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# NEWSLETTER

Editor in Chief: Shahid Najam

Editor: Kainat Shakil

Design: Samra Naz

## From the Desk of the Chairman



### *India Lets Down South Asia*

For several decades there was a belief that South Asia's smaller nations could learn some valuable lessons from India, their largest neighbor. There were positive as well as negative lessons. Among the positive was India's success in creating an inclusive political system that effectively catered to its diverse population. While Pakistan made several attempts to create a political and economic order that served its citizens well, India quickly put in place representative democracy. Among the negatives was India's heavy reliance on the state to lead the economy and deliver growth. The state used public savings to create economic assets.

Most of the large industries were with the government. The government also heavily regulated the private sector. The result came to be called the "license raj" and resulted in what the Indian economists themselves called the "Hindu rate of growth." India was stuck at the rate of GDP growth of less than 3.5 percent a year for more than four decades after it gained independence.

India also demonstrated that changes in public policy could -- and often did -- produce quick results. In the early 1990s, under the direction of Finance Minister Dr. Manmohan Singh, an internationally recognized economist, the state, by

## Contact Us

Tel: +92-42-35913304, Fax: +92-4275913303

Web: [www.sjbipp.org](http://www.sjbipp.org), Address: 138

Abubakar Block, New Garden Town, Lahore

## Previous Publications



pulling back, unbound the economy. Within a few years, the Indian rate of growth doubled with the private's sector taking the lead. India was now a political and economic model the developing world could follow. But that changed dramatically after the Hindu nationalist Bharatiya Janata Party (BJP) took over the reins of power. It displaced the Congress Party that led the fight for India and was behind what the historian Sunil Khilnani called *The Idea of India* in a popular book that appeared with that title. India began the process of "Hindunization" of the Indian political and social systems.

India is more diverse than other nations of South Asia. Its population of 1.3 billion speaks dozens of languages. While some eighty percent of the population follows the Hindu faith, it is not easy to define what it means to be a Hindu. There are dozens of castes and sub-castes, each with its own god and place of worship. There is a hierarchy among castes with the Brahmins at the top and Dalits at bottom of the social scale. For finding a way of governing the caste-ridden Indian colony, the British rulers promulgated several laws in which a schedule listed the various castes that occupied the lower end of the caste hierarchy. The "untouchables" came to be

called the "scheduled castes." Mohandas Gandhi, the saint-like leader of the movement that worked hard to get the British out of India, began to call the members of the scheduled castes "children of god" or Dalits. But by changing names, attitudes did not change. The higher castes continued to treat poorly - sometimes with violence - those lower down in the caste scale.

In the Hindu mythology, women were regarded as "unclean." The movement, Rashtriya Swayamsevak Sangh (RSS), whose political wing is the governing BJP, did not allow women to become its members. Celibacy by the revered Sadhus was the preferred life style, one reason why Prime Minister Narendra Modi left his wife in order to climb the ranks of the RSS/BJP.

However, it is the governing party's stance towards the large Muslim minority that will pose the greatest challenge for India, its future and its place in South Asia. With 14 percent of the population of 1.3 billion, the Indian Muslims number 185 million people. The country has the largest Muslim population after Indonesia and Pakistan. With the BJP in power, discrimination against religious minorities has become the policy of the state. There is now open hostility to towards Pakistan and poor treatment of the Muslim population in the country. A system of "national registry" has been started which obliges all

citizens to produce documents to show they are "Indians." First implemented in the state of Assam, it has sent tens of thousands of people into detention camps for eventual deportation.

Most of those affected came from the part of what was British India and is now the state of Bangladesh. With a stroke of the pen the BJP government has changed the status of the Muslim majority state of Kashmir to a political entity administered directly for New Delhi.

The Indians have pulled back from their political model, by opting for Hinduism as the guiding governing philosophy. This change in approach will have significant consequences for the minorities in the country and also affect New Delhi's relations with its immediate neighbors. Two of these - Pakistan and Bangladesh - are Muslim majority countries.

