increasing student enrollment and contributing to educational development. To bridge the gender gap, it is imperative to equally focus on gender in the education system, ensuring equal access, opportunities, and resources for all genders. By

implementing unified standards across different educational systems, we can address the basic differences and strive toward an inclusive and equitable education system that fosters the holistic development of all students.

Additionally, Government schools can come at par with private schools by ensuring equal access to resources, implementing unified standards, investing in teacher training and professional development, promoting innovative teaching methods, and providing a conducive learning environment for students.

Productive Technical Education

The increase in the funds for the institutes providing technical education should be encouraged to boost this sector in Pakistan. The industrial relation with TEVTA institutes should be as important as training. In this case, the National Curriculum Council (NCC) collaborated with NAVTCC to develop a skills-based curriculum for all levels, amalgamating vocational and skills-based education with routine courses. This would equip students for employment opportunities and enhance their educational experience. Moreover, skill certificates need to be revised along with technological advancements to meet the fast-paced progress. For this purpose, Staff must be provided with the opportunities to upgrade and develop professionally. Additionally, there should be no hurdles for the equivalence of the technical diplomas. Demand-based training should be available along with the upgraded lab equipment. Proper training should also be provided to examiners along with the paper setters providing guidelines for the equal representation of curricula.

Promotion of Peace and Civic Education

It is essential to ensure that peace education is incorporated into the national curriculum, bridging cultural, social, inter-provincial, and interfaith gaps. The current curriculum should include lessons on harmony, tolerance, dispute resolution, and respect for others to foster a peaceful society. However, it is equally important to recognise that home-schooling needs to be more focused. Efforts should be made to provide resources, guidance, and support to parents who opt for home-schooling, ensuring that they can effectively incorporate peace education principles into their children's education. Additionally, it

should be encouraged that the National Curriculum Council (NCC) develops curricula and textbooks for the seven religious minorities in Pakistan, promoting harmony, pluralism, and tolerance in the society.

Curriculum Transformation

Curriculum transformation is essential for empowering youth and fostering responsible and critical thinking skills. Sustainable educational policies need to be developed with a focus on incorporating essential soft skills. This includes character building, self-discipline, and emotional intelligence, which are integral to the holistic development of students. These skills should never be ignored in the educational framework.

To ensure the effectiveness of the curriculum, it is crucial to involve social scientists who can contribute their expertise in making proposals and designing projects that align with the desired outcomes. Their insights can help bridge the gap between theory and practice, ensuring that theoretical knowledge is underpinned by practical experiences. By incorporating hands-on learning experiences, students can apply their knowledge in real-world contexts, enhancing their understanding and critical thinking abilities.

In addition, the curriculum should address content related to conflict management and tolerance. Teaching students how to manage conflicts peacefully and promoting tolerance and empathy can contribute to the development of responsible individuals who can contribute positively to society. By providing opportunities for open discussions, promoting empathy, and encouraging the understanding of diverse perspectives, the curriculum can empower youth to become critical thinkers who can navigate complex societal issues.

Furthermore, it is crucial to make the teacher training curriculum relevant to the real-life curriculum. Teachers play a vital role in empowering students and fostering their critical thinking abilities. Therefore, their training should equip them with the necessary knowledge and skills to effectively implement the curriculum and facilitate the development of responsible and critical thinkers. By providing ongoing professional development opportunities and incorporating innovative teaching methodologies, teachers can effectively empower youth and guide them on their journey toward becoming responsible and critical thinkers. By incorporating these approaches into the curriculum and empowering youth with

skills such as character-building, self-discipline, emotional intelligence, conflict management, and critical thinking, educational institutions can play a transformative role in shaping responsible and engaged individuals who are prepared to address the challenges of the future.

Single National Curriculum

Although the Single National Curriculum has been launched, it is crucial to recognise the existing gap between the curriculum and the standards of learning outcomes in different education systems. To ensure effective learning, learning standards must be implemented consistently throughout a child's educational journey. The Single National Curriculum should be associated with similar learning experiences across the board, encompassing standards related to infrastructure, textbooks, evaluation methods, co-curricular activities, and teaching techniques. However, in light of new developments, it is necessary to have open discussions and re-evaluate the Single National Curriculum to address any emerging needs and ensure its continued relevance and effectiveness. The NCC's commendable efforts in developing the curriculum from grades 1-12, along with the utilisation of the pre-1 to 8 curriculum nationwide and the incorporation of *Islamiat* in grades 9-12, have set a high standard for education, but ongoing evaluation and adaptation are vital for a comprehensive and inclusive educational system.

Enhancing Teachers' Competence and Exposure

A teachers training programme needs special focus. To make it effective and productive, an environment of trust and accountability must be ensured. Moreover, the provision of facilities to the teachers, and the awareness regarding professional development through online courses, and training can turn the tables and bring the desired results. The whole education system especially the recruitment of teachers, needs to be de-politicised. In addition, teacher licensing will have to be mandatory to enhance teaching quality. This will eventually raise the professional status of teachers, and open new opportunities, local as well as international.

Provision of content and pedagogical support to teachers can help a lot in achieving learning outcomes. In this regard, it is highly appreciated that teacher training modules for

Grades pre-1 to 8 were created by NCC in 2020 and revised under the 2022 curriculum. New modules for Grades 6-8 have been developed, and work on Grades 9-12 will commence soon.

Bridging Gaps in Teacher Education and Exposure to Policies

There is a need to upgrade teacher education curricula with the emerging trends of the 21st-century skills. In this vein, serious efforts are required to align teacher training with the curricula. More specifically, teachers' training should be through the school curriculum. Content and pedagogical support should be provided to teachers as they play a vital role in achieving learning outcomes in a classroom. A strong interaction between students and teachers should be ensured to develop an engaging and interactive classroom that eventually lays a foundation for better learning and performance in examination. Quality knowledge, critical thinking, and soft skills should be nurtured among students. Teaching should have an aspect of culture considering students.

Availability of Career Counselling Services

Career counselling opportunities must be available in educational institutions to enable students to set career-related goals and develop strategies to achieve those goals. To make it more effective, job fairs and mock interviews can be organised to spread awareness among the students regarding real-life situations and demands. The institutions must take the parents into the loop, so that they may also guide their children to choose appropriate career path.

Teaching Ethics

Ethical standards must be set to enable youth to recognise their actions as right or wrong, while simultaneously focusing on personality building and grooming of the student. Ethics as a subject needs to be taught from the Early Childhood Education (ECE) level to make individuals evaluate their activities and develop a strong moral compass.

In addition to teaching ethical lessons such as 'do not harm others,' 'putting efforts to make things better,' 'respecting others,' 'compassion for others,' 'understanding others' point of view,' 'balancing emotions,' 'always speaking the truth,' 'helping others,' 'observing

responsible behaviour,' and 'reporting wrongdoings,' it is crucial to incorporate strategies for personality development and grooming.

Experts need to come together and collaborate to list the ethical values and devise ethical standards. They should also plan the curriculum of ethics as a subject, including different areas such as family ethics, school ethics, workplace ethics, and business ethics.

Moreover, this subject should have two components: teaching ethics and demonstrating ethics. Alongside theoretical knowledge, practical aspects of ethics should be emphasised through guest lecturing, case studies, simulations, and self-assessment deliberations.

Furthermore, recognising the importance of personality building and grooming, efforts should be made to instil values such as self-confidence, leadership, effective communication, teamwork, adaptability, and problem-solving skills in students. These aspects will contribute to the holistic development of individuals and prepare them to navigate various social and professional contexts effectively. By integrating ethical education and personality development, educational institutions can play a vital role in shaping responsible, compassionate, and well-rounded individuals who not only understand the importance of ethical behaviour but also possess the necessary skills and traits to contribute positively to society.

We also need to teach ethical norms, etiquettes, co-existence, and tolerance to our youth. By adopting these strategies, educational institutions can help instil ethical values, etiquettes coexistence, and tolerance in youth, empowering them to become compassionate, empathetic, and responsible individuals who contribute positively to society.

An Effective Examination System

The examination system needs to be revamped by introducing Student Learning Objectives (SLO) based evaluation. Students must be prepared and trained for SLO-centred examination, which involves critical thinking rather than rote study. It also includes measurement of cognitive skills, attitudes, and competencies. Higher Education needs to bring practical and positive changes. 21st century demands, a new set of skills to be

introduced, and to be inculcated into the students. To materialise this, we need to change the parameters of assessment and monitoring systems. The gap between academia and industry must be bridged. Proper training should be provided to examiners along with the paper setters providing guidelines for the equal representation of curricula. Teachers should be allowed to provide feedback about question papers, also a mechanism for proofreading must be devised while maintaining secrecy. Papers of top students may be provided to students to review, showing a strong relationship between BISE and the Education Department. Furthermore, teachers should also be trained by the respective board about the paper marking system, which should be standardised. Although, efforts by NCC are underway to design questions based on higher-level thinking skills, a complete shift from rote memorisation to examination should be attempted.

Out of School Children (OoSC)

Government must take effective measures to enrol millions of out-of-school children. In this regard, government needs to join hands with the private sector. Child Protection Bureau (CPB) may be activated to strike against employers who are employing below 18 individuals. CPB may also join hands with the public and private sectors to ensure that all children are enrolled in schools. Likewise, the school education department must play an active role and launch indigenous campaigns in the vicinity of schools. Media can play a dynamic role in tackling this issue. They must shift their lens to promote awareness among the youth. Also, youth should be educated about using social media, which can be used to increase their knowledge, information, and skills in academic terms. Some informative platforms can also be used to raise socio-political awareness, build language proficiency and promote scholarly debates. Young journalists need to join hands with teachers and educational administrators to play a positive role in highlighting and searching out solutions to all educational problems, especially for OoSC. Nevertheless, the development of the Accelerated Learning Programme (ALP) curriculum and textbooks by NCC for grades 1-8, enabling out-of-school children to complete their education through an accelerated learning programme is highly appreciated.

Population Growth and Enrolment

State needs to provide incentives and facilities to the parents particularly to the parents belonging to lower socio-economic families, so that they may send their children to educational institutions rather than for earning. Moreover, expenditure on education should be made affordable for every family in the country. National Education Policy can be used to develop legislation for Early Childhood Education (ECE). To gear up to achieve the more rigorous post-2015 development agenda, particularly SDG 4 and its targets, urgent action must be taken to make education accessible to all children by investing more financial resources in the education system.

CONCLUSION

Overall, the Grand National Dialogue on Sustainable Educational Development was a unique and exclusive event of its type in the field of education. The three continual sessions having professionals with their expert opinions, provided a wealth of information and insights on sustainable educational development. The series of dialogues unveiled some dismal aspects like the inconsistency of policies, insufficient resources, obsolete curriculum, poor governance, lack of competence in teachers, faulty examination system, non-productive technical education, absence of peace education, overpopulation, out-of-school children, teaching ethics, single national curriculum and lack of career counselling services. Sustainable development has been greatly affected and halted by the above-revealed points.

This report also suggests that the government alone cannot overhaul Pakistan's education system. Public-private collaboration and a combination of formal and non-formal education can lift the majority of the country's population out of illiteracy.



HEALTH SECURITY

Dialogue Partner
Health Services Academy (HSA)

CONCEPT NOTE

Health Security

Health is a basic public good and one of the essential components of the Human Security matrix. Good health and well-being are also the third essential component of Sustainable Development Goals (SDGs), including Universal Health Care (UHC) to all citizens by 2030. According to the latest data given in the 2021 Monitoring Report on Universal Health Coverage by the Ministry of National Health Services Regulations and Coordination, Pakistan, there are around 202,000 hospital beds, more than 327,000 doctors and around 94000 nurses in the country. The average life expectancy in Pakistan is 66 years.

Despite this, the indices of health in Pakistan portray a bleak picture. Pakistan stands at 49.9 points in the UHC Service Coverage Index (SCI) in 2020, whereas, in line with SDG-3, the target to be achieved by 2030 is 80 plus. The doctor-to-population ratio is 1.09 for every 1000 people while the nurse-to-population ratio is 0.59 for every 1000 people. Both these numbers are lower than a minimum ratio of 1.11 per 1000 for doctors, and 3.33 per 1000 for nurses. Additionally, there are only 8.9 hospital beds per 10,000 people which is also significantly lesser than the global standard of 18 beds per 10,000 people. This indicates that the state of health security in the country stands far from the goals for healthcare set in the SDGs. The recommended global Gross Domestic Product (GDP) spending on health, as per World Health Organisation (WHO) standards, is five per cent whereas Pakistan spends only 1.2 per cent of GDP on health. Lately, the national focus towards improving the healthcare facilities is evidenced in the National Health Vision (2016-2025) and *Sehat Sahulat* programme.

Above in view, there is a need to formulate a holistic policy vision for health sector in Pakistan to bring about a qualitative improvement in human security.

Scope of Discussion

- Evaluation of healthcare scenario in Pakistan to identify areas warranting improvement.
- Recommended policies/strategies for improving the overall health care system in Pakistan.
- Universal Health Care System, including Health Insurance, and its applicability to Pakistan.

BACKGROUND

The Health Services Academy (HSA) in collaboration with Ministry of National Health Services Regulations and Coordination (MoNHSR&C), Health and Population Think Tank (HPTT), and Islamabad Policy Research Institute (IPRI), conducted a roundtable and two seminars under the theme of improving healthcare systems in Pakistan. The following events were held from September 2022 to March 2023:

- **Healthcare Interventions during Flood Emergency in Pakistan (September 23, 2022)**
Conducted by HSA, MoNHSR&C, HPTT and IPRI at HAS, Islamabad.
- **Improving Healthcare in Pakistan: Challenges and Opportunities (November 22, 2022)**
Conducted by HSA, MoNHSR&C and IPRI at Ministerial Standing Committee on Scientific and Technological Cooperation (COMSTECH) of the Organisation of Islamic Cooperation (OIC) Secretariat, Islamabad.
- **Roundtable on Health Security (March 8, 2023)**
Conducted by HSA and IPRI at Iqbal Board Room, IPRI.

Participants/Experts

- Dr. Palitha Mahipala, former WHO Representative Pakistan.
- Mr. Abdul Qadir Patel, former Federal Minister for Health.
- Dr. Shazia Sobia Aslam Soomro, former Parliamentary Secretary, MoNHSR&C and former President, Pakistan Nursing and Midwifery Council.
- Ambassador (retd) Dr. Raza Muhammad HI (M), President, Islamabad Policy Research Institute (IPRI).
- Lt. Gen. Asif Mumtaz Sukhera HI (M) (Retd), Vice Chancellor Mohi-ud-Din Islamic University and Ex-Surgeon General, Pakistan Army.
- Prof. Dr. Shahzad Ali Khan, Vice Chancellor, Health Services Academy.

