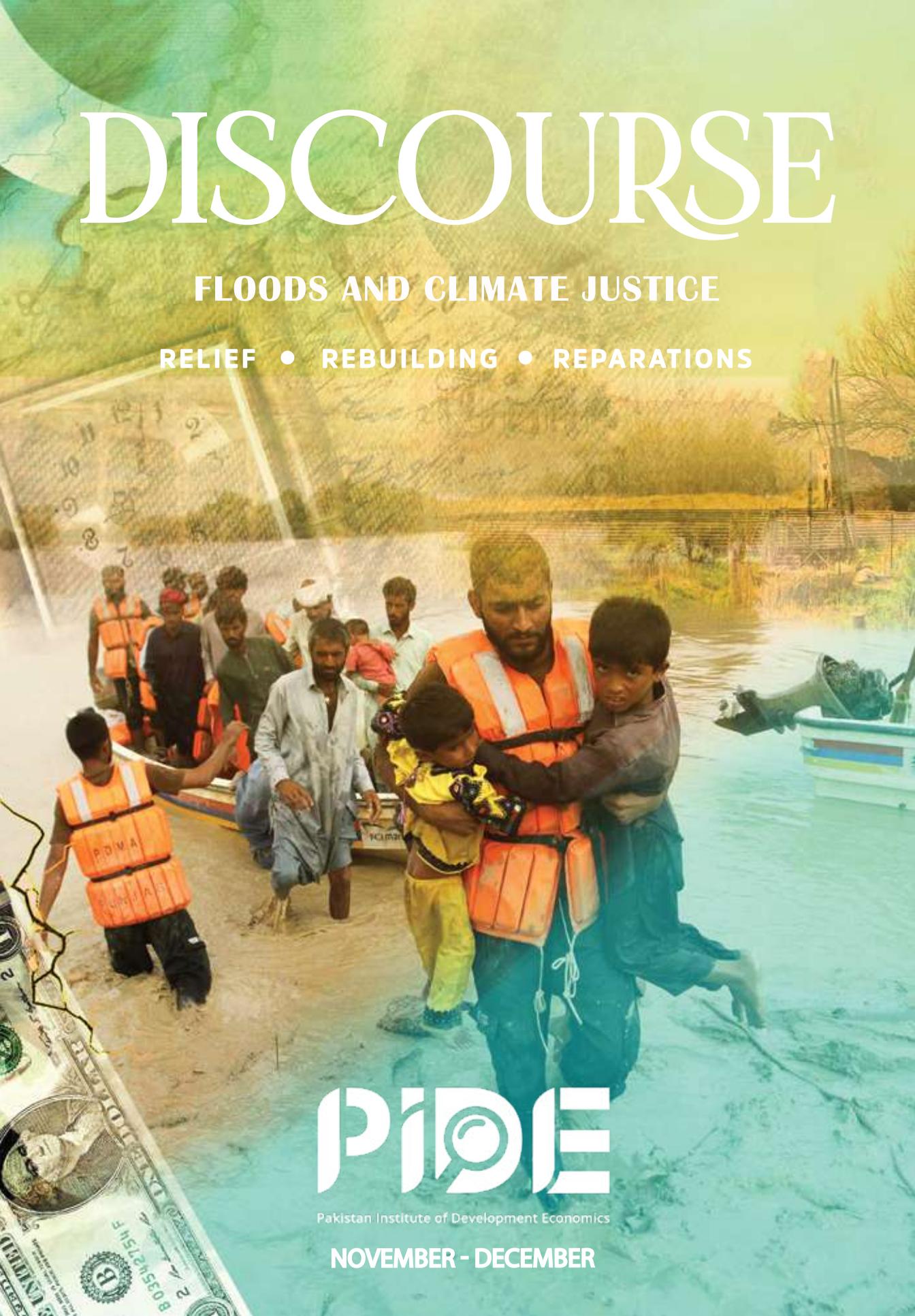


DISCOURSE

FLOODS AND CLIMATE JUSTICE

RELIEF • REBUILDING • REPARATIONS



PIDE

Pakistan Institute of Development Economics

NOVEMBER - DECEMBER

EDIT



Founder
Nadeem ul Haque
Vice Chancellor



Founder
Durr-e-Nayab
Pro-Vice Chancellor



Managing Editor
Abbas Moosvi
Research Fellow



Managing Editor
Wasif Rashid
Director ORIC



Visual Designing
Manhal Zainab
Graphic Designer



Visual Designing
Fiza Ul Hannan
Graphic Designer

Board

November 2022

Discourse is PIDE's flagship magazine that offers insight into social and economic issues on local and international levels. The bi-monthly publication 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 who seeks to remain updated and informed.

Discourse has recently been enhanced in scope, with various new sections added to the publication in order to broaden its subject matter and encourage rigorous, creative, and interdisciplinary analyses that cover a more expansive range of topics and appeal to lay audiences. In this vein, we have a) opened up submissions from the general public, and b) added several new sections to the bimonthly magazine, including: opinion, business, sport, history, arts and culture, and more!

This issue is themed around the recent floods that have ravaged the country, leaving tens of millions displaced, homes and critical infrastructure destroyed, and an economic crisis of grave proportions presented to those occupying the corridors of power.

We hope you enjoy this issue of Discourse!

TABLE OF CONTENTS

COVER PIECE

CLIMATE JUSTICE: RELIEF, REBUILDING, AND REPARATIONS

This was the Coolest Summer of the Rest of Your Life - Ahmad Rafay Alam	06
Climate Catastrophes and the Global Political Economy of Malgovernance - Noaman G. Ali	08
Pakistan's Floods Fiasco - Karim Khan	11
The Haves & The Have-Nots: Pakistan's Climatic Catastrophe - Maryam Khan	14
Politicization of Floods in Pakistan: An Assessment of Twitter Trends - Abu Bakar Naeem and Laraib Farhat	17
Rebuilding Pakistan: An Investment in Climate Resilience - Maha Husain	20

CURRENT AFFAIRS AND INTERNATIONAL RELATIONS

TTP Infiltrates Khyber Pakhtunkhwa - Pervez Hoodbhoy	23
Our Colonization Never Ended: Locating the Racist and Colonial Roots of Transphobia in Pakistan - Mehrub Moiz Awan	25
Revolutions Don't Cry 'Foul!' - Amer Z. Durrani	28
Why IMF Programs Never Work for Pakistan - Henna Ahsan	30

OPINION

Universal Basic Income: A Simple Measure to Usher in an Economic Revolution - Nasim Beg	33
Signaling Labor Markets and Universities - Sonan Memon	36
Social Media's Toll on Mental Health - Danyal Haroon	39
Re-enchanting Nature: Fixing Descartes' Error - Khurram Ellahi	41
The Missing Middle - Nadeem Ul Haque	47

DEBATE

The Case For Privatization of Pakistan's State-Owned Enterprises - Naveed Iftikhar	50
The Case Against Privatization of Pakistan's State-Owned Enterprises - Ammar Rashid	53

BUSINESS

Pakistan's Microfinance Sector: As liquid as a Rock - Ahtasam Ahmad	59
Products of Inflation: Shrinkflation and Skimpflation - Anjeela Khurram & Saba Anwar	62

SPORTS

Whither Pakistan's Football? - Ismail Farooq	65
The T20 World Cup: Past and Present - Waseem Abbas	68

HISTORY

Swat's Forgotten Masterpeice - Salman Rashid	72
Writing Orient: On Western Gaze and its Discontents - Fatima Ahmad	74

ARTS AND CULTURE

Art Through the Eyes of a Curator - Roma Larak Ali	78
Ishq - Farooq Baig & Wasif Rashid	81

PIDE ROUNDUP

.....	84
-------	----

COVER PIECE

CLIMATE JUSTICE: RELIEF, REBUILDING AND REPARATIONS



Over the course of the past 6 months, Pakistan has experienced floods the likes of which have rarely – if ever – been seen before in the nation’s history. As per Relief International, a minimum of 33 million people have been displaced, 6.4 million people are in need of humanitarian assistance, 1.7 million houses have either been damaged or destroyed entirely, 634,749 people have been displaced, and 1,355 lives have been lost. The most seriously affected regions have been Sindh, Balochistan, Punjab, Khyber Pakhtunkhwa, and Gilgit-Baltistan – in that order. This is not to mention the spill-over effects that have come in the form of landslides, rampant disease, rising rates of mental illnesses, and at the broadest level economic shocks that have left entire communities unable to access food, water, shelter, and basic amenities.

With little to no support from the state apparatus, a bottom-up mobilization of civil society has been observed – whereby non-government organizations and community based organizations have crowdfunded a relief effort, and while this has proven a godsend in incredibly tumultuous and uncertain times, these efforts have lacked a central coordination mechanism that can ensure optimal resource allocation to all areas depending on need. This, of course, is due to the absence of free information that could describe the severity of the situation down to at least the district level, thus leading to a fragmented and largely improvisational approach to disaster response.

