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Excluding the poor with special reference to COVID-19

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PIDE Policy & Research is a guide to policy and research making. Each issue focuses on a particular theme, but also provides a general insight into the Pakistani economy, identifies key areas of concern for policymakers, and suggests policy action. The publication offers a quick orbit of the country's economy and is a hands-on and precise go-to document for the policymaker, businessperson, academic, researcher, or student that seeks to remain updated and informed. This issue is themed around PIDE's recent research efforts regarding the systematic exclusion of the poor. We welcome contributions from within PIDE as well as from any external contributors.

Disclaimer: The views expressed by the contributors do not reflect the official perspectives of PIDE (or their respective organizations in case of external contributors).
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Progress is underpinned by robust public policy design. Such a design is developed through excellent research and a healthy debate based on evolving evidence. For this, countries invest in a vigorous research effort. PIDE, with a history of contributions to policy, is well-positioned to develop and lead a network of public policy development. We will work with all stakeholders to broaden and deepen our public policy research and development network. PIDE Policy and Research (P&R) will provide an innovative avenue of learning for researchers, students, policymakers and the populace at large.

Our first edition has focussed on the burning issue of how systematic exclusion of the poor in Pakistan is? In this regard, we have put our best efforts to highlight the institutional, legal, socio-economic, educational and geographical apparatuses excluding the poor of their right to access and entitlement.

PIDE acknowledges the financial support of the Beaconhouse on facilitating the print production of our latest initiative, this bi-monthly magazine on public policy research, the PIDE P&R. The support by the Beaconhouse gives us confidence that we are not alone in this endeavour. And like us, the Beaconhouse too believes in engaging with partners in the development of public policy research, learning and debate in the country. We look forward to strengthening such collaborations.

Two months ago, when we first conceptualized this magazine, we were discussing how research was constantly losing readership and how academics who are supposedly the path-breakers for innovation, need to realize and reinvent ways in which research reaches audience. PIDE is among the globally recognized Asian research think-tanks that have produced cutting-edge research in Economics and other relevant Social Sciences; but with the changing face of research, globally, we find it important to find new ways to de-imperialize research and make it abundant and easy-to-access. This is how the PIDE P&R was born.

We tend to somewhat agree with what Einstein so famously said, “If we knew what it was we were doing, it would not be research, would it?” However, with our new publication the PIDE P&R, we are looking forward to spare you the muddle and bring you the low-hanging fruit of our work. If you're a policymaker looking for quick update on the economy without the researcher's intellectual squabbling, this is your chance. If you're a student who needs to keep up with facts and figures about the local economy without the verbosity that makes you feel dumb, this is where you need to be. Also, it's vibrant, it's fun, and it's laconic. I am absolutely thrilled to be introducing the first ever issue of what is to be one of the leading flag bearers of new-age research in the Global South.

Today, as I write to all you readers in the middle of a pandemic, overdosing on coffee and m&ms, overwhelmed with news and information about the COVID-19, I realize more than ever, the need for clean, authentic and easy-access research. Here's to research in the time of quarantine! Happy reading!
In the wake of the anti-encroachment drive in Islamabad, a draconian action depriving the disenfranchised of their rights, entitlement of space and livelihood options, Dr. Nadeem Ul Haque (VC PIDE) held a roundtable conference at PIDE on 'Excluding the Poor' in which representatives of multiple associations participated. The representatives who took active part in the debate were from khokha, private hostel, private school, guest house, and katchi abadi associations. The objective of the conference was to emphasize the negative effects the anti-encroachment drive has had on the rights of the poor in the shifty and patronizing urban landscape of Islamabad, and to understand the institutionalized mechanisms through which they are being structurally excluded. Participants were representatives of different associations (khokhas, katchi abadis, private schools, hostels and guest houses) and development practitioners, civil society members, donors, national and international academics, and a lawyer from The Law and Policy Chamber. The important issues which emerged from the conference have been detailed in this report for each of the representative associations.
Katchi Abadis

Context

In July 2015 Islamabad police and ranger troops carried out a massive operation at I-11 katchi abadi in which Pashtun families were evicted through forceful intervention. The drive also targeted the informal settlements situated in the spatial proximities and vending stalls (khokhas). One week's notice was issued to approximately fifteen thousand katchi abadi residents of I-11 to vacate the area. In response to their non-compliance their houses were demolished and residents were arrested on account of their collective resistance to the violent eviction.

The two representatives in the roundtable were the residents of I-11 katchi abadi (now residing in I-10). I-11 katchi abadi is located in the I-11 sector which emerged in 1983. The abadi is situated in the outskirts of Islamabad, bordering Rawalpindi and adjoining fruit and vegetable wholesale market. In 1990s, the real estate developers, city planners, and money-grabbing middlemen changed the urban landscape of Islamabad by capitalizing on the urban land and partitioning the same through capital accumulation. It was also the time period when upward mobile classes started to purchase plots and secure their entitlement over those in gated communities in the formal housing market, which created a sense of fear and abandonment among the poor laboring class that had migrated to the city in search of livelihood and secured residence in the burgeoning informal settlements (including I-11 katchi abadi). When compared to the affluent class, the migrated laboring class suffered due to lack of tenure security and threat of being coercively evicted on account of being labeled as 'encroachers' or 'illegal occupants'.

Informal Settlements in Islamabad

UN Habitat defines katchi abadis as informal settlements which are the result of squatting or informal subdivisions of state or private land whereas slums are primarily defined as villages which have been absorbed in the urban sprawl or sub-divisions which have been created informally on communal and agricultural land. The difference between the two is defined along the axis of tenure security which is relatively weak for katchi abadis than it is for slums. Tenure security and upgradation of slums usually take place through political support.

There are also notified katchi abadis and non-notified katchi abadis; the latter have been created on the valuable land which is to be used for the projects of infrastructural development and for this reason cannot secure tenancy for the katchi abadis residents.

The survey list prepared by the Islamabad Police states that there are 23 katchi abadis in the rural and urban areas of Islamabad housing 13, 521 families and 84, 591 individuals. 21 out of 24 are located in the urban areas and the remaining 3 in the rural areas. 9 of these katchi abadis especially located in the G and F sectors and in Bari Imam have been reported to be the hubs of drug dealing. Whereas, those located in the Industrial Zone (including the I-11 Afghan Basti and in H sector) are termed as hazardous for NESCOM and railway tracks passing through the vicinity. The most crime-prone is the Mera Jaffar slum in Saddar Zone where the maximum number of crimes has been reported to the police.

The survey further reveals that all 23 abadis are majorly occupied by genitors, laborers, CDA sanitary staff, loaders and beggars. Of these 23 abadis CDA recognizes only 10 and as per rules cannot develop the rest; rather remove them. Related to CDA's role as regulatory authority, the survey points out at upgrading the slums which the authority actually approved of for 6 abadis:

(i) Shopper Colony (G-7/1),
(ii) 66 quarters and 48 quarters (located in G-7/2 and G-7/2-2 respectively),
(iii) France Colony (F-7/4),
(iv) 100 quarters (F-6/2), and
(v) Hansa Colony (G-8/1).

Despite claims, nothing significant in terms of housing and regarding up-gradation has been done so far.
A civil society member, who has been conducting research on the displacement issue, stated that in 2015 when PML-N government started an operation against *kachi abadis* and demolished I-11 *abadi* with the help of coordination between Islamabad High Court and CDA, he and his representatives launched a petition in the Supreme Court. They built their argument on the basis of National Housing Policy, 2001 which clearly states that no one can demolish an *abadi* without resettling or providing some council accommodation or an alternative. So, their reason for reaching out to the Supreme Court was the lack of affordable housing in Pakistani cities where housing supply is artificially limited by the groups who have control on land. The groups controlling land and land supply include bureaucracies, both civil and military.

**Katchi Abadi: Narratives of Exclusion**

In the following text the narratives of exclusion have been recorded under relevant themes. These narratives touch upon the broader issues of State response to eviction, premeditation of anti-encroachment drive, systematic channels of exclusion, and citizenship criteria.

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>No. of Families</th>
<th>No. of Individuals</th>
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<td>G-6/1-4</td>
<td>10</td>
<td>70</td>
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<tr>
<td>Diobi Colony</td>
<td>G-6/2</td>
<td>50</td>
<td>250</td>
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<tr>
<td>Shopper Colony</td>
<td>G-7/1</td>
<td>600</td>
<td>3700</td>
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<tr>
<td>66 Quarters</td>
<td>G-7/2</td>
<td>670</td>
<td>4100</td>
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<tr>
<td>48 Quarters</td>
<td>G-7/3-2</td>
<td>400</td>
<td>2390</td>
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<tr>
<td>100 Quarters</td>
<td>F-6/2</td>
<td>500</td>
<td>6150</td>
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<tr>
<td>France Colony</td>
<td>F-7/4</td>
<td>550</td>
<td>6000</td>
</tr>
<tr>
<td>Muslim Colony</td>
<td>PM Secretariat</td>
<td>3200</td>
<td>15000</td>
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<tr>
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<td>1390</td>
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<td>760</td>
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<td>Akram Gill Colony</td>
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<td>1060</td>
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<td>Ghorri Phase-VI</td>
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<td>Dhoke Pathana</td>
<td>Ramna</td>
<td>4804</td>
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**Katchi Abadi Dweller 1 (KA-1) on exclusion from citizenship criteria**

...[We] work in the houses of I-10; we work in the mandi, we work here in a way that there are no grievances against us. We don't want complaints against us filed to the CDA, because we live in slum & the system is not in our support. We have been living in I-10 for 40 years. I got a notice a couple of days ago. We had filed a case in the High Court regarding our relatives. We have done every type of job in I-10 & have tried to do as much public service as we could here. We had the case filed in the High Court in the N-League's tenure, but they did not listen to us. Now, we have been asked to come to court on 9 December 2019. The lawyer, who is an influential officer now, who we appointed for the case gathered charity from the whole slum [but] did not appear in court.

This morning when I was coming here, I came across a slum dweller who was going to the police station to bail out some fellows. He told me that the police did a survey of the area in the night & arrested some men in an operation 6:00AM in the morning. I went with him.

**KA-1 on institutionalized inequality**

...[I] just want to say that no institution, be it the CDA, the police or the hospitals, are for us.

**Conversation except between Dr. Nadeem ul Haque (NH) & KA-1 on citizenship identity as a major concern of the poor**

NH: So your vote is registered?
KA: Yes, we are registered in I-10
NH: You are a registered voter, but you cannot live where are registered?
KA: Yes, & we also do not have electricity.
NH: So you can vote but do not have a legal residence, electricity or gas?
KA: No Sir we don't have them. We use solar energy & firewood. And we don't have schools either. I am trying to get my son to do the matriculation, so I went for his admission in 6th grade. They looked at his B-form & declined the admission due to the residence.
NH: Why?
KA: Because we belong to the katchi abadi. I asked them about what needs to be done for the admission. They asked for an affidavit of Rs.200 for the admission & then it was done. I am just saying that we don't want any charity, but we just want a proper way of dealing with these issues.

---

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Pictographic Explication of I-11 Katchi Abadi Eviction

Another newspaper report divides the responses to the eviction into those who felt that the state should not tolerate the illegal settlements, and those who considered eviction a coercive way of excluding the poor.

As the main reason used for the eviction was that the abadi was dominated by Afghani Pathans who were conducting criminal activities, the report questions whether 'criminality qualifies the entire community for eviction, displacement and homelessness.' The report also explains that residents earn their livelihood at the fruit and vegetable wholesale market, and others work as domestic labor at below minimum wage. According to one narrative, a resident filed a court case against NADRA over refusal to issue him an identity card. The court instead raised serious questions about the legality of the abadi where he was residing and the slum where his house was located. The result was that the court ordered CDA to demolish abadis which were termed ‘illegal encroachments’. The evictees demand either formalization of their houses with the provision of gas, running water and electricity in the slums as endorsed in the National Housing Policy 2001, or provision of an alternative low-cost shelter for the poor working class in the slums.
Khokha

**Context**

In cities, *khokhas* provide a living for the poor. *Khokhas* are also an important way to protect the right to run a business by the poor. In the 1980's, 480 licenses were issued to *khokhas* in Islamabad. In 2015, the government carried out a crackdown in which CDA and Islamabad Capital Administration demolished many *khokhas*. The demolition was a set up. A standing committee took this issue under consideration, was able to reverse the decision and the *khokha* licenses were reissued. Since then the legal status of *khokhas* has been questioned by the political parties and bureaucrats. In 2018 Islamabad Municipal Corporation passed a resolution in a District Assembly declaring that *khokhas* should not be demolished.

In 2019, The Supreme Court suggested that CDA should take strict action against illegal encroachments including *khokhas*. The order for demolition was issued in June 2019 and the very next day CDA carried out a massive operation in which many *khokhas* were demolished within 2 days. More *khokhas* were to be demolished but the *khokha* association was able to get a timely stay order from the High Court. However, the hearing of the stay order was not completed and the order was reserved after two hearings. The order and judgment of Islamabad High Court was a surprise as it declared that all the *khokha* licenses are illegal as the *khokhas* were not envisaged in the Master Plan of Islamabad prepared in 1962 by Doxiades and Associate. The Master Plan was neither presented in court, nor did CDA consult the association or inform the defense lawyer that *khokhas* were abolished because they were not in the Master Plan.

**Livelihood of khokha shopkeepers at risk**

That 485 *khokhas* exist in Islamabad can also be corroborated by statistics provided by the CDA. A recent report stated that in July 2019 the CDA bulldozed more than 102 licensed *khokhas* without notice. In most cases, the owners' belongings were inside their *khokhas* causing more loss and damages to them. CDA's callous response to the anti-encroachment drive is reflected by its stance; *khokhas* are 'shabby and ugly structures' which were given temporary licenses to feed people when the city's *markaz* were not developed. CDA believes that since the city has developed into a proper metropolis, *khokhas* are not needed anymore. However, since the rates at which tea, or a single roti with a plate of *dal* or *bhujia*, are sold in a *khokha* are very low compared to a restaurant, they cannot be replaced if the poor are to have affordable availability of food.
Role of CDA

Over the years the number of licensed khokhas has increased and CDA has also extended support to improve the aesthetic value of these khokhas.

The incidents as unraveled over the years in Pakistan regarding khokhas and the role of CDA in doing that are presented as:

- **In 2011** as a response to lack of transparency in the allotment process, CDA banned further allotment of new khokhas till framing of a new policy.
- **In 2012** Islamabad High Court banned new leases and licensee regarding the use of CDA land.
- **In 2013** CDA cancelled the license of all Khokhas.
- **In 2015** CDA demolished 200 khokhas under anti-encroachment drive; these khokhas were those whose licenses were cancelled in 2013. The National Assembly took notice of the drive and asked CDA to restore (and in cases of damage renew) 485 khokha licenses, frame a policy so that differences between legal and illegal khokhas can be defined and take actions against the illegal ones.
- **In 2016** CDA raises khokha rent from PKR450 to PKR3,000 which owners were willing to pay as long as they were allowed to function undisturbed.
- **In 2017** MCI established and powers of municipal administration of Islamabad are transferred to MCI which passes judgement in favor of khokhas. CDA refuses to comply with this judgement.
- **In July 2019** Islamabad High Court passed a judgement against khokha owners claiming that all licenses were illegal as CDA & MCI have no authority to allot or license land without permission from the federal government which regulates land as per Master Plan. The Master Plan provides guidelines for Islamabad & is divided into 4 tiers of legislation with khokhas falling under the third tier: 'Zoning Regulation & Developing Sector' based on needs of citizens. The entire blame is put on Master Plan with no fault of MCI & CDA. This is patently false as both organizations have & are still running their own political economy receiving millions from khokha owners as licenses & renewal fees.

President Khokha Association on Anti-encroachment Drive against Khokhas

"In the name of encroachment our licensed khokhas have been demolished. We took our cases to the High Court; they have accepted two points of CDA. First as CDA is licensing authority so they have the power to allot and cancel license and second is that as khokhas are not the part of Master Plan so they can be demolished. The common people do not know what is (or not) in the Master Plan. We have been paying rents for almost 30 years and now.

Representative of Khokha Association on loss of Livelihoods

Islamabad High Court passes a judgement against khokha owners & claims all licenses were illegal as CDA & MCI have no authority to allot or license land without permission from the federal government which regulates land as per Master Plan. The Master Plan provides guidelines for Islamabad & is divided into 4 tiers of legislation with khokhas falling under the third tier: 'Zoning Regulation & Developing Sector' based on needs of citizens. The entire blame is put on Master Plan with no fault of MCI & CDA. This is patently false as both organizations have & are still running their own political economy receiving millions from khokha owners as licenses & renewal fees.

Even khokhas holding licenses from CDA were demolished. The khokha owners were already paying rents and renewal payments to the authority. According to one story, if the drive is being undertaken as per the Master Plan then all other illegal encroachments on CDA land should be demolished, why only khokhas? In case of necessary action against encroached lands 15 days' notice is mandatory according to sections 49B and 49C of CDA Ordinance. A report published in Pakistan Today revealed that 200 out of 485 khokhas were demolished in Islamabad and the remaining were under the threat of being demolished despite all of them being licensed by CDA. The khokhas are being run by the poor, serving free water, and offering cheap food for the poor. The demolishment is destroying the livelihood of many poor khokha owners.

The Demolishment of Licensed Khokhas under Anti-encroachment Drive

The narratives below talk us through the realities of the exclusion of the poor and the loss of economic livelihood as a result of the anti-encroachment drive.
A recent newspaper report shows that since November 2019, 80 to 85 hostels located in Islamabad have been evacuated. Every sector has seen evictions of hostels, including E-11 which does not come under CDA regulations. In the same report a CDA official has been reported as saying that the laws of the constitution do not allow building student hostels on the residential areas of the capital. The reasons quoted in the report are that residential buildings can accommodate up to 12 people per house whereas in hostels 60-70 people reside causing issues related to shortage of water and drainage. The solution, as per the official, is that students should use commercial areas since it is the responsibility of universities to provide them with accommodations and not CDA.

Eviction Stories

A student from Azad Kashmir, enrolled at a public sector university in Islamabad, evicted from a hostel, was present at the conference. He was first evicted from a rented house in F-8 which he had shared with students from the same university department. CDA officials arrived at night and ordered them to evacuate the hostel. Most of the students did not know much about hostel evictions and their legal status and had no clue about CDA and it’s activities. After being evicted from F-8, the student moved to E-11 to a private housing society where he assumed that CDA laws are not codified and operable. He and his university classmates started living in a shared house in E-11, thinking that their housing was secure now; however, they were evicted from there as well. Previously he had been evicted from a hostel in Mustafa Towers in F-10 also.

Private Hostels: The Issue of Non-conforming Category

Another issue highlighted by a representative of the Hostels Association was tagging of hostels in the non-conforming category. This means that if there is no family residing in the house and it fits the definition of a hostel, then it is not being used as residential premises and falls under non-conforming activity. Elaborating on non-conforming activity, the representative shared that universities are not providing accommodations to their students. For this reason, students are compelled to live in hostels, or in a shared house of up to 10 students, if the rent is approximately PKR100,000 per month. When the CDA finds out, it issues a notice, asking them to vacate as they are involved in non-conforming use of the property.

Guest House Associations

The guest house association’s representative shared that in 1988 he started his guest house providing low-cost paying-guest facilities to immigrants. He added that hotels in Islamabad are scarce; if 5000 people visit Islamabad daily, there are only 1200-1300 rooms to cater to them, not including five-star hotels. Not everyone can afford to pay Rs.20-30,000 for a day in a five-star hotel. Guest houses typically charge Rs.2000-8000 daily and provide good facilities. In Peshawar, guest houses were allowed to function in Peshawar University Town. In Lahore, too, the Lahore Development Authority (LDA) has permitted guest houses to operate, but there is a problem when it comes to Islamabad. There are on average 10 rooms in a guest house accommodating almost 10 people, so there is no overcrowding. During the summer season (in June and July, specifically) which is peak tourist season, guest houses usually run out of space.

In 2005 guest houses were included in the non-conforming category. CDA personnel sent notices to the owners of guest houses but in 2014 they became more strict in their operations, using police force to negotiate with the representatives of guest house associations on the issue of non-conforming category.

Student Evictee on cost of housing for migrant students

"My semester fee is rupees 55,000. It is PKR.32,000 in QAU, PKR.90, 000 in NUST or PKR.70, 000 in Air University and these are the average rates. My 6-months residence expense is PKR.130,000. So, I am paying a lot more just to be in the city than I am paying for my education. This is your urban planning! My point is, do not go for planning as planning is a dilemma. But at least have empathy and not such indifference"
Context
The private schools association representative quoted an education minister who said in a televised interview that there were 393 government schools in rural and urban Islamabad 25 years ago when the population size was 500,000. Now, the population is 1,000,000 and the number of government schools have increased to 422. In his analysis, the number of government schools should be more than five times that (approximately 2000). So, as a response to lack of public schools, private schools have taken over and mushroomed over the years. He also detailed that as per government survey five years ago the burden on government was to meet the expenditure of 7401 students of IMCG/IMCB. This number increased to 11,400 in the next 5 years. The role of government in this regard should be to meet the expenses and private schools should also be encouraged to meet the increasing demand for education. In addition, the president of private schools association also shared that private schools are not a profitable venture because most of the money earned is paid as rent of commercial buildings. He also claimed that he has not made any personal investments anywhere, and did not have money in his bank account since the last 5 years. He said that in profitable private schools, 24% goes for rent, 55% for salaries, and 10% is profit. But this is in cases of successful schools. The school fees, however, vary from Rs.1000 to Rs.5000. He also stated that in 80% private schools the fee is less than Rs.6000 and for the remaining 20% it is Rs.15000 on average. So, variants exist along the axis of quality of school infrastructure, the level of education, school costs and locality.

There are 342 schools in the CDA sectors and 2000 schools in general as per another representative of the association. He said that with MCI in the equation, CDA has made it even more difficult to construct private schools in houses in residential areas. The representatives of the association have asked CDA to provide them plots, but they were told that those vacant plots have been allotted to government schools in G-10 and F-10. CDA had also allotted some plots to private schools in the H, G-11 and F-11 sectors. They requested CDA to provide them with plots (even of a smaller area) to construct multi-storey buildings in the denser sectors of F-8, F-9, and F-10. They could use the adjoining vacant grounds as school grounds.

Private Schools: Narratives of Exclusion
There is limited place for private schools in the Master Plan. In the 1980's, an ordinance was approved by Punjab to include private schools to help deal with the issue of illiteracy. In the last 20 years there has been no addition to education institutions run by the state. Police stations have increased from 6 to 29, Union Councils from 13 to 50, while the city is divided into 3 constituencies. The 18th Amendment promises that education would be free of cost up to 16 years of age. There are not many concerted efforts to achieve this goal in the capital city nor have any SROs been framed in this regard. On the contrary, 42 private schools have been closed down in Sectors G-6, G-7, and H-8 following the orders of the Islamabad High Court which directed all the private schools to vacate CDA residential buildings.

Rep of Private Schools Assoc. 1 on non-conforming category
...there are non-conforming issues & I have provided PM & President written suggestions. Firstly, I asked them to allow us construction on commercial area; they responded “It is not possible”, then I asked them to allow us construction on double road; they said ‘there is heavy traffic’. Later we requested construction on service roads on both sides of green belts near parks...[t]his goes on & on...This issue can be resolved but each month they ask us to vacate & shift schools in 15 days otherwise they threaten us to seal the schools. They also charge fine of PKR.5000 per day. So I do not see problem solving attitude anywhere.

Rep of Private Schools Assoc. 2 on non-conforming category
They had provided a very limited number of plots for the schools in H-8. Another issue is that the [construction of] schools comes under non-conforming activity in residential areas, but they are not allowed in the commercial areas also. The Master Plan has no place for schools actually.

President Private Schools Assoc. on Zoning & space for schools
The problem is they want us out of residential buildings. As I am the President of Private Schools Assoc. for the last few years, they bother me the most. One day they appeared at my door with 20-25 people in a truck & destroyed school property. Then I shifted to commercial area. At that time there were 750 students in my school. I used to pay PKR.250,000 for the residential building but now I pay PKR.10 lakhs.