**Shahid Javed Burki**

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



## Message of the Month

The recent ruling of the Supreme Court with regard to the tenure of the office of the Chief of Staff of the Army assumed significance in many ways. First, it underscored the important message that no one was

above the law and that all institutions were equally subject to the Constitution. Second, while discharging the role of the guardian of the Constitution, the Court was also able to evade any criticism of judicial overreach by making clear the fact that it was not acting 'suo moto' but on a petition. Third, it illustrated the point that the process also implied substance and hence deserved to be treated seriously with utmost care and circumspection. Finally, the Court confirmed to the age-old but nevertheless judicious maxim that justice must not only be done

but also seen to be done.

In all, a fair assessment of that brief but intense episode would be that its impact on domestic governance and the global perception of it were, on the whole, positive. At the same time, there was no unnecessary rocking of the political boat.

**Iftekhhar Ahmed Chowdary**  
**Member, BOD**

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



## Climate Change

Given the enormity of the threat posed by climate change to the planet earth, it is absolutely imperative for the world to recognize its shared and collective responsibility for combating the disastrous implication of climate change without engaging vainly in the blame game. The richer nations tend to politicize the issue and in the national political debate dwell on the extent to which and if the national resources are to be utilized to address global warming. The poor countries tend to portray climate change as an issue of global concern created and aggravated by the rich countries which are held

responsible for major Green House Gases (GHG) emissions and bringing the world to perilous situation. As such, the major responsibility, they advocate, lies with them to control and mitigate the adverse impact of the climate change.

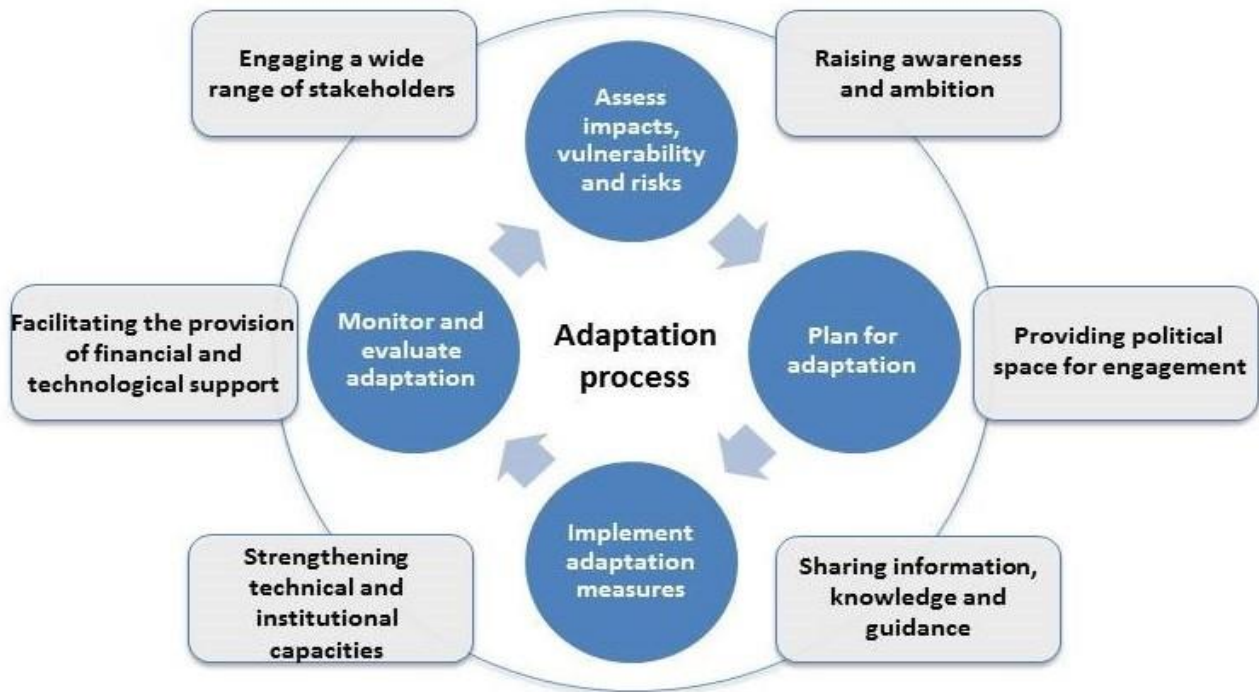
While the rich countries must curb the very high level of per capita emissions and finance the poor countries' efforts to control climate change, the latter cannot exonerate themselves of the obligation especially when the GHG emissions seem to have surged to a record high in 2018.