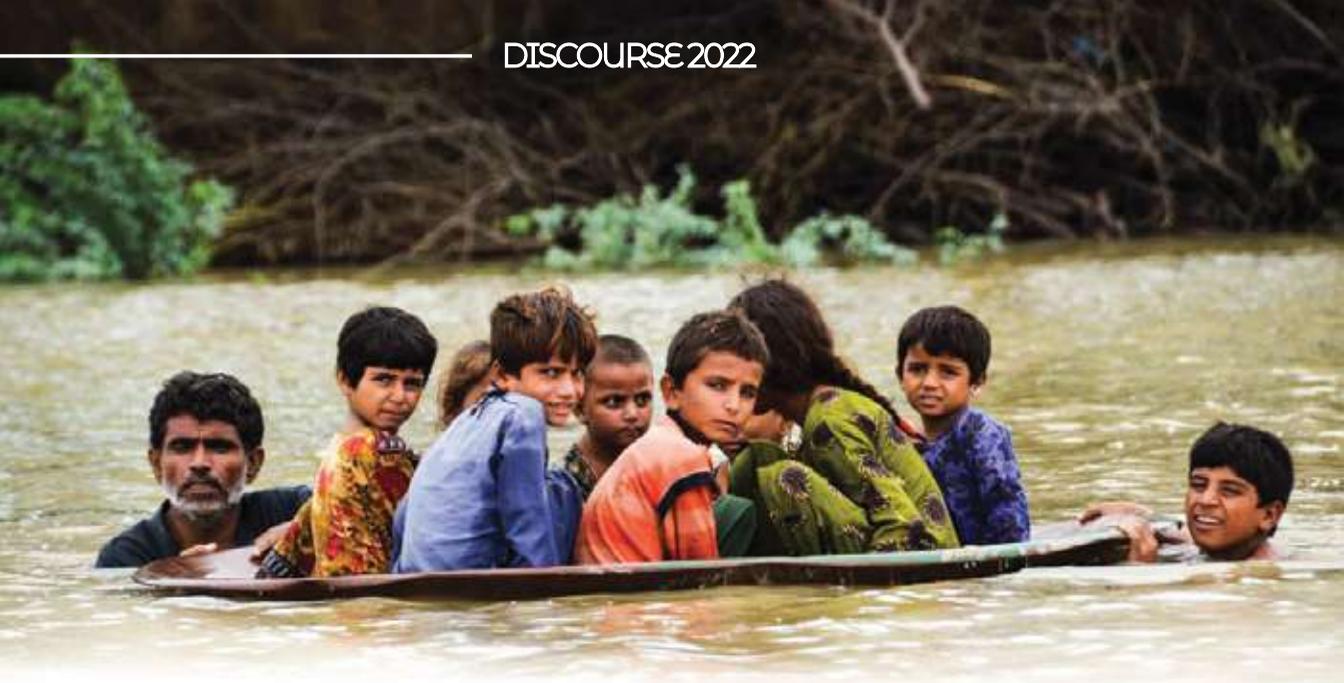
From setting up medical camps and temporary encampments for families to having essential supplies such as water, rations, medicine, and bed nets, it is clear that civil society has led efforts for relief – leveraging the media (print, television, and online) to raise funds to support activities. Some organizations have even chosen to make direct transfers to vulnerable families, whereby a monthly stipend ranging from Rs. 5,000 to 10,000 has been allocated following a basic needs assessment. This is to ensure efficiency and ensure that those receiving funds may spend them according to their specific requirements rather than adopting a one-shoe-fit-all approach.

Countless roads, bridges, phone lines, electricity sources, and household assets have been completely decimated over the course of the past few months.

On the other hand, a variety of crucial crops – including cotton, maize, sugarcane – as well as livestock, fisheries, and forestry also suffered huge damages: which will inevitably impact several sectors. This will naturally lead to dwindling exports, in which cotton plays a central role due to its use in the textile industry, and contribute to further inflation in the country: disproportionately impacting the most economically vulnerable segments of Pakistan’s population.

According to the Ministry of Finance, total damages in each of the provinces are: Rs. 7 billion in AJK, Rs. 53 billion in Balochistan, Rs. 6 billion in FATA, Rs. 93 billion in/around Islamabad, Rs. 4 billion in Gilgit-Baltistan, Rs. 100 billion in Khyber Pakhtunkhwa, Rs. 219 billion in Punjab, and Rs. 373 billion in Sindh. The biggest losses in terms of sectors were incurred in agriculture (Rs. 429 billion), housing (Rs. 135 billion), and transport/communication (Rs. 113 billion). Experts at the Ministry claim reconstruction costs for these losses will amount to approximately Rs. 578 billion – or USD 2.66 billion. This is not accounting for economic shocks that are likely to be seen, which will inevitably multiply total costs.

These developments have kick-started national (and global) conversations on climate justice vis-à-vis ‘reparations’ – whereby the developed world has come under diplomatic pressure to compensate countries that are paying the price for global warming and climate change more broadly as a direct consequence of its share in global carbon emissions. Jason Hickel, economic anthropologist and professor at the Autonomous University of Barcelona, has quantified the extent of the disparity in this arena. According to his research, the USA alone accounts for around 40% of ‘overshoots’ (carbon emissions above fair share, accounted for population) – and the Global North, i.e. USA, Canada, Europe, Israel, Australia, New Zealand, and Japan, cumulatively account for a whopping 92% of overshoots. This suggests that exclusively focusing policy attention on the domestic arena, in the form of ‘climate resilience’ is likely to be a failing strategy. Subsequent governments in Pakistan, particularly the foreign and climate change ministries, would do well to adopt an orientation that takes these facts into account, pushing for debt relief not as ‘aid’ or ‘charity’ but justice.



Foreign Minister Bilawal Bhutto Zardari has, over the course of the past couple of months, main inroads in this arena and voiced a clear, unapologetic demand for these: something that Pakistan ought to persevere on.

Globally, the threat of climate change looms large – threatening to wipe entire ecosystems and render large parts of the planet uninhabitable as early as 2050. International organizations, including international financial institutions and multilateral donor agencies, must therefore come together to not only focus on mitigation efforts in the developing world but also push industrialized nations to strictly curtail the fossil fuel industry: in which just 100 companies are responsible for over 70% of global emissions since 1988 as per a study by Carbon Majors. At a broader level, academia and knowledge production must challenge the neoliberal ideology of unfettered growth (for its own sake) – in which the private sector is granted a free hand in damaging the environmental commons, exploiting the working class, and influencing public policy.

Indeed, income inequality has steadily increased across the globe since the onset of the ‘privatize, liberalise, and deregulate’ mantra of the Washington Consensus. According to Oxfam International, the top 1% of earners have captured 20 times more global wealth than the bottom 50% since 1995 and the richest 20 people in the world are polluting a whopping 8,000 times more carbon than the billion poorest. Framing these statistics as anything other than a vicious form of structural

violence against vulnerable communities is a mistake: and a careful review of policy orientations since at least 1980 is in order, one which dispenses with failed textbook approaches to developments and replaces them with rigorous, nuanced, context-specific orientations that treat the ‘economy’ as an amalgam of social, cultural, political, psychological, etc. forces rather than merely commercial activity, seen in isolation.

We hope this issue of the newly restructured Discourse magazine, in which we opened up submissions from the general public and added several new sections – including Business, Opinion, Sport, History, and Arts & Culture – offers useful insights on the developing situation and sparks debates among academics, policy analysts, governments, and corporate/development sector professionals on how we may go about addressing the recent floods. Our overarching theme for this issue is thus Climate Justice, with subthemes of relief, rebuilding, and reparations.

Thank you for reading; keep the discourse alive!

Sincerely,

Editorial Board
Discourse Magazine
 Pakistan Institute of
 Development Economics

DISCOURSE 2022

CLIMATE JUSTICE

RELIEF, REBUILDING, AND REPARATIONS



THIS WAS THE COOLEST SUMMER OF THE REST OF YOUR LIFE

Ahmad Rafay Alam

The climate crisis has left a permanent mark this year. It's been nearly three months since the unprecedented monsoon flooding and tens of millions of Pakistanis remain displaced. Just a few months before, there was no water when an unprecedented heat wave gripped the subcontinent in March/April. A few months earlier, during the winter, Pakistanis in urban areas were dealing with unlivable air pollution.

The climate crisis has been caused by human activity. The emissions of greenhouse gases, to be specific. GHGs are produced when something is taken from the ground and burnt; or when land is used for agriculture. GHGs trap the heat of the sun in the earth's atmosphere and, in turn, cause global warming. As temperatures rise the earth's normally steady and balanced ecosystem – that provides everything in it with the ability to live – is pushed off balance. Push too far and lose this balance and the planet will never again be able to provide the ability to live. We will have moved from climate change to climate crisis to a climate event where the only aim will be to survive and remain alive.

We measure GHGs by measuring the carbon concentration in the atmosphere. In 2020, the Manu Lau observatory recorded a carbon concentration of 420 parts per million. For context, there is no time in human history where levels have been so high. In fact, one has to go back tens of millions of years in the earth's history to find a time where carbon concentrations are comparable to what they are today.

The United Nations Framework Convention of 1992 aimed to stabilize GHG emissions to prevent dangerous man-made interference in the earth's ecosystems. In Kyoto in 1996, the Conference of Parties (COP) to the Convention met and agreed they would keep global warming to no more than 2°C compared to pre-industrial levels. Small island states cried that sea-level rise associated with 2°C would simply wipe them off the face of the earth. Their lobbying led, in the COP held in Paris in 2016, to the international community agreeing to keep global warming to within 1.5°C. Under the Paris Agreement, countries are to make ambitious pledges of GHG reduction which, in theory, once added up, are to keep the earth's warming to less than 1.5°C.

However, the UNFCCC has failed. The earth has produced more GHGs since 1992 than it did in all of history before. There has been no stabilization of GHGs.