Concept of Encroachment as a Problem
The term has been discussed in scholarly, public, legal, constitutional and political debates more visibly in the last 5 years of Pakistan's political landscape. The competing theoretical debates on the definitions of encroachment need to be looked at introspectively and retrospectively. Furthermore, the themes running recurrently in the narratives of exclusion and poverty as explained and deconstructed above are ‘Encroachment’ and ‘Anti-encroachment’. Hence a few definitions, relevant to Pakistan’s politico-constitutional and academic discourses have been discussed in this section.
On Encroachment, CDA spells out:

- No person shall encroach on the land under the charge of the authority or put up an immovable structure, hut or khokha or overhanging structure under any circumstances. Free flow of pedestrian traffic in circulation verandahs of all the markets of Islamabad shall not be obstructed by stacking articles or in any other manner. Articles so stacked shall be liable to be removed and confiscated at the cost and risk of the defaulter.

- Furthermore, the document speaks of:
  - Monthly licence for roofless movable stalls can be issued but also revocable by 12 hours-notice.
  - The licence as granted will not be transferrable.
  - In case of revoked license, the articles (such as sale and furniture, to name a few) will be removed by the licensee within 12 hours. In case of non-compliance, the articles shall be removed by the authorized officials at the cost and risk of the licensee with no compensation granted.
  - The area of movable encroachment should not exceed 16 sq. ft. for which rent at the rate of PKR. 1 sq. ft. per month shall be paid.
  - A person will be liable to punishment of fine which may exceed to hundred rupees in case of violation of any of the bye-laws stated in the chapter on encroachment. The amount may extend to twenty rupees per day in case of continuing contravention.

Speaking about encroachment of land per se, the Punjab government has framed the Model By-Laws 2018, titled Prevention and Removal of Encroachments. According to this document:

- Encroachment means and includes movable or immovable encroachment on public place, public property, public park, open space, public road, public street, public way, right of way, market, graveyard or drain.

- Encroacher or wrongful occupier means and includes a person who has made movable or immovable encroachment on an open space, land vested in or managed, maintained or controlled by the local government, public place, public property, public road, public street, public way, right of way, market, graveyard or drain and owns the material or articles used in such encroachment existing at the time of removal of encroachment or ejectment and also any person(s) in possession thereof on his behalf or with his permission or connivance.

CDA’s Policy Input

Model Urban Shelter Project (MUSP):

In case of katchi abadis of Islamabad the planning wing of CDA uploaded a letter on its website for public awareness in 2019. The letter clearly states that rehabilitation of katchi abadis have started and recognized those which have existed up to December 1995. The document also outlines 10 katchi abadis recognized by CDA.

On the policy front, in 2001 CDA finalized a project titled Model Urban Shelter Project (MUSP) at Ali Pur Farash to provide accommodation for 4 recognized katchi abadis (Muslim Colony, Essa Nagri, Dhoke Najju and Haq Bahu with a total of 1631 residents). CDA has specified an area of 160 acres, consisting of 4007 plots each measuring 3 Marla.

To date 1231 plots have been allocated to the residents of previously mentioned 4 katchi abadis and the remaining had already been allocated to the residents of the labor colony, F-9 Park, in the early 1990’s. Out of the 7 reasons for starting this project, 5 are as stated in the document: (i) clearance of slums, (ii) development initiative for sustainability of physical environment, (iii) elimination of security threats for the Capital City (on pretext that residents are prone to criminal activities and hence are threat to the residents of formal housing), monetary gains, and (iv) utilization of precious land by capitalizing on the land value. The remaining 2 are normative namely provision of housing to the lower-income groups and provision of proper accommodation.

Three Dimensional Policy:

The process of rehabilitation of these settlements entails strong policy input which CDA aims to carry out by the following the three-dimensional policies.

As part of the second policy the eligible residents of Muslim Colony and Essa Nagri were offered plots in Farash Town. Of these 70% from Muslim Colony, and 15% from Essa Nagri availed the offer. For katchi abadis of G-7/1, G-7/2, G-7/3, and F-7/4, CDA has taken the steps entailing upgrades such as electricity, gas, and water supply as depicted in Phase I. In Phase II planned plots have been requested by the katchi abadi residents but for that, land and funds are needed which CDA falls short in, as stated in the letter.

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<tr>
<th>Policy No.</th>
<th>Policy Narrative</th>
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<tr>
<td>1</td>
<td>Rehabilitation of katchi abadis through upgradation at existing location in the present form</td>
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<tr>
<td>2</td>
<td>Relocation of katchi abadis at Ali Pur Farash Islamabad.</td>
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<tr>
<td>3</td>
<td>Rehabilitation through upgradation of katchi abadis at existing location in the form of planned plots.</td>
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Operable Solutions

- The municipal offices for *katchi abadis*, *khokas*, and informal sector workers follow a 'nested approach' which places officers on the front lines within the communities they serve. These offices should be well-resourced and as pilot or prototype department efforts, should be evaluated following a test period across different urban settings. The overall governance structure of support for informal sector residents and workers needs to cut through federal and provincial levels of government and support the front lines of operations within the municipal/local government cells.

- Local government should consider revisiting the license approach on a neighborhood by neighborhood basis and ensure that street vendors and service providers have a space which they can rely on offering services from on a weekly or monthly basis.

- Consider tying social service support to street vendors together by technology (ICT facilitated cell phone use) where their economic activities and license are also bound to services they can receive for their families (education, healthcare, etc.). This brings them more into the fold of formalized social services (this has been done in Dhaka, in more densely concentrated areas).

- The need is to consider multiple pilots across different cities with different mixes of license/permit/support services which we can try out, and then evaluate. Design might be; (i) Permit based model: a *permit*, tied to a cell phone number allows a street vendor to operate in a certain area for a particular duration, with services accessed by a certain State (or NGO) provider, (ii) License based model: a *license*, tied to a cell phone number allows a street vendor to operate in a broader area (allowing for more fluid market dynamics) with services accessibly by a certain State (or NGO) provider, and (iii) Zone based model: Local officers manage street vendors across a zone based on the balance of services needed in various markets and local registration and monitoring is provided by a state (or NGO) provider.

- Governance should not be dependent on technology, as learned from the urban North. Rather, once people are engaged and processes are developed, technology should be introduced to administer and sustain the system. Adoption of GIS based strategies for comparing and monitoring support for informal sector entrepreneurs across cities and settings can be helpful. Also imperative will be to explore ICT and cell phone-based communications to bind entrepreneurs to zones of operation and the needed administrative licenses. Also important in this context is the role of ICT to give entrepreneurs the needed social support and access for their families who are within *katchi abadis*. Leverage database knowledge and analysis to measure the economic output and contributions (qualitative and quantitative) which informal sector activities provide to urban economies and service sectors, is also important.

- The role of CDA is to secure human needs irrespective of the differences that exist along the axis of age, gender, race, ethnicity, social status and economic backgrounds in Pakistan. It also explicitly claims to ensure public service delivery on domains as diverse as cleanliness, health, education, opportunities, and supply of goods. The functioning and role of state and government in the indiscriminate provision of afore-said services seems to be incongruent in the light of the state-institutionalized anti-encroachment drive in Islamabad. Unless this dichotomy of the role of state and government is addressed, the poor will continue to be systematically excluded.

- Consider tying social service support to street vendors together by technology (ICT facilitated cell phone use) where their economic activities and license are also bound to services they can receive for their families (education, healthcare, etc.). This brings them more into the fold of formalized social services (this has been done in Dhaka, in more densely concentrated areas).
The Encroachment Debacle in Pakistan

Saima Bashir
(Senior Research Demographer PIDE)

Definition
‘Encroachments’ are the bane of life in most Third World countries and Pakistan is no different. They create overcrowding of public areas, block safe and easy access to services and shops, and are a nuisance to the citizenry and city administration alike.

And what are ‘Encroachments’ you say? Merriam-Webster defines “ENCROACH” as a “gradual or stealthy entrance upon another’s territory or usurpation of another’s rights or possessions”. So, we’re talking about violating the property rights of our neighbors’ space by occupying it illegally. For example, building a wall crossing into one’s neighbors’ property is an encroachment, whether deliberate or in ignorance. Another type of encroachment, in fact the focus of this article, is trespassing onto public areas. This means if a structure extends onto a pavement, park, or road, the city development authority is legally entitled to remove it without any compensation.
In Pakistan, when we talk about ‘encroachment’, we are referring to street vendors with their carts selling their goods on the road, small shops that have extended display and placement of their wares on the sidewalks, and roadside stalls selling food and other products. All this commercial activity is conducted without any proper licensing or allowances from the city authorities. This is the time-honored method for poor people to make a living. This section of our society does not have the means to invest in premises and other fixed assets to conduct their business. In the absence of financial stability, with lack of infrastructural support from government, this is the only recourse for a livelihood for the poor of our society.

**Property Usage According To Zoning**

Another area of concern for the CDA is usage of premises according to zoning regulations. Property zoned as residential, cannot be used for commercial activity. According to Residential Sectors Zoning (Building Control) Regulations-2005, “non-conforming use means the use of a plot or structure thereon not conforming to the purpose authorized or permitted under this regulation”. Currently, many residential properties are being used as guesthouses, hostels, schools, offices, and boutiques in violation of Islamabad Residential Sectors Zoning (Building Control) Regulations-2005 and CDA Ordinance 1960. This is considered “non-conforming activity”, and as such is subject to closure, and fines.

The Courts Weigh in on the 'Encroachment' problem

In July 2019, the Islamabad High Court ordered the removal of all *khokhas* in the city, as part of the anti-encroachment drive. However, the ‘encroachment’ factor makes this thriving business sector a focus of prosecution by authorities, backed by the legal system of the country. As we can see in the Capital Development Authority Encroachment Laws, available on the CDA website, encroachment is defined as:

“No person shall encroach on the land under the charge of the Authority or put up an immovable structure, hut or khokha or overhanging structure under any circumstances. Free flow of pedestrian traffic in circulation verandahs of all the Markets of Islamabad shall not be obstructed by stacking articles or in any other manner. Articles so stacked shall be liable to be removed and confiscated at the cost and risk of the defaulter."

The law also sets out regulations governing the licensing of movable carts and stalls:

- Carts/stalls owners have to have a monthly license for their business activities
- The license can be revoked at any time with a 12-hour notice to the owner
- Such a license is non-transferable
- In case the license is revoked “the articles of sale and furniture etc., will be removed by the licensee within 12 hours or these shall be removed by the authorized officials of the Directorate to their stores at the cost and risk of the licensee and no compensation shall be granted in this behalf
- Movable encroachment for which a license is issued shall not be more than an area of 16 sq. ft.
- Rent at the rate of Rs. 1/sq. ft. per month shall be payable in advance
- Any person committing a contravention of any of the bye-laws in this Chapter shall on conviction be punishable with fine which may extend to five hundred rupees and in the case of a continuing contravention with an additional fine which may extend to twenty rupees for every day during which contravention continues after conviction for the first of such contravention.
Pakistan is a poor country with a socio-economic fabric of the society. Some causes are listed below:

- Land prices have gone up significantly in the last few years, making it almost impossible for most people to purchase land for business or residential purposes.
- The unavailability of sound financing systems further contributes to this problem.
- Governments have adopt policies that promote deregulation, liberalization, reduction of state's role in the provision of services, removal of subsidies, and regressive taxation with no attention paid to infrastructure development.
- Despite the high rate of taxation, infrastructure development has been neglected due to lack of planning and vested interests favoring the influential and well connected people. The resultant crisis is reflected in all sectors: education, health, city planning and development, transportation, and so on.

**Flaws in Land Regulation System**

It is common knowledge that CDA, KDA, LDA etc., are partners with encroachers in land misappropriation. These agencies facilitate encroachers due to the financial benefit they receive on a personal level. An expanding middle class (there were 32 million registered cars in Pakistan in 2019) etc., are partners with encroachers in land misappropriation. These agencies facilitate encroachers due to the financial benefit they receive on a personal level. An expanding middle class (there were 32 million registered cars in Pakistan in 2019) is looking for residential accommodation in newer and cheaper areas, making land development a lucrative business. With our Corruption Perception Index ranking of 117 out of 180 countries in 2017, it is no surprise that housing authorities and property developers work together and take possession of land, legally or illegally, wherever possible.

**Why Do We Need To Worry About Encroachment?**

In Pakistan, encroachments are ubiquitous and pose many challenges. This problem highlights the dismal governance system and the socio-economic fabric of the society. Some causes are listed below:

- Pakistan is a poor country with a minimum wage rate of PKR17, 500 (or USD 113) per month. In 2016, over 39% of its population lived below the poverty line. In the 2017 Global Hunger Index (GHI), and again in the 2018 GHI, Pakistan ranked 106th out of 119 qualifying countries. With a score of 32.6, its status is 'serious' (bordering on 'alarming').

Although the court's position on such encroachments seemed to be justified, the injunction allowed the authorities to demolish small businesses, and even houses, in impoverished localities. Actual authorities i.e. CDA, KDA etc., had allowed the encroachments and facilitated water and power supply to such small business, having been paid off under the table. In these cases, the local government authorities should have penalized the government agencies who allowed such encroachments. Almost all such small businesses, when asked, responded that they were paying a monthly stipend to the officials to carry on their commercial activities.

The courts passed a judgment based on the city development authority's laws. In reality, the judgement's implementation shut down the businesses of the poor sector but the wealthy and powerful contraveners of the law were able to circumvent the regulations with impunity. The bottom line is that the actual targets of the judgement went scot-free and the disenfranchised paid the price. The same scenario was seen in the other cities of Pakistan such as Lahore and Faisalabad.

**Anti-Encroachment Drive and its Effect on the People**

In Islamabad, approximately 485 khokhas were removed. This translates to upwards of 25,000 people affected directly and indirectly. This includes the khokha owners, their families, and workers employed by them. These numbers are estimates from “Excluding the Poor”, a conference held at PIDE. The intended, or unintended, consequences of the ‘anti-encroachment’ drive have been to spur unemployment in urban areas that are thriving centers of small business activities.

The questions to ask after the dust settles are:

- Should the law be used to implement policies which are detrimental to a huge sector of our society?
- What are the responsibilities of the state towards providing livelihood support to the poor?
- Why are state officials, who are facilitators of encroachments for personal benefit, not apprehended before the state prosecutes the ‘encroacher’, who has no means to defend himself?

Although the State action is within the law, it can become counterproductive, as it has in this instance. After several appeals and protest rallies staged by those affected, there has been no action taken to alleviate the problems faced by them. The affected localities have lost their livelihoods with no state agency capable, or willing, of providing an alternative means of income. Although the weak and vulnerable have been held responsible for the encroachment phenomena, the blame should be proportionately distributed among all the responsible parties, namely the encroachers as well as the agencies allowing the encroachment for personal financial benefit.
Why Not KHOKHAS Everywhere?

Nadeem-Ul-Haque

Street-vending in kiosks (khokhas or dhabas) or mobile vendors (chabri wallahs) on trucks, bicycle or motor cycles are all legitimate activities which allow the poor opportunities to earn a living. History is replete with examples of such enterprises. With a small investment, anyone can be self-employed, whether selling cold drink from a can, or sharpening knives or cutting door to door. There was a time when we would see these vendors all over Pakistan, often selling all manner of things. I remember a guy selling the most awesome vine puzzles that I wish I had kept, or the guy on a bicycle who used to be the only supplier of used Marvel comics and science fiction books.
As teenagers, we used to walk or bike to local *khokhas* to pick up all manner of goods, as they were conveniently located and often cheaper than bigger stores. They were also willing to give you one cigarette from a pack or one biscuit from a pack as opposed to buying a whole packet.

Time stands still for no one, so, somewhere in the 80’s the suburban DHA model arrived in Pakistan. Roads were widened to make way for cars and many of my favorite *khokhas* disappeared. I wondered where the owners had gone until one day I found one of the vendors in dire straits, being forced to beg on the streets.

Later, our pristine suburban neighborhoods became very exclusive and the mobile vendors seen everywhere, were diligently stopped by the police as well as private security. Various hawkers, the *churun* guy (a spicy paste or powder), the ‘baby sweets’ or ‘baby chips’ guy selling homemade candy and chips, the kulfi guy, all disappeared. I wonder where they are now. Begging for a living most probably.

Meanwhile, bureaucrats who ran cities became increasingly wedded to the American Suburban model with endless single-family homes and broad avenues for cars. Of course, they made sure to keep prime areas for their government owned housing and government-subsidized leisure clubs, as well as plots for themselves. The poor did not fit into this scheme. The masters of the city with their perks and plots therefore got even more perks and plots thus got even more power and hubris. Unlike Pakistan, the rest of the world has a huge number of street vendors in their cities. Scanning some recent research on the subject, I found a few estimates of the number of street vendors in some major cities in the world. A few iconic examples of street vendors are the famous hot-dog stands in New York City and Los Angeles, the Hawker Centers in Singapore, and Night Markets in Taipei.

Street vending is a legitimate entrepreneurial activity for the poor. It also adds to city life as many of us have felt when we go to Manhattan, London, Singapore or Bangkok. It adds vitality and vibrancy to the community, promoting mingling opportunities among the most diverse segments of the society. It also extends the range of goods available and promotes price competition that serves the community with both more goods and services at lower prices. It also promotes street safety as it puts more ‘eyes on the street’.

Many well-known entrepreneurs took their first steps as street vendors and grew large businesses. Vienna Beef is a large company that makes hot dogs, sausages and other food items started out as a street vending company. A heartwarming story from India is making rounds about a blind man, Bavesh Bhatia, who has developed a multi-million dollar business starting as a street vendor.

Is it not time that we allowed street vendors in our cities? Every street and street corner should be allowed to have a street vendor. Cars must be made to give space to the poor. And there is no reason to associate street vending with poor sanitation and aesthetics. A carefully thought out policy can be put in place to develop street vending cleanly and aesthetically.

I find it strange that there are street vendors within a stone's throw of the White house, the Congress and Washington DC landmarks, and none on Constitution Avenue Islamabad. If hawkers hang out near Buckingham Palace and the Parliament, why can't there be *khokhas* next to the Governor's House, Gymkhana, Punjab Club and the Corps Commander house in Lahore?

So, let us not give the poor mere handouts without the space to grow. Street vending is a legitimate right of the poor to claim their share of entrepreneurship. Accept it and allow them to grow.
If you have ever been to Islamabad, chances are you must have visited the city's celebrated Jinnah Super Market. It is green, it is beautiful, it is crammed with local and international brand outlets, and it is brimming with life – so much so that you probably didn't get a chance to look South. Standing at the edge of Bhittai Road looking southwest from the Jinnah Super Market, one sees an eyesore in the middle of the glorious beauty of Islamabad's most exclusive location: France Colony, one of several slums within the environs of Islamabad. Shabby, unkempt, impoverished – it is everything Islamabad is not.

Islamabad is plagued with a housing crisis. This is an issue that needs serious and immediate policy attention. The capital city of Pakistan is a 'planned' city. It was conceptualized as the new capital of Pakistan replacing Karachi. Built in 1960, it became the capital of Pakistan in 1963. After the site was selected, the Greek firm of Doxiadis Associates was commissioned to plan the new city. The city was planned according to utility of space, i.e. 8 basic zones: administrative, diplomatic, residential, educational, industrial, and commercial areas.

Islamabad is divided into five zones: Zone I, Zone II, Zone III, Zone IV, and Zone V. Zone I comprises developed residential sectors while Zone II consists of the under-developed residential sectors. Residential sectors have alphabetical designations from A to I, and are further subdivided into numbered neighborhoods. Land prices in Zone I have skyrocketed over the past decade and a half. People moving to Islamabad rarely find affordable housing here. Residents of this elite neighborhood require support services such as house help, janitorial services, drivers, babysitters, and gardeners.
However, this locality has no availability of housing for the working class people providing these services. It seems that this was not part of the planning vision in 1960. I suppose the planners assumed that the city's labor class would be sourced from Rawalpindi. With a distance of at least 20 km and an absence of any feasible public transport system, this assumption was bound to fail. With an increased need for workers within the city, the slums around Islamabad slowly began to grow. There are currently about 42 slums all around Islamabad, with a population of well over 100,000. The city administration has demolished several of these settlements, causing outcry at national and international levels. There has been no policy to include the working class of Islamabad in the city's master plan. These people are expected to show up for work and disappear into the dark without blemishing the city's natural beauty.

Residential plot prices in Islamabad have increased by 232% from February 2011 to November 2019. The increase is sharper for smaller plots in newer sectors i.e. Sectors D-12, G-13, I-12, Gulberg etc., showing a high demand for low-cost housing. One of the major reasons contributing to the demand for low-cost housing is the influx of people migrating to the twin-cities in the past decade. According to the 2017 population census, Islamabad saw the highest population growth rate of any city in Pakistan at 4.91%. The population of the city was estimated at approximately 2,000,000, of which 397,731 had migrated to the city from 1998 to 2017 (KP: 76,614, FATA: 2,534, Punjab: 241,977, Sindh: 26,143, Balochistan: 2,969, Azad Kashmir: 24,438, Northern Areas: 1,684, Overseas: 21,372). Of the immigrant population, 21.8% had moved for employment while 53.42% were their family members, thus explaining the increased need for housing.

This increased need for housing remains unmet by the city administration as the Capital Development Authority (CDA) has not introduced a new residential program in the past 30 years. Presently the intense shortage of housing is being catered to by the private sector, and the city is experiencing unplanned mushroom growth of several low-cost private housing schemes in the suburbs and along the Rawalpindi boundary. While these new housing schemes respond to the city's housing needs, the unplanned growth is complicating the urban infrastructure by creating added issues of traffic and mobility, which is not adequately handled by the road network or available public transport.

At present, according to the 2017 census, there are 128,753 housing units in Islamabad of which 5.64% are semi-pakka (made of clay as well as cement) while 6.39% are completely katcha (built with clay). Of these housing units, 20.74% have no kitchen, 24.30% have no bathroom, and 27.61% have no toilet facility, thus reflecting the level of housing crisis in the city. Hence there is urgent need for policy that recognizes the city's growing population and the requirement for affordable housing for all classes of the society. The state must provide the vision and policies to build urban spaces that are inclusive of all segments.

23 katchi abadis in the rural and urban areas of Islamabad housing 13,521 families and 84, 591 individuals.

National Housing Policy, 2001 states that no one can demolish an abadi without resettling or providing some council accommodation

In 2015, approximately 15,000 katchi abadi residents of I-11 were forced to vacate the area and their houses were demolished as per CDA’s anti-encroachment drive.
The Yardstick Of What SCHOOL Do You Attend?

Saman Nazir
(Staff Demographer PIDE)
There are many measures for determining which socio-economic background we come from. Some of the mostly common markers are which neighborhoods we live in, whether we wear branded clothing, what car we drive, and so on. One of the most telling yardsticks is which schools our children attend. It has nothing to do with academic ability or intellect. However, is has a lot to do with how much we can afford to pay for our children’s education. It has become a status symbol of sorts. In Pakistan, children from affluent families not only attend elite private schools, but also go on to the best colleges and universities. On the other hand, children from low socio-economic backgrounds either do not have access to secondary and tertiary education altogether, or are compelled to drop out before completing their education due to lack of finances. It is then pertinent to say that Pakistan’s educational system is producing social disparity and widening the gap between the different segments of society.

The schooling structures propagate two completely different levels of competencies between graduates of the elite private educational system and the government managed network of public schools. Social exclusion is defined as 'inability to participate effectively in economic, social, and cultural life and, in some characteristics, alienation and distance from mainstream society.' Admittedly, causes of exclusion are complex and rooted in the social, structural, and historic fabric of the country. However, institutionally these can be questioned, challenged, and fixed.