The Paris Agreement of 2015 set a target of rise of 1.5 degree Celsius in temperature which so far countries have collectively failed to meet. The US is reported to be 15 percent above the reduction target while China continues to be the highest on GHG emissions. The G20 countries which

contribute around 78 percent of all emissions need to reduce carbon emissions at least by 7-8 percent in the coming decade to meet the overall target through specific "greening the economy" policy frameworks, developing new technologies and business models etc.

The developing countries must adopt Nationally Appropriate Mitigation Actions (NAMAs) to reduce emissions, pursue policies directed at transformational change within economies, promote eco-friendly technologies, build adaptive capacity, enhance resilience and reduce vulnerability to climate change. This would entail adjustments in ecological, social, or economic systems to respond to actual or expected climatic stimuli and their effects. The following captures the Adaptation Framework Model.





**Shahid Najam,  
Vice Chairman**

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



## Research and Consultancy Wing

### Biodiversity for Food Security

In the past biodiversity used to be a policy variable to reduce risk of catastrophic crop failure. However, during the preceding half century South Asian agricultural policy seems to have downplayed this dimension Dr Debal Deb has highlighted this

with respect to rice. He has noted that more than 110,000 distinct varieties of rice were grown in South Asian fields *“until the 1970s”*. These varieties were the result of millennia of domestication to create a *“treasure trove that were adapted to diverse soils, topographies and microclimates; and suited cultural, nutritional or medicinal needs”*.

This has changed drastically since the 1960s when a few high yielding varieties were introduced by the International Rice Research Institute (IRRI).

These began to replace this treasure trove of learned adaptation. In the early 1980s, IRRI researchers listed 12479 varieties in West Bengal. By early 2006, 90 percent of documented varieties had vanished from farmer fields. Deb’s recent analysis found that no more than 720 varieties were now grown in much of India. The status may be similar in Pakistan.

This is a staggering loss of biodiversity in the subcontinent. He compared this to the *“loss of genetic diversity”* similar to that experienced in the Irish Great

Famine of 1845-49.

The lesson for agriculturists is that monoculture on a countrywide scale can be disastrous for food security; and exports. Neglect of preserving diversity also leads to loss of knowledge of strategies for using biodiversity to manage environmental challenges. Monocultures provide rich food for certain pests. Counter measures include pesticides which kill the natural enemies of these pests thus breaking the natural chain of control.

There are many socioeconomic effects when chemical inputs begin to substitute on a large scale resulting in new institutions such as: seed suppliers, fertilizer and pesticide salespersons and borrowing to finance.

While such modernization seems inevitable the question may be asked why, in agricultural planning, we do not use the advice given to us by financial and economic planners to reduce risks by planned diversification. Return in this case would include the reduced probability of catastrophic outcomes like famine and/or catastrophic loss of income for farmers as well as the nation.

The modern systems may be helped by expanding the content of *return* to include both risk reduction and preservation of knowledge about natural hazard control systems. Similar issues are inherent in the excessive use of antibiotics which reduce disease resistance capacities of human immune systems. The lesson for national planners is that *risk* and *return* should be explicitly balanced as we modernize and move into an uncertain future with declining resources and larger populations to care for.