Experts now tell us that 420 parts per million of carbon in atmosphere will lock-in an average global warming of 1.5°C by 2030 and possibly 2°C of warming by 2050-2060. For context, it is 2022 and the earth is, on average, about 1.1-1.2°C warmer than pre-industrial levels. And at 1.1-1.2°C of warming, we are experiencing unprecedented flooding (Pakistan, Nigeria, Spain), prolonged global heat events, increased forest fires, ocean acidification and coral bleaching. And humans have been found to have micro plastics in their bodies.

There is no safe amount of global warming. The 1.5°C and 2°C thresholds of the UN framework are actually the most amount of death and carnage world leaders are able to politically absorb. This should shock us. The difference between 1.5°C and 2°C of warming has been estimated to be in region of 150m people. That's 4 times the number of soldiers killed in WWI and WWII put together. And most of this death and carnage will take place in "vulnerable" countries like Pakistan. It has already started.

The World Bank climate assessment of Pakistan mentions it is warming in South Asia faster than in other parts of the world. Pakistan is already estimated to be 2°C-2.5°C warmer than pre-industrial levels and warming is expected to reach 5°C by 2060-2080. At these temperatures, agriculture will become impossible and cities uninhabitable. And with such increased temperature will come increased precipitation. In other words, more and more ferocious monsoons. The future will most likely be a mix of 8-9 months of unlivable heat and several weeks of ferocious monsoons followed by 3-4 months of unbearable air pollution. Over and above the incalculable toll of life, these climate events will repeatedly crush the country's economy and infrastructure. We had scarcely got up from the 2010 and 2013 floods and now face as much as a US\$ 40 billion reconstruction bill. And there will be more (and more severe) climate events in the future. It is time to recognize we have to change our idea of development, of what we can practically achieve, in this climate future.

The development most commonly witnessed in Pakistan is in real estate. And the cement and construction sectors ride on the back of it. In the past several years, repeated governments have given subsidies and packages to these sectors to spurn 'development'. This notion of development needs to change.

Development must include the climate security of all Pakistanis. The infrastructure that is built must be resilient and designed to save lives. PIDE is in the perfect place to chart out a new climate development paradigm.



The author is a Lawyer and Member of the Pakistan Climate Change Council



CLIMATE CATASTROPHES AND THE GLOBAL POLITICAL ECONOMY OF MALGOVERNANCE

8

Noaman G. Ali

Climate change-induced flooding through much of Pakistan has recently raised questions about climate justice at the international scale. Europe, North America and East Asia are overwhelmingly responsible for the greenhouse gas emissions that are driving climate change. That said, governance failures in Pakistan have exacerbated the impact of droughts, floods, and other disasters. The rural landless, sharecropping tenants, small farmers, and middle classes have been disproportionately impacted because of their pre-existing marginalization. So, what does climate justice look like?

Although governance failures in Pakistan are often attributed to local ruling classes ('elite capture') it is important to understand that local governance failures have been and continue to be coproduced by international ruling classes. In other words, climate justice is not just about financial culpability for emissions, but also about culpability for existing relations of power that produce malgovernance.

Governance refers the process of making decisions and the process of implementing them, once made. But governance in Pakistan is quite literally coproduced by local and international actors. A cursory glance of water management literature in Pakistan demonstrates how deeply it is shaped by advice and 'assistance' from international financial institutions like the World Bank, whose agenda is often driven by US geopolitical and economic interests, as anthropologist Maira Hayat has recently laid out in a Washington Post op-ed. Our bureaucrats want large dams, and, as Kate Mackenzie has noted, the World Bank finances large dams because it is easier to make the case for profitability to its investors. Their interests, in other words, correspond.

Meanwhile, governance failures entail making bad decisions and implementing them, or not implementing good decisions. We could point to any number of internationally financed projects that have yielded little, if any, long-term results. Samia Waheed Altaf in her book *So Much Aid, So Little Development* describes how the Government of

Pakistan and the World Bank came up with the \$8 billion Social Action Program in the 1990s to increase access to all kinds of services, but the program failed. As she notes, international financial institutions are driven to push loans and grants onto developing countries, and in the latter bureaucrats and consultants sign on to (often short-term) projects to reap financial and other benefits. Little attention is paid to building institutions and human capacity, and to sustaining such capacity by finding longer-term sources of funding.

Most importantly, the design of programs often ignores the social context in which interventions are to be made. Failure, Altaf notes, is integral to the design. Indeed, ignoring this social context—by local and international powerholders—should strike us not as a mistake, but as deliberate. To understand this we need to grasp a deeper political economy of governance that moves beyond the concept of governance failure to understand malgovernance as a consequence of coproduced power relations.

In April of 2022, I spoke to tenants and activists in the Sindh districts of Mirpurkhas, Sanghar, and Nawabshah about rural conditions. In some cases, tenants described doing *begar* (unpaid labour) for landowners. In other cases, long-term tenants described landlords illegally evicting them from lands and homesteads, and then using extreme violence—including burning the homesteads and firing—to deny possession. In other cases, tenants described landlords preventing them from openly supporting other political parties in the villages.

This may seem like the failure of ‘rule of law’ and of governance, but it may be more useful to think about the despotic power of landowners in many parts of rural Pakistan as an alternative form of governance, with its own sets of clearly delineated norms, expectations, and rules. In other words, these are informal institutions. These informal institutions are ultimately based on structural relations of power—structured by people’s relationships to means of production like land and capital. In many parts of Sindh, tenants are bonded to landlords because of debt and living in homesteads on landlord property, hence landlords exercise direct power over them. The greater wealth of landlords enables them to finance other informal institutions—enforced

by hired thugs—and to exercise greater influence in and over the formal institutions, which in turn reinforces informal institutions. The point is not that government officials ought to be accountable to an abstract ‘law’—they have to be accountable to real social powers in their surroundings, and the marginalized classes, castes, and genders rarely have access to this kind of power as things stand. This results in malgovernance by both formal and informal institutions.

My research on peasant movements in Khyber Pakhtunkhwa in the 1970s showed that when lower classes organized and asserted control over the lands, a *de facto* land and tenancy reform severely weakening landlords’ economic power, the latter’s political power also declined, especially at the local level. Landlords just could not enforce their despotic power and continue influencing formal institutions in the same way. Peasants could exercise their own forms of power and could impose relatively more accountability on governance.

I am hardly the only one who has pointed out that land reforms would be an important mechanism of improving local governance. But Pakistan’s landed elites have resisted every attempt at redistributive land reforms. Halting starts in 1958 and 1972 were arrested with the military coup of 1977 and all of it was capped by the Federal Shariat Court’s ruling against unremunerated land expropriation by the state in 1988. Pakistan’s international sponsors have supported landlords.

As Jo Guldi notes in her book *The Long Land War*, the United States began to withdraw its already ambivalent support for land reforms on the global level after the 1960s when its Indigenous, African American, and Latino minorities began demanding land reforms at the domestic level. In line with the broader turn toward market-oriented neoliberalism, the World Bank under Robert McNamara strongly supported large mechanized farming and falsely maligned smallholder farming as dangerous for food supply. The World Bank undermined, and declined to fund, the Food and Agriculture Organization’s support for land redistribution.

Since then, international financial institutions have largely ignored structural rural inequality in Pakistan. In 2002, renowned agrarian social scientists Kristoffer Lieten and Jan Breman consulted for the Asian Development Bank in rural Sindh, concluding that poverty alleviation would require land reform as a guiding principle. There was no follow up. In 2005, Nancy Birdsall, Adeel Malik and Milan Vaishnav prepared a report for the World Bank arguing that its programs abstract from power relations, and in rural areas ignore the need for land reforms. Although these institutions are ready to impose conditionalities costly for the poor, they are rarely interested in doing the same for Pakistan's wealthy.

So we return to Mirpurkhas, Sanghar, Nawabshah, Badin, and elsewhere in Sindh and southern Punjab, surrounded still in many cases by standing water. As floods hit, it was clear that provincial and district government officials had barely prepared themselves or the populations about to be inundated. On the spot, they were often absent, and when they appeared, inept. Contacts described the displaced staying on high roads or in schools, but there being variously no provision for water, rations, or medicines. Children are dying now from malaria for lack of antibiotics. Activists and social workers have had to raise relief funds and supplies on their own.