The purpose of this article is primarily to draw on how public schooling is blocking career opportunities for our children and why we should let go of the myths related to the state’s incapability to fix it. It is essential to mention that not all private schools are providing a good education. However, issues like out-of-school children, differently-abled or disabled children, and ghost schools, are crucial and contributing to social exclusion. At the same time, we cannot ignore the fact that low-quality education with outdated curriculum is generating social exclusion for children who are currently attending public schools. Ideally, quality of elementary and middle education should be the state’s responsibility. The fourth target of sustainable development goals is also about quality education for all. It stresses on action to ensure inclusive and equitable quality of education and promote lifelong learning opportunities for all.

A glance at Pakistan’s education statistics reveals that public education is well funded but hugely inefficient and incompetent. There are 62% public educational institutes, serving 57% of students. Although the private sector has a higher enrollment ratio, 40% of the students are attending low-cost schools charging around $3 and $25 per month. The cost per student in private schools is almost half of what the government spends, but students in private schools are two grades ahead of those in government schools (Naviwala, 2016). Research suggests that children with low levels of educational attainment are at elevated risk of experiencing social exclusion as adults.
School facilities also differ substantially between private and public schools. However, there are different categories of private schools as well. The most expensive and exclusive elite schools provide 5-star facilities but then have exorbitant tuition whereas the cheaper private schools are not much better than public school campuses. Without adequate infrastructure on campuses, such as electricity, furniture, toilets, safe drinking water and boundary walls, providing an amenable educational experience becomes problematic. Most people believe that public schools are not adequately funded by the government but that myth needs to be debunked. After devolution in 2003 public education was taken over by provincial governments. Provinces allocate 17% to 25% of their budgets to education. Naviwala, in her work, rightly points out that we have confused the nation by expressing the educational budget as a percentage of GDP. It distracts the debate from budget utilization to how much it is. A significant portion of the education budget is dedicated to teachers’ salaries. The salaries consume a large part of the budget, leaving an inadequate amount for maintenance and other educational items. This explains why infrastructure in public schools is often in a deplorable condition, and is the reason why public schools have less educational equipment/aids for learning and experimentation.

Despite having decent salary packages, comparable to or better than, the private sector, with a high concentration of training institutes, teachers in the public sector have not been able to deliver good results. The public sector has 74% of the country’s teacher training institutes with 49% of the teachers’ workforce. This means that the issue is not lack of training facilities or personnel. The problem is the training methodology. World educational demands have changed. Educational systems in the world have realized the significance of fostering creativity among school children so they can survive and compete in knowledge-based economies. However, recent research from Pakistan shows a gloomy picture. Shaheen (2010), in her work, concluded that primary education in Pakistan is inhibiting children’s creativity. Children can produce ideas, but they appear weaker in abstract concepts. They find it harder to think beyond the ‘ordinary.’ She further suggests that this is because much of the teaching in Pakistan stresses knowledge acquisition and rote learning with fostering critical thinking skills.

The primary responsibility of any educational system is to ensure the development of each child to the fullest potential. Public schooling, through its negligence, incompetence, and poor delivery has become a device to exclude children from the benefits of education and the opportunities it opens up. One must also point out that exclusion is not a sure outcome for all children attending public schools in Pakistan. Some may still be able to experience upward social and economic mobility. However, inequalities will continue to widen the gap if only the privileged can afford quality education. The question that we all need to ask the state and ourselves is why public schooling in Pakistan has failed to bring a noticeable increase in social and economic mobility for our children. The real condition of public schooling today is hurting our nation collectively. The obligation of an educational system should not only be the availability or universality of education but aims towards an innovative, inclusive, and just society.

References
Where are the Opportunities for the Poor?
Nadeem-Ul-Haque (VC PIDE)
The Prime Minister has announced a poverty alleviation program called EHSAS — an admirable step. But more than government aid, the poor need opportunities to become financially independent. Handouts, credit and online opportunities are not a substitute for opportunity. An old proverb says ‘Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime’.

Think about it. Many of our financially disadvantaged citizens have climbed into the middle class thanks to the ‘opportunity’ of immigration which they grasped eagerly, sometimes at huge cost to themselves.

Contrary to what Pakistani analysts put out, poverty is always caused by exclusion from opportunity. Give the poor a chance and they will lift themselves out of poverty.

A starting point could be an attempt to examine the apartheid-like social regime we have created. Could the extreme degree of exclusion of the poor (basically the non-elite) be at the heart of our troubles? Ask yourself the following questions and see if the answers make sense and you will see for yourself how the poor are excluded:

1. Where do the poor live?
The poor are totally excluded from elite living areas; there role is the serving class and they are seen only as servants. The only place allocated to them in the cities are servants’ quarters.

Most of the population needs small 1-2 room flats. But where can they be located? Zoning laws in our cities do not allow this except on the periphery of cities. In contrast, council houses in London exist side by side with expensive housing. Not so in Pakistan. The rich and the poor cannot mix. We cannot have high rises looking into the residences of the rich.

The rich want conveniently located polo grounds and golf courses, giant parks to jog in and, of course, nice big lawns for their social events. They want sleek, low-rise cities where their cars can move easily from their estates to their leisure activities — golf and polo. The rich want zoning laws so that there is no high-rise construction or congestion in their park-like setting.

2. What do the poor do?
The elite policymaker, who is often an industrialist, looks to industrial parks and subsidies for employment of the non-elite; no matter that factory employment lags way behind employment in the services sector.

Technological advancements are decreasing the need for the human workforce and machines are replacing them in many areas. Giant factories no longer need to employ millions of known workers. Although a large workforce is still employed in construction, shopping malls, hotels and the leisure industry, that is anathema to planners and zoning boards who are from the elite civil service. The retail, warehousing, leisure and community enterprises are regarded as non-essential so development of these areas is limited, decreasing employment opportunities for the non-elite, otherwise known as the working class.

3. How do the poor work their way out of poverty?
Traditionally education has been an equalizer. However, in the Pakistani apartheid system, this is not happening. The rich educate their kids overseas which has left the local education system in a permanent state of disrepair. Many years ago, driver Majeed vociferously declared his intention to not educate his son in the local government school, all he could afford, because Urdu-medium public schools do not offer children upward mobility even after years of education. A few months ago, a 26-year-old driver in Dubai told me he cursed his 12 years of Urdu-medium schooling from Pakistan as that only qualifies him for menial jobs — a waste of his time.

4. So, what about entrepreneurship by the poor?
The poor have traditionally helped themselves by running street hawking businesses and khokhas (kiosks). They used to exist in our cities a few years ago. But city administrations have become vigilant and do not allow them to conduct business in rich areas. And, of course, there can be no zoning for them.

Where is the space for ‘poor entrepreneurs’? We need wide avenues for the Porsches and the BMWs! We cannot mix. We cannot have high rises looking into the residences of the rich.

5. Does the state not help the poor?
Every now and then politicians set funding and give it a donor-inspired name like Income Support Fund or Social Protection. Much bureacracy, Land Cruisers, consultants and plush offices later, the poor get some minor rationing subsidy. Most often, it is some form of food coupons, cash transfers, a yellow cab scheme or micro-credit. How strange: give them food and capital but no place for entrepreneurship.

Interestingly enough, the state subsidy to industry goes directly into the pockets of the rich.

6. What about enlightened self-interest and noblesse oblige?
In history, enlightened self-interest has led the rich to invest in some social mobility. Philanthropy has set up universities and community infrastructure to level the playing field for the poor. Royalty always patronized intellect. Unfortunately, in Pakistan, philanthropy means building for the rich — country clubs, polo grounds, LUMS and Aitchison College: places for elite use that, for the most part, do nothing for the excluded.

As a footnote, the rich do not even visit the public sector campuses to mentor and interact with the underprivileged. They have no time for these trivialities.

7. What about leisure and community for the poor?
Leisure and community are only for the rich. City zoning provides fully subsidized space for the elite to play golf, tennis and polo, even for rich schools, but there is not an inch of space for community and leisure for the poor. No public libraries, no community centers, no publicly provided football fields or even a basketball court for the poor. Even competitive sport as a vehicle for social mobility is completely ruled out as a result.

8. Who offers the poor hope?
Certainly not the government! Certainly not the donors with their minor employees! The liberal elite made big promises and delivered nothing. The promise of globalization and liberalization has rightly lost its luster in the minds of the poor.

Theatre, cinema, or any form of intellectual activity that could offer an alternative vision has been zoned out. Where should the poor look for a vision? Who offers them hope? Who offers them community? Who gives them some opportunity? Who gives them the vision of a just society?

But there is hope for them! Think about it. It is the mosque and the maulvi. Mosques remain totally unregulated, need no zoning permission and have been actively encouraged by the state. Not surprisingly, the mosque is the only community center for the excluded poor; the unregulated maulvi the only visionary. This is the unintended consequence of the greedy, unenlightened behavior of our elite. More than handouts, the poor need space in our, and their, cities. Include them.
Although local fast food vendors have existed in Pakistan since time immemorial, it has not been in the form of franchises. It is usually the corner chaat-wala or the samosa joint run by owner operators producing the food to their own recipes, providing employment to the area residents on a small scale. International fast food franchising came to Pakistan in 1993 when the first MacDonald's opened on Main Boulevard Gulberg in Lahore. Fast forward 25 years and today fast food has become part of the eating culture in Pakistan. Most of the globally famous chains have a presence in the local market and KFC, MacDonald's, Hardees, and Pizza Hut, to name a few, are deeply entrenched in the market. Social and demographic changes have affected food preferences in many ways in Pakistan. Retuning immigrants have brought back a taste for food from abroad, overseas travel has given exposure to foreign foods, and the digital age has created instant exposure to the new eating trends around the world. In addition, increasing time pressures and higher disposable incomes have combined to create a “cash rich, time poor” economy in which people are prepared to spend more for the sake of speed and convenience in many aspects of their lives, including food. Home grown fast food franchises have also joined in and captured a substantial market share. According to the International Labour Organization (ILO) study titled 'The impact of global food chains on employment' published in 2007, large food chains such as McDonalds create jobs in typical and atypical fashion. There are many types of jobs in the industry, one of them being outsourcing of the supply chain, which also generates employment opportunities.
Today the fast food industry has emerged as the second largest in Pakistan. It accounts for 27% of value added production and 16% of the total employment in the manufacturing sector, catering to almost 180 million consumers. Pakistan is the world's 8th largest market for fast food consumption and related businesses. Another survey highlights that in Pakistan on average consumers spend 42% of their income on food. As a result, supermarkets are popular and account for 10% of all retail food sales. In general, with changing eating habits of Pakistanis contributing to sales, food sales are increasing at the rate of 21% annually. Of that 21%, fast food sales more than 20% making it not only one of the fastest growing businesses of the country but also in the world. International fast food franchises provide jobs to the local youth of Islamabad and Rawalpindi, as well as a large number of people from other cities. Surveys conducted in I-8, F-6 and F-7 sectors to study the role of fast food restaurants employment practices provide insight into the background of employees, average salaries and working hours. Three franchisees from each sector were selected. Survey results are shown in the table below:

<table>
<thead>
<tr>
<th>Franchise</th>
<th>Average Salary</th>
<th>Non-Local Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Munchies</td>
<td>PKR 17,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Burger Chik</td>
<td>PKR 15,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Nando's</td>
<td>PKR 16,500</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The survey showed that male workers are more in number than female. Local workers are those people already resident in the twin city area. Non-locals are workers sourced or hired from locations out of the immediate area, for example KPK, Azad Kashmir and Punjab. Across the board one can see that more non-local labor is working in these franchisees than local twin city residents. Average salaries are fairly consistent although KFC seems to be the best paymaster with a median salary of PKR 17,000 month for an 8 hourly day.

In Sector F-6 Munchies had all non-local male employees. Nando’s had more non-local employees than locals, and more males than females. KFC, on the other hand, presents an entirely different picture with its specification of policy stating 70% mandatory employment of females and 30% males. Both locals and non-locals are employed in F-6 but most are students with a few part-time employees who have permanent government jobs. Median salaries were the same at all 3 franchises with working hours being a bit higher that I-8 franchises. In F-7 Khiva and Burger Chick had all non-local employees brought in from Okara and elsewhere, with all 3 F-7 franchises providing food, medical and accommodation, which is not the case with the other franchises.

According to the World Bank, Pakistan has a total work force of 75 million.

**Pakistan’s current unemployment rate is 6.1% and is likely to increase in the coming years.** People move to industrial and urban areas for employment opportunities. In order to research the conditions of this segment of the workforce, employees of Islamabad fast food restaurants were interviewed. Managers of international fast food chains such as KFC and Pizza Hut, were reluctant to disclose exact figures regarding number of employees and their salaries. They gave us average numbers with respect to their employees and salaries and emphasised that they complied with government policies and labour laws. The majority of the employees were from outside Islamabad, mainly from KPK, Kashmir and Punjab. One encouraging feature of international food chains is that they provide part-time employment opportunities to students.

Generally, in Pakistan there is lack of part-time employment at restaurants, but this step can help students to support their studies. Further, international fast food chain employ women as well, although they are lower in number as compared to male employees. Domestic food chains pay salaries as per government criteria while also providing accommodation and medical benefits. These restaurants are hiring their workforce from all over Pakistan and are not relying on workers available in the immediate area. For example, owners of Burger Chik and Khiva are from Okara and KPK and have brought in the work force from their respective areas. Oddly, Munchies had employees, other than regular ones, who worked on a commission basis. The commission rate offered to these waiters is 6% on billing of the customer they bring in. This is in violation of “THE INDUSTRIAL AND COMMERCIAL EMPLOYMENT (STANDING ORDERS) ORDINANCE, 1968”, in which no such employment category is mentioned. In addition to this, employees are not hired as per law and no written agreement is made between employer and employee, which is again a violation.
Interviews revealed that locals are not employed in restaurants and fast food chains in large numbers. The majority of the regular employees are non-locals. Furthermore, there are no by-laws or legislation by the municipal government or federal government for inclusion of locals in private sector employment. In other sectors of the economy, such as petroleum and gas, or multinational companies, the government has enacted relevant legislation. However, in the case of the commercial sector, any such policy or law is absent. For example, in the case of petroleum companies, when they install oil-drilling plants anywhere in Pakistan, there are provisions in the laws that stipulate employment of the local workforce. Similar regulations and protections must be put in place for the local workforce to ensure fair employment practices in the commercial sector as well.

### Survey Result of Employment by Fast Food Franchisees in Islamabad

<table>
<thead>
<tr>
<th>Domains</th>
<th>Fast Food Franchise in E-8</th>
<th>Fast Food Franchise in E-6</th>
<th>Fast Food Franchise in E-7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KFC</td>
<td>Pizza Hut</td>
<td>Ranchers</td>
</tr>
<tr>
<td>Total Number of Employees</td>
<td>42</td>
<td>27</td>
<td>44</td>
</tr>
<tr>
<td>Male</td>
<td>40</td>
<td>24</td>
<td>44</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Locals</td>
<td>27</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Non-locals</td>
<td>15</td>
<td>18</td>
<td>29</td>
</tr>
<tr>
<td>Average Salary</td>
<td>PKR 17,000</td>
<td>PKR 17,000</td>
<td>PKR 17,000</td>
</tr>
<tr>
<td>Other Financial Incentives</td>
<td>PKR 1000-12000</td>
<td>PKR 5000-8000</td>
<td>PKR 5000-7000</td>
</tr>
<tr>
<td>Daily Working Hours</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>No. of Working Shifts</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
PIDE COVID-19
With the calls for social distancing and lockdown, the COVID-19 outbreak has shutdown business operations across the country. As projected, millions of people are facing potential layoffs (see PIDE COVID-19 Bulletin No. 4) but the situation is doubly bad for the internal migrant workers who are staying away from homes to earn a livelihood. While we worry about remittances from the overseas workers, these internal migrant workers remain largely ignored in all our discussions.

The official statistics show that around 8.51 million migrant workers are working across Pakistan (based on the Labor Force Survey 2017-18). Table 1 shows that of these 45% are engaged in informal activities including day laborers, construction workers, domestic helpers or factory workers. Furthermore, more than 65% migrant workers are residing in only 15 districts across Pakistan, with over a million workers just in Karachi, followed by major numbers in Lahore, Faisalabad, Rawalpindi and Islamabad (Table 1).

The closure of business activities would force the owners to lay-off their employees, some have already started doing that. We assume that informal workers, which comprise 45% of the total migrant labor force, would be the first ones to be laid-off. This means around 3.78 million migrant workers would be left without their source of livelihood.

Not all sectors would face a similar situation. Table 2 shows that majority of internal migrant workers are working in wholesale and retail, manufacturing, construction, transport and communication sectors, so employees in these sectors are expected to be hit the hardest. PIDE COVID-19 Bulletin No. 4 showed that vulnerability of these sectors would cause a massive layoff of daily wage workers. Many of these daily wagers reside in the factory dormitories, which being shut now leave them with no place to live. With the bus and train services halted, they are left stranded with no place to go.

Table 1: Province-wise Internal Migrant Workers and Expected Layoffs (in million)

<table>
<thead>
<tr>
<th>Province/District</th>
<th>Migrant Workers</th>
<th>Layoff Migrant Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>8.51</td>
<td>3.78</td>
</tr>
<tr>
<td>Punjab</td>
<td>5.33</td>
<td>2.37</td>
</tr>
<tr>
<td>Lahore</td>
<td>1.14</td>
<td>0.51</td>
</tr>
<tr>
<td>Faisalabad</td>
<td>0.61</td>
<td>0.27</td>
</tr>
<tr>
<td>Rawalpindi</td>
<td>0.54</td>
<td>0.24</td>
</tr>
<tr>
<td>Gujranwala</td>
<td>0.38</td>
<td>0.17</td>
</tr>
<tr>
<td>Multan</td>
<td>0.30</td>
<td>0.13</td>
</tr>
<tr>
<td>Sheikhupura</td>
<td>0.19</td>
<td>0.09</td>
</tr>
<tr>
<td>Bahawalpur</td>
<td>0.17</td>
<td>0.08</td>
</tr>
<tr>
<td>Sialkot</td>
<td>0.12</td>
<td>0.06</td>
</tr>
<tr>
<td>Sargodha</td>
<td>0.11</td>
<td>0.05</td>
</tr>
<tr>
<td>Other Districts in Punjab</td>
<td>1.76</td>
<td>0.78</td>
</tr>
<tr>
<td>Sindh</td>
<td>1.30</td>
<td>0.58</td>
</tr>
<tr>
<td>Karachi</td>
<td>1.07</td>
<td>0.47</td>
</tr>
<tr>
<td>Sukkur</td>
<td>0.07</td>
<td>0.03</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>0.04</td>
<td>0.02</td>
</tr>
<tr>
<td>Other Districts in Sindh</td>
<td>0.13</td>
<td>0.06</td>
</tr>
<tr>
<td>KPK</td>
<td>1.38</td>
<td>0.61</td>
</tr>
<tr>
<td>Peshawar</td>
<td>0.33</td>
<td>0.15</td>
</tr>
<tr>
<td>Other Districts in KPK</td>
<td>1.05</td>
<td>0.47</td>
</tr>
<tr>
<td>Balochistan</td>
<td>0.07</td>
<td>0.03</td>
</tr>
<tr>
<td>Quetta</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td>ICT- Islamabad</td>
<td>0.43</td>
<td>0.19</td>
</tr>
</tbody>
</table>

Source: Author’s analysis based on the Labor Force Survey, PBS 2017-18
Note: 1. Using the methodology given in PIDE COVID-19 Bulletin No. 4.
Table 2: Sectoral-wise migrant workers and expected layoffs (in millions)

<table>
<thead>
<tr>
<th>Major Sectors</th>
<th>Migrant Labour</th>
<th>Expected Layoffs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2.02</td>
<td>1.66</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.74</td>
<td>0.49</td>
</tr>
<tr>
<td>Construction</td>
<td>0.72</td>
<td>0.04</td>
</tr>
<tr>
<td>Wholesale and retail</td>
<td>1.34</td>
<td>0.93</td>
</tr>
<tr>
<td>Transportation and communication</td>
<td>0.68</td>
<td>0.31</td>
</tr>
<tr>
<td>Services Activities</td>
<td>0.79</td>
<td>0.16</td>
</tr>
<tr>
<td>Others</td>
<td>1.23</td>
<td>0.19</td>
</tr>
<tr>
<td>Total Labor Force</td>
<td>8.51</td>
<td>3.78</td>
</tr>
</tbody>
</table>

Source: Author's' analysis based on the Labor Force Survey, PBS 2017-18

We must also remain aware that some of these internal migrants might also return home as they do after festivals. Reportedly, such return to the hometown did become an issue. With a prolonged lockdown there could be a possibility of a return migration.

Protecting the Intra-country Migrant Workers

1. The social protection packages announced by the federal and provincial governments should include migrant workers while targeting the vulnerable workers regardless of domicile.

2. There should be a provision to accommodate the migrant workers in their current district of employment to reduce massive movement from the place of employment to their hometowns, as has been witnessed in India. The current practice of local administration requiring people to register in hometown for getting the unconditional cash transfers of Rs. 12000 for registration under the Ehsaas programme should be reviewed. It will lead to unnecessary movement and run counter to the lockdown intentions for Corona prevention.

3. Migrant workers, mainly the daily wage workers, need shelter during this period. Panahgahs should be open for them as well, providing them the much-needed shelter and food. Soap and other hand washing facilities should also be provided to reduce the risk of COVID-19 spread.

4. In cases where the internal migrant has his/her family with them, and they want to remain in whatever humble abode they have, they should be made part of any public relief initiative. A huge proportion of children, among the seasonal migrants that travel with families, are malnourished and any loss of wages further accentuates that. To save that from happening, rations need to reach them.
Opting for a Smart Lockdown in Pakistan

PIDE COVID-19 Bulletin No. 2, talked about the 'lockdown paradox' that confronted Pakistan, and most countries in the world, at that time. What we have seen in the country is neither a complete lockdown nor exactly just a slowdown. Twenty-two days have passed since that Bulletin, and people are beginning to show signs of worry, restlessness and fatigue. The same can be said of the national economy. Can we go on indefinitely like this? No country can, neither can we.

Although the 'paradox' remains but we are at least better prepared now- with a few quarantines made, some testing ability and medical equipment attained and relief packages for the poor and small businesses in place, than we were three weeks back. With April 14 nearing, when the decision about the current state of lockdown is to be made, we need to see if there are any options available for us that can help us reduce the pressure on economy, personal and national, without putting lives in danger. Perhaps it is time to consider a Smart Lockdown.

What is a Smart Lockdown?

Pakistan is going to complete its first month of (partial) lockdown in a few days' time. As PIDE COVID-19 Bulletins have shown, this whole crisis would leave millions of people unemployed and pushed into poverty. Lockdowns cannot continue indefinitely, but if they are ended the existing infections would again cause a surge in the numbers, forcing another lockdown (see Figure 1A). This is the yo-yo effect, with the number of infected people going up and down with every lockdown's beginning and ending. We need a policy that, at the same time, contains the infection and also allows some basic level of economic activity. A model developed by a group of scientists recommend an intermittent lockdown: ten days of lockdown and four days of work per fortnight. The basic notion behind this is that, “In this way, the virus replication number, i.e., the number of people infected by each infectious person, drops below one – the magic number that causes the epidemic to decline”. The model suggests that after several such cycles, the number of those infected will begin to drop (see Figure 1B).

The model is built on the basic principle of epidemiology that when R0 is below 1, the number of infected people declines exponentially. The cycle provided by the Smart Lockdown lowers the reproduction number (R0) through a reduced time of exposure and an “anti-phasing effect in which those infected during work-days reach peak infectiousness during lockdown days”.

Figure 1: Two Options of Lockdowns

Source: Alon, et.al (2020)
To bring R₀ below 1, the model proposes a cyclic schedule with four days of work followed by 10 days of lockdown. With a staggered/rotational duty of employees some level of productivity can be achieved. The cyclic strategies help in reducing the R₀ by two mechanisms: restriction and anti-phasing. The COVID-19 has a latent period of 3 days, in which it is non-infectious. The suggested 14-day cycle help people be away from workplace, and hence spreading infection, as their lockdown days begin when they reach the infectious state (see Figure 2). Even if someone gets infected on Day-1 of the cycle, their peak infection period would be during the lockdown days, reducing the number of secondary infections, the R₀, they can cause.