**Tariq Husain**  
Member, BOD

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



## Education and Learning wing

### Rediscovering our Natural Heritage: A Strategy for Climate Change

Major cities in Pakistan are experiencing heightened climatic and atmospheric variations, linked to climate change and rapid degradation of the environment. It is not uncommon for metropolitans to suffer from flashfloods after heavy monsoon downpours or experience crippling heat waves exacerbated

by 'urban island effect' during parched summer months. In winters chronic smog engulfs major cities enveloping them in a toxic concoction of fumes. The government's action towards all these calamities has been ad hoc by treating them as 'disasters' or 'emergencies' rather than focusing on concrete mitigation, adaptation and resilience (MAR) strategies.

The River Indus has carved our identity for thousands of years. Nature has always been an inseparable and integral part with us; bestowing us with centuries of endowed natural intelligence, sacred value to flora, and herbal - Ayurveda. A general respect for nature

historically is a key trait, still pervasive in the rural pockets, part of general social ethos of the land. Various monarchs of this land also acknowledged this wisdom and used nature in harmony with human activity for posterity. Notably, Ashoka the Maurya Ruler (268-232 BCE) initiated huge afforestation movements around state taverns and roads to provide shade, clean air and fruits to commuters; Jalal-ud-din-Akbar (1542 to 1605 CE) passed a decree that not only promoted tree plantation but also curbed unnecessary cutting of old trees; in the 17<sup>th</sup> century the Mughal duo Nur-ud-din-Jahangir and Nur-Jahan, continued tree plantation, built



nature reserves such as *Hiran Minar* in Sheikhupura and added significantly to Indian horticulture by intermingling verities from Central Asia, East Asia, Safavid Persia, and Europe with native variants. These pre and medieval measures fostered trade, improved nutrition, and added value to agriculture produce of the land. Trends of major deforestation and environmental degradation came with the British who mercilessly commercialized nature for meeting industrial and rail-road construction demands and embedded the tradition of intensive monocropping.

Our cultural heritage provides us with solutions for tomorrow. The current reforestation efforts are not aligned with MAR measures. Rather they are manicured effort to make cities look 'greener' for its affluent polity.

Policy makers need to look at sustainable options such as perma-culture which enables development of self-sustaining ecosystems. The integrated elements of permaculture arrangements mean they are self-watering, self-nurturing, provide food, a sanctuary for native

fauna along with acting as MAR measures. For centuries, permaculture techniques have been around. However, our white-washed memory in this post-colonial era has decapitated our capacity to utilize indigenous

knowledge and linkages with nature when planning MAR techniques for urban centers across Pakistan.



**Kainat Shakil**  
Research Associate  
The Shahid Javed Burki Institute of  
Public Policy at NetSol, Pakistan



## Research and Consultancy Wing

### Lessons from Bangladesh

Bangladesh's economic growth rate has surpassed that of India. The year 2006 was the turning point in Bangladesh's economic history. Since then, the country's Gross Domestic Product (GDP) has grown 2.5 percent higher than Pakistan on average. The population growth rate is 1.1 percent which is significantly below that of Pakistan. Since 2009, the per capita income has risen threefold reaching \$1750 per year. In sum, the Bangladeshi economy has grown over 6 percent since 2008.

Several reasons have contributed to this remarkable socio-economic progress by Bangladesh. One of the primary reasons is emancipation, liberation and empowerment of women at workplace especially through access to finance spearheaded by Grameen and Building Resources Across Communities (BRAC). The social progress has accompanied economic growth.

The empowerment of women has led to improved health and education of children. Already Bangladesh life expectancy (72 years) has surpassed that of Pakistan (66 years).

The grassroots initiatives of economic empowerment occupy pivotal position in ensuring success of Bangladesh. This includes digital empowerment e.g., Bangladesh is at forefront when it comes to digital transactions. Among adults, 34.1 percent Bangladeshis made digital transactions in 2017 as compared to average rate of 27.8 percent in South Asia. Strengthening of manufacturing base is another reason for success of Bangladesh. The Bangladeshi garment firms are usually larger than India. Indeed, its garment industry is only second to China in terms of size. The softer labor laws and good management practices enable the big businesses to maximize productivity, offer decent employment and ensure performance-based retention and advancement compared to India.