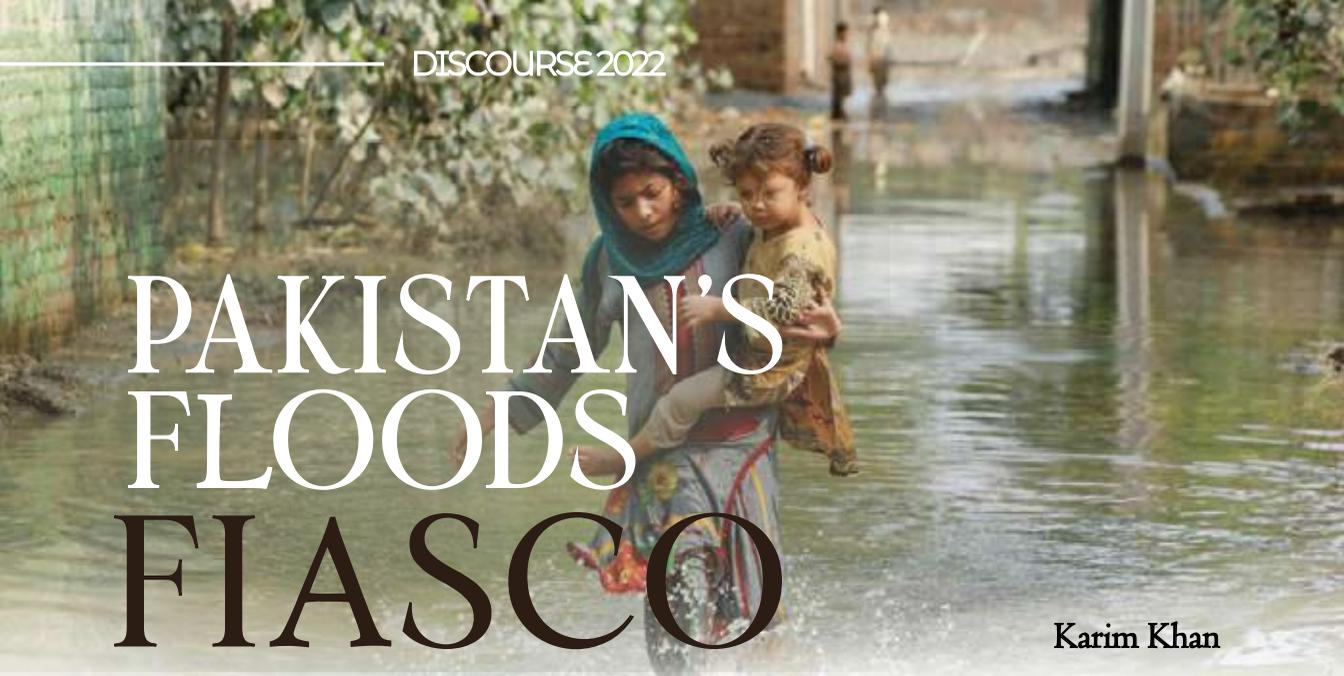
But in 2016, the World Bank approved a \$100 million loan to Sindh's provincial government for things like disaster preparedness, response and recovery, and risk reduction. Mostly this seems to have meant building dams to store water. But it is very unclear how all this activity helped prepare for or mitigate the impacts of these floods. Malgovernance is coproduced.

Environmental geographers have long noted how economic and political powerlessness exacerbates vulnerability in times of disaster. A food security crisis looms, not only because edible crops have been wiped out but because millions of rural landless depend on harvesting for their incomes. Tenant and small farmers who took loans to farm, their crops now inundated, will be even more indebted, giving even more power to landlords, microfinance institutions, and other powerholders. Even if financial resources come in to stem immediate emergencies, they will do little to prepare structurally for the droughts and floods that are sure to follow.

This malgovernance, though, is not just our own. It is coproduced by the economic and political interests that drive international financial institutions. Global climate justice therefore must entail not just transfer of resources from the Global North, but deep restructuring of political economic relations domestically and internationally. But as geographer Daanish Mustafa notes, we don't have time to wait for the Global North to develop a conscience. Pakistanis have to develop their own agenda of climate justice that will have to involve to equalizing land and asset distribution, making governance accountable, and asserting independence from the malgovernance of international powers.

The author is an Assistant Professor of Political Economy at the Lahore University of Management Sciences.




 A photograph showing a woman in a blue headscarf and a child walking through deep floodwaters. The woman is carrying the child on her back. The water is murky and reflects the surrounding environment. The background shows some buildings and trees, suggesting a rural or semi-urban area affected by flooding.

PAKISTAN'S FLOODS FIASCO

Karim Khan

11

Pakistan's recent floods fiasco has been turned into substantial losses to human lives, properties, infrastructure, and agricultural crops. Amidst its static havoc, it has engendered dynamic vulnerabilities in terms of shelter, food security, health, crimes, and educational crises. In its broadest sense, it has exposed our vulnerabilities to climate-led shocks, on one hand, and our negligence to such shocks, on the other. These weaknesses notwithstanding, a comprehensive rehabilitation strategy has to be adopted to provide relief to the affectees, on one hand, and reinstate the damaged infrastructure, on the other. In addition, a complete revamping of the existing coping strategies is need of the hour to enhance our resilience to such climate-led catastrophes in future.

Overall, this year, the country has experienced 375.4 mm of rainfall – 2.87 times higher than the national 30-year average of 130.8 mm, turning it into deadly floods. With respect to human losses, as of October 03, around 33 million people have been affected, with a death toll of near to 1600 people and injuries of more than 12000. Likewise, 81 districts out of 160 districts have been affected. Likewise, around 1,921,622 houses are damaged, with 765,162 houses are fully destroyed, and 1,135,829 are partially damaged. Thus, it has turned a sizeable fraction of the affectees shelter less, with most of them being faced with lack of clean drinking water and sanitation facilities, implying higher health hazards. In particular, the presence of stagnant water is expected to increase the number of patients of water-borne diseases like dengue, malaria, diarrhea, skin infections, cholera,

and hepatitis. This risk is further exacerbated by the damage to around 14,000 health facilities which has made it extremely challenging to access to the health-care services. Similar is the case with education as nearly 19,000 schools have been damaged, leaving millions of children out of schools.

With regard to food, the situation is not very different as floods have severely shrunk the existing food supply, amid the pre-existing inflationary pressures. For instance, floods have destroyed the storages of wheat, sugar, fruits, vegetables etc., along with a severe damage to the livestock. Besides reduction in current stocks, dents on the supply of food items would continue in the coming months as around 3.6 million of acres of crops have been damaged, including 65 percent of Pakistan's main food crops and 70 percent of its rice crops. Likewise, around 45 percent of the agricultural land has been spoiled, with waters still existing in the fields. This combined with damages to the storages of fertilizers would retard the sowing of kharif crops, specifically wheat as the planting season of wheat is expected to start in October. The disruptions to food supply have been further augmented by the damages to more than 375 bridges and about 12,735 kilometers of roads. All these would boost food inflation further which was around 26 percent before floods, owing largely to Covid-19 pandemic, Russia-Ukraine war, domestic economic crisis, and rapid depreciation of the Rupee. In case of vegetables, we have already seen the evidence in terms of voracious hike in the prices of tomatoes,

onions, and other vegetables in the domestic market. Further, shrinking domestic food supplies could boost Pakistan's need for imports of food products, leaving adverse impacts on our current account deficit, value of the Rupee, and inflationary pressures. To sum up, this scenario combined with shrinking incomes due to floods has left more people food insecure.

In addition to societal hurdles, floods have dampened the growth prospects of the economy along with creating stern consequences for poverty levels in the country. For instance, according to a preliminary assessment report, which has been prepared by the World Bank with the support of the Asian Development Bank (ADB) and the European Union, poverty rate could increase in the range of 4.5 percent to 7 percent, which will drag 9.9 million to 15.4 million more Pakistanis into poverty. Moreover, the government's primary budget deficit may widen up to 2.8 percent of GDP, with economic growth's projection of 1.4 percent to 2.4 percent, against the target of 5 percent, in the current fiscal year. The reduction in economic growth is expected to be mainly driven by the projected reduction in growth of agriculture to a range of negative 1 percent to negative 2.6 percent, against the previous year growth of 4.4 percent. These losses combined with the total static losses sum up to around \$28 billion, as is estimated by the Planning Commission of Pakistan.

Given this huge economic havoc, it is extremely essential to ponder over the causes of floods in Pakistan. Floods in Pakistan are caused by three factors, i.e. climate change, recurrent deforestation, and encroachment in waterways, especially on banks and shoulders of the rivers. Climate change has been occurring persistently across the globe, with its usual effects are global warming, droughts, floods, and other extreme weather events. According to Climate Risk Index (CRI), Pakistan has been among the top ten countries which have been the most affected by the climate-related catastrophes from 2000 to 2019.

During this period, Pakistan has been exposed to 173 extreme weather events, with the number of fatalities per 100,000 inhabitants has been 0.30. Likewise, with a rank of 8th, Pakistan's economic losses stands at \$3.77 billion from 2000 to 2019 which constitute roughly 0.52 per unit of GDP in percentage terms. In other words, we are vulnerable to climate-led catastrophes. Deforestation or tree cover loss in watershed areas and flood plains is another factor which has been exacerbating the impact of floods. In Pakistan, from 2001 to 2021, we have lost 9.75 thousands of hectares (kha) of tree cover, equivalent to a 1% decrease in tree cover since 2000, and 3.56Mt of CO₂ emissions, as is estimated by the Global Forest Watch (GFW). Most of this loss has been caused by fires, with 5.46kha of tree cover loss is caused by fires compared to 4.29kha loss by all other drivers.



Clogging the passages of monsoon waters along with encroachments on banks and shoulders of the rivers is the third reason for floods in Pakistan. In fact, waterways or banks of the rivers are legally “Shamilat Deh” or “villages’ community land” in Pakistan. Individuals have the incentives to seize such areas and utilize it without considering its worst static and dynamic consequences. Alternatively, in Pakistan, there is “Tragedy of the Commons”, a famous economic problem, with respect to “Shamilat Deh”, in general, or waterways and banks of the rivers, in particular. The monsoon waters are only reclaiming their right of ways which, in turn, results in human and economic losses.

A three-fold strategy is needed in order to combat the current situation as well as to prevent such calamities in future. First, relief to the affectees is of utmost importance by providing them with the food, shelter, and social protection. Second, as a medium-term strategy, we have to restrict encroachments in river waterways by enforcing the River Act and making necessary legislation with regard to “Shamilat Deh” in the country. Finally, as a long-term strategy, we need to adapt ourselves to climate change and control deforestation. Only these measures could enhance our resilience to climate-led catastrophes and could be productive in reducing the losses to the public and private properties and precious human lives from the likely floods in future.