**Figure 2: Smart Lockdown: Cyclic Strategy to have the Probable Peak Infectious Days in Isolation for Every Worker**

<table>
<thead>
<tr>
<th>D-1</th>
<th>D-2</th>
<th>D-3</th>
<th>D-4</th>
<th>D-5</th>
<th>D-6</th>
<th>D-7</th>
<th>D-8</th>
<th>D-9</th>
<th>D-10</th>
<th>D-11</th>
<th>D-12</th>
<th>D-13</th>
<th>D-14</th>
<th>D-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work</td>
<td>Infected</td>
<td>Latent</td>
<td>Become Infectious</td>
<td>Infectious</td>
<td>Not Infectious</td>
<td>Work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Op cit. Note: D refers to Day*

The model suggests this cycle till the time an efficient testing system is designed to isolate the infected from the non-infected, and ideally until a treatment is developed leaving no need for such lockdowns. Geo-tracking (PIDE COVID-19 Bulletin No. 2) is possible with consistent accuracy through the mobile phone. Testing based on retracking will allow the networks of infected people to be identified and isolated. This procedure is already allowing infected areas to be identified with some accuracy. Smart lock down will of course involve isolating those areas for a period of time to lower R₀. So, it is not as if there will be no lockdown, but it will need to track and isolate the infection.

### Smart Lockdown Options for Pakistan.

In recent days, the increasing volume of traffic on the roads and voices heard on the media tell us that people want a solution to this lockdown situation. For reasons ranging from economic to psychological, current state of lockdown is becoming untenable. PIDE COVID-19 Bulletins are analysing the impact of these lockdowns on the economy. A summary of these is presented in the table below, but the crux is that the lockdowns are negatively affecting all aspects of the economy.

### Potential Costs of a Full Lockdown

<table>
<thead>
<tr>
<th>Factor</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Loss in GDP through Trade Disruption</td>
<td>Trade Disruption -4.6</td>
</tr>
<tr>
<td>2 Sectoral Analysis of the Vulnerably Employed</td>
<td>Unemployment (Million) 18.53</td>
</tr>
<tr>
<td>3 Sectoral Analysis of the Vulnerably Employed</td>
<td>Wage Loss (Rs. Billion) 260.9</td>
</tr>
<tr>
<td>4 Impact on Poverty</td>
<td>(million) 125</td>
</tr>
<tr>
<td>5 Internal Migrants Effected</td>
<td>Unemployment (Million) 3.78</td>
</tr>
<tr>
<td>6 Probable SMEs and casual employment Protection</td>
<td>Wage Protection (Rs. Billion) 206</td>
</tr>
<tr>
<td>7 SME Employment</td>
<td>Unemployment (million) 3.3</td>
</tr>
<tr>
<td>8 Provincial Impacts</td>
<td>Unemployment (Million) Punjab: 12.1 Sindh: 4.1 KP: 2.3 Balochistan:0.7</td>
</tr>
</tbody>
</table>

*Source: PIDE COVID-19 Bulletin No. 1, 4, 11, 13 and 16.*
In this scenario, Pakistan can opt for a much adapted version of the Smart Lockdown discussed above and do the following.

- **Mandatory use of mask and gloves:** Wearing of gloves and masks have been found to reduce the transmission of infection, and should be made mandatory for everyone leaving home. Data from across the world show the efficacy of wearing masks and gloves in reducing infection levels (https://www.saveatrain.com/blog/coronavirus-updates-map/). All kinds of media sources should be used to educate people on advantages of wearing these and the way they should use it.

- Keep those who can work remotely/from home, continue to do so. This includes conduction of online classes.

- At all big firms, of every kind- service or manufacturing, plan for a two-week work schedule as discussed above. It will allow managers and employees to plan ahead and stay productive, while minimising the chance of spreading infection.

- **Strict SOPs to be followed at workplace should be extra-emphasised.** This strategy needs to be adopted not as an alternative but in addition to all the epidemiological measures, including hygiene, physical distancing, and testing, tracing and isolating of the infected.

- Big Businesses should be allowed to continue with protocols that they preannounce and maintain. They should have certain penalties if there they show up to be a hub of contagion. However, the allowance has to be generous with some mechanism to ensure that this does not become a disincentive from opening.

- **SMEs should be allowed to open with a whetting of their protocols for social distancing and how they will protect their workers.**

- Local shopping centres can be opened but with their associations announcing clear protocols such as
  - 3 or 4 neighbouring shops choosing different days to open.
  - Each shop posting outside and ensuring that only that number of people can enter which can maintain social distance.
  - Each shopping mall will monitor the number of people going in and ensure that that number does not go beyond that which has been determined to be the maximum for protection.
  - Queueing protocols have already evolved with 6-8 feet distances. They should be enforced everywhere.
  - Restaurants may be allowed only for take away business.
  - Monitoring- Local government and police in collaboration with well-known civil society enterprises can develop monitoring mechanisms. Electronic surveillance will be useful in this regard.
  - Keep an eye and continuously adapt and fine-tune the number of workdays/rotation of staff according to the results achieved in response to the adopted strategy.

- **Monitoring-** Government and police in collaboration with well-known civil society enterprises can develop monitoring mechanisms. Electronic surveillance will be useful in this regard.

- **It would take some resources and effort, but now is the time to push for cashless transactions.** Cash is apparently a big carrier. Cash transactions should be minimised, and issuance of ATM cards liberalised and cards allowed to be issued on mobile money with minimum costs.

These are times when effect of any policy can have serious and far-reaching consequences. Hindsight is 20-20 but, in this case, we have to see it right, right now. What we are suggesting here is a possible strategy that can contain the pandemic and help sustain the economy to some extent.

Risky? Yes, it is risky! But as the PM has been repeatedly saying: we are faced with a tough choice, that of health or widespread economic hardship. Our analysis suggests that the economic cost is huge and perhaps more than our debt-ridden, IMF strangulated economy can afford. In any case businesses and a working population are assets that countries cannot easily let erode.

People are testing the lockdown because of their own needs every day. Government is finding it hard to deliver support. Signs of food rations being raided, and social unrest and crime are beginning to appear. So yes! Risks are becoming apparent every day.

Yet no strategy can remain static. With experience and evidence all strategy must change and develop. And the time is coming (April 14) where the government will be forced to review the lockdown. Everyone is searching for ideas. The government is announcing packages which are hard to implement and harder still to connect to economic revival.

We are merely suggesting lockdown approach can be fine-tuned with experience wilfully rather the current approach of people developing informal approaches to beating it.

**Use Talent and Provide a Lot of Information!**

As we noted in our PIDE Plan of Action (included in the PIDE COVID-19 eBook) and in our Bulletin No. 5, the war has to be strategised centrally but fought locally. At both levels all wars are technical and require research,
talent, information and analysis. We are happy the national command centre has set up but what remains to be seen is how coordination with and among local battlefields is happening. It is also not clear:

• Is the command centre supported by research centres and teams that are required for this complex battle? Command centres are always final strategy decision-making centres but that requires a large amount of specialized local information to be filtered processed and thrown up. People are not seeing that and are therefore edgy.

• There is a great need for people to see a lot of plans guidelines, SOPs and other information that will guide them as well as educate them on behaviour and public health. Experts are clamouring for such information that they can contribute to as well as filter through their networks. The lead, however, has to come from the NCOC.

• The NCOC should be listening to different reports from a variety of experts to learn in these uncertain times. The world is perplexed in this “Black Swan” event. No one has any advantage on knowledge and information. There should be far more public interface (virtual not physical) in this war. There should be numerous reports coming out of all levels of government and the government be ready to listen to ideas and debates.

PIDE has been in consultation with a vast body of professionals on this and other matters of policy. That is our mandate and we take it very seriously. In each of those consultations it has become clear again and again that many of our problems arise from policies being mandated without research, adequate professional consultation or a good public debate.

COVID-19 is an existential war—perhaps the worst we have seen in our existence. Our approach to beating this must be novel. We are exposed to very large risks. Time to meet these risks in collaboration with our best talent and with innovation.
Responding to the COVID-19 outbreak, the social distancing and lockdown measures have changed the labour market dynamics, resulting in laying off of millions of workers across the world. Countries, faced with the “lockdown paradox”, are trying to balance between lives and livelihoods in ways that can help flatten the curve. This is important because economic recession could dry up government resources which in turn can affect the war against Coronavirus. PIDE COVID-19 Bulletin suggested several measures to implement a “smart lockdown” in Pakistan. One of the measures was to keep working remotely/from home where possible. The current Bulletin explores the feasibility and extent of the work from home option across occupations and provinces. Quantifying the extent of such jobs across these dimensions could provide a useful insight to policy makers for: (i) targeted compensations; and (ii) keeping the economy functional. Moreover, understanding of the who and how many can perform from home is an important indicator to predict the working of the economy during the course of the COVID-19 pandemic. Box below explains the methodology we use to estimate this.

### Ability to Work Remotely by Occupational Groups

The ability to work from home/remotely is measured for major occupational groups in Pakistan. Table 1 provides the details of occupations with various probabilities of working remotely. For instance, managerial and professional job can be done from home while plant, machine operator and assemblers, and elementary jobs can barely perform their job from home. Interestingly, the probability of working from home for services and sales workers, and those of craft and related trade workers is on the lower side. This is a point of concern not only during the pandemic but also afterwards.

Overall, our classification implies that roughly 19% of jobs in Pakistan can plausibly be performed at home. For provinces this proportion varies from 18% to 20% (see Figure 1). Our estimate show that compared to other

<table>
<thead>
<tr>
<th>Group</th>
<th>Occupation: PSCO-2015 Major Groups</th>
<th>Share of Jobs from Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>MG-1</td>
<td>Managers</td>
<td>0.80</td>
</tr>
<tr>
<td>MG-2</td>
<td>Professionals</td>
<td>0.71</td>
</tr>
<tr>
<td>MG-3</td>
<td>Technicians and Associate Professionals</td>
<td>0.39</td>
</tr>
<tr>
<td>MG-4</td>
<td>Clerical Support Workers</td>
<td>0.60</td>
</tr>
<tr>
<td>MG-5</td>
<td>Services and Sales Workers</td>
<td>0.26</td>
</tr>
<tr>
<td>MG-6</td>
<td>Skilled Agricultural, Forestry and Fishery</td>
<td>0.19</td>
</tr>
<tr>
<td>MG-7</td>
<td>Craft and Related Trades Workers</td>
<td>0.03</td>
</tr>
<tr>
<td>MG-8</td>
<td>Plant and Machine Operators and Assemblers</td>
<td>0.00</td>
</tr>
<tr>
<td>MG-9</td>
<td>Elementary Occupations</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### Methodology

- To drive these estimates, we follow Dingle and Neiman (2020) approach.
- Using the Pakistan Standard Classification of Occupations (PSCO), we identify the feasibility of working at home for all occupations.
- The feasibility is measured by assigning weights to each profession. The weight varies between 0 and 1. For instance, a weight of 0.50 means that 50% of the workforce in that profession can work from home.
- We then merge this identified classification with occupational employment counts given in the Labour Force Survey of Pakistan 2017-18.

1PIDE COVID-19 Bulletin No. 4 suggests that between 15 and 18 million employees might lose their job due to the social distancing measures in Pakistan. The USA observed 6.6 million layoffs weekly: up to this date more 20 million workers have already lost their jobs.
provinces, Sindh and Balochistan have higher possibilities of working from home. It is surprising to see that Punjab has relatively smaller possibilities of work from home compared to Sindh and Balochistan. The primary reason of low possibilities of working for home is the differences in concentration of various occupations across the provinces.

**Figure 1: Work from Home in Pakistan (% employees)**

![Work from Home in Pakistan](image)

*Note: Authors’ calculations based on O*NET data provided by Dingel and Neiman (2020), PSCO’s occupation classification, and Labour Force Survey 2018.*

Next, we look at provincial variations in the proportion of jobs that could be performed from home. Table 2 shows that there is a substantial variation among the provincial concentration of professions. For example, professionals are more concentrated in KP, skilled agriculture workers in Punjab and Balochistan, while Sindh has relatively more technicians and associate professionals.

**Table 2: Work from Home by Provinces and Major Occupational Groups (%)**

<table>
<thead>
<tr>
<th>Occupation, ISCO 1 digit</th>
<th>Pakistan</th>
<th>KP</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Balochistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>1.83</td>
<td>1.48</td>
<td>1.74</td>
<td>2.19</td>
<td>2.19</td>
</tr>
<tr>
<td>Professionals</td>
<td>3.62</td>
<td>4.54</td>
<td>3.29</td>
<td>3.98</td>
<td>3.84</td>
</tr>
<tr>
<td>Technicians and Associate Professionals</td>
<td>1.50</td>
<td>1.40</td>
<td>1.40</td>
<td>1.82</td>
<td>1.54</td>
</tr>
<tr>
<td>Clerical Support Workers</td>
<td>0.85</td>
<td>0.76</td>
<td>0.76</td>
<td>1.07</td>
<td>1.03</td>
</tr>
<tr>
<td>Service and Sales Workers</td>
<td>4.23</td>
<td>4.06</td>
<td>3.92</td>
<td>4.92</td>
<td>5.46</td>
</tr>
<tr>
<td>Skilled Agricultural, Forestry and Fishery Workers</td>
<td>6.01</td>
<td>5.55</td>
<td>6.27</td>
<td>5.50</td>
<td>6.40</td>
</tr>
<tr>
<td>Craft and Related Trade Workers</td>
<td>0.44</td>
<td>0.49</td>
<td>0.47</td>
<td>0.37</td>
<td>0.23</td>
</tr>
<tr>
<td>Plant and Machine Operators, and Assemblers</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Elementary Occupations</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18.5</strong></td>
<td><strong>18.3</strong></td>
<td><strong>17.8</strong></td>
<td><strong>19.9</strong></td>
<td><strong>20.7</strong></td>
</tr>
</tbody>
</table>

*Note: Authors' calculations based on O*NET data provided by Dingel and Neiman (2020), PSCO’s occupation classification, and Labour Force Survey 2018.*

In Figure 2, we map the share of employment that can operate from home in both developed and developing countries. The figure shows that the rich countries have higher possibilities of working from home. The workforce that can work remotely in these countries varies between 35% and 45%. In developing countries, we see that such variation is between 10% to 20%. Pakistan, however, stand at a respectable position on this ladder among the developing world. The striking pattern in Figure 2 suggests that developing economies and emerging markets may face an even greater challenge in continuing to work during periods of stringent social distancing.

---

3We use Pakistan Standard Classification of Occupations (PSCO) 2015 which is in conformity with the International Standard Classification of Occupations (ISCO).

The occupation categories arranged from Major group (MG) digit 1, sub-major group digit 2, minor group digit 3, unit group digit 4, and the digit 5 sub-unit group.

4We consolidate our results for digit 1 and digit 2 (given in appendix)

5The analysis in millions provided in Table A2 in Appendix.
Figure 2: Share of Jobs for Work from Home

Note: Dingle and Neiman (2020) study estimates for other countries have been used to plot the share of jobs which can be done from home

Concluding Remarks

Smart lockdown is the way ahead for Pakistan. The country should intelligently utilise this 19% labour force that can work remotely. The government can coordinate with private sector to adopt this option. This will help reduce the burden of government to compensate the laid off workers as well as to keep the economy functioning. The provincial analysis can help the respective governments to better target sectors for their compensation packages.

This estimated figure of 19% of workforce that can work from home has the capacity to increase. There are occupations such as service and sales, craft and related trade, and clerical support that have huge potential where the work from home capability can be increased. For instance, retail and trade has been the highly hit sector by the COVID-19. This would have not been the case if this sector had provided the option of online shopping and delivery.

We should increase the scope for working remotely in all professions where possible. This is especially true for all professional and academic meetings and conference. For instance, PIDE conducted two webinars last week which were attended by more than 100 participants with zero cost. Webinar effectively reduces the cost (including costs incurred due to travel and lodging) of organizing such an event to nothing. Hence, even post-COVID, we should promote and idea of working remotely wherever possible.

APPENDIX

Table A1: Work from Home by Provinces and Major Occupational Groups (in millions)

<table>
<thead>
<tr>
<th>Occupation, ISCO 1 digit</th>
<th>Pakistan</th>
<th>KP</th>
<th>Punjab</th>
<th>Sindh</th>
<th>Balochistan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>1.16</td>
<td>0.11</td>
<td>0.67</td>
<td>0.32</td>
<td>0.05</td>
</tr>
<tr>
<td>Professionals</td>
<td>2.29</td>
<td>0.34</td>
<td>1.27</td>
<td>0.59</td>
<td>0.10</td>
</tr>
<tr>
<td>Technicians and Associate Professionals</td>
<td>0.95</td>
<td>0.10</td>
<td>0.54</td>
<td>0.27</td>
<td>0.04</td>
</tr>
<tr>
<td>Clerical Support Workers</td>
<td>0.54</td>
<td>0.06</td>
<td>0.29</td>
<td>0.16</td>
<td>0.03</td>
</tr>
<tr>
<td>Service and Sales Workers</td>
<td>2.68</td>
<td>0.30</td>
<td>1.51</td>
<td>0.72</td>
<td>0.14</td>
</tr>
<tr>
<td>Skilled Agricultural, Forestry and Fishery Workers</td>
<td>4.01</td>
<td>0.44</td>
<td>2.55</td>
<td>0.85</td>
<td>0.17</td>
</tr>
<tr>
<td>Craft and Related Trade Workers</td>
<td>0.28</td>
<td>0.04</td>
<td>0.18</td>
<td>0.05</td>
<td>0.01</td>
</tr>
<tr>
<td>Plant and Machine Operators, and Assemblers</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Elementary Occupations</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>11.90</td>
<td>1.39</td>
<td>7.01</td>
<td>2.96</td>
<td>0.53</td>
</tr>
</tbody>
</table>

Note: Authors’ calculations based on O*NET data provided by Dingel and Neiman (2020), PSCO’s occupation classification, and Labour Force Survey 2018.
Table A2: Work from Home by Sub-Major Groups (%)

<table>
<thead>
<tr>
<th>ISCO Codes</th>
<th>Occupations</th>
<th>Weights</th>
<th>ISCO Codes</th>
<th>Occupations</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share &gt;=20%</td>
<td></td>
<td></td>
<td>Share=0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Software and applications developers and analysts</td>
<td>1.00</td>
<td>6</td>
<td>Health professionals</td>
<td>0.05</td>
</tr>
<tr>
<td>10</td>
<td>Database and network professionals</td>
<td>1.00</td>
<td>13</td>
<td>Health associate professionals</td>
<td>0.02</td>
</tr>
<tr>
<td>16</td>
<td>General and keyboard clerks</td>
<td>1.00</td>
<td>20</td>
<td>Personal Services</td>
<td>0.01</td>
</tr>
<tr>
<td>18</td>
<td>Numerical and material recording clerks</td>
<td>1.00</td>
<td>12</td>
<td>Science and engineering associate professionals</td>
<td>0.00</td>
</tr>
<tr>
<td>1</td>
<td>Chief executives, senior officials and legislators</td>
<td>0.98</td>
<td>23</td>
<td>Protective services workers</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>Administrative and commercial managers</td>
<td>0.98</td>
<td>26</td>
<td>Subsistence farmers, fishers, hunters and gatherers</td>
<td>0.00</td>
</tr>
<tr>
<td>7</td>
<td>Teaching professionals</td>
<td>0.80</td>
<td>27</td>
<td>Building and related trades workers, excluding electricians</td>
<td>0.00</td>
</tr>
<tr>
<td>8</td>
<td>Business and administration professional</td>
<td>0.80</td>
<td>28</td>
<td>Metal, machinery and related trades workers</td>
<td>0.00</td>
</tr>
<tr>
<td>11</td>
<td>Legal, social and cultural professionals</td>
<td>0.76</td>
<td>30</td>
<td>Electrical and electronic trades workers</td>
<td>0.00</td>
</tr>
<tr>
<td>3</td>
<td>Production and specialised services managers</td>
<td>0.50</td>
<td>31</td>
<td>Food processing, wood working, garment and other craft and related trades workers</td>
<td>0.00</td>
</tr>
<tr>
<td>14</td>
<td>Legal, social, cultural and related associate professionals</td>
<td>0.50</td>
<td>32</td>
<td>Stationary plant and machine operators</td>
<td>0.00</td>
</tr>
<tr>
<td>15</td>
<td>Information and communications technicians</td>
<td>0.50</td>
<td>33</td>
<td>Assemblers</td>
<td>0.00</td>
</tr>
<tr>
<td>4</td>
<td>Hospitality, retail and other services managers</td>
<td>0.30</td>
<td>34</td>
<td>Drivers and mobile plant operators</td>
<td>0.00</td>
</tr>
<tr>
<td>17</td>
<td>Customer services clerks</td>
<td>0.30</td>
<td>35</td>
<td>Cleaners and helpers</td>
<td>0.00</td>
</tr>
<tr>
<td>21</td>
<td>Sales workers</td>
<td>0.28</td>
<td>36</td>
<td>Agricultural, forestry and fishery labourers</td>
<td>0.00</td>
</tr>
<tr>
<td>22</td>
<td>Personal care workers</td>
<td>0.26</td>
<td>37</td>
<td>Labourers in mining, construction, manufacturing and transport</td>
<td>0.00</td>
</tr>
<tr>
<td>24</td>
<td>Market-oriented skilled agricultural workers</td>
<td>0.25</td>
<td>37</td>
<td>Food preparation assistants</td>
<td>0.00</td>
</tr>
<tr>
<td>25</td>
<td>Market-oriented skilled forestry, fishery and hunting workers</td>
<td>0.25</td>
<td>38</td>
<td>Street related sales and service workers</td>
<td>0.00</td>
</tr>
<tr>
<td>29</td>
<td>Handicraft and printing workers</td>
<td>0.25</td>
<td>39</td>
<td>Refuse workers and other elementary workers</td>
<td>0.00</td>
</tr>
<tr>
<td>5</td>
<td>Science and engineering professionals</td>
<td>0.20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Other clerical support workers</td>
<td>0.20</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Authors' calculations based on O*NET data provided by Dingel and Neiman (2020), PSCO's occupation classification, and Labour Force Survey 2018.
Foreign remittances are an important source of much needed foreign exchange in Pakistan. Remittances have helped the country in reducing the current account deficit and external debt burden. The COVID-19 crisis is feared to bring a decline in remittances to Pakistan. Recession in global market and international travel restrictions due to COVID-19, and the decline in the oil prices have led to a significant decline in remittance flows.

The Gulf region is a major destination for migrant workers and perhaps the largest source of migrants' remittances to South Asian countries including Pakistan. Migrant workers are a large part of the GCC economies. Eighty per cent of the UAE population are foreign nationals. In Saudi Arabia, about 80 per cent of the labour force consists of migrant workers. Many of these overseas workers are employed as low-skilled workers in construction, hotels and restaurants and as domestic workers. For most of these workers, this is their only chance of employment and improving their lives. At the same time the recipient countries benefit from the billion of dollars received as remittances from these countries.

The collapse of the oil prices, tourism and full or partial lockdown are the three main channels through which COVID-19 has affected the GCC economies. Travel restrictions in the wake of the COVID-19 pandemic crisis have reduced global demand for oil, and the lack of a new production agreement between OPEC+ members has led to a flooding of the oil supply. As a result, oil prices have fallen by over 50% since the beginning of the COVID-19 crisis. The GCC countries are highly dependent on oil revenues and Saudi Arabia will suffer major loses if the virus affects the pilgrimage season. The effects of COVID-19 and the fall in oil prices have had serious consequences for the GCC economies and could become even worse. It is expected that majority of the migrant workers in the GCC countries could lose their jobs due to a significant dent in the private sector economic activities. This means that many of these migrant workers will return to their home country and increase the masses of unemployment in the country.