- Dr. Zafar Mirza, Professor of Health System & Population Health, School of Universal Health Coverage, Global Institute of Human Development, Shifa Tameer-e-Millat University, Islamabad.
- Dr. Faisal Sultan, Chief Executive Officer, Shaukat Khanum Memorial Trust.
- Dr. Muhammad Arshad, Chief Executive Officer, Sehat Sahulat Program (SSP).
- Dr. Quaid Saeed, Chief Executive Officer, Islamabad Health Regulatory Authority (IHRA).
- Brig (retd) Dr Raashid Wali Janjua (retd), Director Research IPRI.
- Prof. Dr. Mubashir Hanif, Director ORIC, Health Services Academy.
- Dr. Yusuf, Emergency Cell Head Balochistan, Health Ministry.
- Dr Ghulam Murtaza, Emergency Cell Head Sindh, Health Ministry.
- Dr. Ahmad Hussien Tareq, Technical Lead, HPTT MoNHSRC, Health Services Academy.
- Dr. Abdur Rashid, Ex-Deputy Director General DRAP.

INTRODUCTION

To deliberate upon sustainable policy interventions in the healthcare system to ensure health security in Pakistan, the Islamabad Policy Research Institute (IPRI) partnered with the Health Services Academy (HSA) as part of the Grand National Dialogue (GND). The HSA as a partner organisation on health security organised two events on healthcare interventions in flood emergencies, and challenges and opportunities for improving healthcare in Pakistan. The speakers included notable healthcare practitioners, including the CEO of the Islamabad Health Regulatory Authority (IHRO), the former Surgeon General of the Pakistan Army, and the World Health Organisation (WHO) Country Representative to Pakistan. Further, IPRI also hosted a roundtable discussion on the theme of health security to discuss the report presented by partner organisations with the panel of experts on health security. The panel of experts included former Special Assistants to Prime Minister, Dr Zafar Mirza and Dr Faisal Sultan, as well as Mr Muhammad Arshad, CEO of the Sehat Sahulat Programme.

ANALYSIS

Pakistan is facing epidemiological transitions, with a double burden of disease. On one side there is a high prevalence of infectious diseases like TB, Malaria, Hepatitis, HIV&AIDS, and on the other side there is an ever-increasing burden of non-communicable diseases (NCDs) such as cardiovascular diseases, diabetes, cancers and chronic lung diseases. According to the International Diabetes Federation (IDF), Pakistan has the highest proportion of diabetes in the world, with 33 million adults living with diabetes (Ref: 3).

When it comes to maternal, new-born, and child health, there are concerns about under nutrition. Despite economic and social development childhood malnutrition remains a major public health and social problem in less developed countries (Ref: 4-5). The malnutrition estimates in 2019 show that stunting (low height-for-age) prevalence has been declining globally since 2000. Still, nearly one in four children, which accounts for 149 million children under 5 were stunted in 2018. Furthermore, over 49 million suffered from wasting (low weight-for-height) (Ref: 6). However, the highest burden of malnutrition is in South Asia which accounts for half of the world's malnourished children. The most common factors in childhood malnutrition are underweight births (low birth weight), inadequate exclusive breastfeeding, inappropriate complementary feeding, and maternal education, lack of proper knowledge of nutrition, micronutrient intake, birth spacing, household socioeconomic status, food insecurity, poor sanitation, vaccination, and infectious diseases (Ref: 7-9).

There has been a steady decline in the mean duration of breastfeeding (months) in Pakistan in last three decades. It went down from 22.8 months in 1975 to 18.1 months in 2018. So on average in Pakistan children are breastfed for lesser duration as compared to past. On the other hand, bottle feeding rate is on the rise. Percentage of children under 24 months age who were reported to be bottle-fed was 21.8% in 1990, which has increased to 48% in 2017. About 42% of women are anaemic and 80% are vitamin D deficient (Ref: 10).

The incidence and prevalence of mental health issues are on the rise due to political and economic instability and social unrest. Nonetheless, mental health is one of the most neglected determinants of well-being. Mental health disorders account for more than 4% of the total disease burden and an estimated 24 million people, mostly women, need psychiatric assistance in Pakistan (Ref: 11).

These grim statistics underline the poor state of population health and a weak healthcare system. Pakistan endeavours to achieve universal health coverage (UHC) and SDGs by 2030. To that end, it has incorporated the SDGs into its National Health Vision 2016-2025, 12th Five Years Plan and the general national policy discourse. However, given the present state, a great 'whole-of-government' effort would be needed to tackle challenges and take off the health status of the country.

Health Care Spending

One of the major challenges in Pakistan is healthcare funding. Pakistan is a lower-middle-income country which has a per capita income of \$1538 (current US\$, as of 2021) and an estimated population of 225 million (as of 2021) (Ref: 12). Currently, the total health expenditure is 3% of the Gross Domestic Product (GDP), whereas the per capita health expenditure is \$ 46 (Ref: 12-13). According to an estimate by the World Health Organisation (WHO) around \$60 per capita expenditure would be required in developing countries to ensure access to critical services (Ref: 14).

To aspire for UHC, studies suggest government-spending of around 5% of the GDP (Ref: 15). In Pakistan, it has been fluctuating around 3% for the past several years. This is due to limited fiscal capacity that has constrained spending not just in the health sector but also in other social sectors. Secondly, government spending is also bound to economic growth. That is, according to the Wagner's law, government spending relative to the size of the economy (demand for public services) increases with economic growth (Ref: 16).

Another indicator of government spending on health that can be used as a benchmark for necessary spending to progress towards UHC is the government health expenditure as a

percentage of general government expenditure, which is 5% in Pakistan (Ref: 13). In the Abuja Declaration, 2001 African countries agreed to spend 15% of general government expenditure on health. However, increasing the share of health expenditure creates a crowding-out effect, leading the government to reallocate resources from other important sectors, for instance, the education sector, to health.

One of the objectives of the 12th Five Years Plan (2018-2023) was to increase government expenditure on health to 5% of GDP by 2023. However, from 2017 to 2022, the percentage has increased only by 0.2 percentage points (Ref: 12). This reflects limited fiscal capacity as well as low priority for the health sector by the government.

Modes of Health Care Finance

Healthcare expenditure generally consists of government spending, Out-of-Pocket (OoP) payments, external donor funding, other prepayment systems such as private and community-based health insurance, and philanthropy. Private health insurance in developing countries, in general, does not have significant penetration due to the absence of an insurance culture. In Pakistan, it is almost non-existent and can be marked as a missing market.

There is some external donor funding in Pakistan as in other developing countries, which provides crucial support to its health sector. External support targets areas that need immediate attention and expects the government to take over at some point in time. Long-term donor spending can distort the incentive structure for the government. Instead of covering the gap filled by donor spending, governments may reallocate their additional spending to other sectors, which affects the government's planning to build a robust health finance and delivery system.

The major source of health care finance in Pakistan is Out of Pocket (OoP) payment, i.e., direct expenditure incurred at the time of consuming health services. OoP expenditure is ex-post and is negatively correlated with the ex-ante expenditure (i.e., government spending and health insurance). As the government expenditure is low, OoP payments are

significantly high making about 57% of the current health expenditure (Ref: 17). OoP payments are socially not desirable. It can lead to catastrophic health expenditure increasing the risk for households to move towards poverty. This in turn affects allocation of resources by households to human capital and economic assets, which has implications for the country's long-term economic growth.

The alternative to OoP payments is the prepayment mode of health care finance, which is more robust, provides greater financial protection to poor households and is considered essential for achieving UHC. The prepayment mechanism is implemented in many ways. Two of those, which are more relevant to developing countries, are health insurance financed with government general tax revenues and social health insurance (SHI) financed with mandatory contributions. To reduce OoP expenditures, Pakistan launched health insurance programmes (Sehat Card Plus in Khyber Pakhtunkhwa, Sehat Sahulat Programme in Punjab, areas under the Federal government, Azad Jammu and Kashmir, and Gilgit Baltistan) (Ref: 18). Initially, those covered the population below the national poverty line (proxy means test ≤ 32.5) but were expanded to 100% population in Khyber Pakhtunkhwa (KP) in 2021, and in the following year (2022) in Punjab. There have been some concerns about the rapid expansion in terms of financial sustainability and integration of the programmes in the existing health system. Sustainability can be a concern if the programmes run in parallel to (and independent of) the established public health sector.

The 18th constitutional amendment allows provinces to establish framework on provincial, district and local bodies' level. Two of the major reforms are MTI (Medical Teaching Institution) Reforms Acts in KP (2015) and Punjab (2020), and social health insurance (Sehat Sahulat Programme). Under MTI, public hospitals can retain Internally Generated Funds (IGF) and use it on infrastructure and new equipment without receiving approval from the health secretary. Human resource management and buying of medical equipment, medicines, and machines are delegated from the health secretary to the board of directors of the hospital. This makes procurement and recruitment of new human resources in public hospitals quicker. The IGF under MTI juxtaposes with the Sehat Sahulat Programmes in KP and Punjab. With IGF and IBP public hospitals and health workers can generate and

retain revenue from the programmes, which provide resources for hospitals for upgradation and extra financial compensation for health workers. There is ongoing resistance to MTI from health workers concerning their job security as the board of directors of a hospital can terminate their services. However, MTI appears to be in favour of the public, and the combination of MTI and SSP provides a way to improve health care under budget constraints. Sindh and Balochistan do not have MTI and SSP and can make similar arrangements.

In addition to the governance reforms (such as MTI), the governments need to prioritise care that has more value for money. A bulk of revenue is spent on tertiary care in the public sector, which could be prevented with functional primary health care (PHC). By prioritising PHC, diseases can be prevented from escalating to the point that requires tertiary care. This reduces the burden on the healthcare system, leads to better health outcomes for patients and improves equity.

At present, different health programmes are running simultaneously with independent organisational structures that target different health conditions. The efficiency could be improved with integrated PHC services. Pakistan has developed a UHC-Priority Benefit Package (UHC-PBP)—Essential Packages of Health Services (EPHS)—based on DCP3 (Disease Control Priorities). It identifies 218 essential packages of health services that if delivered can take care of the majority of health issues, but given the fiscal limitation, 88 essential services are being implemented in 12 districts in the first phase (Ref: 19). EPHS can be an intervention with promising results in low-resource settings.

The 18th constitutional amendment devolved health to provinces, but it did not give provinces the flexibility to generate resources for health. Giving provinces the autonomy to collect taxes on certain goods—for instance, tobacco and sugary drinks—will help provinces allocate more resources to health.

Health Care Workforce

The availability and efficient use of the health workforce is an important factor that contributes to the performance of health systems. The production of high quality and well trained workers is a long-term process and is the function of dynamics and prospects of the labour market as well as funding, both at the education level and health care (wages) level. Next, labour (health workers) is itself an input along with capital (hospital buildings, equipment, medical devices etc.), which affects its productivity. Insufficient investment in physical capital renders labour redundant or non-productive providing a negligible contribution to the health system.

In Pakistan, there exist 9.8 physicians per 10,000 population, 5.1 nurses and midwives, 1 dentist, and 1.6 pharmacists. The majority of the workforce (63%) is in urban areas. The density of physicians (per 10,000 population) in rural areas is 3.6; in urban areas, it is 14.5. The density of nurses and midwives is 2.9 in rural and 7.6 in urban areas (Ref: 20). Pakistan has a severe shortage of health workers in comparison with the global and regional median density.

There are more physicians than nurses in the country and the gap is widening even further. The trend in the density of nurses shows a decline after 2014, but the reverse is true for physicians (Ref: 20). This widening gap implies a significant shortage of nurses at present and projects insufficient production of nurses in the coming years.

Availability of adequate health workers is associated with major challenges that include insufficient production, suboptimal distribution, brain drain, weak retention, low productivity and financial constraint. Although intake of students in medical colleges is predominantly females, there are issues with employment and many female graduates leave health workforce due to family and social challenges. This attrition of female professionals is a serious problem which needs to be addressed.

The insufficient production of human resources for health is further exacerbated by the migration of health workers abroad. Health workers migrate for a variety of reasons

including higher salaries, better working conditions, better quality of life, and political and economic stability. According to the Bureau of Emigration & Overseas Employment around 832,000 people left Pakistan to seek jobs abroad, which is almost a threefold increase compared to 2021. Among them, around 2450 were doctors and 1750 were nurses. The brain drain of health workers exacts a high toll on the economy as they include persons who attained education with the state resources, but in return, they do not contribute to the health system.

The quality of health workers can be improved by setting stringent standards for entry of health workers into the health system and the institutions that train them. There is no central system in place in the country to gauge the quality of work performed by the health workers. However, health indicators provide a proxy for the quality of healthcare infrastructure and labour. The health workers' education and training is not aligned with the country's healthcare needs. There is a gap in the knowledge domain of fresh medical graduates, nursing graduates and other workers concerning the existing disease burden, the epidemiology of diseases, the structure of Pakistan's health care system, and health policies and reforms. They are not exposed to primary healthcare during training. There is a need to reform the medical and public health curricula according to the existing and impending circumstances.

Another big challenge to address is the geographic maldistribution of health workers, which is skewed toward urban areas. There is a substantial gap in the density of physicians in urban and rural areas as compared to nurses and midwives. Reasons behind the uneven distribution are monetary and non-monetary compensation. Rural labour market offers low wages to health professionals. Private facilities have low economies of scale, and the rural population has limited ability to pay for health services. Health professionals working in public facilities also have low monetary compensation as they are paid fixed amounts and have limited return on investment in setting up private clinics in rural areas.

The urban labour market offers relatively better wages. Health workers can do two jobs in different hospitals. Urban areas also provide better living facilities which attract the majority of workers to live there.

Addressing the uneven distribution of health workers requires careful consideration of workers' remuneration, characteristics, and preferences; differential payments in the public sector favouring rural workers; hiring and retention rules in the public sector; decentralisation of and more autonomy to district level and tehsil level facilities.

Health Care Regulations

In patient-physician interaction, physicians have more information than the patient about the patient's illness, the diagnostic options available, and the quality of treatment provided. This information is usually not shared in detail with the patients either because they place their trust in doctors to make decisions, or because doctors take for granted the patients' opinions and their awareness about their health condition. The decision in this interaction is not patient-informed (buyer of health care) but is rather made by the health worker. The information advantage can be exploited by health workers (and health facilities) by creating a supplier-induced demand to earn more profit. In worker-health facility interaction, the information asymmetry can also be exploited by health workers in the recruitment process leading to adverse selection.