The author is an Associate Professor at the Pakistan Institute of Development Economics (PIDE), Islamabad.





THE HAVES AND THE HAVE-NOTS: PAKISTAN'S CLIMATIC CATASTROPHE

14

Maryam Khan

When George Orwell wrote:

“ if you want a vision of the future imagine a boot stamping on a human face: forever ”

He wouldn't have known, but was perhaps narrating the bitter truth embedded in the future human security threats and the gruesome inequity engulfing them. A contemporary day example of this is Pakistan and other nations of the Global South, which are experiencing a climate-destabilised future. The adverse impacts of climate change are right here, with Pakistan at the epicentre of it.

I. PAKISTAN'S GROWING CLIMATIC CALAMITY

The recent super floods in Pakistan paint a bleak picture of one-third of a nation underwater and fighting the trauma of displacement and poverty. While Pakistan's federal climate minister has labelled it “an unimaginable crisis,” the head of the UN has referred to it as a “climate catastrophe.”

From soaring food production and diminishing food webs, it is estimated by Gallup Pakistan that around 9-10% of today's agricultural produce and farmland will be climatically unsuitable by 2100. Similarly, the climate catastrophe in Pakistan has adversely impacted the water quality and availability of the country - in both urban and rural localities.

The World Bank's 2021 report stipulated that the average mortality in Pakistan due to water-borne issues is 9 times higher in comparison to European nations. Even more worrying has been the severe risk faced by coastal cities such as Karachi, which too is not free from climate havoc. The recent urban flooding in Karachi highlights how flood-related mishaps have spread like wildfire throughout all areas of the city - whether more or less developed.

However, the question in focus is why does Pakistan bear the gloomy brunt of climate change when it remotely cannot be qualified as a global carbon emitter? The answer is Branko Milanovic's "*The haves and the have-nots - an idiosyncratic history of Global inequality.*"

II. THE GLOBAL NORTH & GLOBAL SOUTH DEBATES - EXPANDING ON THE HAVE & HAVE NOTS

Simply to be understood, the haves and have-nots is a global north versus global south debate. The bridge between the rich carbon-emitter hegemonic powers and the vulnerable, developing world has been ever increasing, and what has exacerbated this situation further of have and have nots are the recent super floods in Pakistan. Walls collapsed, homes broken and nothing left intact - the recent floods in Pakistan are a climatic catastrophe, leaving almost 1400 dead and 33 million displaced.

Analysts have been unanimous that the alteration in the recent torrential rains in Pakistan was climate-change induced - i.e. they were rain-induced and not the usual riverine floods. The norm in Pakistan's monsoon season has been that the current starts from the Bay of Bengal, enters India and travelling from northern Pakistan to southern Pakistan. However, this year monsoon rains entered the Southern parts of the country, wreaking havoc eventually in the Northern section of the country.

Like all other international security issues circumambulating the 21st century, climate change pits the interests of wealthy countries against those of the developing world. Statistically analysing, the US has produced 25% of all carbon emissions since the 18th century, whilst up until 1950 Europe

produced more than half of the world's carbon emissions. Yet, against these statistics, it is the countries of the Global north living at the expense of the Global south. The global North, therefore, needs to own up to its role in the havoc and the disaster it's causing.

For instance, Europe's novel welfare system, which is a glaringly perfect image of what a serviceable and well-governed continent should be like, is derived from the wealth it accumulated during colonial times. However, the rich countries have been persistently denying their responsibilities which are beset in history - whether it is colonialism, racial capitalism or the contemporary world's ailing climate change, they are living at the expense of the global south. So, now when countries of the Global south demand compensation they are basically asking Global North to pay its debt.

Similarly in Pakistan's case, the reparations that we as a nation demand from International forums and communities, unlike humanitarian aid, are not a form of charity but a reflection of what is inherently owed by rich carbon-emitting countries and firms to Pakistan - the one paying the price of their doings. Despite prior discussion in last year's COP26 on the "Loss and damage funding" - the issue and the debate remained in question and indefinitely unsettled.

Therefore, the need of the hour to avert future climatic calamities, and for Global North to dramatically reduce its carbon footprint. One key point to be noted is that the principles of justice and collective responsibility are ever so important for countries like China and the United States considering their shared monetary and fiscal agreements with Pakistan. Climate change is as compelling a shared existential crisis for all these countries because the truth is that the issue is integrated with the global system and has downstream effects on everyone.

The question then is who should pay for Pakistan's loss and damage? And what should be the future preventive measures to prevent the disproportionate climatic brunt borne by the global south countries?

III. FUTURE ROADMAP: A CALL FOR CLIMATE JUSTICE?

The answer lies in the 3-legged climate strategy of -- mitigation, adaptation and loss and damage.

Mitigation aims to diminish the greenhouse effect by curbing greenhouse gas emissions. Adaptation seeks the execution of proactive measures to protect climate-change communities. Loss and damage aim to help climate change victims after they have experienced climate-ridden destruction.

However, this three-legged climate action strategy has been shaky in dealing with climate change at all levels. There is a rampant need for restructuring and re-evaluation of this strategy to avert the climate crisis. To meet the Paris Climate agreement's most ambitious goal of keeping global temperatures below 1.5-degree celsius, the mitigation plan needs to be amplified enormously. According to a 2020 climate report, the overall global emissions must fall by approximately 8% by the end of this decade to avoid a larger climate calamity.

Second, climate adaptation measures have also been rendered futile. Strategies like the Green Climate fund or the Adaptation fund to ensure climate adaptation have also become all talk, and no walk. From promising \$100 billion per year for climate adaptation to COP26's Glasgow climate pact - all deals have failed to fall through.

Thus, as mitigation and adaptation endeavours fail - the only viable solution left to the ongoing climate crisis is the operational third leg: the loss and damage. Analysts define "loss" as irremediable loss of human lives, biodiversity and indigenous cultures.

While "Damage" encompasses the negative climatic implications but where repair is still possible. For Pakistan's case too, the answer is simple. The current waves of climatic floods in Pakistan have provided the global polity with a chance to revisit the loss and damage strategy. To begin with, even though time sensitive, we should take the opportunity of embedding loss and damage strategy as an official game plan submitted as a formal draft to the UNFCCC secretariat before COP27 in November. This will catalyse international support and solidarity for Pakistan.

As climate leaders prepare for COP27 in Egypt in November of this year, the heart-wrenching images of Pakistan's massive climatic suffering will be glaringly prominent in everyone's mind. The humanitarian and climatic tragedy occurring in Pakistan is a shrewd excerpt which should be brought forth under serious consideration for a loss and damage mechanism - an indefinite reminder that ad-hoc commitments are not sufficient, but what is needed is an actual effort from Global North.

The author is a graduate in Economics & Politics from LSE & the founder of climateactionpakistan





Politicization of Floods in Pakistan:

AN ASSESSMENT OF TWITTER TRENDS

Abu Bakar Naeem &
Laraib Farhat

Recent floods in Pakistan have pushed one-third of the country under water. With over 1500 deaths and half a million people displaced, a state of national emergency was declared by the government of Pakistan. The damage caused by the catastrophic floods was exacerbated due to the volatile political condition unfolding in the country. The tussle between the present and the former government (i.e., the PTI) and the already decadent state of institutions resulted in a delayed response to the ongoing situation. A good case in point here was the government's inability to act on time despite multiple warnings issued by the National Disaster Management Authority (NDMA), which had already sent out pre-monsoon and monsoon reports. The 'Daily Situation Report(s)' produced by the NDMA were sent directly to Secretary Prime Minister and Military Secretary to Prime Minister and delivered to other relevant stakeholders, including the PMD, FWO, NHEPRN, NHA, and others.

The data collected from the NDMA website suggests that relief activities for the flood affectees officially began on July 5th, 2022. However, by that time, Azad Jammu & Kashmir (AJ&K), Balochistan, Gilgit Baltistan (GB), Islamabad Capital Territory (ICT), Khyber Pakhtunkhwa (KP), Punjab, and Sindh had already accounted for 38 deaths and 69 injuries, including damage to 1235 livestock, and 110 houses that had been swept away.

The havoc wreaked as a consequence of these floods uncovered an uncomfortable reality regarding the institutional inadequacies alongside the ironic politicization of events. Through a detailed discourse analysis of Twitter conversations around floods in Pakistan, this article discusses the overt politicization of natural disasters in terms of digital responses that unfolded in reaction to an ensuing and rather alarming natural calamity. Our research shows that:

- The discourse on floods pervading on Twitter was primarily political
- Twitter users were more focused on directing their anger towards political parties for not responding effectively to the situation

To understand and analyze the online conversation regarding floods in Pakistan, specifically on Twitter, we scraped the top five hashtags that appeared on Pakistan's Twitter panel from June 1st to August 30th, 2022. Following that, we further specified those hashtags into the flood-related category and scraped their tweets from the Twitter rest API for content analysis.

Interestingly, we found out that the conversation regarding floods on twitter begun quite later. The first flood-related hashtag appeared on August 18th, 2022 and by July 1st, 2022, the floods had already caused substantial damage to the country (as mentioned above in the NDMA report). Principally, the reason for this delayed response could be traced to the political situation in the country. For starters, it was mainly because the conversations around the Twitter panel during the initial days of floods were bordered by political actors which ultimately diverted the attention of general public from a widespread natural disaster to the political fiasco as shown in Figure 1.