Impact on the Remittances Flow to Pakistan

Recent data show that remittances accounted for more than 6% of Pakistan's GDP in 2019. Remittances have increased from US$ 19.91 billion in FY18 to US$ 21.84 billion in FY19 (9.67% growth rate). With this growth, it was projected that Pakistan will receive around US$ 23 billion in FY20 and over US$ 26 billion in FY21. However, the unseen COVID-19 crisis and turmoil in oil market adversely impacted the flow of remittances to Pakistan. Quarterly data show that Remittances have declined from US$ 5918 million from Q2: Oct-Dec 2019 to US$ 5626 million Q3: Jan-Mar 2020, showing a 5% decline in last quarter (Figure 1). Among the GCC countries, Saudi Arabia and the United Arab Emirates are the largest source of remittances for Pakistan, and both these countries are under a lockdown. It would not be wrong to assume that Pakistan will have to forego the substantial contribution of remittances to GDP.

Figure 1: Flow of Remittances (US $ Million)

Source: SBP (2020)
Given that the COVID-19 crisis is expected to have a major impact on the flow of remittances to Pakistan, the current Bulletin aims to quantify its magnitude.

The projections of remittances are based on estimating their elasticities with respect to the GDP of the destination countries (see footnote 1 for details on this methodology). We consider three scenarios based on three time periods to project remittances:

**Scenario A**: growth elasticity of remittances is calculated using most recent year data i.e. 2019

**Scenario B**: growth elasticity of remittances is calculated using average growth rate of remittances and GDP in the short run (2017-19)

**Scenario C**: growth elasticity of remittances is calculated using average growth rate of remittances and GDP in the medium run (2015-19)

The projected remittances are given in Figure 2. Remittances will decline from 9% to 14% in the FY20. The FY20 estimates indicate that the remittances will likely vary between US$ 20446 million and US$ 21789 million. Using the same methodology, we find that the remittances, based on the three scenarios, will range between US$ 14127 million to US$ 22543 million for the FY21. It is equally important to note that there would be a significant decline in informal remittances, that constitute around 40% of the total remittances, due to restrictions on cross border movement of migrant workers as the flight operation is halted across the world. These restrictions would lead to at least 50% decline in informal remittances in FY21.

The uncertain situation of the COVID-19 crisis leads to an extraordinary degree of uncertainty about the full global impact of the virus on the world economy. Therefore, the recovery of the remittances flows is highly uncertain and depends largely on economic recovery of the net remittances sending countries. Millions of Pakistani migrant workers around the world are facing job losses, business closures and lockdowns. Many of them are no longer able to help poorer relatives in Pakistan, and the situation is feared to get worse with time. Remittances is the only source of income for the families of most of the migrant workers; therefore, the loss of the remittances is a serious threat to the well-being of millions of families in Pakistan. For many poor families, the loss of remittances is the loss of an important lifeline in funding and has a direct impact on nutrition, health and education outcomes.

![Figure 2: Projections for FY20 and FY21](https://www.pide.org.pk)

Source: Author’s own calculation based on elasticities reported in appendix table.

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1 The elasticity approach to forecasting has been extensively discussed in the literature, particularly for short run projection (Islam, 2002, Rangarajan et al, 2007, Timothy and Sasikumar, 2012; Iqbal, 2016). The formula used for the calculation of output elasticity with respect to remittances is as follows: \( E_R = \frac{\Delta R}{\Delta Y} \). Where \( \Delta R \) and \( \Delta Y \) are growth rates of remittances inflow and growth rates of GDP of host country respectively. \( R \) and \( A \) are the base year remittances and GDP. The calculated elasticity has been used for estimating remittance inflow in any terminal year (t): \( R_t = R_0(1 + n)^t \). Where: \( R_t \) is the remittances in the t year; \( R_0 \) is the remittances in the base year; \( n \) is growth rate of GDP time elasticity. \( n = \Delta Y/GDP \). Where: \( E_R \) is remittances elasticity with respect to GDP and \( \Delta Y \) is the growth rate of GDP in the host country. Data on remittances are taken from State Bank of Pakistan (SBP) [http://www.sbp.org.pk]. Data on GDP growth projections are taken from Oxford Economics April 2020 Release [https://www.oxfordeconomics.com]. The growth elasticities of remittances are presented in the appendix. It is also important to note that due to significant decline in oil prices, the elasticities are adjusted to capture the recessionary effect of oil prices on remittances.
Linked to this are the employment dynamics which would result as a consequence of people returning and also not being able to find employment overseas. A significant decline in the outflow of migrant workers can pose employment challenges in coming years. The effects are beginning to show already. As figure 3 shows, migrant workers have declined from 71,214 in January 2020 to only 39,005 in March 2020. Massive decline in outflow of migrant workers will further worsen the future flow of remittances.

![Figure 3: Migrant Workers](image)

Source: BEOE (2020)

In the given scenario, government of Pakistan needs to bring its diplomatic missions in motion, lobbying with the host countries to treat Pakistani workers generously, and minimise the chances of being laid-off as much as possible.

The other concern is that of the many money transfer networks have shut down. Host and home country authorities should treat remittance service providers as essential services and give them a waiver for any limitation on movement and closure of business.

**References**


**Appendix**

**Growth Elasticities of Remittances**

<table>
<thead>
<tr>
<th>Regions/Countries</th>
<th>Scenario A</th>
<th>Scenario B</th>
<th>Scenario C</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>23.7</td>
<td>5.0</td>
<td>3.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12.8</td>
<td>6.9</td>
<td>5.6</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>9.9</td>
<td>8.3</td>
<td>1.1</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>2.5</td>
<td>1.3</td>
<td>3.5</td>
</tr>
<tr>
<td>Bahrain</td>
<td>2.9</td>
<td>3.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Oman</td>
<td>1.2</td>
<td>5.8</td>
<td>2.3</td>
</tr>
<tr>
<td>Qatar</td>
<td>4.0</td>
<td>0.5</td>
<td>1.7</td>
</tr>
<tr>
<td>Kuwait</td>
<td>5.7</td>
<td>2.6</td>
<td>6.1</td>
</tr>
<tr>
<td>European Union</td>
<td>5.3</td>
<td>7.4</td>
<td>4.2</td>
</tr>
<tr>
<td>World</td>
<td>8.7</td>
<td>5.9</td>
<td>7.1</td>
</tr>
</tbody>
</table>
PIDE COVID-19 Bulletin No. 10, “What Do Confirmed Numbers Tell Us? Using an Adapted SEIR Model for Estimation of COVID-19 in Pakistan”, had an all-important term $R_0$. Despite seeing this term in all projections, not many know what it means. This Bulletin does just that—explains what $R_0$ means.

There are various factors that can impact the value of $R_0$. These come from aspects such as social interactions as well as the characteristics of the virus and the course taken by the infection.

To look at the last aspect first, one important factor is how long an affected individual stays in the infectious state or recovers or dies. So, if the disease lasts for a long time before someone recovers or passes away, then that means there is a longer time for that person to cause more infections. On the other hand, if some diseases act rapidly, then the chance of infection spreading is reduced simply because there is a shorter period of time for an infectious person to infect others. Thus, $R_0$ goes down for diseases that act rapidly but goes up for diseases that last longer.

The $R_0$ is also affected by transmission rates. This is dependent on factors dependent on the characteristics of the virus and social activity. On the one hand, the more people come into contact with one another, the higher the chance of an infected individual coming into contact with others and potentially infecting them. On the other, how transmissible the virus is will impact how many of these contacts actually result in the infection being passed on to someone.

As we know, the people who are infected includes those who are asymptomatic carriers i.e. people who show no symptoms of having the infection and are probably unaware that they have it. In fact, given the quarantine procedures being employed in Pakistan, once a person is confirmed as being infected, they are quarantined and are no longer infecting others. In fact, they are soon on their way to developing an immune response and fighting the infection.

Of course, there will be more dimensions that epidemiologist consider for each infection, to get better insight that go into more detail about how each virus and disease operates. But for a novice overview, these are roughly the factors under consideration.

Estimates of $R_0$ from Various Countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>$R_0$</th>
<th>Reference</th>
</tr>
</thead>
</table>
From the factors discussed above, we can see that social distancing covers essentially one dimension of the factors influencing Ro. Essentially, it is trying to reduce contact rate in the population to push Ro below 1 and contain the infection from exploding. This raises difficult questions about what happens when social distancing ends. It is possible that Ro will jump back up because of the many unidentified cases of infection (possibly asymptomatic), and we could see a second wave of infection hitting the population. This 'second wave' problem is what the UK had in mind when they initially announced they would be opting for herd-immunity. To add to the complexity of the problem, we are also unclear about the type of immunity developed to COVID-19. This complicates matters further as we cannot simply rule out people who have already been infected as being susceptible to future infection.

**Why Calculating Ro is Difficult?**

From the factors above, we can see some rough measures that can be theoretically used to calculate Ro. The most basic one, for a simple SIR model, is:

\[ R_0 = \frac{\text{transmission rate (f)}}{\text{recovery rate (y)}} \]

Here the transmission rate is the effective rate of transmission of disease per interaction between individuals. Essentially, this equation is saying that if infected people recover more quickly than new people are infected, then Ro will be less than 1 and the infection will not grow rapidly. On the other hand, if new infections are happening more rapidly than older ones are recovering, then we will see “exponential growth.”

This formula gets more complicated with more detailed SEIR models and we will do one application to an adapted SEIR model later. Essentially, it must account for the population at different stages of infection.

Most models such as SIR and SEIR, make certain simplifying assumptions that mean that their results need to be taken with a grain of salt. They operate under the assumptions that all individuals in the population have some probability of coming into contact. Real world populations do not operate in such a way and are actually more likely to come in contact with certain people and not others. This will be due to geographic constraints and social norms.

Furthermore, many of the models we are seeing are non-stochastic. This means they assume fixed numbers for characteristics of the disease that are variable from person to person, e.g. the incubation period of the disease, the time before recovery etc. could vary. It is not immediately clear that such a process “averages out” and that we can use fixed values as substitutes in such a process.

Thus, such models are more useful to illustrate broader phenomenon than for accurate estimation/prediction. From an empirical perspective, estimating Ro in the middle of a pandemic is a very difficult task. The most exact calculation would, of course, trace each single case to see how many more cases it led to. At the moment these numbers do not appear to be public knowledge. In fact, it is unclear how the government may actually be going about doing this, and whether the infection is currently at a stage where the numbers are still manageable.

Falling short of that, if one knew details on social activity of individuals, one could theoretically couple it with information about the characteristics of the virus and disease to calculate Ro - but such information is also difficult/impossible to come by.

Given official numbers of confirmed cases, and its progression, one might be tempted to take a stab at guessing transmission rates and couple it with data on recovery rates to guess what Ro is. So, for example, if one assumed that the disease started with just one individual, and that numbers are growing at some fixed rate, then one might try to calculate Ro simply treating the total confirmed cases as a sort of geometric series. However, such an approach is unlikely to give accurate/meaningful results. Here are some obvious problems...
with this approach:

1. Given the limited amount of testing, there is likely to be significant uncertainty on the actual prevalence and spread of disease. As it stands, we just cannot use numbers of confirmed cases as a reflection of the total number of infected people in Pakistan. The situation is compounded by the fact that we have asymptomatic carriers in the form of people who are yet to develop symptoms, and those who never develop symptoms.

2. Social behavior would vary vastly depending on various factors, including density of population and social norms. The transmission rate, (described above) will vary drastically in different neighborhoods, based on a multitude of factors. Furthermore, this averaging of behavior ignores incidents such as cases of “super-spreaders”. Hence, it is very difficult to use aggregated data to try and estimate transmission rates.

3. There is also uncertainty on the sources of each case at the moment. To consider an extreme example, if Pakistan has 4500 cases and all of them came from abroad, then that means that \( R_0 \) is much higher.

4. The process is dynamic, and infections show up with delays. Furthermore, the characteristics of the disease are not fixed, and can vary person to person. This means that the duration of being contagious is not fixed for each individual. So, if we knew that one person was infectious on Day-1 and 4 more people were infected on Day-10, it would be unclear whether that one person led to three more infections directly, or whether they led to one or two more, which were then further transmitted. Thus, even if we knew the exact numbers in the population (which we do not), it would be difficult to find \( R_0 \) unless we had detailed information on geographic spacing and subjected it to rigorous mathematical techniques, estimates on \( R_0 \) might not be in the same ballpark as the actual number.

5. Without a detailed mathematical framework and detailed data that takes multiple factors into consideration, any estimates for \( R_0 \) are difficult to trust. At the moment, the approach in play is to assume it is similar to other countries and other situations, but it is unclear at the moment whether this approach is justified.

6. Another thing to keep in mind, along with our limited testing, is the fact that anyone who tests positive is then hospitalised/quarantined. This means that the moment the confirmed case is established, it ceases to be a contributor to the further spread of infection. This also distorts calculations somewhat. Keeping all of this in mind, we need more detailed information along multiple dimensions from the government to be made available to get a clearer picture on where we stand with \( R_0 \). Minor errors in calculation can compound and completely change the picture. After all, there is a difference of 0.2 between \( R_0 = 0.99 \) and \( R_0 = 1.1 \). In one case, the infection dies out, in the other it grows exponentially.

**Take-away Lesson on \( R_0 \)**

While we might not be able to do exact calculations to ascertain the value of \( R_0 \) or the impact of lockdown/social distancing policies on \( R_{01} \), we can operate on a few basic principles.

Firstly, reducing contact rate by any factor should reduce \( R_0 \) by that factor. So, if everyone came into contact with 1 person every day, and now we meet 1 person every 2 days, then \( R_0 \) should reduce by half. Simply put, suppose an infected person was infecting one person every day and would be responsible for 20 new infections over the course of 20 days. Now, he’d be responsible for 10.

If this is enough to push \( R_0 \) below 1, then we can expect the infection to gradually die out over time (this would turn up with a lag in the official confirmed cases numbers). If it does not push \( R_0 \) below 1, it would still be significant in slowing down the spread of the infection and “flattening the curve”, thus reducing the strain on medical facilities, and most importantly saving lives. Some \( R_0 \) Calculations We used an adjusted SEIR model to do some calculations. As stated above, it suffers from certain simplifying assumptions, and is therefore to be used for illustrative purposes.

We have based our model on explanations presented by Blackwood and Childs (2018). As can be seen from Section 3.1.1 of their paper, ‘A Cautionary Tale of Computing \( R_0 \) our model allows for importation, which makes it different from what is stated in the section above.

One thing we can do is estimate \( R_0 \) assuming no importation. In this case, assuming that the quarantine state is not part of the infectious state as people in quarantine are no longer infecting others, we can adjust the formula for calculation as:
\[
\frac{\rho_0}{(k + q + \mu)(\sigma + \Lambda)}
\]

Where:

- \( f_i \): transmission rate
- \( n \): rate at which people move from being exposed to the infection
- \( y \): rate at which infected people move to recovered/deaths
- \( u \): rate at which people are leaving the total population
- \( q \): probability that an infected person is testing and quarantined
- \( k \): number of days before an infected person exhibits symptoms

This poses some problems because we are estimating for values of \( B \) and \( q \), our estimates can be skewed by how many of our cases are accounted for by importation as opposed to infectious spread.

As you can see, this model ignores cases of infectious people who never exhibit symptoms. A high number of imported cases would imply a low \( b \) as it means most cases are being accounted for through importation. We have across this volunteer site (https://COVID19.pk/) that claims giving numbers on cases for Foreign which we presume are imported. Using this, we run estimates on the values of \( b \) and \( q \). There is a large range of values here that they consider to be “unknown”.

We allow for the number of incoming cases to be around 800 and run the simulation, assuming Day 43 has 2708 cases with 41 deaths, we get an estimate of \( b = 0.2 \) and testing probability between 0.4 and 0.6. This also implies that actual infection is somewhere around the 4000 to 6,500 range. This implies \( R_0 = 1.35 - 2.03 \).

Earlier estimates would have put this at a higher value, but this might be showing some convergence to a new value after the lockdown precautions.

We must be careful when discussing \( R_0 \). It is extremely sensitive to the underlying parameters. Slight change in the transmission rate, the infection rate or any other parameter can lead to large results as time goes by. The following chart shows the different courses the infection could be taking over the first 100 days given the different values implied by my results.

As can be seen, the difference is vast at the hundredth day, between around 60,000 total cases and around 300,000 total cases.

On Day 48, we repeat the exercise with 4970 cases and 77 deaths. We get estimates of \( b = 0.2 \) with testing probability ranging between 0.4 and 0.5. Thus, our estimates for \( R_0 \) remain in a similar range as before.

If we were to now assume that the number of foreign cases was lower (around 400), then the estimate value of \( b \) jumps to 0.3 with a testing/quarantine probability between 0.7 and 0.9. This implies values of \( R_0 \) between 1.78 and 2.09. However, since we have now adjusted our assumptions on the sources of the incoming infections, the path will be different.
We see a vast variation within these results between 800,000 and around 3.5 million cases. Basically, since we have reduced the number of imported cases, we are now assuming that more of our cases are indigenous, and given that we have reached 4000 cases, it must be progressing more rapidly than before.

**Conclusion**

It is important to note that small variations in assumptions can lead to different estimates of R0. Even more critically, due to the exponential nature of the disease, we can see that small variations in calculating R0 can lead to very large variations in predictions over the future. Such uncertainty and variations are inevitable in the real world. Something as minor as delays in testing/processing test results could lead to drastically different predictions of the course of the disease.

If we are to seriously estimate R0, we need to utilise all the data at our disposal, including the number of cases that are local or imported, and the geographic locations of the cases. In terms of testing, we need extensive contact tracing. And apart from that, we need to know what the testing strategy is, so that models and estimates can be adjusted accordingly.

It is possible that specialists in the government are currently taking these factors into account. It would be helpful if they could make this information more accessible.
The Fog of War

Many of us have heard of the “fog of war”, a term coined by the 19th-century Prussian military writer Carl von Clausewitz. It refers to the idea that war is often conducted in a haze of uncertainty. Militaries do not fully understand either their enemy's threat or their capacity to combat it.

COVID-19 tracking is like swimming in statistics: infection cases, death rate, various percentages and economic data. But in these early stages of the fight against the Coronavirus, these data have their own limitations. We are already seeing how, in the fog of confusing data estimates, political leaders are trying to marshal the uncertainty of what public health experts recommend.

Data experts have a warning: nations have different reporting standards and testing of Coronavirus. They have even different viewpoints about tracing cases. These different standards make statistics comparatively misleading. Sheila Bird, a renowned British biostatistician and professor at Cambridge University, says “testing and reporting have been inconsistent even within individual countries”.

Bird is one of the several high-level scientists calling on the UK government to conduct more Coronavirus tests and provide more revealing data. The UK government says that the health system currently cannot test everyone. According to the government, only patients who need treatment at the hospital are tested. This can lead to higher estimates as testing is conducted only on those patients who have serious conditions for hospitalization, and hence have a relatively high mortality rate.

Lisa Gitelman, New York University professor and editor of the book “Raw Data’ is an Oxymoron” said, “If different nations have different standards and conditions, they at least generate a consistent curve if those standards and conditions are stable across time.”

If Italy continues to test people at the same rate and the rate of increase in new cases daily begins to decline the curve starts to flatten that is good news. But the test rate needs to be the same. If the UK suddenly starts testing a lot of people and gets a big jump in new cases, it does not necessarily mean that the outbreak is spreading rapidly.

When people say that the official figures are underestimated, they forget that these figures are not exactly the real numbers. The official figures are based on only confirmed cases. Similarly, the number of suspected cases and quarantine cases are announced after confirmation from the reporting authorities. Although, these figures may be misleading, however, it is not necessary that people are being intentionally misled. People develop their perceptions and believe (or do not believe) on the numbers depending on their perceptions.

The standards of reporting data and the health capacity of a country could be evaluated by how the officials forecast future possible COVID-19 cases. Now, we have various geographical location data, whereas early research depended solely on China and that too specifically the Wuhan province data.

Based on the data available on April 1, 2020, the mortality rate varies dramatically among different countries. In the United States, where thousands of infections are recorded, the mortality rate is nearly two percent whereas in Italy it is frightening higher (see table below).

### Coronavirus infected Patient Data as on 1st April 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Cases</th>
<th>Deaths</th>
<th>Total confirmed deaths doubles</th>
<th>%age of Deaths in total infected</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>918,129</td>
<td>46,069</td>
<td>7 Days</td>
<td>5.02</td>
</tr>
<tr>
<td>United States</td>
<td>205,438</td>
<td>4,528</td>
<td>4 Days</td>
<td>2.20</td>
</tr>
<tr>
<td>Italy</td>
<td>110,574</td>
<td>13,155</td>
<td>11 Days</td>
<td>11.90</td>
</tr>
<tr>
<td>Spain</td>
<td>102,136</td>
<td>9,053</td>
<td>7 Days</td>
<td>8.86</td>
</tr>
<tr>
<td>China</td>
<td>81,554</td>
<td>3,312</td>
<td>51 Days</td>
<td>4.06</td>
</tr>
<tr>
<td>Germany</td>
<td>76,544</td>
<td>858</td>
<td>7 Days</td>
<td>1.12</td>
</tr>
<tr>
<td>France</td>
<td>56,989</td>
<td>4,032</td>
<td>6 Days</td>
<td>7.08</td>
</tr>
</tbody>
</table>
One of the reasons for this discrepancy seems to be revolving around the number of tests in a country. But experts also identify differences in demographic and political factors, such as smoking rates, average age and healthcare affecting the reported rates. For instance, reduced immunity with age is found to be a major factor in higher death tolls from COVID-19. As we can see, Italy has one of the world's oldest populations — with a median age of 46.5 and the highest death rate, while Pakistan's death rate is 1.3% with 64% of its population under 30 years of age.

Cultural considerations too factor in, says David Calvin, a microbiologist at the University of Delaware. He asserts that he has no scientific data to support this but notes that the Italians embrace and kiss each other more than others, and handshake is common in Northern Europe and North America.

To deal with such a situation where the true statistics or accuracy of data is not guaranteed, basic models and projections would not work. Steps need to be taken that go beyond the reported data or the projected models. Given the level of uncertainty of the true figures, it would be necessary to calibrate action with a level above the estimated level — a safe level. By doing this, we create a margin of safety in this war under the 'fog' created by the COVID-19 threat.

Reference:

https://www.actionnewsnow.com/content/news/569133042.html
In the art of policy and statecraft making, one of the maxims that have always fascinated me is this: Think tragically to avoid tragedy. In simpler terms: those who prepare for the worst possible scenarios are better able to face the tragedies and disasters in the business of governance.

As governing becomes more complex because of the global systems and challenges, national policies face a twin challenge: Their relevance can be wiped out on the face of global catastrophe (COVID-19; climate change) but they still matter for their citizens who reside in the respective borders (think aggressive monetary easing in the face of rapid global slowdown). In other words, it is an issue of the domestic grid not being powerful enough to either resist the global grid or too small to be overwhelmed by its failure.

What started out and remains as a global health challenge, is now a full-blown economic mess. Unemployment and defaults have risen across much of the world and sectors such as tourism, retail and hospitality have taken a major business and output blow where in some estimates, between 30-45 percent of the activity has stalled and much worse is expected in these sectors.

This pandemic lockdown has not been helped by an already fragile global economy. Before the COVID-19, the global trade was not promising and the national economies around the world were showing many signs of weakness. On the oil front, for example, the Saudi-Russian oil war had nearly halved oil prices globally. With much of manufacturing hit by supply-chain disruptions, and broad segments of the service sector more or less paralyzed, corporate defaults and bankruptcies among small and medium-size businesses are set to spike, despite fiscal and monetary stimulus.

The impact of COVID-19 has been particularly hard on smaller and medium-size economies in Asia, Latin America and the Caribbean. As the crucial sectors in these economies are gradually closing, the unemployment situation will get much darker leaving governments in those regions no option but to borrow more- increasing already a high debt load in those economies.