To inhibit exploitation and represent people's preferences, governments intervene in the health sector and introduce regulations, licensing and accreditation, minimum quality standards, ceiling prices etc., The intervention is carried out by numerous authorities in Pakistan. For example, Drug Regulatory Authority of Pakistan, provincial Health Care Commissions, Pakistan Medical and Dental Council, to name a few.

One major concern is the large number of quacks operating in the country, particularly in rural areas. Governments have taken action against them by sealing their clinics to force them into other professions and discourage people from accessing them. However, these quacks sometimes earn a good reputation among people. They are easily available, and

cheap and use high-dose medicines that bring quick recovery irrespective of the harm it does in the long run. Sealing of their clinics is less effective until it is done frequently along with imprisonment and financial penalty. However, it also needs to be complemented by alternative options where people can go and seek treatment. Quackery is more common in the peripheries because people usually have no alternative.

Another concern is the quality of health care in public and private facilities. Healthcare-associated infections (HAI) are prevalent in the facilities. Health facilities and workers shirk their responsibility for infection prevention. Medical negligence largely goes unreported because there is a communication barrier between the authorities and patients who can register a complaint. Android applications such as Pakistan Citizen Portal exist but it is a general complaint app. There are manuals developed by the authorities and health professionals that reflect international practices, but health workers are not usually trained in them.

Food quality regulation is another important determinant of health regulation. Provincial food authorities, such as the Punjab Food Authority and KP Food Safety & Halal Authority, are responsible for ensuring that food sold in the market is up to standard. They have discarded millions of litres of adulterated milk and sealed thousands of food restaurants. Despite that, substandard food is sold in the market. This reflects the weak capacity of the authorities as well as the people's insensitivity to risks associated with consuming substandard food, which requires behavioural intervention.

RECOMMENDATIONS

In light of the above discussion, the following are some recommendations:

Economic Growth, and Fiscal Capacity and Prioritisation

Economic growth and robust fiscal capacity are necessary for the development of a country. GDP growth means increasing the size of the pie from which more resources can be set aside for health.

The annual health expenditure should be enhanced to 5% of GDP from the current 3% of GDP. The increase should be gradually effected within a period of eight years. Furthermore, on an average one per cent increase per annum in tax revenues to achieve 20% of the tax-to-GDP ratio by 2030 is also essential to sustaining fiscal capacity for expenditure on health.

To use it more efficiently, we recommend an upstream approach to health care delivery by prioritising PHC services over tertiary services. Focus on preventive care will reduce the need for complex, resource-intensive interventions at the tertiary care level. We recommend that the proposed amount of \$12.98 per person per year for 88 immediate interventions in EPHS be allocated in the annual budget.

The government can earmark tax funds from taxes on cigarettes and sugar-based beverages for EPHS. This will require coordination of the federal government with the provincial governments in sharing the revenue or delegating the collection of taxes on goods to provinces.

Health as a Fundamental Human Right

Pakistan provides health services to population under article 38(a) (Promotion of social and economic well-being of the people) of the Constitution of Pakistan, where it states, ‘secure the well-being of the people...’ Health is not a fundamental human right in the

Constitution, unlike education. Countries that are on track to achieving UHC or have achieved UHC have declared health as a fundamental human right. We propose that provincial governments declare health as a fundamental right through legislation.

Sustainability of Sehat Sahulat Programme

The Sehat Sahulat Programme was originally designed to be a social health insurance: an insurance arrangement in which people contribute, through mandates, according to their income. This opportunity of a contributory arm for inpatient care was lost due to the rapid expansion of the programme to 100% of the population of KP and Punjab. Introducing a contributory arm in the programme is also quite challenging. For instance, most of Pakistan's economy is informal (non-documented). The government, therefore, cannot determine the income level of households and tax them accordingly unless they are streamlined in the formal economy. There are a few strategies that can be used to safeguard the sustainability of the programme.

- First, careful calibration of Medical Teaching Institutes with SSP within the established healthcare system. Hospitals can generate revenues from SSP through MTIs and use the revenue on hospital infrastructure. Reaching enough maturity of this model, the government could reduce the direct non-salary funding for public hospitals and divert them to SSP.
- Secondly, merge the employees' social security, mandatory private health insurance for employees of the private sector, and funds of Pakistan *Bait-ul-Maal* into the SSP premium pool.
- Third, introduce featured packages in SSP for which people pay premiums voluntarily. For instance, private wards for inpatient care and enhanced treatment packages. The government of KP is set to pilot featured packages in the next phase of SSP (starting in January 2023). The federal and Punjab governments also need to take steps.

Cost Consciousness in Medical Training

There is a need to inculcate consciousness of healthcare costs in the medical student cohort by exposing them to the nuances of healthcare economics as a part of their community medicine curriculum. Presently there is a lack of focus on this aspect which leads to a lack of awareness among recent medical graduates about healthcare costs borne by the patients and hospitals. Costs related to laboratory tests, medical procedures and administrative functions make up the bulk of healthcare spending in Pakistan, awareness of which would benefit both the doctors as well as the system in the long run as it would help shape the doctors' medical practice in tune with the on-ground economic realities. It would also give them an insight into how the healthcare spending model of the country operates in comparison to the latest global trends and can allow them to come up with fresh ideas to tackle healthcare problems in the country.

Establish Health Workers' Database

A human resource database at the provincial and national levels is needed. It will help address worker shortages, particularly in rural areas. It will also help in disaster management. Mobilisation of health workers in the recent floods was a big barrier in responding to flood health emergencies. HR database is one of the pillars of the strategic vision in the National Health Vision 2016-2025. However, it has not been developed yet.

Political Commitment to Integrated Primary Health Services

Essential Package of Health Services (EPHS) is a roadmap to achieving Universal Health Coverage. Its implementation requires collective effort from stakeholders in health and non-health sectors. The commitment of government in terms of funding and facilitating the inter-sectoral approach is necessary for its success.

Engage Private Sector in PHC Services

Around 57% of current health expenditure is out-of-pocket, which is primarily spent in the private health sector. Engaging the private sector in providing primary healthcare (PHC) services is essential. Medical colleges—public and private—need to develop PHC facilities along with teaching hospitals. The private-sector general practitioners who provide the

bulk of PHC services can be engaged under the SSP by extending coverage to the PHC level.

Population Growth

Pakistan has the world's fifth-largest population. Given low resources, ensuring UHC to all is a pipedream. Population growth in the country must be controlled. Every year over four million unwanted pregnancies occur. These pregnancies can be prevented by meeting the population's contraceptive needs. The government must ensure access to modern contraceptives and strengthen the Lady Health Workers Programme to increase the effectiveness of population control strategies.

Regulations of Ingredients Concentration in Food

Food authorities monitor the content of fats in milk. Similarly, the content of sugar in beverages and confectionaries needs to be under a desirable limit to reduce the risks of diabetes. Too salty branded snacks and foods also need similar treatment to reduce the health risks of hypertension, which leads to heart disease and stroke. Regulatory authorities need to be made more effective to deal with this range of issues.

Regulatory Capacity of the Authorities

In addition to enhancing the capacity of regulatory authorities to improve monitoring of healthcare quality, a strong legal framework complemented by improved access to primary health services is required to eliminate nonprofessional health providers and workers.

Capacity Strengthening at the District Level

Provincial governments need to address the bottlenecks in delegating power for health and disaster management to the district level and develop and discuss a pathway for the gradual enhancement of the capacity of local governments.

Access to Credit

The private sector plays a major role in healthcare delivery systems. Part of the reason for their low economies of scale and limited infrastructure in rural areas is their limited access

to credit. Access to credit can be improved by setting up specific lending funds for the private health sector through banks. The government can also play a role—through partial guarantees to banks—in reducing the collateral requirements that usually discourage borrowers.

Social Determinants of Health

Safe housing and transportation, solid waste management, sanitation, access to nutritious food, pollution-free air and water, and access to opportunities for physical activities (e.g., public parks, open air gyms, and sports complex) are essential in improving the health status and must be on priority list. Literacy around preventive care and healthy lifestyle practices are needed as well. This could be made part of the curriculum, on-job training, and population-based outreach. Pakistan electronic media is a good medium. Media and businesses also need to play their role to highlight need for better health services under corporate social responsibility.

CONCLUSION

Funding is a necessary condition for improving health outcomes. Pakistan's economy and fiscal capacity are weak. It will need to increase the size of the pie — via a steady GDP growth — as well as improve tax collection to have more resources for health. In addition, while SSP is clearing the backlog of diseases that require tertiary-level care, a similar financial and political commitment to implementing the EPHS will improve the health care outcome on an exponential scale.

Along with funding, improving health care requires innovative reforms within the health system according to the local context, especially in low-resource settings, as well as an inter-sectoral approach. With the 18th constitutional amendment in 2010, health sector devolved to provinces. This allows provinces to establish a framework on provincial, district and local bodies' levels. Two of the major reforms are MTI (Medical Teaching Institution) Reforms Acts in KP (2015) and Punjab (2020), and social health insurance (Sehat Sahulat Programme). MTI provides more autonomy to hospitals in generating funds, purchasing equipment, and retaining and hiring workers. The combination of MTI and SSP has improved geographical equity of health services provision and has improved the processes of public and private hospitals.

MTI bounds newly inducted doctors to serve the first two years in their district of domicile. This addresses the issue of maldistribution of health workers to some extent. However, the two-year duration is small and is a state compulsion. Addressing maldistribution of workers would additionally require an incentive-based intervention in the labour market as well as facilitating the supply side of health services in rural areas.

Health workers' supply is not sufficient to meet the needs of the population, and the available workforce is performing poorly in the provision of quality care as reflected by the poor health indicators. This calls for increasing the production of quality health workers, developing a registry of health workers, and regulatory oversight on the quality of services delivered by the health workers (both in public and private sectors).

Many critical areas related to health lie outside the control of the health system such as fiscal policy, environmental planning, and business regulations. Improving health care requires a whole-of-government and a whole-of-society approach engaging not just the Ministry of Health but also other ministries and actors beyond government, including stakeholders and citizens.

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ENERGY AND POWER SECTOR

Dialogue Partner
Lahore University of Management Sciences (LUMS)

CONCEPT NOTE

Energy and Power Sector

Pakistan's energy mix for power generation includes thermal and hydroelectric which constitute 58.4% and 30.9%, while the share of nuclear and renewables is 8.2% and 2.4%, respectively. Pakistan is striving to become less reliant on non-renewable sources of energy production that have a deleterious impact on the environment besides the high cost of imports for LNG and petroleum products.

There is an increased global and national emphasis on transitioning to cleaner and renewable sources of energy production which constitute 2.4% of Pakistan's energy mix. The Alternate and Renewable Energy Policy 2019 is aimed at increasing the use of renewable sources in the energy mix to 30% by 2030. Simultaneous with the urgent need for an evaluation of Pakistan's untapped hydrocarbon potential, there needs to be a discourse at the national level on the sustainable economic and environmental benefits of investing in non-renewable sources with the ultimate aim of an efficient domestic non-renewable energy production capacity in Pakistan.

Furthermore, financial and logistical challenges to the import and subsequent transportation of crude oil-based commodities including furnace oil, diesel, and petrol are a strain on the economy of power production in Pakistan; which is already under significant stress given the ballooning circular debt in the country.

Against this backdrop, there is a need to debate the issue of energy production, the right energy mix, and the need for efficient energy management including issues of line losses and circular debt. The debate should yield action plans and strategies for policymakers.

Scope of Discussion

- Pakistan's energy mix and power generation issues.
- Strategies to optimise efficiency and production in power sector.

- Strategies to develop renewable and alternative energy sources.
- Countering circular debt through technical and administrative interventions.

BACKGROUND

Under the Grand National Dialogue, Islamabad Policy Research Institute (IPRI) in collaboration with the Lahore University of Management Sciences (LUMS) conducted a seminar, a panel discussion/media event, and a roundtable discussion under the theme “Energy and Power.” The events were held from October 2022 to April 2023, and were conducted as follows:

- **Seminar on “Pakistan’s Energy Sector: Radical Solutions to the Grand National Challenge” (October 13, 2022)**
Conducted at LUMS Energy Institute, in collaboration with IPRI.
- **Panel Discussion/Media Event on “Radical Solutions to the Energy Challenges of Pakistan” (December 14, 2022)**
Conducted by LUMS Energy Institute, in collaboration with IPRI at NICL auditorium, Syed Babar Ali School of Science and Engineering, LUMS.
- **Roundtable discussion on "Radical Solutions to the Energy Sector Challenges of Pakistan" (April 04, 2023)**
Conducted at the Islamabad Policy Research Institute (IPRI) in collaboration with LUMS Energy Institute (LEI).

Participants/Experts

- Asim Riaz, Representative of the Sui Northern Gas Pipelines.
- Mr. Sheikh Imran-ul-Haq, Ex-MD Pakistan State Oil, Director LUMS Energy Institute.
- Sheheryar Omar, CEO Petroleum Institute of Pakistan.
- Dr. Fiaz Chaudhary, Ex-MD NTDC.
- Brig. (retd) Dr. Raashid Wali Janjua, Director Research IPRI.
- Naz Khan, Strategic Division Head, K-Electric.
- Dr. Naveed Arshad, Associate Professor, Department of Computer Science, Syed Babar Ali School of Science and Engineering, LUMS.

ANALYSIS

The energy sector in Pakistan is facing momentous challenges including but not limited to suboptimal fuel mix, bleeding DISCOs, surplus capacity & unproductive consumption, and inadequate investment in T&D Networks. All these challenges have led to power shortages, unaffordable electricity, and accumulation of circular debt, ultimately putting a drag on our socio-economic development. The power sector has an installed capacity of 206 TWh but has been able to utilise only 143 TWh. There is also a sizeable difference of 16000 MW between peak and base load demand. The difference between the base load and peak load is mostly consumptive cooling load, primarily air-conditioning and fans. Other than a few hours during the daytime in the summer months, the capacity remains idle. The extra capacity is becoming an unsustainable burden on the country due to huge capacity payments. Presently, the circular debt of the power sector stands at \$9.94 billion. The key components of the circular debt of the power sector are capacity payments, electricity theft, poor recoveries, and transmission and dispatch (T&D) losses among many others.

Pakistan's energy sector is facing the predicament of depleting natural gas reserves. The remaining proven reserves of around 19 TCF are expected to last for 13 to 14 years at a current production rate of 1.5 TCF. According to OGRA, the country is currently facing a shortfall of 1.44 BCF, which is expected to grow to 5.4 BCF by the end of this decade. The massive unmonitored gas distribution infrastructure has 12 to 14%, unaccounted for Gas (UFG) equivalent of direct losses, which was seven times more than the international norm.