Furthermore, the collected data also indicates that the digital response from the general public appeared more actively following August 18th, after the flood water had reached the level of relatable plight, i.e., the fear of a spillover effect. The following graph offers insights into the most trending hashtags by volume. It is noteworthy that while 1/3rd of the country was drowning in flood water—with several reported causalities and damage—political leaders were pulling strings behind the scenes to leverage the crisis in order to promote their personal (or political) agendas. For example, the first political party to appear on Twitter was the Tehreek-e-Labbaik Pakistan (TLP), with its hashtag: *سہا تہ زندگان سیلاب* #سعدرضوی. Similarly, political parties in opposition also directed their agenda towards maligning the ruling party with hashtags like *پنجاب بے ربا ڈوب* #.

Figure 2 indicates clearly how political leaders took this disaster as an opportunity to push their narrative while deflecting blame and portraying local governments and political parties as ineffective.

Similarly, the data also showed an interesting deviation in pattern, i.e., the inclination of the general public to directly engage with 'individual' leaders instead of confiding in either the government (representatives) or public institutions, be it to direct their anger about inadequate disaster preparedness or to request rapid relief assistance. This insight also illustrates the widening trust deficit of the public in

the government as an institution because 'Govt of Pakistan' was mentioned in the twitter conversations significantly less frequently than the political parties or politicians combined. Similarly, flood

Figure 1. Top Recurring Hashtags



Figure 2. Top 10 Flood Related Hashtags

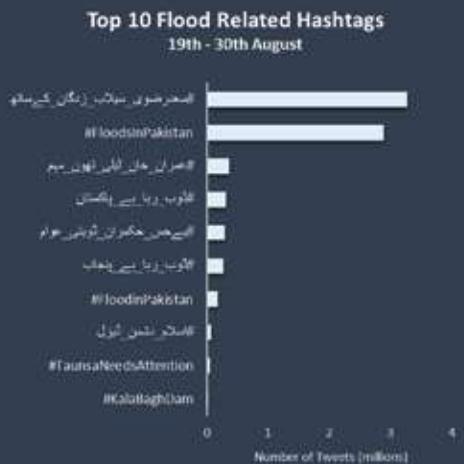


Figure 3. Top mentioned accounts in Flood Related Hashtags

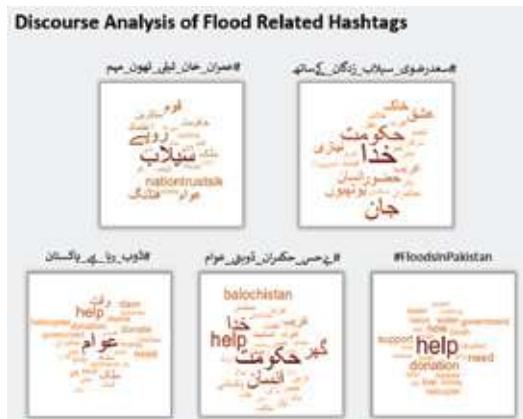


relief organizations, both national and international, did not gain expected traction, especially compared to the former Prime Minister of Pakistan (@ImranKhanPTI) - who was the most mentioned Twitter handle during this crisis, indicating the triumph of his brand of populism that gained him major support.

To further our study, we carried out discourse analysis of the top 5 hashtags that appeared on Twitter panel. Through that, it became evident that the content generated via the hashtags depicted a public outcry and was more inclined towards sentiments related to appeals, help, disappointment, and suffering.

On the other hand, the politics-oriented hashtags were more persuaded towards generating a narrative against the opposition, political blaming, and promoting self-image as national heroes. Thus, this further strengthened the underlying argument that power politics in Pakistan is a dominant factor and catastrophes like floods or climate change become an opportunity for political leaders—to promote their own party's agendas and narratives—rather than as a serious threat to traditional or human security. (See Figure 4)

Figure 4. Discourse Analysis of Flood Related Hashtags



CONCLUSION

Based on an exploratory-explanatory approach, this study has shown that Twitter conversations related to floods were politicized with more focus on political point scoring and deflecting blame than a consolidated bottom-up approach towards applying pressure on governing agencies for relief and, more broadly, infrastructural resilience. Importantly, a significant point of reflection that the data shows is that the current state of institutional frameworks (which are already inadequate) available for disaster management bears minimal space for political influence on digital spaces. Considering instances of repetitive

incidents wherein political allegiances have trumped everything else, a more coordinated response from the political factions in the country, especially during crises such as floods, is something that may not only improve the current state of institutions but may also contribute to bridging the prevalent trust deficit between the public and the government as an 'institution' in such difficult times. Similarly, threats like climate change that cause these catastrophes, like floods, should be taken as a threat to human security and thus, should be treated like such. Any negligence in the required response can push the already vulnerable state of human security in Pakistan to a more weakened and fragile condition.

The authors are affiliated with the Institute of Regional Studies, Islamabad.





20

REBUILDING PAKISTAN:

An Investment in Climate Resilience

Maha Husain

The devastation in Pakistan caused by heavy rains, a combination of riverine, urban and flash flooding, and climate change has resulted in what U.N. Secretary General António Guterres labels a “**climate catastrophe**”. 84 of Pakistan’s 160 districts have been notified as “calamity hit” by the Government of Pakistan, mainly in the provinces of Balochistan, Sindh and Khyber Pakhtunkhwa. 33 million people have been affected by the floods, with over 7.9 million people displaced, 2 million houses damaged, 1.1 million livestock killed, and

9.4 million acres of cropland inundated. The scale of funding required to address the damage is far beyond the resources available to the Pakistani State. Beyond providing urgent and lifesaving humanitarian assistance, Pakistan requires funds to implement longer-term recovery and reconstruction.

Extreme weather events occur in **cycles** as opposed to in a uniform order. Pakistan is currently in the midst of the emergency phase of the disaster cycle (Figure I.), which

occurs immediately after a disaster event.

This stage is followed by the compensation and insurance, and rebuilding phases which aim to return the affected community back to normal. Next, the risk mitigation phase deals with pre-disaster mitigation to reduce the impact or likelihood of the extreme weather event before it takes place. The emergency phase tends to gather the most media and government attention of all the disaster phases due to the visibility of destruction and results. The rebuilding and reconstruction phase is often overlooked by both governments of affected States and States providing emergency funds. This article suggests that Pakistan must focus on and invest in all stages of the disaster cycle, especially the rebuilding phase, as this can serve as a disaster-management tool for future disasters. In addition, the article will explore avenues to fund the rebuilding stage in Pakistan after the 2022 floods.

Figure 1. Disaster Cycle



Flood Impact Assessments traditionally comprise of three costs: (i) direct damage, (ii) indirect losses and (iii) reconstruction cost. In collaboration with the United Nations, the Pakistani government has issued an appeal for **\$160 million** in emergency funding to cover part of the direct damage and indirect losses caused by the 2022 floods. Reconstruction funding, however, has not yet been collected as Pakistan is still in the emergency phase of the disaster cycle. Reconstruction costs involve rebuilding lost assets and restoring lost services and are calculated using the replacement value of assets and infrastructure lost. According to the Finance Division's Flood Impact Assessment Report, the reconstruction cost for the 2010 & 2011 floods was estimated to be **\$2.7 million**. It is likely that the reconstruction cost for the 2022 floods will far exceed the value calculated in 2011, as the scale of the destruction this year is said to be the worst that Pakistan has ever experienced.

To bridge this funding gap, Pakistan may consider appealing to the international community to fund rebuilding efforts by arguing that developed States have an obligation to financially support

reconstruction projects in disaster-prone developing States. This obligation stems from the no-harm rule and the polluter-pays principle in customary international environmental law. Customary international law has already established this obligation with respect to financial support for early warning mechanisms in disaster-prone developing States. The same argument can justify funding reconstruction projects if reconstruction is reframed as a preventive measure. The Sendai Framework uses this reframing in its "build back better" priority for 2015-2030. "Build back better" refers to using the reconstruction phase to integrate new technologies and building methods to increase resilience and protect against future disasters. The no-harm rule stipulates that no State has the right to harm another State during the exploitation of its own resources. However, States, especially Developed nations and emerging economies, have failed to lessen the impacts of transboundary harm with their uncontrolled exploitation of natural resources. Given that financial support for early warning systems falls into the classification of "preventive measures", reconstruction in the form of building back better can also fall into this category.

Similarly, the polluter-pays principle, which stipulates that polluters should bear the costs of managing pollution, can be used to fund reconstruction in disaster-stricken States. This is because GHG emissions are considered a form of pollution because of the potential damage they cause through impacts on the climate. Using the analysis above, it can be argued that high-emitting countries and carbon majors are obligated to fund reconstruction projects in disaster-prone States.

Therefore, Pakistan must advocate for the international community and carbon majors to fund reconstruction after the current flooding. To make this process as effective as possible in building back better, it is suggested that Pakistan:

- create and operationalise a recovery and reconstruction authority under the National Disaster Management Authority (NDMA);
- increase coherence between existing disaster management policies produced by the NDMA and all Provincial Disaster Management Authorities;
- increase coordination among stakeholders in Post-Disaster Recovery (PDR) activities to allow a smooth transition of recovery; and
- place building community resilience at the centre of the recovery process.