Not since the 1930s have advanced and emerging economies experienced the combination of a breakdown in global trade, depressed global commodity prices, and asynchronous economic downturn. True, the origins of the current shock are vastly different, as is the policy response. But the lockdown and distancing policies that are saving lives also carry an enormous economic cost. A health emergency can evolve into a financial crisis. Clearly, this is a “whatever-it-takes” moment for large-scale, outside-the-box fiscal and monetary policies. But is that enough?

Moreover, there are few issues that must be considered before one can assess the impact of the bailout. From the monetary standpoint, the cut in rates does not do much as the rates have been low before the pandemic started. Moreover, monetary stimulus only carries a benefit for those who are able to borrow and invest in the capital markets. For the rest, it does not do much. This time, the bailout must be directed at ordinary citizens and not the big banks or entities as it happened in the 2008-09 economic mess. By giving liquid money directly, the government can induce some economic activity. In that sense, it is now both supply and demand problem combined with major structural changes taking place in the field of technology and employment situation.

The lesson of history, if one cares to understand, is that every crisis must be an opportunity to assess the shortcomings and faults. This crisis is no different. Policymakers globally must reassess the economic policy framework in their respective economies asks some fundamental questions such as how the economic policy has failed and how it has benefited a larger segment of the population. Moreover, what sectors and employment policies be implemented that will generate the growth in the economy where automation is gradually taking over human labour and the employment levels are not going up along with the wages. It was quite obvious to some of us way before this health crisis emerged that the global economic system was not responding to emerging challenges and the policymakers were still stuck in the old choices of inflation and employment while the world economy was facing much bigger threats like the climate change; automation of jobs and the possible global crisis of any kind such as health or financial as we are living through it right now.

When a pathogen smaller than the size of a rice paddy can shut down the entire planet, it tells you that we ought to be seriously reflecting on the question of governance, economic policy and global systems and how the national policy be constructed that is flexible enough to respond to global catastrophe. It is just not enough to do the monetary and fiscal stimulus announcements.
In 627 AD, the Muslims of Madinah faced an overwhelming enemy both in size and strength. Instead of confronting the enemy head-on in open warfare outside the city limits or inside the city in close combat, Prophet Muhammad (P.B.U.H) adopted a grand strategy of isolation, containment and deferment at strategic advice of Hazrat Salman Farisi (R.A). 

**KHANDAQ or trenches were dug around the city to protect and isolate/lockdown the population of Madinah from the enemy invasion.** Preparations were made for the lockdown by reaping early harvest, with stored stocks. The enemy encamped at the city limits, fought skirmishes but was unable to infiltrate and break the isolation of the KHANDAQ. Attrition, weather and other natural factors held off the enemy, who eventually retreated, with limited loss of lives in the city.

In this lockdown, Muslims faced famine and harsh restrictions with good grace, though were victorious due to the KHANDAQ strategy. This historical strategy has valuable lessons for us that isolation, containment and deferment can counter an overwhelming force of COVID-19. If executed with unity and preparation it can block, avoid and eventually repel the full force of COVID-19 impacting our citizens.

Isolation/protective zones need not be by a physically dug KHANDAQ but can be a hypothetical barrier or boundary around an existing economic or social unit. For example, a community or a factory, and fortified by standard operating procedures (SOPs) and other means to protect those inside.

**COVID-19 – An Overwhelming Enemy**

A situation analysis in Pakistan tells us:
1. Straining government's ability to co-ordinate national isolation and response, e.g. testing at a mass national level.
2. Weak healthcare system which does not have healthcare professionals or equipment to deal with any influx of patients.
   - Shortage: Pakistan ventilators: 1/10th of OECD average – Nurses shortage: 1/6th of WHO recommended levels
3. Frontline medical professionals are vulnerable to the virus which puts them at risk but also depletes the state's capacity to respond to the crisis – i.e. 9% of COVID-19 patients in Italy are healthcare professionals.
4. Business shutdown costs Pakistan PKR 40-50 BN per day. Loss from COVID-19 can cost $15 billion.
5. Approximately 12 million jobs can be lost; some may never be recovered resulting in permanent loss of economic activity and financial drain of social security and additional despair leading to public unrest.

**The KHANDAQ Strategy**

Taking lessons from the Battle of KHANDAQ, the following principles can deliver victory against the overwhelming, unseen enemy in the form of COVID-19:

1. **Creating a KHANDAQ around an isolatable economic or social unit**
   I. Identify the smallest cohesive unit where a defensive “trench” can be raised to isolate and protect a population from COVID-19. This could be around a company, organization or a well-organized community which has:
   a. Financial resources to test and screen a threshold (say 50%) of its constituent members for COVID-19
   b. Can maintain segregation of such persons within the confines of the boundary or “trenches” around the unit
   ii. Companies, industrial zones or community (like the housing societies) pay for a minimum threshold of employees, members and their households (say 50%) to have COVID-19 tests to confirm those not infected, thereby creating a safe isolation unit or protective zone – within “trench” walls of companies and their homes.
   iii. Businesses can undertake this expense willingly as a business continuity measure or even CSR, if upon certification they are allowed to operate with tested/cleared staff, under a mechanism of testing and monitoring SOPs. Cost of testing is much lower than cost of shutdown of operations. If this strategy helps partially kick-start the national economy, and avoid a complete shut-down, the economic benefits far outweighing the cost.
2. Safe passage between the trenches at work and home
   I. This can be achieved through organizational services such as Airlift, Careem, Uber, and Bykea to allow for safe transit and passage between the safe isolation units which have been created.
   ii. These transportation companies would also need to adopt the KHANDAQ policy of testing to make themselves into isolation units, and thus getting permission to operate only with and between other isolation units.

3. Central command to coordinate the creation of isolation zones
   I. Testing and isolation of companies/ communities will need to be coordinated under a short complete lockdown of 3-5 days for each city, with inter-city/ inter-provincial movement limited until city-wise rollouts are complete.
   ii. By having the trench strategy implemented in a synchronized manner, concentric circles of safe isolation/protective zones can be created which will organically increase the coverage area of COVID free zones.

4. Safety and containment within the isolation zones
   I. Inside the KHANDAQ isolation unit, each employee and his family will receive bi-weekly safety kits comprising of masks, sanitizers, thermometers and gloves to be used in accordance with SOPs developed to protect from and contain any potential COVID-19 contamination.
   ii. The kits will be funded and distributed by businesses/ communities, alongside their implementation of the SOPs for the benefit of businesses so that they can operate at reduced capacity, instead of complete shutdown.
   iii. Open source Bluetooth enabled tracer apps can be used in conjunction with these kits and SOPs to enable tracing of established cases and those at risk of COVID-19 contamination so the isolation units can be maintained.
   iv. The following box summarises the requirements and the body/authority responsible for it to implement the strategy.

<table>
<thead>
<tr>
<th>Governance Requirements</th>
<th>Operational Resource Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Co-ordination &amp; Monitoring: Provincial or national through the offices of the CMs/PDMAs and PM/NDMA</td>
<td>• Importing Kits: Either government procures and then companies purchase, or companies’ source directly</td>
</tr>
<tr>
<td>• Central Nervous System: NADRA, provincial ITBs, health departments</td>
<td>• Performing Tests: Train current medical students and lady health workers for COVID-19 testing</td>
</tr>
<tr>
<td></td>
<td>• 3-5 Day Lockdown Enforcement: LEAs and rangers</td>
</tr>
<tr>
<td></td>
<td>• Logistics: NLC, healthcare and other logistics providers, i.e. AirLift, Swivl, Careem, Uber, Bykea</td>
</tr>
</tbody>
</table>

Islamic history provides us this classic example to emulate while fighting the COVID-19 enemy confronting us these days. Let us keep ourselves safe in the KHANDAQ by not letting the enemy enter.
In Development Studies the idea of civil society has gained prominence over the last two decades. Normatively, civil society has been considered as an agent for limiting authoritative rule, spearheading social movements, minimizing unnerving impacts of market forces, ensuring political accountability, and improving governance. Hence, the definitions of civil society are diverse and rooted in competing social and political philosophies.

According to one definition, civil societies articulate the relationship between state and family, dominated by voluntarily functioning social groups and organizations that have some autonomy in relation to the state. These operational social organizations advance their interests, values and identities. The state includes governments, judiciary, legislature, and armed forces. In late 1980s, UNDP, World Bank and other international development agencies adopted the term civil society into its discourse because of its inclusiveness, containing within its scope private sector.

Civil society in the form of NGOs are more concerned with more specific and targeted interest-group issues such as women empowerment, environmental sustainability, human rights, poverty alleviation, and education. The forms of social organization as encompassed by the term civil society are varied: (i) associational which share an organizational objective, (ii) community-driven which are held together by social bonds and reciprocities, and (iii) interest groups defined along the axis of pursuits of economic interest and political power.

In the context of Pakistan, all three forms of social organization as stated in the preceding text have been existent, both historically and socio-culturally. Historians claim that civil society in Pakistan when situated within social movements can be traced back to the war of independence against the British colonial rule. Outlined along this axis, civil society is both associational and community driven.

The landscape of civil society movements in Pakistan has been dominated by three trends. Starting with the revivalists who have spirited against the encroachment of social, physical and virtual spaces of the state. Second, the community-driven approaches that have questioned the legitimacy of the coalition between state and market economy, and lastly the communal approaches that, in addition to questioning the authority, also resort to constitutional means for meeting targeted goals such as empowering marginalized groups, alleviating poverty, and so and so forth.

Civil Society and COVID-19

In the wake of COVID-19 pandemic that has spread rapidly across over 200 countries in roughly less than 3 months, the role of civil society is turning out to be more critical. In order to outline the roles and responsibilities which civil society across the world can perform, the experts at Harvard Kennedy School have recently chalked out a few parameters along which public challenges can be addressed and solutions can be highlighted.

The strategy advised by the Harvard school suggests that, without falling into the terrain of politicizing the message and sensationalizing the news, credible communication is a key to contain and mitigate the effects of COVID-19. When information related to public national emergency is politicized, the citizens' trust on the government drops which may lead to reduced number of tests and hindrance in public vaccination efforts. At the communal level what needs to be done is to inculcate the spirit of creating awareness and campaigning through disseminating reliable information, providing guidance, and technical assistance to control coronavirus. Next in discussion is a composite approach in which civil societies in coalition with public sector, should frame a global approach to mitigate the impacts of the pandemic. This approach has to function in a multi-pronged fashion and should set its focus on: taking on board multiple stakeholders (the most significant perhaps being the public health specialists); signifying socio-economic impacts, specifying the vulnerable groups; and countering mis- and dis-information about COVID-19. Abrupt disruption as an institutionalized policy rhetoric is also mandatory to control community spread of COVID-19.

This strategy has been implemented across the world, with varying degrees of realization by states about the havoc that the pandemic can cause or has caused. Alongside devising swift strategies to prevent, control and treat COVID-19, it is also significant on the part of civil societies to claim transparency from state regarding
national plans for control and prevention, guidelines about allocation of scarce resources, and effective utilization of technologies. Investments in vaccines and mobilization of physical and human resources are also mandatory as prevention strategies. Another important domain to be looked at introspectively is human rights, which in the wake of debates on partial vs. full lockdowns and tightened travel as well as border policies may get ignored by the state. Hence, the sensitization to strike a balance between protecting health rights and respecting human rights is among the responsibilities of the civil society. National spending in the wake of economic challenges being faced by the countries need to be prioritized as well.

COVID-19 and the Civil Society in Pakistan

Time will tell as to what extent Pakistan's civil society (or civil societies across the world, for that matter) fulfills these criteria or meets these parameters. As for now the assistance being provided by different community-based organizations, NGOs, peer groups, pressure groups, and philanthropic groups is admirable. For instance, Al-Khidmat foundation is distributing ration to the vulnerably poor across Pakistan in addition to providing soaps, sanitizers and face masks. Edhi foundation has collected funds to import testing kits which are being distributed to the government hospitals. Saylani Welfare is another charity organization which is running a cell phone application and telephonic services where the vulnerably poor can register for ration and other items of necessary consumption. Other organizations such as Alamgir Trust, Pakistan Islamic Medical Association and Baitul Salam Trust (among other NGOs) are also assisting government healthcare centers and staff members in setting quarantines, providing medical equipment and running tests.

The civil society has taken swifter strategizing decisions than most of the state functionaries in Pakistan, but these efforts can have a bigger impact if coordinated efforts are targeted at. What further need to be done is to devise a unified strategy rather than looking out for ad hoc approaches which in any scenario are not very useful. In order to devise such a unified strategy, the responsibility rests with the federal government. Federal government has many institutions operating under its domain which can change the regulations of medical staff. These authorities do not rest with the provincial governments. So, there should be one representative body responsible for taking such critical decisions in case of national emergencies such as COVID-19. And the body's decision must be guided by a panel of experts which must include infectious disease expert, IT expert, management information expert, epidemiologists, neurologists, lab experts, virologists, bureaucrats, representatives of provincial governments, and civil society representatives. This group should be devising the strategy and presenting different options and scenarios to the Prime Minister. In this way one authentic information body will be giving out information to the PM and subject to approval will be disseminated to the public. In this way the role of civil society will be more and its contribution widespread. More importantly, the data of vulnerable groups can also be used by the state-civil society alliance to target the at-risk groups and provide amenities.

Civil society's human resource can also be of help to the state institutions to meet the public healthcare needs because of COVID-19 pandemic. Lastly, the civil society interacts with people at a level the state cannot, or at least does not. In times like these such contacts can come in handy to reach these, often marginalized people, who are in need.
Due to the outbreak of COVID-19 in Pakistan, and the resultant disruption to business operations, the Pakistan Stock Exchange (PSX) posted record losses as the Coronavirus scare weighed heavily on investor sentiments. The Covid-19 pandemic has brought volatility in the global markets and created uncertainty among investors. The market has faced a six-year low intra-day value and reduced its value by 28 percent this year.

For investigating the impact of COVID-19 on share prices, we have selected six major sectors of PSX, namely commercial banks, oil and gas exploration companies, food and personal care products, tobacco, fertilizer and cement. Based on the market capitalization of the PSX these six sectors have more than 60% weight in the total value of PSX as shown in Fig-1.

**Figure 1: Coverage by Sector on the Basis Market Capitalization**

For all the selected six sectors the sector wise market value trends of the month of March plotted on daily basis, along with the company wise monthly losses in percentage are given in tables.

**Commercial Banking Sector**

The banking sector is the biggest sector of PSX having 18% weight in the total market capitalization of the PSX. The prices of all the twenty listed commercial banks decreases except Bank of Khyber over the month of March 2020, implying that COVID-19 had severely impacted the banking sector of Pakistan. Figure 2 clearly shows that the value equity of the banks decreased from PKR 1.46 trillion to PKR 1.013 trillion in Mar-2020 witnessing a decrease of 36.44 percent.

**Figure 2: Market Capitalization of Banking Sector**

Table 1 reports that United bank limited (UBL) has faced loss of more than 50% decrease in its share price. This decrease in the banking stocks is due to the probability of high future loan losses due to expected economic slowdown in the presence of high interest rates.

**Table 1: Percentage Change in the Share Prices of Commercial Banks**

<table>
<thead>
<tr>
<th>Bank name</th>
<th>Monthly</th>
<th>Bank name</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>UB</td>
<td>-</td>
<td>BIP</td>
<td>-</td>
</tr>
<tr>
<td>BO</td>
<td>-</td>
<td>MC</td>
<td>-</td>
</tr>
<tr>
<td>MEB</td>
<td>-43%</td>
<td>FAB</td>
<td>-28%</td>
</tr>
<tr>
<td>HBL</td>
<td>-42%</td>
<td>SNB</td>
<td>-28%</td>
</tr>
<tr>
<td>BAF</td>
<td>-38%</td>
<td>ABL</td>
<td>-26%</td>
</tr>
<tr>
<td>BAH</td>
<td>-33%</td>
<td>SILK</td>
<td>-24%</td>
</tr>
<tr>
<td>SCBP</td>
<td>-32%</td>
<td>HMB</td>
<td>-24%</td>
</tr>
<tr>
<td>JSB</td>
<td>-32%</td>
<td>SMB</td>
<td>-15%</td>
</tr>
<tr>
<td>NB</td>
<td>-</td>
<td>SBL</td>
<td>-3%</td>
</tr>
<tr>
<td>AKB</td>
<td>-31%</td>
<td>BOK</td>
<td>2%</td>
</tr>
</tbody>
</table>
Oil and Gas Exploration Companies Sector

The oil and gas exploration is the second largest sector of PSX having 14% weight in the total market capitalization of the PSX. The prices of all the 4 listed companies in oil and gas exploration decrease over the month of March 2020. Figure 3 clearly shows that the value equity of the oil and gas exploration sector decreased from PKR 1.13 trillion to PKR 721.45 Billion in March 2020 witnessing a decrease of 44.65 percent. The COVID-19 had also severely affected this sector.

![Figure 3: Market capitalization of Oil and Gas Exploration Sector](source: https://www.pse.com.pk/market-cap-and-graphconstructed-by-author)

Table 2 reports that the maximum loss is faced by the Oil and Gas Development Company Limited (OGDCL) with 48.33% decrease in its share price. Energy companies are scrambling to adjust to much lower oil prices brought about by dual shocks to both supply and demand. Due to COVID-19 the country-wide lock down has halted most of the business and decrease the demand of the oil.

Table 2: Percentage Change in the Share Prices of Oil and Gas Exploration Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>MARI</th>
<th>OGDC</th>
<th>POL</th>
<th>PPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Returns</td>
<td>-31.64%</td>
<td>-48.33%</td>
<td>-37.45%</td>
<td>-48.29%</td>
</tr>
</tbody>
</table>

Food and Personal Care Products Sector

The food and personal care products is the third largest sector of PSX having 9% weight in the total market capitalization of the PSX. The prices of selected 18 listed companies in food and personal care products decrease except for Rafhan Maize Products Limited (RMPL) over the month of March 2020. The Figure 4 clearly shows that the value equity of the food and personal care products sector decreased from PKR 600 Billion to PKR 527 Billion in March 2020 witnessing a decrease of PKR 73 billion or 13.08 percent, showing the effect of COVID-19.

![Figure 4: Market Capitalization of Food and Personal Care Products Sector](source: https://www.pse.com.pk/market-cap-and-graphconstructed-by-author)

Table 3 reports that the maximum loss is faced by Mitchells Fruit Farms Limited (MFFL) with 41% decrease in its share price. The declining trend started with the start of the Coronavirus pandemic and prior to lockdown. This implies that it was mainly the reduced demand that led to the decline in stock prices.
Table 3: Percentage change in the Share Prices of Food and Personal Care Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>MFF</th>
<th>SHE</th>
<th>TREE</th>
<th>MFL</th>
<th>AS</th>
<th>SCL</th>
<th>CLO</th>
<th>FFL</th>
<th>NAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td>-41%</td>
<td>-40%</td>
<td>-39%</td>
<td>-33%</td>
<td>-</td>
<td>-</td>
<td>-23%</td>
<td>-23%</td>
<td>-19%</td>
</tr>
</tbody>
</table>

Table 4 reports that the maximum loss is faced by Philip Morris (Pakistan) Limited (MFFL) with 30.20% decrease in its share price.

Table 4: Percentage change in the Share Prices of Food and Personal Care Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>KHTC</th>
<th>PAKT</th>
<th>PMPK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td>-28.30%</td>
<td>-2.68%</td>
<td>-30.20%</td>
</tr>
</tbody>
</table>

Tobacco Sector

The tobacco sector is the fourth largest sector of PSX having 9% weight in the total market capitalization of the PSX. The prices of all 3 listed companies in the sector decrease in the month of March 2020. The Figure 5 shows that the value equity of the tobacco sector decreased from PKR 584.89 billion to PKR 534 billion in March 2020 witnessing a decrease of 9.07 percent.

Figure 5: Market capitalization of Tobacco Sector

Table 5 reports that the maximum loss is faced by Fauji Fertilizer Bin Qasim Limited (FFBL) with 30.20% decrease in its share price.

Fertilizer Sector

The fertilizer sector is the fifth largest sector of PSX having 7% weight in the total market capitalization of the PSX. The prices of all 6 listed companies in the sector decrease in the month of March 2020. Figure 6 clearly shows that the value equity of the fertilizer sector decreased from PKR 492.56 billion to PKR 417.77 billion in March 2020 witnessing a decrease of 16.47 percent.

Figure 6: Market capitalization of Fertilizer Sector

Table 5 reports that the maximum loss is faced by Fauji Fertilizer Bin Qasim Limited (FFBL) with 30.20% decrease in its share price. Fertilizer is one of the important components of food supply chain input which the outbreak of COVID has adversely affected. Limitation on the movement of both fertilizers and raw material suppressed both demand and supply for all relevant products reflecting in lowering share prices of these products.
Table 5: Percentage Change in the Share Prices of Fertilizer Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>AHCL</th>
<th>ENGRO</th>
<th>EFERT</th>
<th>FATIMA</th>
<th>FFBL</th>
<th>FFC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Returns</td>
<td>-5.1%</td>
<td>-20.8%</td>
<td>-13.5%</td>
<td>-15.5%</td>
<td>-27.8%</td>
<td>-12.6%</td>
</tr>
</tbody>
</table>

Cement Sector

The cement sector is the sixth largest sector of PSX having 6% weight in the total market capitalization of the PSX. The prices of 16 companies out of 18 selected listed companies in the sector decrease in the month of March 2020. The Figure 7 shows that the value equity of the sector decreased from PKR 390.02 billion to PKR 316.89 billion in March 2020 witnessing a decrease of 20.77 percent.

Figure 7: Market capitalization of Cement Sector

Table 6 shows that the maximum loss is faced by Dandot Cement Company Limited (DNCC) with 39% decrease in its share price. COVID-19 has also put lot of stress on cement sector, both on the local and international demand. 80% of our cement is exported to two major importers, Sri Lanka and Bangladesh, and they too are facing lock down situation. Due to reduced demand 11 plants are completely shutdown and remaining 14 plants are in partial shutdown phase.

Table 6: Percentage change in the share prices of Cement sector Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>DNC</th>
<th>LUC</th>
<th>FLYN</th>
<th>THC</th>
<th>DCL</th>
<th>SMC</th>
<th>MLC</th>
<th>DGK</th>
<th>POW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td>-39%</td>
<td>-33%</td>
<td>-33%</td>
<td>-30%</td>
<td>-26%</td>
<td>-23%</td>
<td>-23%</td>
<td>-22%</td>
<td>-18%</td>
</tr>
<tr>
<td>Company</td>
<td>ACP</td>
<td>KOH</td>
<td>PIOC</td>
<td>CHCC</td>
<td>FECT</td>
<td>FCCL</td>
<td>BWC</td>
<td>JVD</td>
<td>GWLC</td>
</tr>
<tr>
<td>Monthly</td>
<td>-17%</td>
<td>-15%</td>
<td>-10%</td>
<td>-9%</td>
<td>-9%</td>
<td>-8%</td>
<td>-5%</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The bloodbath at the PSX is synchronized with the global market trend, where stock markets from the US to Europe and Middle East to Australasia have witnessed heavy losses due to COVID-19. As the world’s stock markets are free falling, we must not be too worried about the performance of the PSX. The market halted regulations are in place in all the markets and such structural shocks are inescapable during an event of this magnitude. I believe the market will gradually recover after the pandemic.
Stay home. Stay safe. COVID-19 is outside. It has a big ego. It would not come to your house unless you bring it home. So, no handshakes or hugs, wear masks, keep physical distance, avoid social meet ups, drink lots of water, take steam, do gargles, do not touch your face, mouth and nose, and wash your hands for twenty seconds and repeat it after every four hours or whenever there is a need.

Everyone among us has heard these statements in the last one and a half month, repeatedly. We must follow these guidelines. Why are we doing this? To protect ourselves and others. If we follow it religiously, we are all heroes who have some contribution in this battle against COVID-19.

The motivation of this piece is to pay tribute to the contribution of our heroes especially the unsung heroes. The ones who perform their duties and do not get much recognition.

Starting from doctors and nurses to the cleaning staff at hospitals, those working at helpline 1166 to lab technicians and drivers transporting the COVID-19 patients, all are heroes. They are at the front line dealing with COVID-19 positive cases. A few among them have the proper gear now but none had it initially.