Bangladesh, however, need to ensure that rapid and unprecedented economic growth over last decade does not contribute to social and income inequality and unleash spate of social unrest and tensions. Also, the progression of women and their rights needs to be sustained in the wake of burgeoning influence of fundamentalists and

religious zealots in the region.

There could be a real danger if reactionary elements gain influence in the policy and decision space of Bangladesh which would result in reversal of social progress, especially in field of women emancipation. India is already suffering from right wing reactionary movement in the form of Hindutva which has totally negated the secularism as the hallmark of Indian polity and is also constraining women rights in the pervasive presence of right-wing Hindutva proponents in the streets.

**Ammar Hayat**  
**Research Assistant**

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





## From Education and Learning Wing

### SMEs Potential for Social and Economic Development

Small and Medium Enterprises (SMEs) play a vital role in economic and social development by fostering economic growth, creating jobs, increasing incomes, improving competitiveness and boosting exports. They contribute to over 55 percent of GDP and over 65 percent of total employment in high-income countries, over 70 percent of GDP and over 95 percent of total

employment in middle-income countries, while they contribute over 60 percent of GDP and about 70 percent of total employment in low-income countries.

The emerging and developing economies like China, Brazil, India, Malaysia, and Sri Lanka have heavily relied on SME development for economic growth by adopting conducive policies and strategic private sector development.

In Pakistan SMEs constitute the largest and most important sector of the economy (nearly 90 percent of all the enterprises); employ 80 percent of the non-agricultural labor force; and contribute annually around 40 percent to GDP. According to Pakistan Poverty Reduction Strategy Paper, SMEs have a huge potential for the poverty alleviation in Pakistan after agriculture and construction industry. Despite their immense

significance, SMEs in Pakistan face many constraints that include lack of financial capital, lack of skilled labor, obsolete technology, energy crises, poor marketing and integration with international value chains.

The government of Pakistan needs to focus on SMEs development to tap its full potential and lead to sustainable economic and social development by ensuring incentivized policy framework, supportive institutional mechanism, easy to access finance facility, productivity and technical skills development, technology upgrade linkages and market information and intelligence system. It needs a comprehensive action plan and sustained efforts to achieve a globally competitive sector that can revive the economy of the country.

**Atr-un-Nisa**  
**Research Associate**

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



## From Education and Learning Wing

### Tomorrow's Architects: Insight of Children's Day

*"Yeh watan tumhara hai, tum ho paasbaan is ke"*  
*-To you belongs this country, and you are its sentinels*  
(Kaleen Usmani)

These lines composed by Kaleen Usmani and sung by Mehdi Hassan are from a patriotic jingle that conveys a message of civic responsibility to this country's dwellers. It entrusts the future of this country to its people, particularly the children. However, children in Pakistan who number over 80 million are denied the opportunity to become part of an enlightened citizenry to shape its destiny.

Throughout human history, wise people have always recognized the importance of childhood and children's nurturing for the formation of individuals, society and nations. John Locke referred to children as 'tabula rasa'; a blank slate, indicating their extraordinary potential for learning and growth. Carl Rogers and Abraham Maslow also referred to this potential in humans that can be harnessed