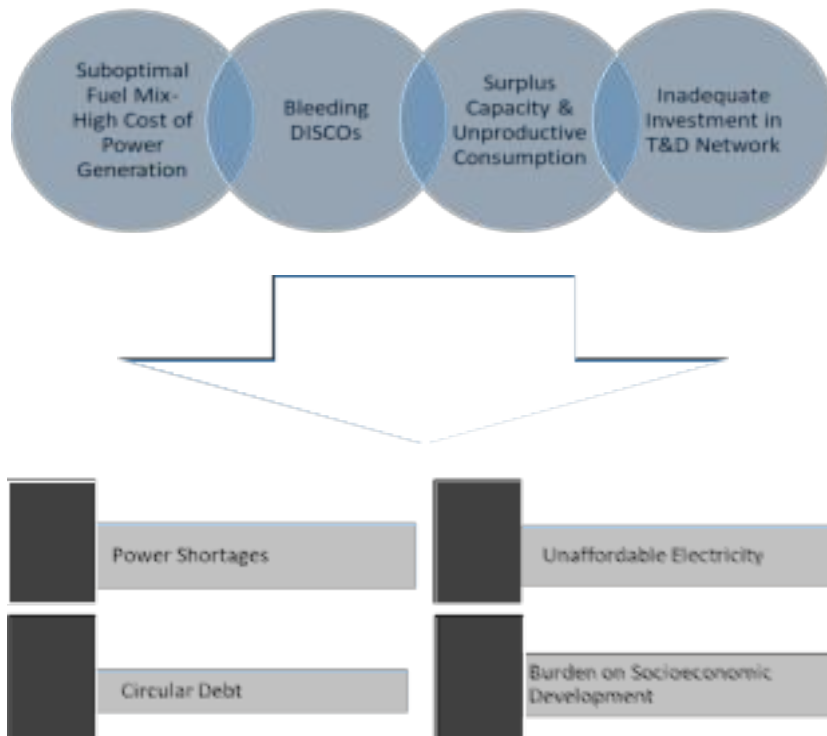
Presently, the circular debt of the gas sector has climbed up to \$6.11 million as per the balance sheet of OGDCL and PPL. The ever-increasing gap in demand and supply, growing circular debt, financial unsustainability, low recoveries, unviable consumer tariff structure, and inefficacious subsidy framework are notable factors that act as a stumbling block towards the country's energy sustainability. On the other hand, consumption of gas and methane leakages result in the elevation of pollutant levels in houses, buildings, and

outdoors, which results in associated health problems including cardiovascular diseases and lung ailments, specifically in women and children.

The petroleum sector is also facing challenges due to excessive dependence on imports. Almost 80% of petroleum requirements in the country are met through imports accounting for an import bill of \$23 billion during the FY 2022. The refining capacity is limited, due to which the refined petroleum products needs to be imported. With a median age of just over 22 years, the country will only see its petroleum imports grow. Port congestion and unavailability of night navigation in ports create extra delays and increase the cost of fuel.

The recommendations presented in this report are divided into two categories. The first set of recommendations constitutes short-term to long-term interventions with varying degrees of investment required. The second set of recommendations brings forward some quick and mostly painless measures in zero time with zero investment. We have presented these measures to more than thirty experts and found a near consensus on their efficacy.

Genesis of Power and Energy Crisis in Pakistan

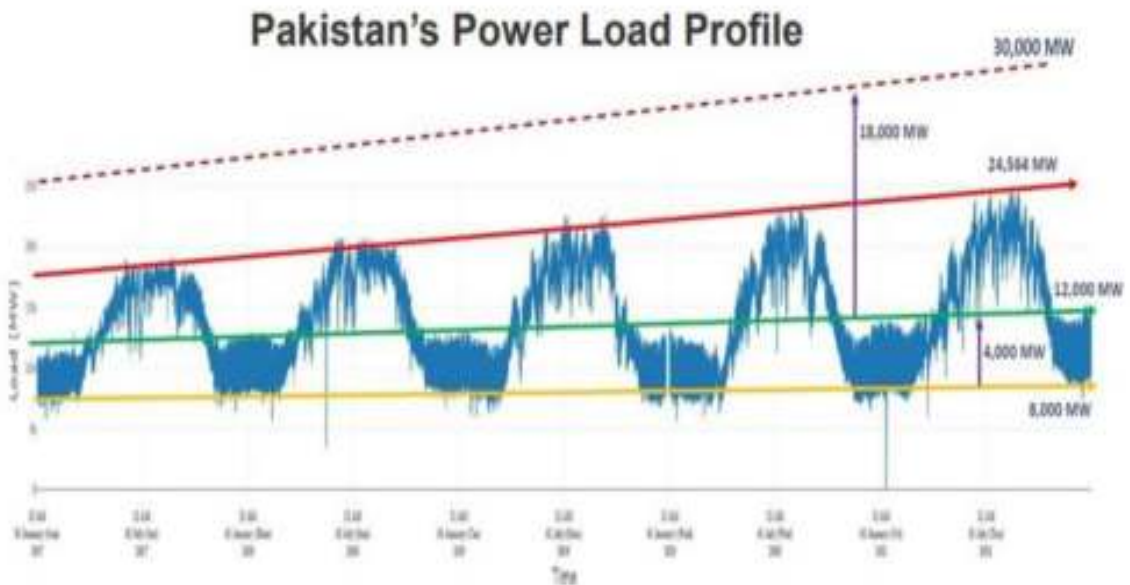
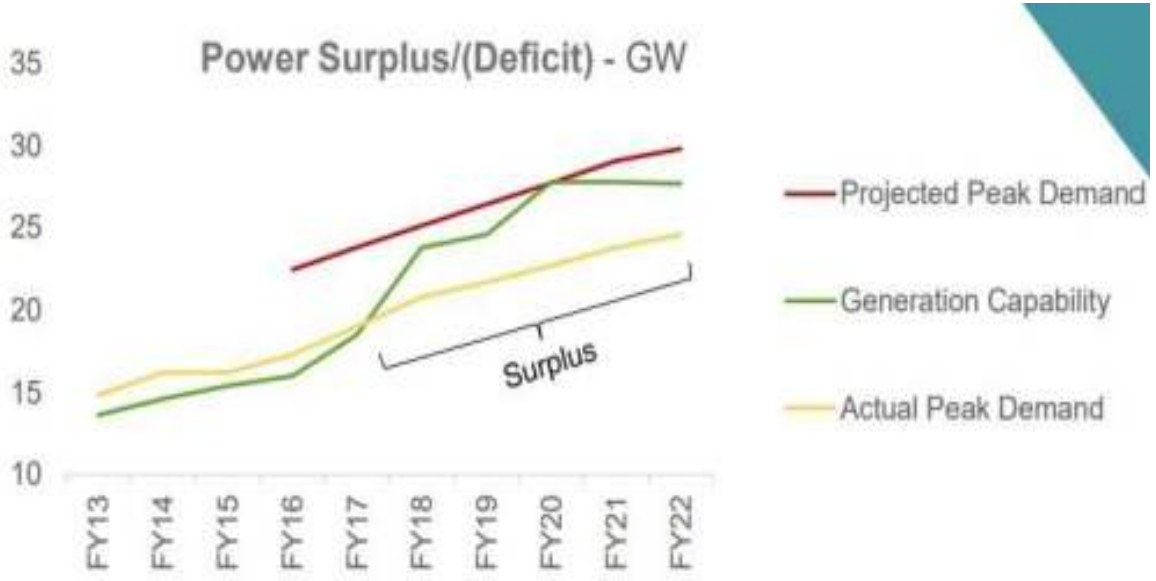


Sub-optimal Fuel Mix

Pakistan heavily relies on imported fuel for power generation constituting ~50% share in the total energy generation. It exposes the energy sector to global changes in the energy market and adds vulnerability to Pakistan's Energy security. Pakistan's indigenous gas reserves are depleting fast which will further increase the country's reliance on imported fuel. Energy imports totalled \$26 billion in FY22. The energy (power) import bill at \$6 billion, and was around 23% of the total energy import bill.

Surplus Capacity and Cyclic Demand

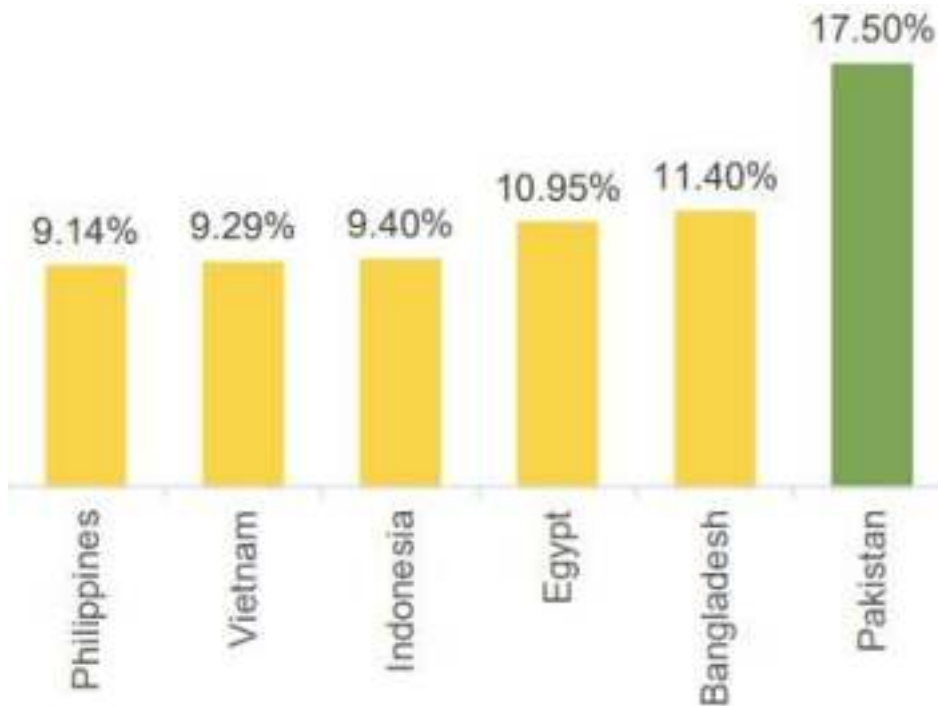
Power planning had been non-existent. Centralised Demand Forecasting with limited resources resulted in surplus/shortfall for extended times. This led to cycles of load shedding (shortfall) and higher tariffs (idle capacities). Capacity utilisation stood at 52% in FY22. Despite a capacity surplus, the growing divergence between base load and peak load is putting a high strain on forex reserves due to rising fuel imports. The country's load profile is marked by high highs and low lows. The variance in demand between peak winter months and peak summer months is 18,000 MW. Pakistan's peak power demand has grown at a CAGR of 6% over the last 10 years and will reach 39,000 MW by 2030. ~50% of the demand comes from "cooling load" which accentuates the variance between base load and peak load. To satisfy this peak load, inefficient & expensive thermal plants are mobilised which drains precious forex reserves.



Bleeding DISCOs with High T&D Losses and Low Recoveries

Pakistan’s DISCO T&D losses are one of the highest in the region. As consumer-end tariffs are sensitive to T&D losses, every % increase in T&D loss increases tariffs exponentially.

Regional Comparison of T&D Losses



Not only DISCOs are incurring high T&D losses, but also failing in bill recovery. In FY 2022, DISCOs incurred a shortfall of PKR 165 billion. High T&D losses, low recoveries, delays in tariff adjustment, unfunded subsidies, and financial costs for servicing existing debt are the main causes of the accumulation of circular debt.

Inadequate Investment in T&D Network

The transmission sector lacks investment due to which the government has to run various power plants outside merit order to stabilise the grid. Like DISCOs, the transmission sector is almost solely reliant on government funding/support for new transmission lines. Due to a lack of integrated planning in the past, there are numerous inefficiencies in the transmission network as there are many underutilised areas where so many routes are overloaded. High overhead cost leaves less money for development expenditure.

RECOMMENDATIONS

Portfolio Rebalancing

Short Term interventions

- The government needs to work on the development of Thar Rail Link to maximise the potential of indigenous resources.
- Encourage blending of Thar Coal in existing imported coal IPPs.
- The government should negotiate with Chinese stakeholders to allow blending and eventually rely only on Thar Coal to reduce import bill.
- Mine expansion is needed to allow blending with imported coal projects. Mine expansion up to 8 MPTA is recommended.

Medium Term Interventions

- GoP to promote mine development in Pakistan. For this, the GoP must provide incentives including de-regulation of coal prices.
- Financing decision to be made on carbon intensity of the project. The carbon intensity of the coal project should determine the financing decision instead of simply banning coal projects.
- Government-to-Government negotiations should take place with China for further development/ financing of Thar Coal.
- The government should encourage local banks to take exposure in Thar coal financing.
- Encourage imported coal-based IPPs to run 100% on Thar Coal – coupled with incentives in concession agreements covering extended outage allowance and cost pass-through for modification.

Long Term Interventions

- All future thermal base load plants should be setup on Thar coal and mine capacity expansions to be planned accordingly.

- Government should arrange forex through alternate sources such as sale/financing of Hydro & RLNG Projects to foreign investors – inflow of dollars from the sale of such assets can be utilised to fund future (RE and Hydro Projects).
- GOP to negotiate to transfer Commercial Debt of CPEC Projects to GTG Loans – these loans will carry a nominal interest and reduce the overall forex outflow of the country.

Development of Renewable Energy

Short Term Interventions

- Fast-track RE Projects – provide an enabling environment by timely notification of power tariffs, and commencement of competitive bidding in letter and spirit.
- Earmark Land for Solar Projects – a combination of resource-rich + arid zones needs to be identified and relevant infrastructure developed in the zone for power evacuation.
- Hybridize RE Projects (Wind & Solar PV) – to increase capacity factors and ensure efficient utilisation of land.

Medium Term Interventions

- Augment RE with Existing Base Load Plants – to counter the intermittency in RE technology.
- Explore Emerging Technologies – which make renewable energy more consistent and reliable.

Long Term Interventions

- Develop Battery Storage – pursuing battery storage capacities whenever available to increase the share of clean power in a reliable manner.

Dealing with Surplus Capacity and Cyclic Demand

Short Term Interventions

- **Demand Forecasting by Experts**

Demand forecasting should be done by subject matter experts based on realistic assumptions and be void of any political influence. Additionally, demand forecasting exercises should be completed on a priority basis to ensure the timely development of power projects.