Teachers imparting education online and spreading awareness on prevention, researchers doing research related to COVID-19 to develop vaccine, examining behaviour of patients, looking at the socioeconomic impact of the outbreak, and the IT workers trying to develop apps to update nation on the number of cases and how to prevent from the pandemic- all are heroes.

Street cleaners, garbage collectors who are making sure that the roads and streets remain clean. Vegetable and fruit vendors, grocery shopkeepers, drug store worker/owners who are providing everyone daily essential items- all are heroes in their own right.

The list does not end here. Government employees and administrators, ensuring the seamless continuity of all basic services including provision of clean water, developing action plans every week while looking at the new developments domestically and internationally. Government employees who are working 24/7 with the international bureaucracy for provision of testing kits and personal protective equipment, bringing back our people stranded overseas, and providing ration and other necessities to those in need.

District administration and law enforcement agencies, especially the police who have the hardest responsibilities, i.e., to control Pakistanis not to roam around outside or gather at one place. Precisely, they are the ones who have the most difficult job in saving lives of all the people.

Every single individual whether they are part of some civil society organisation or otherwise are contributing in their own way. Celebrities, like the cricketing star Shahid Afridi, are involved in giving ration to the people. EDHI, Saylani, Akhuwat and other welfare organisations are among those providing food and other essential items at the doorsteps of the needy people. Besides these known celebrities and welfare organisations, there are many who are collecting money, making ration bags and providing these to the needy households. Asim Jofa and other designers are stitching home grown personal protective equipment.

Tailors are stitching masks, mothers are taking care of their families at home, offices are working online, siblings are taking care of each other, and so many of the business owners are retaining their employees and giving them salaries.

All of them are unsung heroes contributing in one way or the other in this battle against COVID-19. Few contributions will get recognition at the larger level, some may not even be identified as 'contribution'. Nevertheless, everyone has taken part in this battle in their own way and capacity.

Irrespective of who says what, these unsung heroes have made a significant contribution because of their sense of responsibility, compassion and specific expertise. Whoever is making such a contribution is a hero, in cases an unsung one, and deserves our unending gratitude.
As COVID-19 struck and the global economic order came under immense strain, reaction of the financial markets was more than predictable: there was a rush for the dollar and dollar denominated assets. In mainstream economics, this kind of behavior is commonly referred to as 'flight to safety'. For countries like Pakistan, such a situation can have telling repercussions. This is evident by the amount of dollar outflows since December 2019. Pakistan, primarily owing to its high interest rate set by SBP, had managed to attract substantial amounts of dollar inflows (commonly known as 'hot money'). But as soon as the effects of COVID-19 became apparent, the dollars inflows reversed course immediately. By now, estimates suggest that $3.27 billion has flowed out of Pakistan1.

This invites several queries. First, the differential between the central bank administered rates in Pakistan and the developed world (primarily rates set by European Central Bank or ECB, and the US Federal Reserve) is still quite substantial, allowing for the possibility of 'interest arbitrage'. Second, the US's public debt is above $22 trillion, and its economic growth has been anemic since at least the Great Recession of 2008. Moreover, its present government does not aspire much in terms of global confidence and ability to mend its relations with the world. Third, we do not observe a similar flight to safety towards Euro area or British financial assets.

This has been the case since WWII, as dollar became the dominant currency around the globe. Its hold has elicited complaints from several quarters, with the former French President Charles De Gaulle labeling its influence as an 'exorbitant privilege'. But despite all challenges, it continues to hold sway. Much of the global trade in important commodities such as oil is still denominated in dollars. By end 2019, the dollar's share as a percent of total reserves held by central banks around the globe was 57 percent2, as depicted by the graph. In the coming days, this is set to increase as demand for the dollar has gone through the roof. By the 2nd and 3rd week of March, when COVID-19's real impact began to be felt across the globe, all the demand in the $6 trillion daily foreign exchange market was for dollars3.

Why are the dollars so sought after?

The Lure of the Greenback

By the end of WWII, the US was firmly in place as the world's leading financial and military power. The meeting at Bretton Woods anointed the dollar as the world's premier currency. Simply put, other countries did not have anything to offer in terms of challenge to the US. Britain, whose sterling was the leading currency of the global financial order, had to take recourse to loans from the US in order to finance its war effort. And a broken Europe, with a dilapidated infrastructure, could hardly make a stand in front of the US. The setting in motion of the 'Marshall Plan' cleared the way for provision of dollar credit to Europe.

It was complemented by the smart move to allow for dollar 'convertibility', meaning that dollar could be exchanged for domestic currency in any country at a particular exchange rate. In the aftermath of WWII, the US government (along with the Canadian government) were the first ones to allow convertibility of their currencies, a decision that allowed for its widespread use around the globe and development of primary and secondary markets in dollar denominated assets. In contrast, leading European nations allowed convertibility of their currencies in late 60's. The world needed the help of the largest economy in the world, to trade with it and help gain access to much needed capital to finance their domestic plans. The US was more than happy to oblige, helping perpetuate its own currency by financing trade in it. As the size and volume of global trade and financial markets grew, as well as the size of the US economy, it led to development of a financial and trade system run mainly on dollars.

The strength of the institutions in the US and consistency in policies have helped US gain confidence of the world in terms of safety of their investments. Whether the ruling dispensation is republican or democrat, institutions like the Federal Reserve and US Treasury have continued performing their tasks without much
The independence of these kinds of institutions has ensured that any upheaval in financial markets extracts a swift, coordinated response that anchors markets out of probable elongated declines. The Great Recession of 2008 was an ample demonstration of this fact.

Having the most liquid and deep financial markets helps attract investments from around the globe, especially in times of financial stress like COVID-19. Led by US treasury bills, which are considered the most liquid asset in financial markets, and a liberal capital account policy, America's financial markets (and thus its currency) remain the most attractive destination. As Vambrey and Ganziro (2016) commented, the strength of US financial markets into these pre-requisites is second to none.

The challengers to the dollar have been few. From Soviet Ruble to Chinese Renminbi, predictions about challengers ending dollar's reign have been made a plenty. So far, though, all those predictions have failed to materialize for various reasons. Japan's economic prowess in the 80s elicited hopes that its currency, Yen, would rival dollar in terms of global influence. But that challenge fell flat after Japan's economy got mired in a 'liquidity trap' in the 1990's, whose effects are still being felt by the Japanese economy. Similarly, Euro's predicament is tarred by the dis-unity amongst its many member countries over fiscal and monetary issues, and Britain's exit (BREXIT) has dealt its standing a substantial blow. The most in-demand bonds of the Euro area, for example, are of the German bonds, but the German government has been traditionally averse to the idea of issuing debt to finance Euro area growth. Meanwhile, during all this time, the US economy (and dollar's demand) kept growing despite hiccups like the Great Recession of 2008. China still exercises restrictions upon carrying renminbi outside its borders, and issues plaguing its economy (troubled private credit, centrally controlled policies, etc.

Another feature of the dollar that makes it a globally coveted currency is the consistency of its purchasing power and its being a good store of value over time. Since the Volcker era of the 1980s, inflation in the US has remained low, ensuring that the purchasing power of the dollar is not eroded. In the foreign exchange market, the movement in its valuation against other leading currencies has been minimal. In fact, it has gained substantially against currencies of developing nations. This persistency in maintaining a certain level of purchasing power has made it a leading 'store of value', leading the investors/savers around the world to covet it. All these features also impart upon the dollar the characteristic called 'sound money', making it much sought after.

**Advantage USA**

The dominance of the dollar gives US unprecedented leverage in terms of enforcing its will and discretion upon the globe. Since the wheels of global trade are oiled by the dollar, and financial institutions invest large amount of their holdings in dollar denominated assets, sanctions by the USA against a country (like Iran and North Korea) prove to be largely successful. Put another way, the participants of global economic order cannot take the risk of ignoring Washington's commands, lest they be excluded from this order. We can also gauge the influence of the dollar on global financial order through liquidity statistics. According to Bank of International Settlements (BIS), dollar denominated lending outside of the US increased to 14 percent of global output in 2018 from 10 percent in 20075. This is set to increase further as investors dump other currencies for dollars post COVID-19. Euro was (and still is) considered a competitor to the dollar. Yet a substantial portion of EU trade is still conducted in dollars. In September 2018, the outgoing EU President Jean-Claude Junker lamented that 80 percent of EU's energy imports were being paid in dollars!

There is also financial advantage in supplying the world with dollars, known as 'seigniorage', which basically is the difference between the cost of printing a note and its face value (or nominal buying power). The cost of printing $1 and $2 bills is 7.7 cents, while its 19.6 cents for a $100 bill. In 2018, America exported $65.3 billion dollars, taking the total holdings of US dollars outside of US by end of that year to $774 billion. Different estimates of revenues through seigniorage are estimated by various sources, with the revenues differing by domestic and foreign holdings. According to an earlier estimate by Feige (1997), the seigniorage from dollars held outside of US was about $6 to $7 billion in that year. A US Senate hearing in 1999 was informed that the total revenue from seigniorage stood at $25 billion. Given that the total stock of dollars printed and in circulation has increased since then, it can be safely assumed that the revenue is far greater than before, although no concise estimate is available.

The revenue from seigniorage is not the only advantage conferred by the dollar to the US. Arguably, an even bigger advantage accrues in the form of the world financing the US consumption at remarkably cheap rates. The US provides its currency for exchange of goods and services from the world, with a large portion flowing back to the US through investment by foreigners' in its debt instruments and assets (mainly in US treasuries). At the end of 2019, the total stock of US treasury debt was $17.72 trillion. Out of this, 38 percent ($6.77 trillion) was dollar money invested by foreign governments. Nobel Prize winning economist Paul Krugman
opined that the foreign holding of dollars is equivalent to $500 billion loan per year to US at zero interest rate. Going by this consideration, currency is the most profitable exports of America as it helps sustain ultra-cheap provision of domestic credit, thus helping drive growth and consumption. All in all, dollar's reign as the leading global currency is set to continue well into the future.

Notes:

1. During the current fiscal year, the inflow of dollar investment into treasury bills, PIBs and equity market totalled $4.14 billion till now. See 'Capital market outflows jump to $3.27 billion'
2. Source: International Monetary Fund (IMF)
3. 'Shockwave', London review of books
4. p.24, 'The exorbitant burden'
5. 'Global liquidity: changing instrument and currency patterns', BIS Quarterly Review, September 2018
7. US Federal Reserve
8. 'Revised estimates of the underground economy: Implications of US currency held abroad'
9. 'Hearing on official dollarization in emerging market countries', US Senate
According to the Coronavirus Worldometer the present count of the infected persons with COVID-19 has increased to 2.5 million and deaths to be around 0.17 million. Many, especially the European, countries have been battered by the onslaught of the pandemic through human casualties and also the economic meltdown. The question of lives vs livelihood seems to be confronting every government, and all nations are trying to put up a good and informed fight. Policy measures both at the public health front and economic relief are the only agenda items for the policy makers these days. To design the best response, policymakers and researchers are digging deep into the data streams coming in from all part of the world.

Pakistan Institute of Development Economics’ PIDE COVID-19 response has been enormous; with one of the key features being the Dashboard. One can see from the visualization below (taken from the PIDE Dashboard) that the infection rate by age group irrespective of the gender is highest among the age range of 20-29, and more among male. In the deceased category males have been most of the victims.

![Age Group (Infected Patients) %](source)

![Age Group (Deceased) %](source)

Source: PIDE COVID-19 Dashboard.

This and other type of epidemiological data help in preparing a better response. All these variables are important in preparing both curative and preventive plans. One of the critical variables which interacts with these epidemiological variables is immunology. The immunological battle between the host and virus will determine the rate of infection and the spread.

The by now famous R0 will start to fall with widespread immunity be it through the herd immunity or immunisation through vaccine. But there is a debate on immunity of humans to a pathogen also having determinants based on behavioural variables such as stress management, sleep, diet, age sex and extent of exposure.

Based on the COVID-19 data across the globe, many hypothesised that regions such as Asia and Africa are less susceptible to catch the virus because of their immunity to it. Reason was the visibly high infection and death rates across USA and Europe. The rate of infection had not increased in the same manner as did in the European and in general developed countries. Although presented in an unscientific manner but many believed that these regions have acquired herd immunity over time because of higher exposure to malaria, and more casually as people live in relatively less hygienic areas, are exposed to WASH (water, sanitation and hygiene) problems, thus, becoming more resistant to disease. Similarly, another hypothesis was aired that it is the health crises for the rich, poor are immune.

With time, all these myths have started to fall apart. Human immunity will not be homogenous to the Coronavirus depending on the variables described above but it is certainly not region or income specific. Humans are humans, and after controlling for epidemiological factors there is very little chance of differentiated immunity levels. To support this argument let me highlight the incidence of infection and death among the Blacks in many US states. The rates for Blacks are much higher than the whites. This means virus is not differentiating on the basis of income or genetic roots. This concern was heightened when it was reported that the community deaths are at a rise in New York. It was reported in the news that about 80 Pakistanis have lost in the battle of survival against the COVID-19 virus.
In a recent move to protect the lives through livelihood protection, the government of Pakistan has decided to ease some restrictions of lockdown albeit with SOPs for social distancing and increasing the awareness campaign. So far, the hotspots for the pandemic have not been linked to slums, or urban congestion or income poverty in general. But as we move closer to the critical time of mass infections one has to plan accordingly. This plan should not be based on the false paradigm of herd immunity with reference to these characteristics as doing so could be disastrous. Determinants of immunity would be variables which are consistent across the globe and not linked with a region or a race. Learning from other countries would still be the best course to design our domestic policy.

As they say, common sense should prevail and here the common sense is that there is no immunity pardon. A human is a human be they European or African or Pakistani!

\( R_0 \) is defined as the rate of infection passing in population by an infected person. A threshold level of immunity after which infection spread starts to slow down.
Pakistan's history is characterized by political instability, beset by variegated troubles that includes: multiple military coups (1958, 1969, 1977, 1999), conflict with neighboring India over water resources and Kashmir (1965, 1971, 1999), the creation of Bangladesh from East Pakistan (1971), episodes of love and hate relations with the United States (1960s, 1980s, post 9/11), the state's involvement in the Afghan-Soviet war (1979-1989), and its role as a frontline state in the 'war on terror' (2001 onwards). Furthermore, two massive natural disasters – a 7.9 magnitude earthquake in October 2005 and unprecedented floods in July-August 2010 – accompanied by internal security hazards, ethnic strife, energy crisis and global economic recession have undermined the continuation of development policies. Over the years, these events have resulted in unsteady economic growth, short-lived economic booms, and external and internal conflicts. In her book on 'The Struggle for Pakistan: A Muslim Homeland and Global Politics', Ayesha Jalal (2014) explains how the vexed relationship with the United States of America, border disputes with neighbouring Afghanistan in the west, and unending conflict with India over Kashmir in the East, combined with ethnic rivalries have created a siege mentality that encourages military domination and militant extremism in Pakistan.

Over the last six decades, despite multiple collaborations with development partners and receiving huge amounts of foreign aid with considerable variations over time, Pakistan is still far from the stage of self-sustaining economic growth. Pakistan's growth experience of the last four decades suggests volatile annual growth and declining trend in long run growth patterns. A regime analysis tells us that the average GDP growth rates were higher during the military governments as compared to the tenures when democratic governments were in power. However, higher inflows of foreign economic assistance, international trade support and debt relief have played an important role during military eras. A GDP growth comparison of regional economies, during 2009-2019, shows that Pakistan is a worst-performing economy. It grew on average 4.1 percent which is way behind the growth rates of Bangladesh, India and China.

Over the years, political instability, inconsistency in public policy-making and lack of policy persuasion have played a detrimental part in undermining the state’s role to cope with the deteriorating socioeconomic conditions in Pakistan. The figure below shows proliferation of policies, their tenure and GDP growth trend during the last three regimes (1999-2018).

Pakistan entered the 21st century without a comprehensive action plan to improve the living standards of its people. During the last two decades, multiple medium to long-term national development plans were formulated, but only one of them – the MTDF 2005-2010 – has completed its planned policy period while all others were either discontinued or replaced by a new policy plan/framework. During the same period, international development agenda – the Millennium Development Goals (MDG) and Sustainable Development Goals (SDG) – heavily influenced the national and sub-national policies. All plans, except the Framework for Economic Growth (2011), were formulated keeping in view the MDG and SDG. Limited attention was given to the indigenous approach towards public policy. Perhaps that is why Pakistan failed to achieve most of the MDG targets and today following SDG targets with vague approach.

Almost all medium to long-term plans prepared during political and/or military regimes were shelved in the country's history after change in leadership. Despite wide circulation of these plans, hardly anyone reads them, understands them, implement them! Hence, broadly speaking, none of them succeeded in getting the desired results. Over the years, national and sub-national development plans have become more of a formal presentation document than actual action plans. Priorities of projects and programs have replaced the formulation and implementation of policies in Pakistan. This can easily be seen.

Figure 1: Pakistan's Political History and GDP Growth
Figure 2: 21st Century Comprehensive Action Plans & Economic Growth
through the Public Sector Development Program (PSDP)/Annual Development Plans (ADP) documents; selected projects in selected policy areas get adequate allocation of funds for speedy completion on the cost of others equally important policy interventions.

Among others, visibility is an important factor that influence governments’ priorities. Here, visibility may refer to governments’ sensitivity to their appearance in the development process which could improve their reputation or profile to receive public appreciation. Research evidence indicates that politicians in Pakistan often initiate politically-driven projects and tag their name or party’s slogan on these projects activities partly to enhance their political reputation and visibility. Evidence also suggests that in pursuit of political reputation, every new regime seeks to abandon active projects launched by previous governments and take certain development initiatives to differentiate themselves from their opponents and previous governments. In this process, the political leadership often opt for quick-fixes and initiate politically-driven projects partly to enhance their political reputation and to achieve short-term political gains. It was observed that politically-driven projects were often heavily funded, expensive, sometimes technically flawed, and had less impact partly due to political considerations that directed the objectives. The presence of numerous development partners in Pakistan have also played a role in discouraging the governments to design and implement a more holistic localized development agenda by extending financial and technical assistance; undermining state capacity and creating addiction for ready-made solutions to complex domestic problems. Having said that, the government also lacks adequate resources and capacity to come up with comprehensive solutions to complex problems. There are acute shortages of specialists/technocrats in the government. Policy-makers do talk about the importance of evidence-based decision making, but the importance of research & development and data governance are often ignored. The quality and efficiency of civil bureaucracy – practitioners who are responsible to transform policy into action – has deteriorated over time. These have increased government’s reliance on outsiders such as consultants, advisors and contractors to do miracles in short period of time. Although these consultants, often paid by the development partners, are experienced in their specialized fields, they lack understanding about the dynamics of public policy processes in Pakistan.

It is interesting to note that public policy problems are well known to everyone. It is broadly known what’s wrong with the system; civil bureaucracy, institutions, education sector, health sector, water and sanitation etc. The problem at large is ‘how to reform?’ in such a way to improve the functioning of the government in general and public service delivery in particular. The answer would never be simple, but what hampers reforms in Pakistan is the ambition to bring massive reforms in the system both vertically and horizontally at one point of time after long breaks. This approach failed multiple times. The new approach should be to take smaller but incremental steps, more considerably and regularly. Reform should be participatory, transparent and continuous process at all levels. Finally, policy persuasion and collective action are inevitable to sustainable development. As of today, there is no formal platform in Pakistan where development partners, government organizations and other stakeholders could interact frequently, share information, float innovative development ideas, and learn best practices so that they can contribute to the development process more productively. In the absence of these formal specialized platforms, organizations with different perceptions about the problems and preferences for the solutions pursue their own (competing) objectives. Absence of formal platforms results in fragmentation of ideas, weak coordination between multiple organizations, duplication of initiatives etc. In such a scenario, it can empower a few influential organizations holding critical resources in the policy network. It is likely that the presence of a few influential organizations and strategy to influence public policy in one-to-one engagement explain the absence of formal platforms. Think tank like the Pakistan Institute of Development Economics (PIDE) can and should fill this gap by formulating specialized policy platforms for public policy research, debate and mutual learning.
Pakistan's economy remains in crisis, despite bold claims of prosperity by its economic planners. If the thinking behind our economic plans were clear, the nation might not be in constant turmoil. Well-thought-out plans lead not to such turbulence, but rather to prosperity. It makes one wonder whether our economic policies are the result of clear thinking.

The Ministry of Finance (MoF) publishes documents that highlight important economic policies. These documents are available online. Do these documents reflect clear economic thinking?

I analyzed two documents by MoF: the “Pakistan Economic Survey 2018-2019 (PES)” and the “Roadmap for Stability and Growth,” both published in 2019. The analysis shows that economic writing published by MoF is not only difficult to understand but also inadequately researched and poorly presented. It is therefore evident that the writing suffers from the lack of clear thought.

In the first part of my analysis, I tried to determine whether these documents are written with their audience in mind. The answer is no. These are public documents. But our general public is not well grounded in the English language. Therefore these documents, preferably should have been published in Urdu, and in a language which is most conveniently understood. Aiming for a broader readership will have two benefits. First, it will strengthen Pakistan's democracy. The more people understand economic policy, the better our economic discourse becomes. Second, it will strengthen the social fabric, because when Ministries publish work that most people across the country are able to understand knowledge becomes inclusive.

Now onto the second part of my analysis. In it I used guidelines from work published by Steven Pinker, a linguist at Harvard University. I also followed guidance from work put out by the Literary Lab at Stanford University. With this guidance in mind, I measured these texts for their reading ease. I also tracked vague words, as defined by Pinker and the Stanford study. Moreover, I counted the number of times the word “and” is used. Its excessive or careless use can enable the linking of unrelated ideas.

The results of this analysis indicated that both these documents are indeed difficult to understand. Both texts contain complex, vague words, as well as overuse of the word “and” and painfully long sentences and paragraphs.

Vague words were plentiful. Words such as “growth,” “framework” and “strategy” were commonly employed. These words are vague because they can express more than one coherent thought at a time. The word “and” was also used...
unnecessarily. These texts teemed with complex sentences and paragraphs. A few sentences comprised more than seven dozen words, whereas any sentence of more than thirty words can be hard for those whose native language is not English. Similarly, some paragraphs are so wordy that the reader ends up losing the spirit of the whole argument. One wonders, if a college graduate would easily understand these documents. As a test, I showed them to a few recent graduates, and I was not surprised to find them in a state of confusion.

Apart from the above analysis, I also observed that these documents are not well-researched and attractively presented.

Well-researched documents contain essential citations. Citations show that writers took pains to read a wide variety of research before reaching their conclusions. One must not forget that the hopes of millions rest upon our economic policies. Ergo, one assumes that thorough research would be conducted. But, sadly, the lack of citations in these two texts puts that assumption in question.

Attractive formatting of a document not only pleases the eye, but can also help engage the reader if the content is a bit dry. Meaningful visualizations and effective use of fonts and space were absent in both documents. A cursory look at the Indian Economic Survey surprised me, and provided a salient comparison. Their economic survey is better formatted. It is available in Hindi. Their survey also talks about behavioral economics, data and technology. Ours does not.

Overall, my analysis showed that our government's writing on economic matters does not reflect clear thinking. Unclear thinking cannot take nations from a state of poverty to prosperity; only clear thinking can.

I am sure that the intentions of MoF personnel are good; but as a concerned citizen of the country, I expect our economic planners to make policies which go a long way towards addressing the core issues of the country.

It is time government institutions think about our economic problems in a clear manner, for it is only through the clarity of ideas that meaningful policies can be framed, which in turn, should bring about genuine economic revival.
Pakistan's active engagement in the US-Taliban peace talks might create opportunities for its withdrawal from the FATF list. The next few months promises to be critical. Recently, the Financial Action Task Force (FATF) Plenary assessed the agreed action plan for Pakistan and the findings don't look encouraging. Noncompliance with FATF action plan bears the risk of pushing the country toward blacklisting. Pakistan, apparently, is committed to implementing the FATF action plan but things are not as clear as they appear to be. Owing to the peculiar character of the current state of affairs in the regional political economy, even an outright compliance does not augur well for Pakistan. There might be two very important factors that must be taken into consideration. Firstly, in case of compliance, Pakistan's politico-economic relationship with Afghanistan would be compromised. Secondly, the political trust deficit between the countries may widen.