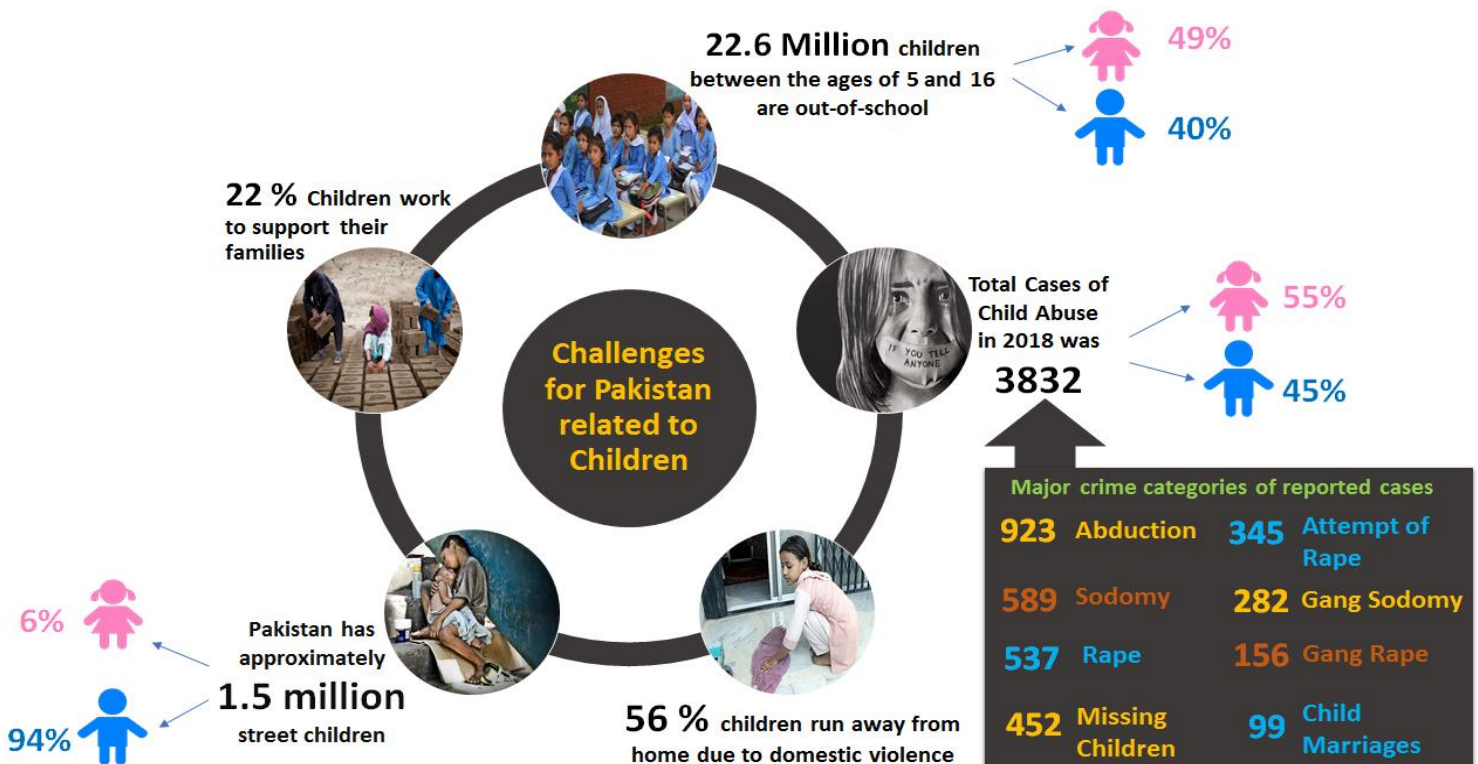
if given the right environment to flourish. Mahbub ul Haq, inspired by these and similar philosophies, presented a new concept of Human Development which embodied and advocated, inter alia, social equity, access to education and health and quality of life as measures for economic growth.

Pakistan has a massive 31% of its population below the age of 15 years. To actualize the potential of this young population, they must be given an opportunity to exercise

and expand their choices for education, health and other basic services. Hunger, illiteracy, trafficking, poverty, disease, and conflict are some of the major challenges that we need to overcome so that every child is free to realize her/his potential and play a part in the development of the country.

A glimpse at the bazaars, streets, stations and our own homes reflects how children are stripped of their childhood extinguishing their prospects. The image below attempts to capture the magnitude of the major challenges faced by the children in Pakistan.

These conditions resonate gory images from Charles Dicken's novels that reflected the plight of children in Britain as it underwent the industrial revolution. Britain has since made enormous improvements in children's rights and living conditions; we in Pakistan, have the hope and resolve to alter this gloomy reality in Pakistan through focus on children education, their access to health services, eliminating domestic and other forms of child labor and provision of social security and welfare support for poor, deprived and orphaned children.