- **Demand forecast must consider:**

- Price elasticity
- Peak demand should not be the basis of the Generation plan – It should be based on average demand / P90 coverage
- Switching of a portion of industrial consumers to B2B
- Power demand must be rationalised during the short run (load shedding for non-productive use) to minimise the sectoral losses (marginal generation cost is higher than the end-user tariff).
- Retirement of Inefficient Plants – to decrease their idle capacity burden on the economy.

Medium Term Interventions

- Efficient execution of the Generation plan by minimising the development time.
- In the long-run, the power demand should be maximised through various incentives, and by substituting alternate usages of primary energy.
- Either privatise or transfer management of government-owned GENCOs which are not due for retirement – to technically qualified private sector companies on an incentive for loss mitigation/incremental profit.
- Flattening the cyclicity curve – The extremes (lowest and highest) to be tapered off (based on the marginal cost of generating incremental units) through different measures such as:
 - Pricing
 - Electrification

- Enforcing the change in habits etc.

Long Term Interventions

- Government must undertake projects of only strategic nature in the public sector like large hydro and nuclear.

Energy Conservation and Electrification

Short Term Interventions

- Adopt Energy Conservation Measures as follows:
 - Daylight saving
 - Early closure of shopping centers
 - Restaurants/halls, banks & offices
 - Four longer-hour school days per week
 - Switch off alternate streetlights
 - Awareness Campaigns – inform the masses about the high cost of power generation and gas shortages and stress the public to use energy-efficient appliances.
 - Incentivise Electrification of Domestic Gas Consumption – promote inverter ACs (heating), electric stoves, and geysers.
 - Rationalise Gas Pricing – residential customers should be charged the actual cost of gas and subsidies should be removed.
 - Remove all ‘Cross-Subsidies’ – replace with targeted subsidies through ‘Ehsaas Program’.
 - Diversion of gas from captive projects – to higher efficiency IPPs.

Medium Term Interventions

- Substitute alternate uses of primary energy with electricity. Such as:-
 - Electric mobility (public and private transport)
 - Heating load

Long Term Interventions

- Overhaul building codes and designs and develop energy-efficient solutions to reduce unproductive peak demand in domestic and commercial sectors.
- Electric Meters/Bills to be registered under the end-user – a documentation system through NADRA should be set up so that the end-users can register the bill under their name.

DISCOs Overhaul: Corporate Restructuring, Supportive Regulations, and Investor Friendly Policies

Short Term Interventions

- **Provincial Government Stake in DISCOs:** Ownership and responsibility of DISCOs should be under the provincial ambit based on the 18th Amendment.
- **Management Structure Overhaul:** Appoint industry professionals with relevant experience as DISCO chiefs and align their incentives with DISCO's profitability.
- **Identify high-loss feeders & Address them on a Priority Basis:** With high distribution losses and impose forced load-shedding on high distribution loss areas.
- **Ensure timely filing and subsequent determination of tariff adjustment:** SOPs to ensure that there are no delays in filing of quarterly indexation paperwork.
- **Installation of Smart Meters:** Install meters at Grid / Feeder / Consumer Level

Medium Term Interventions

- Breakdown DISCOs based on geographical location and customer base - to reduce coverage area per DISCO and bring in technical and commercial efficiencies.
- **No interference from Bureaucracy** – The affairs of the DISCOs should be freed from bureaucratic interventions.
- **Revamp Business Model** – DISCOs should only operate as a wire business, earning tolling charges without the mandate to sell electricity.
- **Setup DISCOs for Privatisation as under:-**
 - PPP Mode

- Private Commercial Entities

Long Term Interventions

- **Investment in Transmission / Distribution** – to upgrade the crippling grid, increasing reliability and decreasing line losses. According to a rough estimate, \$15bn is required to upgrade the Transmission & Distribution Infrastructure.
- **DISCOs to pay LDs to BPCs for grid outages** – To incentivise captive consumers to revert to the grid.

Overcoming Transmission Sector Constraints: Resolution of power evacuation congestion issues, elimination of interconnection delays & activation of PGCs

Short term Interventions

- Fast-track Thar-Matiari Transmission Line for Block I – The current transmission line has a maximum capacity of 1,600 to 1,800 MW vs available capacities of around 2,400 MW.
- Activate Provincial Grid Companies (PGCs) for the development of provincial grid networks – to reduce transmission load on NTDC.
- The federal government to restrict its role to removing the existing bottlenecks in power transmission infrastructure – to ensure that the merit order in generation is maintained.

Medium Term Interventions

- Legislation to improve coordination and reduce ROW issues - for effective and efficient implementation of TSEP.
- Investment in transmission infrastructure – installation of High Voltage Alternative Current (HVAC) line in major cities like Lahore will be more efficient as compared to conventional lines.

Long Term Interventions

Involve private sector investment to eliminate interconnection delays through BOOT mode –achieve the performance level standards specified by NEPRA and meet the transmission expansion plan.

Restoring investor Confidence

Lack of consistency in policies and subsequent ad hoc amendments hurt investor sentiment which is reflected in low investment activity in the power sector. Bureaucratic influence at senior levels across institutions and agencies leads to an inefficient decision-making process. There is a lack of proper redressal mechanisms for any deadlock between private companies and CPPA-G/NEPRA. The GoP is focusing on the generation side, however, the real problem lies within the transmission and distribution supply chain.

Interventions

- Honour past commitments made under different policies and concessions such as PPA/IA/Tariff - Legislation to protect any change in policy on a post-facto basis.
- CPPA-G and NTDC to have independent boards without any influence from the bureaucracy.
- Develop Energy Reforms Framework - outlining direction and guidelines for investors and bureaucracy.
- Develop a system of accountability for inaction or taking actions inconsistent with the Framework.
- Form Energy Reforms Steering Committee (comprising public and private stakeholders) to monitor the progress and guide in grey areas.
- Strengthen the in-house governance/accountability system to ensure any irregularity is investigated by subject matter experts.
- Relevant experience must be made a mandatory requirement for postings at senior level.
- One window redressal system to be developed for effective and efficient resolution of grievances

Potential Impact of Above Recommendations

Critical Challenges	Recommendations	Annual Impact (USD Billion)
Sub-Optimal Fuel Mix	1- Blend Thar Coal with Imported Coal Plants (20%)	0.3
	2- Mandate Imported Coal Plants to Run (100%) on Thar Coal [1.5]	1.2
	Sub-Total: Savings in External Account (Forex)	1.5
	1. Savings from Reducing Peak Demand by 1,000 MW	0.4
Surplus Capacity / Unproductive Consumption	2. Diversion of gas from captive to higher efficiency IPPs	0.1 (in 2023) 0.2 (by 2025) 0.2(by 2033)
	Sub-Total: Savings in External Account (Forex)	0.9
	1- Rely only on Indigenous Fuel for Power Supply – Resulting in Load shedding	4.7
Generation Curtailment (one-off)	1- DISCOs to achieve T&D loss targets set by NEPR	0.1 (by 2025) 0.2 (by 2028)
	2- Achieving regional benchmarks for T&D loss	0.1
	3- Improve DISCOs recoveries	0.4 (in 2023) 0.3 (by 2025) 0.3 (by 2033)
	Sub-Total: Savings in External Account & Fiscal Budget	1.4
Cumulative Annual Savings		3.8

Note: The data above has been sourced from two reports namely “Pakistan’s Power Sector: Challenges and Reforms” and “Towards Pakistan’s Energy Security and Competitiveness,” and is presented here with the approval of the author, Mr. Khalid Mansoor, ex- CEO HUBCO, who was a member of the panel of experts in Grand National Dialogue’s roundtable on “Power and Energy” roundtable, organised at Islamabad Policy Research Institute on April 4, 2023.

Many of the above interventions not only require significant time but also require sizeable financial capital which is not available keeping in view the fragile economic conditions of the country. Therefore, report also suggests certain impactful measures that can be taken in zero time¹ and require zero investment² to partially alleviate the financial burden of the energy sector. These measures will impact in a range of ways including energy efficiency and conservation, organisational efficiency, productive use of energy, industrial productivity enhancement, and better energy utilisation through renewables, import reduction, and reduction in socio-economic costs due to emissions curtailment.

Nudging Towards Energy and Water Conservation

Nudging is a soft push that can make people act or react. Governments make use of nudges instead of strict policies to lead the population into a behavioural change in need of time. Nudges can involve social influencing, reinforcement, facilitation, or even the use of fear depending upon the severity of the issue for which a nudge is necessary. To avoid strict measures which will become unavoidable as the gas and power crises worsens, the energy sector can start nudging its consumers into better consumption behaviours aligned with the issues of the energy sector which the common population is unaware of. Some examples of nudges which the energy sector can adapt through the means of gas and electricity bills are detailed in Figure 1,2, and 3. Such impact due to nudging can potentially save \$600 million annually.

¹ Zero-time implies that an intervention can be completed after necessary paperwork and or change in rules.

² Zero-investment implies that an intervention can be achieved with minimal financial expenditure.

* For all calculations, the exchange rate is taken as: USD 1 = PKR 225 (Date: 25th December 2022)