The author is the Team Lead, Climate & Environment Initiative (CEI) at the Research Society of International Law (RSIL)



TTP INFILTRATES KHYBER PAKHTUNKHWA

Pervez Hoodbhoy

23

Daily news reports speak of the Tehreek-e-Taliban resuming its terrorist activities in Waziristan and other tribal areas. Ordinary citizens, state functionaries, policemen, soldiers and officers are being targeted and mercilessly killed. From time to time I receive anguished emails from former QAU students belonging to villages in Waziristan and other tribal areas. One wrote to me that he has fled his village Eidak in North Waziristan. Every single member of the village peace committee, including the village mosque's imam, Qari Samiuddin, and his son, Qari Nouman, was first threatened and then murdered by shadowy elements, followed by a businessman Murtaza.

The horrific events of Eidak resemble those across FATA 10-15 years ago. Using terror tactics TTP wants to destroy all local authority in villages. Thousands of Swat residents have held **rallies** against the TTP's resurgence. However thanks to Pakistan's victory in successfully installing a "Pakistan-friendly" government in Kabul, this time around it will be far more difficult to reverse terrorist gains through dedicated military action.

There are three reasons for this.

First, for three decades the wise men who control Pakistan's foreign policy worked hard to achieve strategic depth. They succeeded but from August 2021 – which is when Kabul fell to the Taliban – that depth belongs to TTP. Pakistani **airstrikes** aimed at eliminating TTP hideouts across the Durand Line have drawn loud growls from Afghan Taliban leaders. These are far more menacing than

the squeaky complaints of Ashraf Ghani's wishy-washy defunct government.

Second, a decade ago Pakistan's economy was propped up by coalition support funds and other Western aid. After America's exit from Afghanistan these have run dry and the CPEC "game changer" is still a faraway dream. Runaway inflation coupled with political chaos is rapidly creating an enabling environment for terrorism.

The third problem is ideological and the most intractable. TTP is demanding that ex-FATA must not only be returned to its pre-June 2018 semi-governable status but, this time around, must be run by sharia law. After 75 years Pakistan's own ideological narrative on sharia remains muddled and confused. For example Riyasat-e-Medina – a popular idea with many – is impossible in a state without sharia. Army cadet colleges fill their student's minds with everything except the knowledge of how to deal with these challenges. But without clarity Pakistan is deeply vulnerable.

So how is Pakistan presently responding to the upsurge of TTP's terrorism? The answer before us is clear – exactly as it behaved at the time that Sufi Muhammad and Maulana Fazlullah were establishing their control over Swat. Once again the policy is to appease religious fascists and to suppress local forces that oppose the TTP such as the Pakhtoon Tahaffuz Mahaz (PTM). While those who have killed Pakistan's soldiers and citizens are to be negotiated with and given respect, the PTM is to be

suppressed. One of its leaders, Ali Wazir is a parliamentarian but remains on bail for allegedly insulting the army's "wise men" on its KPK policies.

In spite of near daily attacks and continued TTP infiltration, in July a parliamentary committee authorised the military leadership to hold talks with the newly energized TTP. This cowardly and shameful abdication of responsibility suggests a rubber-stamp parliament that is good for naught but seeking perks and privileges for its members.

Direct negotiation between the Army and terrorist groups is nothing new but has never produced results. In May 2004 an agreement was signed in Shakai with tribal militant leader Nek Mohammed of South Waziristan. This called for stopping attacks on Pakistani security forces and government property. In return the state would pay compensation and release prisoners. De-weaponization was not mentioned.

The Shakai agreement lasted 50 days. Only days after signing, in a radio interview Nek Muhammad declared that no treaty could stop him from hosting the Chechen jihadists and Al-Qaida then at war against Pakistani forces. Terrorist activities resumed. Nek was killed by a US Predator drone on 18 June 2004, the very first missile attack on Pakistani soil.

Listing the failed agreements of the last 20 years – including one with Swat's Sufi Muhammad – needs too much space. But that of September 2006, signed inside the Taliban stronghold of Miramshah, stands out in my memory. Photos showed army officers hugging those they had fought for 4 years as heavily armed, bearded militants watched grimly.

Today we all know what ultimately weakened terrorism and gave us a longish stretch of quasi peace. Operation Zarb-e-Azb (2014) was a frontal assault against TTP and its jihadist guests. Artillery and air power finally dislodged them from inside captured Waziristani villages. The widespread devastation forced over 90,000 families into becoming refugees. Had force been used earlier the collateral damage would have been far smaller.

Still, success was only partial and so operation Radd-ul-Fasaad (2017) followed. The choice of name was deliberate – radd means elimination and fasaad suggests internal fights rather than external foes. The delusionary bubble within which Pakistanis had lived after 9/11 finally burst. General Hamid Gul and his protégé Imran Khan had convinced many that terrorists were operated by some "foreign hand". No Muslim, they said, could kill another Muslim.

There could not have been a bigger lie; no captured

Hindu or Jew was ever paraded as a failed suicide bomber.

This lie was followed up with Khan's astonishing act of deference to terrorists. Directly after the 2013 suicide attack on the All Saints Church in Peshawar, he urged that TTP be permitted to open offices inside Pakistan for holding peace talks. A year later TTP massacred 148 persons inside the Army Public School in Peshawar.

As events proved again and again, TTP killers understand only the language of force. But today that lesson seems lost and the gains of Zarb-e-Azb and Radd-ul-Fasaad – achieved at great cost by soldiers and officers – are being undone. A new generation of Hasanabdal-trained officers is again chasing fruitless appeasement. The history of how terrorism was subdued appears forgotten. To accept the demands of TTP terrorists is poison for Pakistan. Terrorists must be fought against with full force, not given respect and deference. The price of cowardice will be enormous.

The author is an Islamabad-based physicist and writer



Our Colonization Never Ended:



LOCATING THE RACIST AND COLONIAL ROOTS OF TRANSPHOBIA IN PAKISTAN

Mehrub Moiz Awan

Pakistan's ideological Islamic values are always at risk if one had to go by the Jamaat-e-Islami Pakistan's (JIP) rhetoric, and the Islamist party is the self-proclaimed lone warrior battling these risks. According to the JIP, the now 4 years old Transgender Persons Protection of Rights Act of 2018 is "about to" open the floodgates for "homosexuality" and "gay marriage" in the country in the subjective future. Gay men, according to JIP, can now conveniently walk into any NADRA office in Pakistan and get issued a female national ID card. The man, now woman in documents, can now marry a man of his choice and live his life happily ever after as a man married to a man in Pakistan, simply because he has a female ID card. Notwithstanding the Rules¹ of the Act that abjectly state that upon identifying as a "transgender" man, woman, or khwajasira person, the citizen will get his original gender marker changed to X from M or F. As an X card holder, no matter what your perceived gender identity is, you are rendered wholly ineligible to get married in Pakistan under all marital laws. Regardless, cashing in on the ignorance of the junta on gender issues and activated by a vicious online disinformation campaign against the Act run by self-styled Islamic YouTube-evangelists, JIP has embarked on a nationwide transphobic campaign, termed a "war" by Senator Mushtaq Ahmad of JIP since August 2022, leading to a direct attack on at least 14 transgender persons in the Senator's home province Khyber Pakhtunkhwa.

For context, Khyber Pakhtunkhwa is a hotbed of transphobic violence and already boasts a transgender murder rate of almost 800 murders per 100,000 transgender persons; 15 times higher than the highest murder rate in the world i.e., El Salvador at 52 murders per 100,000 persons.

In 2018, Pakistan became the first Muslim nation in the world to recognize transgender persons and grant them civil liberties and protections under a post-secular indigenous framework (Moiz & Gaewalla, 2021). Since then, we have gone on to become the only nation in the world to be represented by a transgender woman at a United Nations forum and have conferred national recognition to transgender activists Aisha Mughal and Dr. Sara Gill on the 23rd of March 2022. Ms. Bubli Malik recently became the first transgender woman to speak on the floor of the National Assembly. The Punjab government has a schooling program for transgender persons, the Sindh government has announced a 0.5% job quota for us, and the Khyber Pakhtunkhwa government has a fund for monetary assistance for transgender persons. Slowly, we are inching towards acceptance and tolerance, both legally and socially. But very few of us know the history of how we got here, and who taught us hatred in the first place.

Understanding and acknowledging that all our problems started with the arrival of the British, and

¹The Transgender Act of 2018 is complimented by a supplemental Transgender Persons' Act Rules 2020, that details the institutional mechanisms through which civil protections granted to trans persons in the Act will be provided. These Rules specify that all gender changes under the Act will lead to a gender marker X on a citizen's Computerized National ID Card.

the new colonial gender regime that they imposed on us (Hinchy, 2019), is crucial to making Pakistan a more inclusive country. Furthermore, it is imperative in locating current violent version of political Islam in Pakistan in our own colonial history. When the white man from Europe landed on the glorious shores of South Asia with his shallow agenda of loot and plunder, he was mesmerized by our diversity, riches, culture, and splendor. He was used to the mundane dark life of the British island, where men and women tiptoed across rigid gender roles and unequal societies. We, contrastingly, had a culture that was rich with many genders and a variety of gender roles. Warrior queens and princesses, an appreciation of arts by all, male poets, and dancers, Sufi dervishes, and us – the khwajasiras. The first Portuguese travelers to Goa noted the unique presence of khwajasiras – loading and offloading ships, running businesses, dressed in beautiful feminine clothes, and wholly integrated in the South Asian society. All Muslim societies, especially those in South Asia, have had a rich history of gender-variant people. Khwajasiras were protectors of the female quarters (Khan, 2016), were allowed to pray alongside men in mosques, were guardians of all Sufi shrines in South Asia, and led the funeral prayers of Baba Bulley Shah in Kasur (Pamment, 2019). However, after colonizing us the British deployed a coordinated strategy across many decades with a clearly communicated agenda – to eliminate khwajasiras, and all transgender people, from South Asia. This is the genocide, that the world doesn't talk about, because it doesn't know about it.