**Jahanzaib Khan**  
**Research Trainee**

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



## From Knowledge Management Wing

Mr. Ammar Hayat, Research Assistant BIPP, on 8 October 2019, gave a presentation on the Kashmir issue highlighting the human rights violations by the Indian Government especially post 5 August abolition of the



constitutional autonomous status of Indian Occupied Kashmir. He historically elaborated on the brutal violation of Security Council Resolutions on Kashmir by the Indian government and the total negation of fundamental human rights perpetrating genocide, extra judicial killings, mass arrests and disappearance and denial of rights to education, health and decent employment.

National Institute of Public Policy (NIPP), in collaboration with the Shahid Javed Burki Institute of Public Policy (BIPP) and the Lahore Center for Peace Research (LCPR), hosted a discussion on the deteriorating situation in Kashmir titled 'Kashmir: From Here to Where'. The discussion was moderated by Mr. Shahid Javed Burki the former Finance Minister of Pakistan and Chairman BIPP while the keynote speakers included the veteran diplomat Mr. Shamshad Ahmad Khan and renowned scholar Dr. Moeed Yusuf Chairperson of the Strategic Policy Planning Cell (SPPC). The occasion was graced by notable politicians, retired army officers, eminent citizens, senior government officials, academia and research scholars and media representatives.

The participants advocated a long-term strategy to sustain the international momentum generated by the Prime Minister in his speech of September 2019 to the General Assembly with emphasis and repercussions for international peace and security,

On 2 October 2019, BIPP organized an in-house workshop for the BIPP staff on "Sustainable Kitchen Gardening Techniques". Ms. Kainat Shakil, Research Fellow and Acting Director Research at BIPP shared several techniques for starting a winter vegetable garden in homes using small containers (up-cycled jars, bottles, pots, and utensils). In addition to basic planting techniques, the group discussed the use of kitchen waste as a sustainable source for organic fertilizer. A kitchen garden in BIPP premises has already been started.





development and livelihood of the people and gross violation of human rights.

On 13 November 2019, BIPP Policy Hub launched its 5th interview presentation on the topic “Understanding Economic Growth – Pakistan” and invited Mr. Shahid Javed Burki, Chairman BIPP, to share his views on micro and macroeconomic factors in the context of socio-political realities to shape the economic growth paradigm.

Succinctly, he advocated that despite a range of huge challenges, Pakistan with diligent administration and improved governance, shrewd policy making and political stability, can harness its full potential to embark on sustainable economic development. You can view the full episode at the following link:  
<https://www.youtube.com/watch?v=kXTODF8SubTo&feature=youtu.be>



BIPP continues the tradition of providing research training to the syndicated research assignment of the probationary officers at Civil Service Academy (CSA) as part of their Common Training Program (CTP). The aim is to enhance knowledge, foster teamwork, and develop skills for high quality research. Accordingly, six probationers will be visiting BIPP from November 2019 to March 2020 for the purpose to carry out research work on harnessing the potential of SMEs for sustainable development.



On 26 November 2019 BIPP hosted a Think Tank forum on ‘Kashmir a Human Tragedy’. Professionals from various segments of society took part in the dialogue including private sector entities, religious scholars, bureaucrats and the retired senior officers of the armed forces of Pakistan. All the participants advocated for a clear and viable policy that they felt is the need of the hour. BIPP will

soon publish a report on the issue.



**Samra Naz**  
**Assistant Manager IT/KM**  
 The Shahid Javed Burki Institute of  
 Public Policy at NetSol, Pakistan





**From  
Think Tank  
Wing**

## The Negativity Instinct

Human mind is capable of envisioning great endeavors and miracles; at times it learns from the past, rectifying the present and prognosticating a promising future ahead. However, thinking without reason, logic and evidence may breed pessimism and ruin objective reasoning while access to substantive knowledge could lead to optimism.

The unconscious ignorance nourishes spate of thinking patterns which may propel negativity and impair our ability to perceive and coherently appreciate the realities around us.