Figure 1: Examples of Possible Nudges on an Electricity Bill

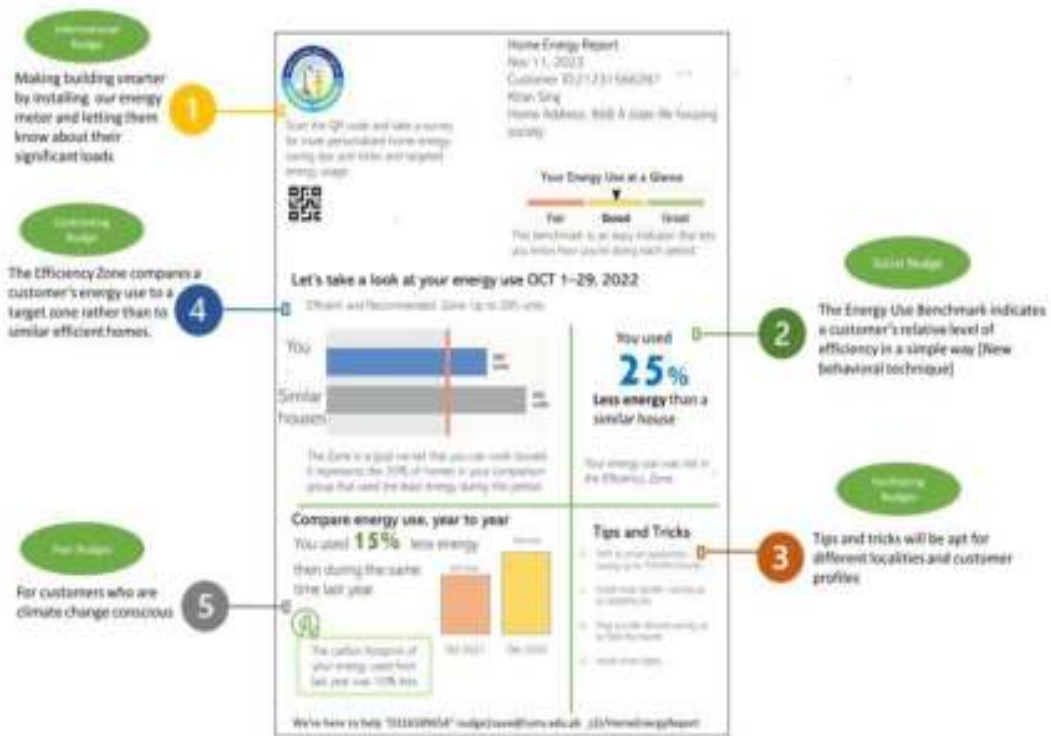


Figure 2: Informational Flyer to Nudge People into Efficient Consumption

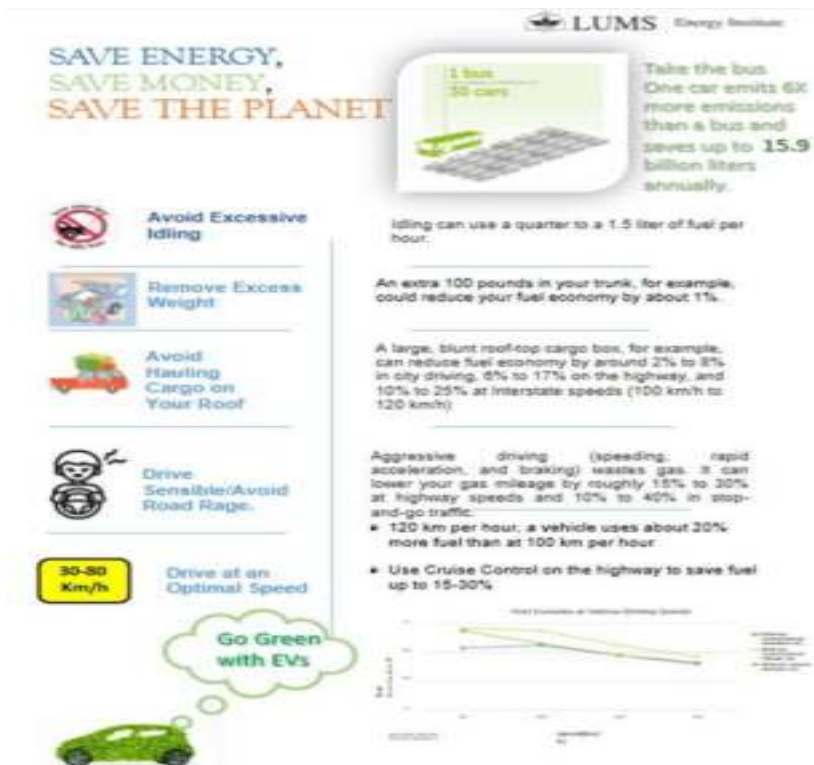
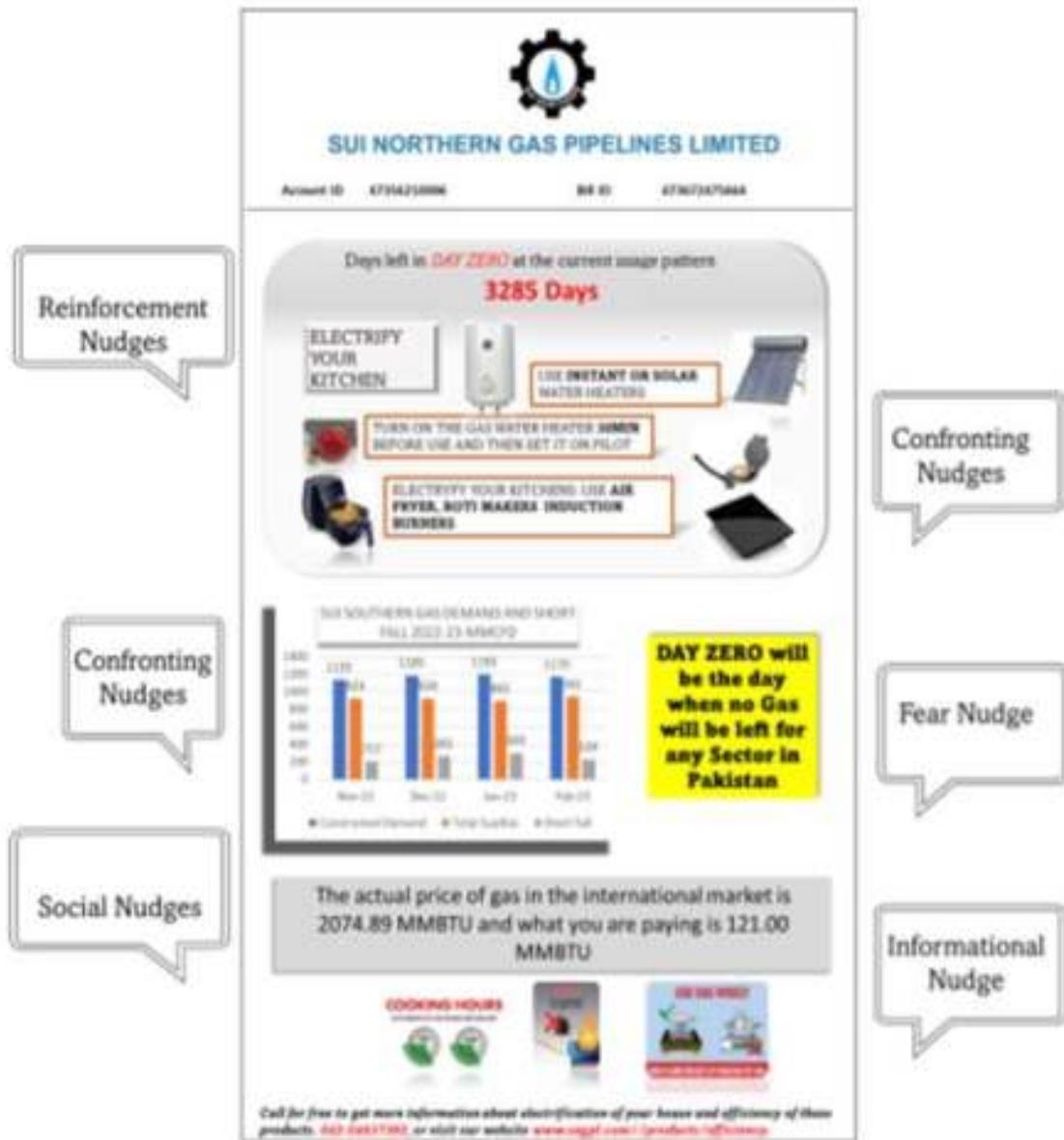


Figure 3: Examples of possible nudges on a gas bill



Permanent Daylight Saving

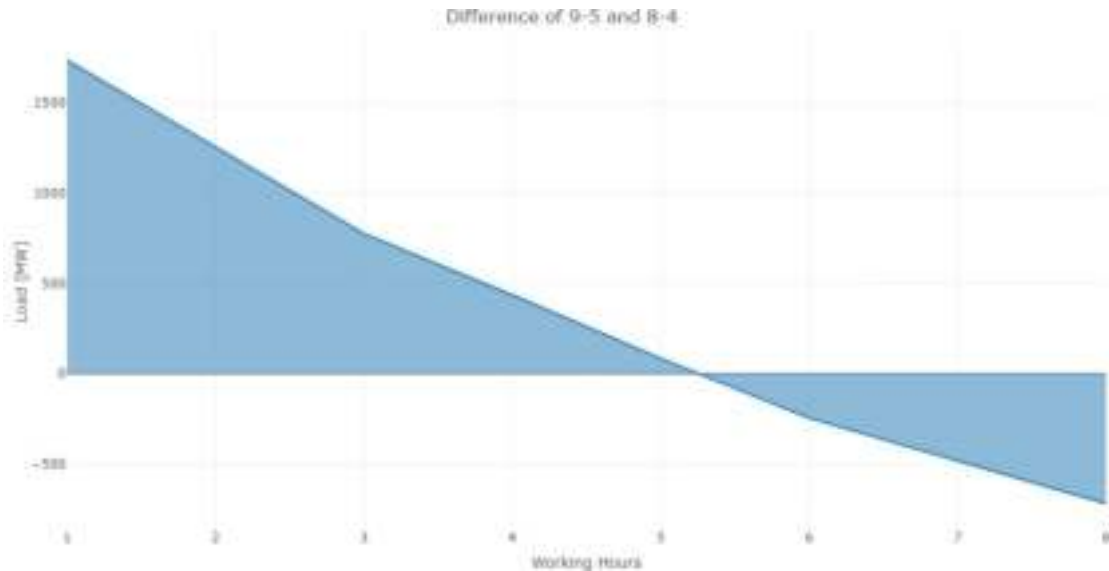
The idea of a temporary daylight savings time exists in North America and Europe but not in Asia. However, some countries have adopted a permanent DST and Pakistan can also benefit from an energy perspective by moving the clocks 1 hour ahead, shifting from our current time zone of UTC+5 to UTC+6 throughout the year.

Figure 4: Countries with permanent DST



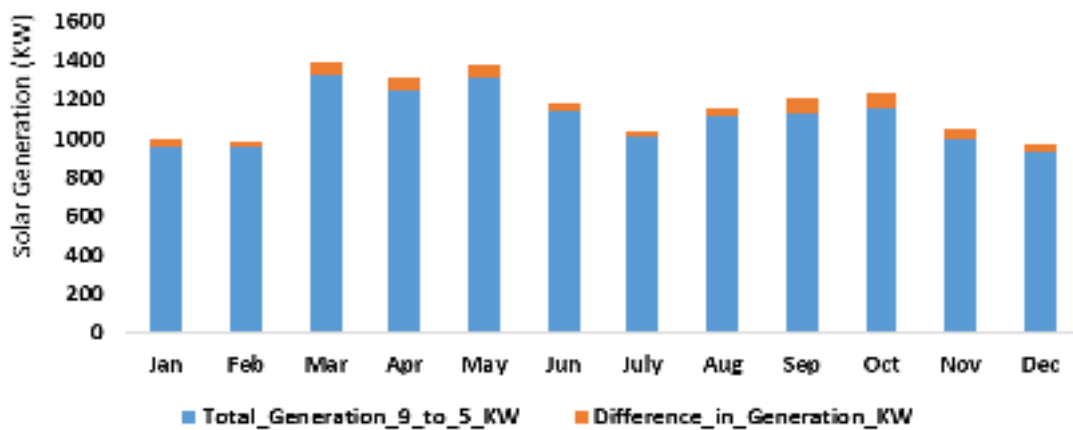
Given Pakistan’s tropical location, a permanent DST would mean daylight during all office hours. There would be more productive usage of light in the evenings and more solar energy can be harvested with a wider overlap between peak electricity demand and solar generation hours. However, the biggest benefit will be the reduction in overall electricity consumption. An analysis of the electricity consumption between 9am-5pm compared to 8am-4pm reveals that shifting our office hours to the latter i.e., shifting to UTC+6, would require 932 GWh less energy consumption annually, equating to a saving of \$106.6 million in energy generation cost. Moreover, the lighting need will be an hour later throughout the year which would result in another saving worth of \$30 million.

Figure 5: Comparison between 9am-5pm to 8am-4pm in the electricity consumption of Pakistan



In solarised buildings without net metering, the permanent DST would help increase their solar utilisation. In Lahore, the annual solar energy generation between 8 am to 9 am is 16% higher than the generation between 4 pm to 5 pm, making more clean electricity available for office utilisation if the shift is adopted. The extrasolar utilisation at the national scale would result in a saving of \$250 million annually.

Figure 6: Difference in solar generation from 9 am-5 pm (in blue) vs. 8 am-4 pm (in orange)



The benefits do not end there as there is a significant reduction in emissions as well owing to the higher solar utilisation. More solar generation and less generation dependency on non-renewable power plants would result in a carbon market value of \$34 million worth of emissions reduction.

Similarly, due to early morning time, vehicles will be using less air conditioning due to cooler mornings. According to the survey estimates, around 20% of the fuel is consumed for air conditioning purposes in personal road vehicles. With this intervention, the country would save fuel worth \$21.8 million³ and emissions worth⁴ \$4.4 million annually.

As for the feasibility of the shift, there is an ample amount of time between the last sunrise times in the country and the new office hour start time (8 am at UTC+5). The latest sunrise in Pakistan occurs in Jiwani at 7:40 am on January 9, while in most metropolitan areas it is much earlier; 7:18 am in Karachi and 7:03 in Lahore.

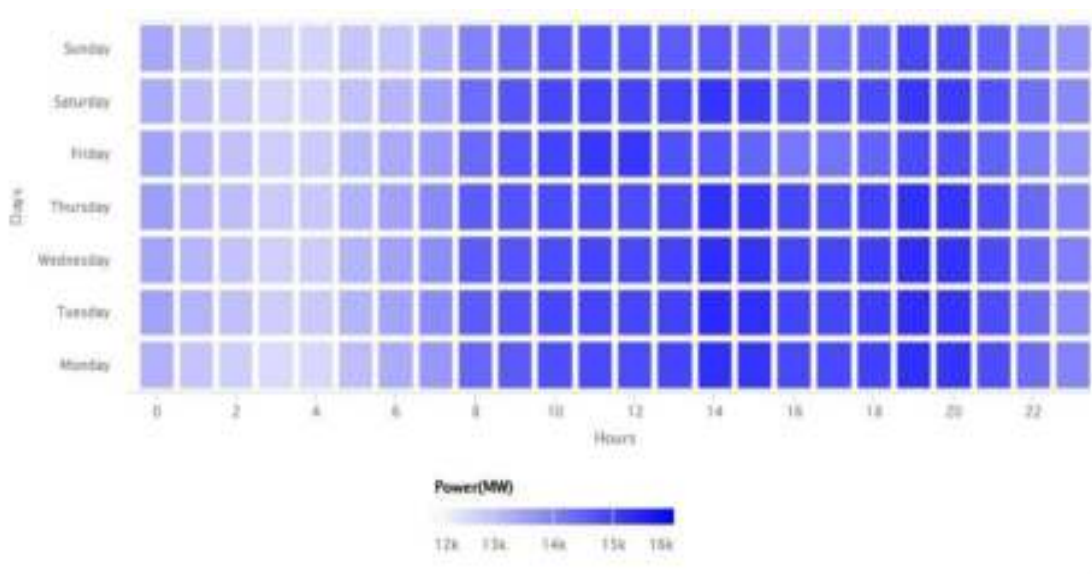
Shifting Weekly Holiday from Sunday to Friday

On Friday, even though it is a workday in most of the country, Pakistan consumes considerably less amount of energy than the average Saturday and very close to the amount consumed on Sunday. The reason is the break for the Friday prayers and the inability of most of the workforce to recover after that break. Although Fridays around the world are observed to be the least productive of workdays, Pakistan faces a few other serious issues other than the loss of productivity. The students of Pakistan study an average of 80 hours less every year than other countries because of early dismissal time on Fridays. This equates to 186 days across a 12-year education period which is more than one year of educational loss. Furthermore, the number of accidents during a week, as reported by 1122, peaks around the Friday prayer time and is 10% higher than the second highest peak.

³ Assuming 1.5 million vehicles travels in a city. Each vehicle travels 12,000 kilometer in year. The permanent DST would reduce 20% less oil consumption due to cooler mornings (no usage of air-condition).

⁴ The carbon credit cost is taken as USD 50 for 1mtCO₂.

Figure 7: Electricity Consumption of Pakistan (excluding Karachi) at 24 hours of each weekday. Note the gradual decrease in Power after 12pm on Friday.



An interesting solution to all this lies in making Friday a complete holiday altogether and keeping Sunday as a working day instead. As the energy utilisation of Pakistan has historically been directly correlated to the GDP growth, the additional two hours of productivity gained by this shift would increase productive energy consumption by 771 GWh annually, implying a GDP growth of \$433 million.

Reduction in WACG through Demand-Side Tariff Management

When combating the imbalance of the power supply and demand, most of the efforts involve interventions on the supply side while demand side also offers a huge potential for savings. Shifting just 5% of the national energy load from peak hours to off-peak hours would provide annual savings of \$348 million through reduced energy costs annually. Just in the month of July, the energy cost can be reduced by \$39.1 million through this shift. A 5% shift is an achievable goal that only requires mild behavioural changes and government policies. The emission factor for electricity generation in Pakistan is around 409 tCO₂/GWh⁵. This shift would also save emission worth of around \$0.16 million annually.

⁵ https://www.irena.org/-/media/Files/IRENA/Agency/Statistics/Statistical_Profiles/Asia/Pakistan_Asia_RE_SP.pdf

Table 1: Energy Generation Cost Savings by Shifting 5% Load from Peak to Off-Peak Hours

Months	Energy Cost (Billion Rs/GWh)	Energy Cost with 5% Adjustment (Billion Rs/GWh)	Savings (Million USD)
July	68.1	59.2	39.1
August	64.4	55.6	38.8
September	57.9	50.12	34.8
October	48.3	42.28	27.1
November	27.4	22.95	19.7
December	50.5	45.80	20.7
January	55.3	50.86	19.7
February	36.4	32.03	19.3
March	52.05	46.71	23.7
April	62.2	55.10	31.6
May	78.2	70.47	34.4
June	87.2	78.63	38.1
TOTAL			348.2

Interventions in Domestic Gas Load Management Policy

There are about 10 million residential gas connections in the country consuming 22% of the total national gas supply. The end-use of domestic gas supply is cooking and space/water heating out of which only the former remains consistent throughout the year. The heating load in winter swells the gas consumption 3 times from 60m³ in summers to 200m³ in winters. The low tariff structure and the highest supply priority to domestic consumers make this sector have one of the lowest productivity in the entire gas value chain.