The ground is slippery, to say the least, and treading on it may require some diligence. The FATF delegation has expressed concern that a major part of business transactions in Pakistan are not well documented. The unchecked foreign currency smuggling is also an important concern, damaging the economy of Pakistan in ways more than one and needs to be revamped in compliance with the FATF action plan. Fund-raising by banned religious outfits, as well as by politicians bearing corruption charges is another worrying issue raised in the FATF report. It goes without saying that Afghanistan is the epicenter of these problems.

Pakistan cannot move with a required pace on these issues despite its willingness and capacity. Let's suppose, Pakistan has a strong financial sector and institutional framework to handle the undocumented business transaction and currency smuggling. All relevant institutions may show their muscles to document the transactions. For example, State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Federal Board of Revenue, Pakistan Customs, National Counter-Terrorism Authority and others may demonstrate coordination, capability and capacity for the futures of Pakistan. The problem is that such institutions are not well developed in Afghanistan. Therefore, Pakistan cannot fully document the business transactions at least in the case of Afghanistan despite its willingness and intent. The still budding financial institutions of Afghanistan may hinder the institutional cooperation and synchronization between Pakistan and Afghanistan.

If Pakistan withholds its supportive bilateral economic cooperation with Afghanistan for the sake of compliance with the action plan of FATF, it will create a trust deficit among the two countries. This trust deficit would have an adverse impact on the role of Pakistan in the revival of peace process between the United State and Taliban. Ultimately, both US and Afghanistan will hold Pakistan responsible for not keeping their end of the bargain. The other option is to help Afghanistan rebuild and develop a resilient financial system as soon as possible. However, it's a long haul.

The other major issue is on the political front. As mentioned earlier that fund-raising activities by banned organizations and political exposed personalities is a source of concern in FATF's report. If Pakistan immediately implements financial intelligence to curtail terrorism financing and takes a speedy action against the exposed political personalities through prosecution, assets freezing and other means, it would dispel the fear of FATF but the trust deficit between Pakistan and Afghanistan might widen even more.

One option is that the government of Pakistan may go for a judicial solution. But then, it is an open secret that the judicial system of Pakistan is not competent to cope with an issue of such significance. Moreover, the judicial solution might delay the implementation of FATF plan and Pakistan has just four months to prove that it means business. This might also lead to more than required judicial interference and further harm the relationship between the two countries.

Hence, Pakistan is at the horn of a dilemma at the moment. It's a catch 22 as the solution of one problem aggravates the other. It has to come clean before the FATF but Afghanistan might be a casualty in this battle. On the other hand, if it appeases Afghanistan and works to be in the good books of the US, it might get access to the coveted Asian markets but being in the blacklist of FATF would hamper it to reap the benefit of this move. It is very important for Pakistan to have proactive diplomacy to renegotiate the points of action plan with FATF which are directly related with politico-economic relations with Afghanistan and the US. It's a bumpy ride and caution is the word.
Afghanistan has been historically linked with Pakistan through trade and social ties. These relations are based on fundamental economic and geopolitical reasons. However, there have been many ups and downs in our foreign policy relationship which affects our economic relationships as well. There is a much greater economic and a broader development potential which can be realized by strategic policies by both countries. This will not only help the region in developing more advanced economic base but would also result in peace and stability of the region. Areas where such potential exist include human capital, investment, trade in goods and services and policy coordination.

Human capital development lies at the core of nation building. Afghanistan therefore, is in need of support to develop its education sector. Pakistan may play an effective role toward this objective by not only helping to develop Afghanistan's education infrastructure but also by opening up its own education facilities for aspiring Afghan students. HEC has provided such an opportunity by offering scholarships to 3000 students in early 2017. It is proposed that besides such schemes, other incentives such as improved visa facility for students at all levels of education may be extended.

Afghanistan’s economy is dependent on Pakistan’s resources in all sectors of the economy through formal and informal channels. This provides a huge opportunity for economic cooperation. In this regard, GOP can offer incentives to Afghan producers/businessmen for setting up businesses in the recently developed SEZs where they can produce goods and export back to Afghanistan. Since such production activities are difficult in Afghanistan due to security concerns, Pakistan can take advantage of the potential investment resource availability in Afghanistan. Furthermore, as Pakistani Currency is acceptable for trade and the language barriers are minimal, this area of corridor-cooperation has immense potential for both countries.

There is a significant portion of Afghan population which is being facilitated by services sectors of Pakistan such as health, education and banking etc. We need to develop a specific policy to mainstream that for trade in services sector. This should be strengthened with the help of visa-facilitation, information availability and logistical support. Here has always been a trade link between the two countries. According to the World Integrated Trade Solution (WITS) website, Pakistan was the biggest recipient of Afghan Exports in 2016 i.e. it had a 47.5% share of the total exports (around 284 Million US$) and only 18.35% of the imports of Afghanistan were coming from Pakistan (around 1.2 billion US$). However, there are trade flows which may circumvent authorities on both sides due to long boundary and difficult terrain.

Realizing this, both governments need to insulate trade from all kinds of geopolitical tensions for enhanced, bilateral and smooth economic activity. This will not only increase the trade flows but also bring in revenue streams for both countries.

Finally, geographic proximity brings potential for economic cooperation. The world is gradually moving towards increased regionalism as the notion of “Distance matters” is in vogue. But institutions are needed for facilitating dialogue, need and identifications of economic cooperation and mutually beneficial policy making. Building an economic forum where all the stakeholders towards potential cooperation can be represented must bring in sustained benefits for the people across the border.
Pakistan has the highest population growth rate in South Asia, standing at 2.4% as per 2017 census. Why have we failed to restrict our population growth rate close to 1.5%, when other South Asian countries like Bangladesh and India, which are somewhat culturally similar to us, have successfully done so? Whether it is a demand side or a supply side failure is a question that has of late been a subject of a crucial debate within PIDE.

Two contrasting viewpoints have emerged within this debate. As Dr Zeba Sathar (Senior Associate and Pakistan County Director at Population Council) has emphasized the failure of family planning services as the most important cause of such high population growth rates. Whereas, Dr G. M. Arif (Ex-Joint Director, PIDE) and Dr Durre Nayab (Joint Director, PIDE) emphasized on demand-side explanation.

Dr Sathar's argument was built on high rates of abortion within Pakistani urban females; demand for population control is stated to exist and such high abortion rates indicate a failure of family planning services to stop such unwanted births at the stage of conception.

Dr G. M. Arif and Dr Nayab built their case for demand-side factors as the most important cause of high population growth rate. It was stated that the preference for children remains high among both married female and married men. In this context, they build their case on how the ideal family size (as per the recent Pakistan Demographic Health Survey) comes out to be 3.9 for the females and 4.6 for the males—including a high preference for more children even among those who have two or more children.

Emphasizing on the failure of family planning policy within Pakistan on account of weak demand side enabling factors for population control, Dr. Arif emphasized that unless the norm of having small families is not cultivated culturally and a discussion on importance of small family size does not initiate at household and community level, we will not see our investment into family planning initiative yield fruit. In this context, he emphasized the important role of economic and human development, whereby he believes that the cultural transformation towards two-child family will only initiate when child-rearing will be made more expensive—a transition that can only materialize if parents start to invest in the quality of a child than merely focus on quantity of children.

Dr. Nayab lent her support to the demand side causes of population increases, highlighting the lack of old age support mechanisms in the country as a genuine reason behind the need for having larger families. Hence the debate ended at the consensus that there is a need to take a holistic view to family planning initiative. Stress needs to move from family size control by creating easy access to family planning means to create a norm of small family size. However, supply-side dynamics cannot be ignored, and should not be ignored also. Human development is a long-term strategy, but in the short-term creating awareness through media, civil society and lady health workers is the need of the day.

In my opinion, debate on population growth and development nexus needs to be approached not just on how there may emerge demand-side tendencies for a small family size with development, but also on how controlling population size can increase the capacity of the government to increase the quality of its population and their developmental perspective. This point is even more relevant in the context of Pakistan's commitment to SDGs. Though population control is not a part of any goal or target, it is one of the most important causal factors that can have a significant impact on each of 17 goals and their implementation.

To further make population control policy within Pakistan a success, it is important that our politicians and policymakers re-think on NFC awards and how it may be creating disincentive in implementing family planning initiatives effectively. For, if the financial resource allocation of provinces is indeed linked to their population sizes as per NFC award, then does this not create an incentive to not control population or over-report the population figures?—just some food for thought.
PIDE has also initiated a series of seminars alongside its in-house seminar series – the Nurturing Minds. These seminars are conducted on a weekly basis and are attended by students, researchers, academics and policymakers from different institutions around Islamabad. The aim is to create ideas, discuss new concepts, encourage critical thinking and to connect researchers from across different disciplines and institutions. The seminars are usually attended by huge number of participants and are full of intellectually stimulating debates.
Regional Connectivity and Research Needs
by Mr. Haroon Sharif

Growth is the most fundamental indicator of development. This talk focuses on how growth can be enhanced through Foreign Direct Investment (FDI) and what role can regional connectivity, especially in the context of CPEC can play in such a nexus. More importantly, this talk is built around the identification of two key processes related to the inflow of FDI. First is related to the identification of constraints within Pakistan that hinders investment inflows, and second talks about the ways of improving the policy environment to draw more investment inflows.

What Policy Needs from Research?
by Asad Umar

Asad Umar had a conversation with PIDE researchers and students. During the session, not only did he highlight the need for policy-oriented research but also suggested a few topics in fields of education, banking, water management for agriculture, external debt management and IMF program, to name a few. He stressed that for effective policies to be made within Pakistan, research institutions like PIDE must play their instrumental role by forming a research base on which such strategies can be drafted.

Gender, Urban Spaces and Mobility in Lyari, Karachi
by Dr. Nida Kirmani

Dr. Nida Kirmani’s talk was based on her experiences with women of Lyari, Karachi. Dr. Kirmani’s research highlighted the spaces (literal and figurative) of fun where women embody performative acts of enjoyment and pleasure that go beyond the monotony of their daily lives set against the patriarchal and crime-driven context of Lyari, Karachi. She also touched upon the issues of female agency, resistance, mobility, patriarchy, and social conditioning within the broader domain of Gender and Development (GAD).

Reforms of Local Government in Pakistan
by Mr. Bilal Rao

This lecture highlights the critical aspects of local government reforms that are currently underway across Punjab and KPK. Speaker firstly highlights the direct election of city mayors as an essential shift in the current setup and with that also discusses the problems that come during the implementation process. In this context, the speaker discusses not just the process through which functions of development authorities like CDA, LDA, etc. are being devolved and how their services may interact with powers of directly elected mayors.

Panel Discussion on “National Tariff Policy” at PIDE
by Dr. Manzor Ahmad, Mr. Muhammad Ashraf, Ms. Robina Ather

This panel discussion not only highlights what recently announced National Tariff Policy is about but also why such a policy was so needed. In this context, it was shown that tariffs within Pakistan, unlike other countries, have been mainly used as an instrument of revenue generation rather than industrialization. The announced policy represents an economic paradigm shift where, for the first time, a policy attempt has been made to increase Pakistan’s export competitiveness through decreasing the price of input imports via reduction of the tariff.

Islamabad Master Plan 2020-2040
by Zafar Iqbal, Nadeem Khurshid, Maira Khan, Dr. Naveed Iftikhar

This session discusses the ongoing debate over the Islamabad Master Plan, by bringing together representatives from CDA and other urban planners on one platform. The key question is whether there should be a master plan and if so, what should it entail?
Seminar on Pride and Abstention: Christian National Identity in Pakistan
by Dr. Ryan Brasher
This seminar talks about the political identity of Christians in Pakistan. Based on survey research on FC college, the speaker shows that the Pakistani Christian community is well integrated and takes pride in being Pakistani.

Seminar on Water and Sustainable Development
by Mr. Ahmed Kamal, Ms. Zaigham Habib, Mr. Syed Abu Ahmad Akif, Mr. Naem Qureshi
This seminar brought out various stakeholders from the ministry of water resources to people working in the private sector for water conservation. This seminar not only discussed the structural issue for water conservation, including the need for dams, efficient use of water for urban management, agricultural and industrial usage, etc. but also discussed ways to conserve water.

A Seminar on Media and Responsible Tourism in Pakistan
By Mr. Wajahat Malik
This seminar brings out what kind of adverse impact tourism may generate. In this context, the speaker talks about the negative impact on water conservation, the environment in general, and on culture in tourist places and what role media needs to play to create awareness to counter such effects.

Sustainable Urban Transportation
by Mr. Muhammad Rizwan
This talk explains how improvements within urban transportation should not be merely made through a few sets of isolated projects as is usually done within Pakistan, such as the metro bus project or a few flyovers but through working on it as a system of interlinked transportation facilities. The objective was to show how in organized urban communities, the planning of the urban transport system is done in a way that people who walk or use bicycles are well integrated with public transport facilities. Such a policy will not only control excessive car use but will encourage the use of public transport.

Designing Affordable Housing Policy
By Mr. Musharaf Zaidi
This talk was about how affordable housing policy, which is one aspect of Naya Pakistan Housing Programme, can be strengthened, improved, and mainstreamed. In the initial part of the talk, the issue of rising real estate prices, especially within the urban areas, is discussed. Whereas in the second part, various options that can bring down the final sale prices for affordable housing income groups are debated from high rise construction to zoning regulations and non-development fees. But the main point of the talk is to start a discussion on what could be policy options through which the price of housing can be decreased.

Global Value Chains & Trade Policy
Mr. Gonzalo J. Varela
The central theme of this lecture was to present evidence as to what extent are Pakistani exporter integrated into global value chains (GVC) and gaining from them. The findings show a bleak picture, and the prominent feature that comes out is that not all Pakistani exporters were well-integrated. In this context, presenter Mr. Gonzalo J. Varela identified two critical corrective measures. First, Pakistan needs to attract more foreign direct investment (FDI), particularly the type of FDI that is efficient seeking, and that aims at setting up export platforms within Pakistan which will not only lead to the creation of more jobs but should also boost industrial production. Second, Pakistan needs to find a way to decrease trade costs which may quickly accumulate as goods move around global value chains.

Ideas Matter: A Reading List for Policy Wallahs
by Prof. Adil Najam
This lecture was more a conversation about books in which Dr. Adil Najam beautifully conveyed the policy ideas from ten notable books. The intent of doing a discussion on these books was not only to bring out their policy contributions but also to raise the love of reading within students not just for the sake of reading but for capturing ideas and finding a skill for independent thinking. This lecture is food for the soul for anyone trying to learn the mechanism of how to pick powerful ideas from books.

Development Politics and Donors reflection from a Practitioner
By Raza Rumi
This lecture is about foreign aid and donor contribution to Pakistan's development and why in spite of huge investments on the part of donors, Pakistan has not seen any positive results. His talk is structured around three essential aspects of Pakistan's engagement with donors. Firstly he points out how donor help has been time and time taken without any thinking and how our planners failed in analyzing the long term consequences of aid and bilateral and multilateral loans. The second point that has been raised by the speaker is that given the comfort zone of donors rests with dealing with a few sets of people; this limits such engagements to bureaucracy only with no role of academics, civil society, and elected representatives. Hence this very structure presents an avenue of leakages. Finally, the talk ends by stressing that given our government is operating with too large and flawed civil services; hence most of the aid and donor money does not reach the very grass root level which is a primary cause of failure.

Economy of debt: Alternatives to austerity and neoliberalism in Pakistan
By Dr. Aasim Saleem Akhtar, Mr. Nawfal Saleemi and Mr. Ammar Rashid
This lecture instigates a debate in the context of Pakistan's re-entry into the IMF program by identifying what has been the base of Pakistan's economic crisis and what was the political aspect of it. Within this lecture, the presenters have challenged the notion that economics and politics are disconnected, and stress on the dire need to understand the political fundamentals of our failure to achieve economic stability and equality. The main point around which the whole discussion revolves is how military expenditure within Pakistan takes up a significant share of budgetary funds, leaving not much room for the economic development of people. The presenters stress that unless this practice does not change, Pakistan will remain trapped in the cycle of underdevelopment. The cause of such a vicious cycle is two-fold by presenters. First, Pakistan not only wastes a significant pool of resources in the name of national security, and second it repeatedly turns to the IMF to narrow its ever growing budgetary deficits. Lastly, presenters, against the backdrop of how economic fundamentals have trended for Pakistan, stress on the failure of the neoliberal policies committed under the present IMF regime.

State of Institutional Reforms
by Dr. Ishrat Hussain
Dr. Ishrat Hussain, in this lecture, firstly explains the key elements of institutional reform that are currently being done under his technical expertise and then pinpoints the research gaps for future research that policymakers need from end of think tanks and academics. In this context, he not only gives a detailed description of civil service reforms but also highlights the performance gaps within ministries and
institutions, he mainly focuses on the reform process within the State Bank of Pakistan, the Competition Commission of Pakistan, and the Audit General of Pakistan. In contrast, within civil service reform, he gives an in-depth analysis of changes that are being made in recruitment, performance evaluation, and compensation of the new inductees along with through what ways future pension bills can be made affordable for the government.

Charter City: Romer's Failed Attempt to Import Institutions
by Dr. Naveed Ifikhar and Ms. Maha Ahmed
In this seminar, the speaker explains the concept of Paul Romer's idea on the charter city and provides a critique of its practical implementation. According to the speaker, this idea seems quite attractive on the theoretical front, but in practice, the notion of importation of good institutions through the charter city in a country is very much eyed as to be challenging the sovereignty of people. Hence a better alternative for the speaker is to work with the existing institutional setup and try to improve it.

Unpacking Punjab School Reform
by Dr. Amna Ansari, Mr. Abdal Mufti and Ms. Mariam Aamir
Within this talk, the presenters highlighted not only the current framework of ongoing Punjab School Reforms but also why there has been a shift in initiatives from infrastructure provision to in-class learning. Unpacking the current Punjab Education Reform, two clear improvements come out from past interventions in the form of an ongoing early childhood program and a teacher in-class evaluation and feedback mechanism. Both of these interventions show that the focus has moved towards the quality of education rather than just enrollment. How far these initiatives will yield results is something that will be clear only with time.

Law and Economics
by Mr. Feisal Naqvi
If you have to define economics in one word, then the word that suits best for it is "incentives." How incentives are defined for the economic actors is very much linked to law. In this talk, presenter points to these very gaps and how, within Pakistan, laws having their colonial origins are creating wrong signals for economic activity. Speaker explains this phenomenon through various examples in the context of Pakistan, especially through pointing out dysfunctionality within the tax system and agricultural land markets that have their basis in wrong laws.

Book Launch "Making Sense of Joan Robinson on China"
by Dr. Pervez Tahir
The book launched at the event explains the professional journey of Joan Robinson, who not only excelled in economic theory but was second to none in work. The aspects of her professional life that the author has touched are how being a woman and having sympathetic views on China led Joan to lose out Nobel prize win and why.

A Roundtable Discussion "With ongoing developments in Afghanistan and Tension Brewing Between India and Pakistan: What are Prospects of Reconciliation and Peace in the Region"
by Mr. Michael Kugelman
In this discussion, Mr. Michael Kugelman explains why he finds peace as a difficult possibility within the region of India, Pakistan, and Afghanistan. In the context of Afghanistan, he builds the argument around the failure of the Afghan government to bring forward a negotiating team and also an incentive structure within the Taliban to continue the fight even if the USA chose to go as the key hurdles peace process. Further, in the case of India and Pakistan tension, he stresses the toxic anti-peace sentiments within the current Indian regime as just not the prime cause of the recent conflict but also its continuity.

Panel Session on "Culture of Research in Pakistan"
by Dr. Nadeem ul Haque, Dr. Zain ul Abidin, Dr. Idrees Khawaja, Dr. Zahid Asghar
Within this session, Dr. Nadeem Ul Haque, in light of his findings from his recent work that has been co-authored by Mr. Mahboob Mahmood, "The University Research System in Pakistan," raises the need for moving from impact factor to impact. In this context, he and other panelists, Dr. Zain ul Abidin, Dr. Idrees Khawaja, Dr. Zahid Asghar highlight both positive and negative incentives that have come out from HEC regulations and how they need to be improved.

The key insights that came out about the research system in Pakistan from Dr. Nadeem and Sir Mahboob's account from the countryside visits and surveys is that research is indeed happening in the universities, which is a good sign. Still, researchers are isolated and have no significant impact, which is worrisom.

The reason for this low impact research is that the incentive structures under HEC regulation for research within Pakistan have made publications
a tool for promotion instead of being solution-oriented. Further, there is any money provided by the Government to research institutions because of which research within Pakistan has primarily become donor-driven, neglecting all the key areas that may be essential for Pakistan development but are not on agenda of international funders.

Pointing to varied incentive structures across natural and social science with the former having much easier access to both fundings and publications, the panelists stress on HEC to revisit its policies. In this context, to inculcate functional and vibrant research culture in Pakistan, it is important to make important changes in our current research system. For this, it was stressed not only is there a need to find more ways for funds generation for research within government but also to devise incentives that reward quality research and not merely the quantity of publications. In this context, as the last point, all speakers emphasized strengthening the linkages of the research community with both demands of industry and government and debated on what should be the institutional way forward in this context, especially in the context of ORIC.

**Book Launch Event "So Much Aid, So Little Development"**
*by Dr. Samia Altaf*

In this session, Dr. Samia Altaf launches her book titled “So Much Aid, So Little Development”. As the title shows, this book highlights the problem with foreign aid received in Pakistan. Focusing on her experience with donor funding in the health sector of Pakistan, she, in her book, shows not only the problem within donor and local engagements and how money is misused. A valuable insight that makes her book worth reading is about how all stakeholders in this nexus have the interest to keep things in the existing status quo.

**Urban Development in Pakistan: Challenges and Opportunities**
*by Prof. Dr. Murtaza Haider*

Prof. Murtaza Haider, in this session, explains how Pakistan is losing out on by not using its ever-increasing size of urban population as an engine of growth. The reasons for this, in his view, are two-fold. Firstly, there is a need for a redefinition of urban centers within Pakistan in the data compilation process if one wants to counter the misreporting of the size of urban areas and how they have evolved over the years. Secondly, there requires a shift within policymakers’ outlook on urban development as a mere demand for housing but as a center of commerce. Further, in terms of housing requirement, he stresses mid-rise construction as an ideal model for Pakistan because of its ability to cover a vast amount of population density within small space and in light of our limited local capacity for provisions of safety.

**German Experience of Exports and Value Chains**
*by Prof. Dr. Christoph Scherrer*

In this session, Prof. Dr. Christoph Scherrer explains the structural factors with German growth patterns post world war two that have led to its export surplus and how Germany is further benefitting from the global value chains. Within this process, he highlights how research, and high labor productivity that has come out from high wages to labor and a continuous environment of innovation, has played an important role.
Pakistan Institute of Development Economics (PIDE) participated in the Lahore ThinkFest held in January 2020. The title of the session was “How the Poor are Excluded from Social Mobility”. Among the panelists were Ms. Tooba Syed (AWP and WDF), Mr. Usama Khawar (Lawyer), Mr. Ammar Rashid (PIDE), Mr. Zia Banday (PIDE) and Dr. Nasir Javed (Former CEO, The Urban Unit). Dr. Nadeem Ul Haque (VC PIDE) chaired the session and moderated the discussion. At the session PIDE had also presented the documentary titled “Excluding the Poor”. The documentary focused on the effects of the anti-encroachment drive, its impact on the livelihood of the poor and their exclusion from mainstream socio-economic activities. The session debated the aforementioned issues, besides emphasizing on the strategy, to resolve the issues that bar the poor from taking an active part in the economy.