Hans Rosling in his famous book 'FACTFULNESS' asked people in 30 countries if the world was getting better, worse, or staying about the same. Majority of the people from Turkey, Belgium, Mexico, Australia to Russia, Germany and Singapore

answered that the world was getting worse.

This is primarily due to the overwhelming pervasive negativity instinct which swathed the truth as opposed to rational judgment. While, there is no denying the fact that the world is confronted with numerous challenges of diverse nature impacting human life, the data suggests to the contrary in terms of addressing famine, poverty, disease and overall wellbeing of the people.

Rosling alludes to many positive accomplishment - extreme poverty rate (less than \$2/day) was 85 percent in 1800, 50 percent in 1966 and in 2017 it dropped to 9 percent only. Average Life Expectancy was 31 years in 1800 while in 2017 it has risen to 72 years. When the participants were asked as to their opinion about the improvements in poverty and life expectancy the vast majority was of the view contrary to the data presented above.

Rosling adverts to the number of scientific publications which was 119 in year 1665 while it is 2,5550,000 a year in 2016; the rate of child cancer survival increased from 58 percent in 1975 and to 80 percent in year 2010; the 28 percent child labor in 1950 has fallen to 10 percent in 2012 while legal slavery has decreased in 193 countries in 1800 to only 3 in 2017.

It is a dismal reality that the policy makers, politicians, planners and administrators are generally inflicted with the negativity instinct leading to sub-optimal and weak policy and law making. Reason, data, facts, scientific thinking in policy making, legislation, planning and development can bring optimism in play and help us to create a better world.

**Waqas Nawaz  
Research Assistant**

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



## From Finance & Administrative Wing

### Stock Market Review & BIPP Investments

The KSE100 index continued its positive momentum with a return of 6.62percent for the month of October, closing at 34,204 points. BIPP's Finance Committee has continued reviewing its investment portfolio on weekly basis to minimize the market risk. The Committee has decided to make low investment in T-Bills and redeem the total investment from the financial market.

### Money Market Review & BIPP Investments

During the month of October, yield continued to decline as majority of the stakeholders are now looking at a stable economic outlook. The long-term bonds remained in the limelight as the profits pushed further downward owing to the aggressive demand from market players. Therefore, BIPP's management has decided to take 32 percent exposure of total portfolio in money market and 20 percent in TDR's of AA+

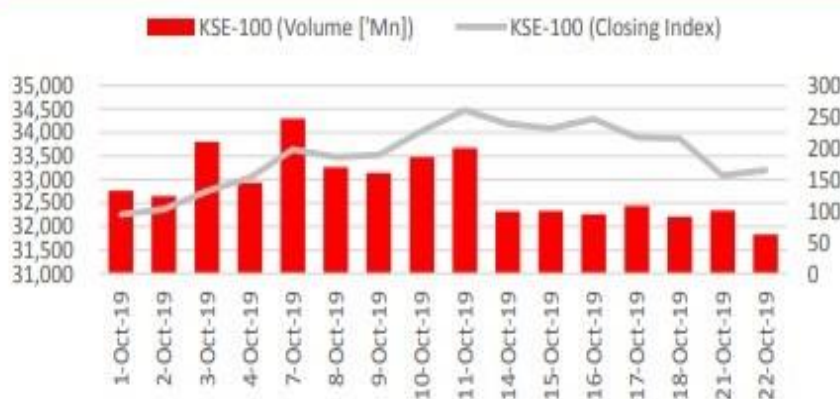
credit rating commercial banks.

### Extension in date of Filing of Income Tax Return:

The date for file total income/statements of final taxation for companies for the tax year 2019 was further extended from 30 November 2019 to 16 December 2019. BIPP's audited accounts have been finalized and

income tax returns for the year 2019 are under process.

#### KSE-100 Index (Monthly)



#### Yield Curve (Monthly)



**Awais Khalid**  
**Manager Finance**

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



## Mission Statement

*IPP's mission is to improve welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive growth, socio-economic stability and sustainable development, besides fully harnessing the potential for regional and global integration.*

## Partners