Figure 8: Domestic Gas Consumption Pattern of Pakistan



To prevent a complete collapse of the gas sector, a new National Gas Allocation and Management Policy must be devised. The domestic heating load in the new policy should be shifted to the 5th priority while cooking load, being the lifeline usage of gas in a household, should be kept at 1st priority. The domestic heating load should be diverted to other productive sectors such as Power, Industry and Fertilisers. The natural gas saved from domestic heating in winter months would stand at 425 MMCFD. A comparison of using this gas for other productive use cases is detailed in *Table 2*. Furthermore, new disruptive approaches such as building electrification must be evaluated in the new policy.

Table 2: Revenue Comparison of Utilizing 425 MMFCD Gas in Different Sectors

	Domestic Sector	RLNG Rate	Industrial Tariff	Power and IPPs Tariff
End Uses	Heating	Power Generation (@ 62% Efficiency)	Feedstock & raw materials processing	Power Generation
Tariff Rate	PKR 350/MMBTU	USD 13.4/MMBTU	PKR 1054/MMBTU	PKR 857/MMBTU
Comparison of Gas Sale Revenue (million USD)	97.6	835	294	239

Change in Commercial Activity Time

Most commercial activity in Pakistan happens between 12 pm to 11 pm. A retrospective analysis of 2021 reveals that changing the commercial activity timings to 9 am-7 pm would save \$36 million in the form of 487 GWh of commercial load reduction throughout the year. The change in timings only requires a government notification and a precedent for forced commercial time change by the government has already been set before. For further minimisation of any adverse response, the end-time limit can be relaxed to allow commercial activity in later hours but with a discouraging time-of-use tariff. By reducing the 487GWh commercial load, the country would save carbon emissions worth of \$12 million annually.

Figure 9: Fuel consumption compared to speed of vehicles



Electricity and Gas Bill Page Size Reduction

Shifting the bills of electricity and gas to a completely digital solution will require some time, but meanwhile, there is a middle ground to explore, which is the reduction in the size of the bill page. There is a precedent to this, as K-Electric saved \$1.3 million annually just by shifting their printed bills from A4 to A5 sized while retaining the same information.

Comparing this to the NTDC’s system, which has a total of 33.2 million customers, there is a potential to save \$12.4 million annually. The same small intervention if applied to SNGPL/SSGC for their 10 million customers can save \$3.1 million annually. The electricity and gas bill page size reduction combines for a total saving of \$15.5 million annually.

Figure 10: K-Electric bill page size reduction



Utilisation of Hydel Generation to Address Intermittency from Renewables

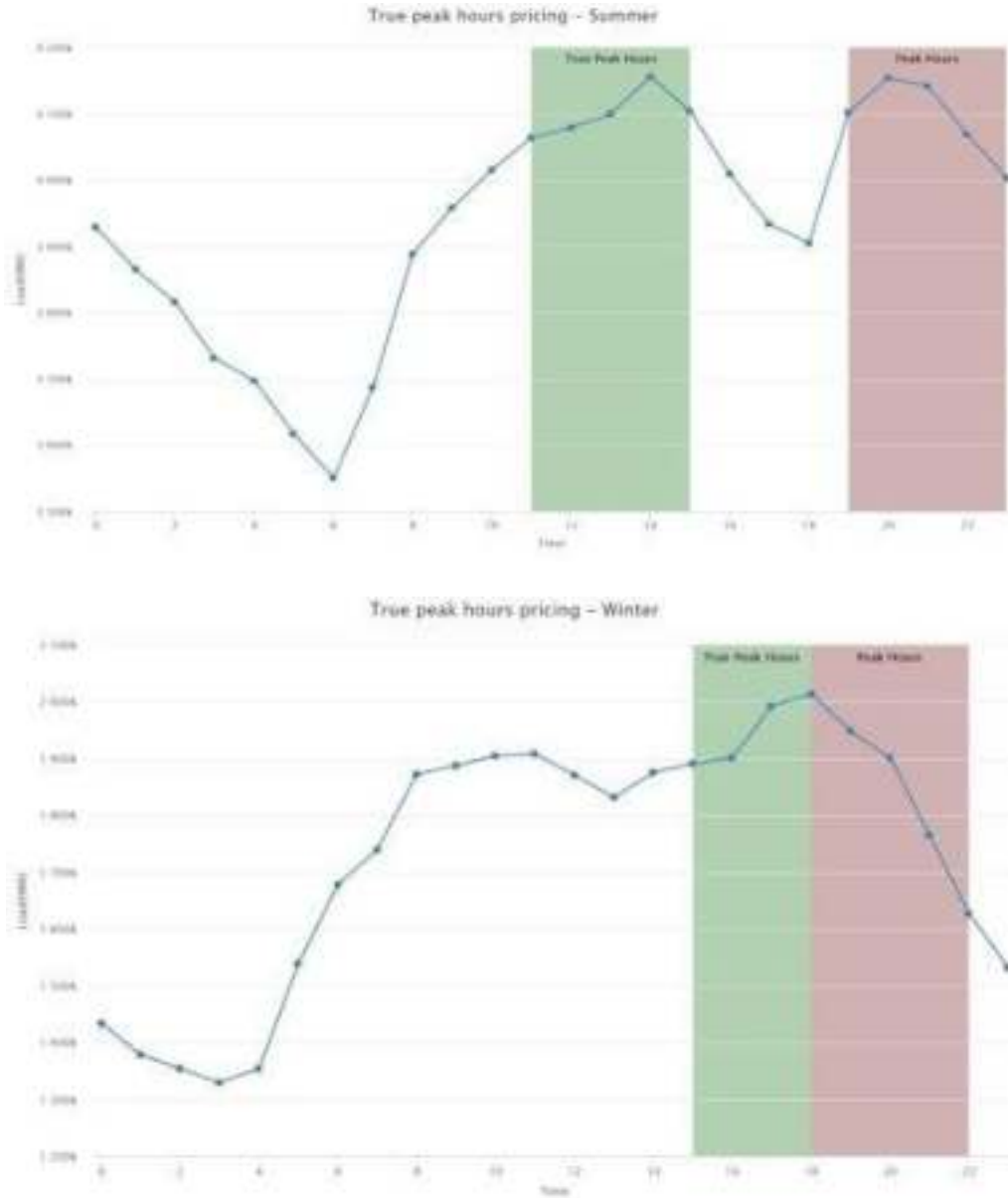
Mangla and Tarbela dams are not only used for water storage and power generation purposes but have also been used as frequency regulators for power transmission in Pakistan and have acted as a lifeline because of their quick and cheap ramping of energy generation.

We can increase the scope of their service and use them for the mitigation of the duck curve in the solar generation which can destabilise the grid. These can be a great existing resource for handling the intermittency of renewable energy generation and reducing the average cost of generation. The huge water surface area of the dams can also be a good site for floating solar PV installation as no additional grid connectivity will be required and the combined system would also help reduce the high evaporation water loss of the dams.

Currently, the Indus River System Authority (IRSA) provides a 24-hours quantity of water reserves to the dams and NPCC decides the hourly release amount of the water based on the electricity demand. The increase in the scope of service of these dams is possible if IRSA increases the 24-hour planning window to 48 hours. This will allow greater flexibility for NPCC to plan water release according to the demand forecast of the country. This will have an immediate impact on the weighted average cost of generation and the power sector will have a much better capability to meet the duck curve and renewable energy intermittency issues. This intervention potentially saves more than \$13.2 million annually.

True Peak Hours

There is a significant contradiction between the peak hours defined by DISCOs and the true peak hours as seen from the national electricity demand profile. LESCO defines peak hours in the summer months as 7pm to 1pm while the actual peak is observed between 11am to 3pm. In winter months, LESCO defines peak hours as 6pm to 10pm while the true peak hours are 3pm to 7pm. Just changing the defined peak hours to their true observed values would align the tariff with the actual generation cost and save \$6.34 million annually.

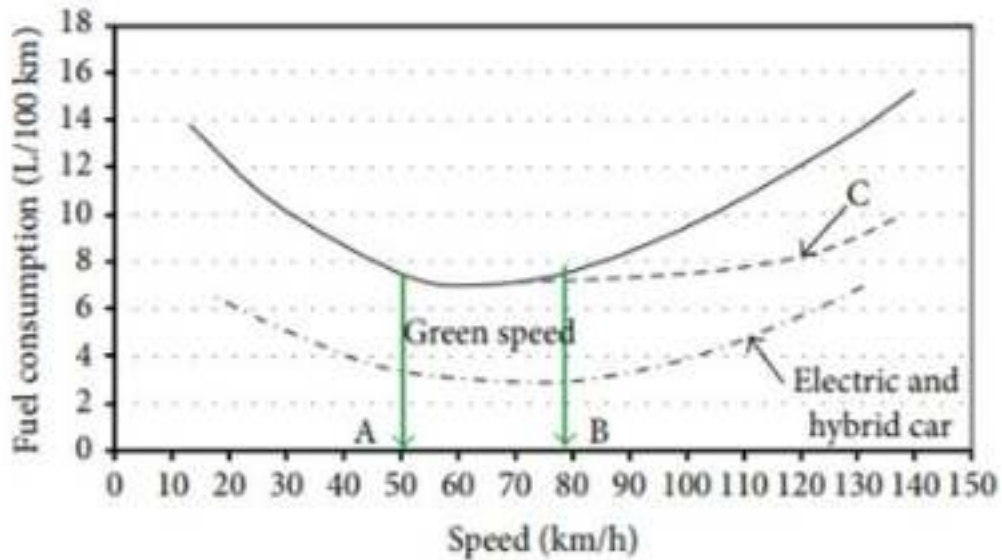


Reducing Vehicular Speed Limit on Motorways (Case: M-2)

The petroleum imports of Pakistan have been surging double-digits in percentage for the past few years. One of the ways of decreasing these imports without affecting the economic growth of the country is to increase the efficiency of vehicle fuel consumption through behavioural changes. Fuel consumption of vehicles decreases with increasing speed, after an optimal range, labelled in Fig. 11 as “Green Speed,” is reached, after which the consumption continuously increases. The increase in consumption is also dependent on the

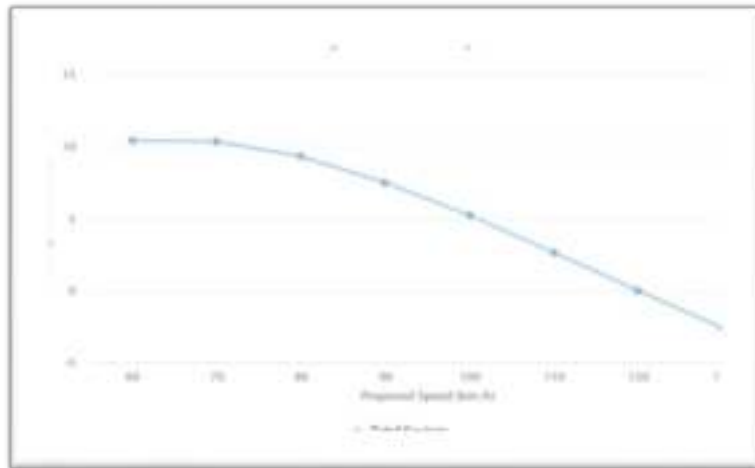
aerodynamics of the vehicle, and the label “C” shows a trend for very low aerodynamic resistance.

Figure 11: Fuel consumption compared to the speed of vehicles



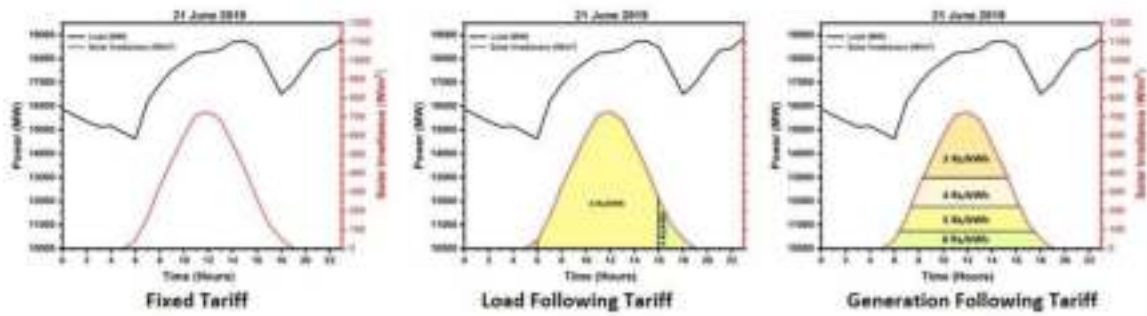
The LTV speed limit at most motorways in Pakistan is currently 120 km/h, which is far beyond the Green Speed of the average LTV in the country. Reducing this limit to 100 km/h will increase the efficiency of fuel consumption and save \$5.22 million annually. A more tolerable reduction to 110 km/h would save \$2.65 million instead. Moreover, by reducing the speed limit to 100 can save emissions worth of \$1.1 million annually.

Speed Limit (km/hour)	Savings (Million USD)
60	10.43
70	10.35
80	9.31
90	7.51
100	5.22
110	2.65
120	0
130	-2.59



Solar Net Metering

Many DISCOs have been offering solar net metering to their consumers for the past few years but have become hesitant more recently since it brings down their revenue. Solar energy is becoming cheaper to afford by the day and utilities will not be able to fight with this shift. Any tough curbs on solar feed-in would eventually make the customers defect the grid altogether. Instead, there needs to be a win-win strategy developed for net metering, utilising residential solar energy as an energy generation source for DISCOs. Instead of a fixed tariff, a generation-following tariff should be adapted for solar feed-in which would mitigate the effects of the duck curve.



Bringing Captive Generation to the Grid

Industrial units are allowed to install their captive power plants to produce electricity for their use. However, the installed captive units have an efficiency of around 25-30%, which is much lower than the power plant installed having an efficiency of 50-60%. In the year 2020, captive power units consumed 415 MMCFD of gas. Shifting captive generation-based industry to the national grid can improve the energy usage for the grid and will help increase the base load for the grid.

Net Savings

These measures mentioned in this report will impact in a range of ways including energy efficiency and conservation, organisational efficiency, productive use of energy, industrial productivity enhancement, and better energy utilisation through renewables, import reduction, and reduction in socio-economic costs due to emissions curtailment. The total financial impact of all the quantifiable inventions results in \$2.22 billion annually.

Sr. No.	Interventions	Annual Savings (Million USD)
1	Nudging Towards Energy and Water Conservation	600
2	Permanent Daylight Saving	446.8
3	Shifting Weekly Holiday from Sunday to Friday	433
4	Reduction in WACG through DSM Tariff Management	348.16
5	Interventions in Domestic Gas Load Management policy	300
6	Change in Commercial Activity Time	48
7	Electricity and Gas Bill Page Size Reduction	15.5
8	Utilization of Hydel Generation to address Intermittency from RE	13.2
9	True Peak Hours	6.34
10	Reducing Vehicular Speed Limit on Motorways (Case: M-2)	6.32
Total		2,217.3

CONCLUSION

The grave challenges of the energy sector in Pakistan require a range of interventions in the short, medium, and long term with varying amounts of capital and HR investments. The focus of this report has been on those solutions that demand zero investment and can be accomplished in zero time. While the solutions presented have the potential to swiftly attenuate the fiscal burden, achieving sustainable energy security demands strategic planning, sectoral reforms, and improved governance among other interventions.

To achieve sustainable and holistic energy security, diverse sectoral reforms are needed. There is a dire need to explore innovative avenues to limit the dependence of the energy sector on imported hydrocarbons, limit rising energy prices, and fulfil emissions reduction targets and commitments. A mechanism of better energy pricing needs to be devised under which true pricing, based upon each generation source, and is offered to the end-users. Furthermore, there is a need to evolve strategies to gradually limit indirect subsidies and transition to direct subsidies to target the most deprived segments.

Over the past decades, indigenous natural gas reserves have significantly contributed to energy security in Pakistan. However, these reserves are depleting, and it is estimated that in the next 10-15 years, the country will be devoid of local natural gas. This temporal window in turn provides an opportunity to explore and harness alternate sources of energy. Furthermore, there is a need to improve and overhaul the energy infrastructure in Pakistan. This includes the upgradation of electricity T&D network, natural gas supply infrastructure, and petroleum refinement, storage, and distribution network.

The capacity to harness energy from available sources is finite. Over the next several years energy conservation will play a crucial role in ensuring energy security. A variety of reforms such as climate-resilient construction and architectural practices, transition to sustainable and greener modes of transportation, and application of energy-efficient appliances and practices need to be introduced. A long-term strategic plan for the energy sector must be devised with a robust and prompt implementation.



CLIMATE CHANGE

Dialogue Partner
COMSATS University Islamabad (CUI)

CONCEPT NOTE

Climate Change

Climate change continues to hurt billions of people throughout the globe. According to the latest report by the Intergovernmental Panel on Climate Change (IPCC), global warming of 1.5°C (2.7°F) during the next two decades would result in a slew of inescapable climatic disasters. Heat waves, droughts, and floods, all of which are becoming more frequent and intense, are already causing large numbers of plants and animals to perish. Therefore, urgent efforts to adapt to climate change are needed simultaneously with rapid and substantial reductions in greenhouse gas emissions and net zero carbon emissions to avert increasing losses in life, biodiversity, and infrastructure.

Pakistan has opted for immediate action to reduce climate risks rather than long-term net-zero emission commitments. Pakistan has offered itself to the world as an example to be followed, citing through pledges made in 2021 via Nationally Determined Contributions (NDCs). Nearly 200 initiatives are included in the NDC's platform. The vast majority of them have clear goals and deadlines, necessitating urgent attention. The year, 2022, has been Pakistan's most pivotal year in terms of establishing the country's climate policy. As part of Pakistan's National Adaptation Plan (NAP) to be developed in 2023, climate change issues will be mainstreamed into sectoral policies, plans, and programmes. Pakistan's adaption investments cannot be monitored or prioritised without NAP. It is expected that in 2024, the provinces will adopt their climate change policies and action plans based on these initiatives. To meet its obligations, there is a need to generate a national debate to take stock of the above-mentioned climate threats to crystallise effective climate mitigation as well as adaptation strategies at the national level.

Scope of Discussion

- Climate threats to Pakistan.
- Vulnerability and Risk Analyses of Pakistan's climate mitigation and adaptation response.

- Green development strategy at the national and provincial level.

BACKGROUND

The Commission on Science and Technology for Sustainable Development in the South (COMSATS) in collaboration with the National Security Division (NSD) and Islamabad Policy Research Institute (IPRI), conducted a series of roundtable discussions and a seminar under the theme “Climate Change”. The following events were held between November 2022 to March 2023:

- **“Climate Resilient Development: Challenges & Way Forward” (November 23, 2022)**
Conducted by Department of Meteorology, COMSATS University Islamabad (CUI) at Faculty Block, CUI.
- **“Climate Change: Act Now” (December 6, 2022)**
Conducted by Department of Meteorology, COMSATS University Islamabad (CUI) at Junaid Zaidi Library, CUI.
- **Impact of Climate Change on Pakistan (March 30, 2023)**
Conducted by IPRI at Iqbal Boardroom, IPRI.

Participants/Experts

- Dr. Bashir Ahmad, Pakistan Agricultural Research Council (PARC).
- Mr. Ali Tauqeer Sheikh, Senior Advisor Climate Change, World Bank.
- Ms. Aisha Khan, Executive Director, Civil Society Coalition for Climate Change.
- Dr. Muhammad Afzaal, Director, Pakistan Meteorological Department (PMD).
- Dr. Hameed Jamali, Climate Policy Analyst, Asian Disaster Preparedness Center (ADPC), Pakistan.
- Dr. Muhammad Abid, Senior Advisor Adaptation to Climate Change, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Pakistan.
- Dr. Zaigham Abbas, Deputy Director, Ministry of Climate Change.
- Dr. Ashfaq Ahmad, Climate Change Specialist, Asian Disaster Preparedness Center (ADPC), Pakistan.
- Ms. Sara Fatima, Environmentalist.

- Mr. Fakhar Imam, Consultant Digital Agriculture, Zarai Taraqati Bank Limited (ZTBL), Pakistan.
- Dr. Fahim Khokhar, Director, Climate Change and Atmospheric Research Group (C-CARGO).
- Dr. Sohail Yusuf, Professor Environmental Sciences, Quaid I Azam University.
- Dr. Imran Shahzad, Associate Professor of Meteorology, COMSATS University Islamabad.
- Dr. Muhammad Azam, Chairman Department of Horticulture, Arid Agriculture University.
- Ms. Ameera Adil, Assistant Director Sustainability, National University of Sciences and Technology (NUST).

INTRODUCTION

Pakistan is one of the most vulnerable countries in the world to climate change. It is already experiencing a range of impacts, including extreme weather events, water scarcity, and agricultural losses. The most vulnerable populations, such as those living in poverty or in remote areas, are at the greatest risk from these impacts. In the context of its dedication to undertake analyses on the national and international climate issues affecting Pakistan, IPRI and COMSATS University Islamabad (CUI) jointly organised multiple events including a roundtable discussion, a seminar, and youth media interaction with the Department of Meteorology at COMSATS University as part of the Grand National Dialogue (GND) under the theme “Climate Change.” The major objective of the GND on climate change was to bring together stakeholders from all sectors to discuss the challenges and opportunities of addressing climate change and formulate a way forward to minimise these challenges in the future through the following events:

- A round table discussion on “Climate Resilient Development: Challenges and Way Forward,” held on November 23, 2022.
- A seminar on “Climate Change: Act Now,” was held on December 6, 2022.
- Interaction event regarding “Youth, Media, and Climate Change,” held on December 14, 2022.

ANALYSIS

One of the central themes that emerged during the GND discussions pertained to the necessity for a proactive shift in Pakistan's approach to climate resilience. This shift is particularly vital in the agricultural sectors, where the adoption of climate-resilient technologies and climate smart interventions assumes paramount importance. Innovations such as drip irrigation and rainwater harvesting were underscored as instrumental tools in revitalising agricultural practices, enhancing productivity, and mitigating the adverse effects of climate change. Furthermore, participants consistently stressed the crucial role of a robust legal framework dedicated to the conservation of ecosystems.

A recurring theme that resonated throughout the discussions revolved around the underutilisation of Pakistan's inherent capabilities, leading to communication gaps and a lack of effective collaboration among various stakeholders. To address these issues, participants advocated strategies tailored to combat sector-specific climate threats and the launch of grassroots awareness campaigns. A united front involving government bodies, non-governmental organisations (NGOs), and the general public to adopt a comprehensive and proactive strategy to safeguard Pakistan's future against the growing spectre of climate-related challenges is the need of the hour.

In addition to highlighting the importance of proactive measures, the GND placed a significant emphasis on the practical implementation of climate policies and the integration of climate-resilient technologies, particularly within the agricultural domain. The discussions underscored the necessity of bridging the gap between policymakers and the general populace and emphasised the need for proactive measures rather than relying solely on mitigation efforts.

National capacity building and the establishment of robust emission tracking systems were identified as indispensable components of a proactive strategy. The GND discussions culminated in a resounding consensus on the urgent need for immediate proactive action

to tackle climate change in Pakistan, recognising the significant financial and humanitarian toll exacted by recent climate crises. These crises were attributed to a combination of climate change, governance inadequacies, and insufficient planning.

The role of youth in climate activism also emerged during the discussion. Emphasising the pivotal role of the youth in managing climate emergencies, the discussions highlighted the importance of education and awareness campaigns to enable them to assume leadership roles in climate action. Social media and other contemporary platforms were identified as potent tools for facilitating this empowerment. Moreover, the discussions delved into the persistent challenge of apathy and the prioritisation of financial interests over environmental concerns; factors that have impeded climate action in Pakistan.

The role of predictive climate models and the urgent need for a consolidated climate information system were highlighted as crucial elements in fortifying Pakistan's preparedness and responsiveness to climate change. The GND acknowledged the remarkable performance of Pakistani youth in international climate conferences such as COP-27 and called for their enhanced participation in the policymaking process. Lastly, harnessing media and communication platforms, in addition to leveraging the influence of local governments, were identified as catalysts for ushering in transformative change in Pakistan's climate action landscape.

RECOMMENDATIONS

The GND underscored the pressing nature of climate threats facing Pakistan and the need for immediate, comprehensive action. Key recommendations include:

General

- Pakistan must adopt climate-resilient technologies and legal frameworks, particularly in agriculture, to enhance its ability to withstand climate-related challenges. Recognising climate change as a persistent and escalating issue, akin to a chronic health condition, Pakistan needs to adapt its policies and infrastructure to be more resilient against climate impacts. This includes preparing for extreme weather events and concomitant changes in agricultural yields.
- The current approach to climate policy in Pakistan lacks depth and coherence. There is a need for more intelligent and proactive policy-making that integrates climate considerations into all aspects of governance, moving away from an ad-hoc and fragmented approach. Collaboration between government entities, NGOs, and the public is essential to bridge communication gaps and implement effective climate policies.
- Pakistan should focus on setting clear and achievable goals for mitigating the effects of climate change. These goals should include saving lives, protecting property, safeguarding agriculture, ensuring food security, and maintaining economic growth. Ensuring sustainable development and poverty eradication should be integral to these goals.
- Drawing inspiration from global examples like the United States and China, Pakistan could focus on developing its own solutions to climate-related challenges and possibly exporting these solutions. This approach would reduce dependence on external funding and align with national interests and global solutions.
- While there has been some progress in renewable energy projects and infrastructure development, these efforts need to be scaled up and integrated into a broader strategy

of climate action. This includes investing in renewable energy technologies and infrastructure that are resilient to climate change impacts.

- Pakistan's youth have demonstrated their potential in international climate conferences, and their involvement in policymaking should be increased to drive change. The educated youth population in Pakistan can play a pivotal role in climate action through education and awareness campaigns, utilising social media as a powerful tool.
- Climate awareness should be created through curricula in primary and secondary schools. The children should be made aware of the scientific and ethical dimensions of environmental degradation and its linkage with climate change.
- Media and communication platforms should be harnessed to raise awareness and advocate for climate action.

Climate Finance

- Encourage partnerships between the government, private sector, and international investors for renewable energy projects. Public-private partnerships can leverage private investment in climate-related projects, such as renewable energy, sustainable agriculture, and climate-resilient infrastructure.
- Pakistan could explore issuing green bonds to raise capital for environmentally friendly projects. Additionally, establishing a national climate fund could provide a dedicated source of financing for climate initiatives, with contributions from both domestic and international sources.
- Enhance the capacity of government institutions to access international climate finance mechanisms such as the Green Climate Fund, the Global Environment Facility, and the Adaptation Fund. This involves developing proposals that align with the criteria of these funds and building the necessary institutional and technical capacities.
- Offer incentives like tax breaks or subsidies to businesses that invest in climate-friendly technologies and practices. This approach can stimulate private sector

investment in areas such as renewable energy, energy efficiency, and sustainable transportation.

- Develop and implement innovative financing mechanisms like climate insurance, risk pooling, and climate risk bonds. These can provide financial protection against climate-related risks and losses, particularly in sectors like agriculture and infrastructure that are vulnerable to climate impacts.
- Mainstream climate finance into national budgeting processes. This involves ensuring that a significant portion of the national budget is dedicated to climate action, including both mitigation and adaptation measures.
- Engage in regional cooperation for climate finance. Collaborating with neighbouring countries on transboundary environmental challenges and joint financing initiatives can help in pooling resources and sharing best practices.

Governance and Policy

Climate change is not yet adequately mainstreamed into government policies and planning. There is a need for stronger policies and regulations to address climate change, as well as better coordination between different government agencies.

Capacity Building and Knowledge Management

There is a lack of capacity within government, businesses, and civil society organisations to respond to climate change. There is also a need to improve the collection and dissemination of climate data and information.

CONCLUSION

The Grand National Dialogue (GND) series, co-hosted by the Islamabad Policy Research Institute (IPRI) and the Department of Meteorology, COMSATS University Islamabad (CUI), yielded profound insights and conclusions, notably from its expert speakers. One of the extremely important matters highlighted was the urgent need for the development and refinement of the flood management system, particularly considering the recent devastating floods in Pakistan. The dialogue emphasised the importance of implementing action-oriented integrated water resource management, harnessing carbon markets, and instituting a comprehensive suite of national adaptation and mitigation measures at all tiers of governance to effectively confront the climate crisis. To foster a nationwide understanding and proactive mind set towards these issues, it was suggested that geography be integrated into elementary education curricula. Furthermore, incorporating climate topics into the election agendas of political parties was underscored. Collaboration and synergy across all echelons of the state were deemed imperative. Academia-industry linkages and fostering action-centric research at universities were emphasised. In our contemporary world, dominated by rapid technological advancements, all stakeholders, especially the youth and media, have a pivotal role in addressing climate concerns. Immediate action, ranging from individual initiatives to comprehensive policy formulation, stands as the clarion call of our times. Given the immense challenges posed by extreme weather events, an aggressive recovery strategy coupled with proactive preventive measures is paramount. It is fervently hoped that the insights gleaned from these discussions and seminars will catalyse the development of a robust and actionable nationwide policy framework.