The British exacted this genocide in many ways. They introduced two sets of laws called the Criminal Tribes Act that stated that khwajasiras will be punished for two years in prison for wearing what they normally wear, i.e. feminine clothes. It also prompted the local police to maintain a register of all khwajasiras, and to continue surveilling them. Khwajasiras were forbidden to travel without first informing the police. And the senior British police bureaucracy constantly sent letters to local police to investigate whether the khwajasiras were committing “sodomy”. The British used the term “eunuch” for us, ignoring all the local words that already existed for us. Through this, the British over decades not only put khwajasiras under constant surveillance and criminalized their very existence, but they also created hateful police that were constantly suspicious of us. Even worse, the British associated khwajasiras with sodomy, and that negative perception exists to this very day.

When the British conducted the first census on our lands, they only counted men and women – refusing to count us – and thus my ancestors stopped being citizens of the modern Indian state that the British had created and could thus not participate in any

activity of the new state structure. Criminalization, police torture, and surveillance on one end, refusal to provide any state services on another: the sinister project that the British started in 1860 continues even today. In summary, our public learnt hatred and violence from the British, their colonizers, and is still stuck in the same hateful loop.

We must all understand that colonization wasn't just about capturing economic resources; it was simultaneously a racist project. Armed with the power of racist biology and unethical science, white scientists published multiple books about how the white race is genetically superior to other races and hence more evolved on the tree of evolution. One vital pseudo fact that they used was sex-difference. The racist logic went somewhat like this. Lower species have very minimal differences between the sexes, and as species evolve sex differences become more prominent. As human beings are the most evolved species, therefore sex differences are the highest among us. During colonization, white people came across civilizations where gender roles were markedly different from their regimented European roles, just like ours. Our colonizers stated that because men and women in our societies do things that are not considered masculine or feminine according to European standards, it means that in our races sex differences are not as high as white people, and hence we are an inferior race to the whites.

The Nawab of Lucknow was declared a “eunuch” by the Britishers, and his territories captured after a fierce war simply because he was a patron of Eastern classical music, kathak dance, and fine Urdu poetry (Pamment, 2010). Many women and khwajasiras lined battlefields to fight the all-male British army. Tawayifs helped rebels and fighters by hiding them in their quarters. All of this gave our colonizers immense anxiety, and to ensure their rule upon us they felt they must establish a gender regime where women are locked away in houses making tea (just like their British counterparts) and the brown man is the slave to the white ruler.

Parrotting the British Protestant stories of the Prophet Lot, and using English words like sodomite, homosexual, degenerates, cross-dressers, and perverts, an entire generation of scholars was prepared that not just hated us, the khwajasiras, but wanted us eliminated altogether. Yet here we stand today; alive, successful, and proud of our existence. Because according to us, it was Divine will that saved us then, and it is His power that will make us thrive further. We aren't pretending to be men or women; we are being who we are, what we feel, what we know, and where we want to be. We aren't a gender; we are a people.

Gender binaries are preserved by societies that want to lock people in a strict reproductive order where a calculated number of poor people must be produced every generation to provide services and labor to the minority elite. A good social being must conform to ideals of masculinity or femininity, and marry within their class, caste, creed, sect, and social status. Failure to participate in this heterosexual, patriarchal, and classist social reproduction will lead one to be punished in the worst manner possible i.e., through gender-based violence such as honor-killing, murder, legal prosecution, and a life of social exclusion. As heteropatriarchy dies a painful death at the hands of modern systems of socioeconomic decay, in its last breaths to survive it will take down many lives with it. Unfortunately, this means that many of my sisters and brothers must perish in this Holy land of Pakistan before our rights and dignity are acknowledged as fully human.

The author is a khwajasira² activist and global policy practitioner with a strong interest in institutional and governance reform in post-colonial states, and issues of gender and sexuality. She has previously consulted for the World Bank, Washington DC, International Center for Research on Women, and the International Committee of the Red Cross. She has a Doctor of Medicine and obtained her Masters in Global Health Policy as a Fulbright scholar from The George Washington University, USA. She can be contacted at mehrubmoizawan@gmail.com

REFERENCES

- Hinchy, J., 2019. Governing Gender and Sexuality in Colonial India: The Hijra, C.1850-1900. Cambridge, New York: Cambridge University Press.
- Khan, S., 2016. What is in a name? Khwaja Sara, Hijra, and Eunuchs in Pakistan?. *Indian Journal of Gender Studies*, 23(2), pp. 2018-242.
- Moiz, M. & Gaewalla, F., 2021. Asserting indigenous citizenship through post-secularity: a queer analysis of Pakistan's transgender legislative reform. *SZABIST Law Journal*, Volume 2.0, pp. 59-70.
- Naqvi, N., 1997. Two Baluchi Buggas, a Sindhi Zenana, and the Status of Hijras in Contemporary Pakistan. In: W. Roscoe, ed. *Islamic Homosexualities: Culture, History, and Literature*. New York: New York University Press, pp. 262-266.
- Pamment, C., 2010. Hijraism: Jostling for a third space in Pakistani politics. *The Drama Review*, 54(2), pp. 29-50.
- Pamment, C., 2019. Performing piety in Pakistan's transgender rights movement. *Transgender Studies Quarterly*, 6(3), pp. 297-314.
- Reddy, G., 2007. *With Respect to Sex: Negotiating Hijra Identity in South India*. Chicago: University of Chicago Press.

²Khwajasira is an indigenous South Asian gender-spirituality and gender-identity recognized by the Government of Pakistan as a gender separate from man and woman.





REVOLUTIONS DON'T CRY 'FOUL'!

Amer Z. Durrani

Research Support: Aimen S. Abbasi and Ayesha Noreen

Everything is a risk in Pakistan. If you defend women, it's a risk. If you defend non-Muslims, it is a risk. If you discuss religion, it is a risk. But you cannot really sit there like a vegetable in your own society. And I am committed to that society ... and I feel I need to turn around and speak as I should.

Truer words were never spoken by a revolutionary. Did Asma express this for winning a seat in the legislature or as a harbinger to a revolution? I believe it was the later.

What we see around us in Pakistan today is more a political jostling for getting a seat in the legislature, for whatever it is worth—and it is worth much, though not for the people of Pakistan rather for the jostlers. Be it the heart wrenching portrayal of a father and daughter's sacrifice or the diatribe on corruption, family politics, and Madina-ki-Riyasat, it is all emotional black mail. What else does one expect in a sham democracy enslaved by political feudal lords and ladies jostling for a day in the legislature—Pakistan be damned, as it goes.

As one friend put it succinctly, Pakistani democracy is where the sheep—us common folk—get up in the morning and vote for the best wolf they want to be eaten by!

Fooling common folk with slogans of country and religion in the name of saving a nation—Pakistan—is where jostling for legislature is mashed in the cream of revolution. How convenient! Revolutions don't go running to the courts for vindication. Revolutions and election campaigns are oceans apart. Yes, even the 'getting a two-third majority' kind of campaigns—this just means more sheep coerced to vote for being eaten by a 'popular' wolf! Campaigns must follow rules, revolutions create their own rules.

With all ensuing amendments, the Article 16 of the 1973 Constitution of Pakistan grants every citizen—popularly known as sheep—the right "to assemble peacefully and without arms, subject to any reasonable restrictions imposed by law in the interest of public order". Well, the dear Constitution, when framed, did not cater for a wolf interior minister—pre-arrest pardon sought!

Further interpretations, including collective ones with Article 17, especially on the term "public order", are aplenty, starting with Abdul Hameed Qadri versus S.D.M. Lahore, Shukar Din versus Government of West Pakistan and others agreeing on the following. Public interest is the perception of action that property, human life, and safety and public tranquility are in danger. Note that tranquility

is not the way one would describe the daily life of us common folk in Pakistan. Then comes our dear judge of Islamabad High Court adjudicating that a peaceful protest staged by unarmed persons is a constitutionally protected right. I agree.

All, us less-than-tranquil sheep, should be allowed to vent. The right to protest is not an absolute right in a nation state, it is subject to conditions. Add to this, the Islamabad High Court declaring, in 2022, "Power to issue order absolute at once in urgent cases of nuisance or apprehended danger" cannot be exercised in derogation to the fundamental rights guaranteed under the Constitution. This is getting confusing.

Let us clear the confusion. Is the state supreme? What I write next is with an advance apology to the feelings of all agnostics and non-creationists friends reading this—well, also to the pulpit devils in this God given country of Pakistan—recall, I am a self-proclaimed sheep and did not call the pulpit devils friends.

In a nation state as we know since the 19th century, the state is supreme. God's ordains are personal and societal or communal—very often, yes, the emphasis is on very, are they state based. If you deny this basic premise, the state ceases to exist. Such was the Madina-ki-Riyasat. This is up for debate but not for browbeating.

The world is already God's kingdom—per Islamic belief system—not any, one person's diktat! What is the fight about, then? It is about Siyasat-e-Madina and not about Riyasat-e-Madina. The Siyasat-e-Madina was all about pragmatic and rule-based governance based on an evolving code that was demonstrated. One can write volumes, but the gist is that there was no jostling involved nor was it a greed for power. It was a revolution to re-jig the collective human existence principles.

If politics is the art and science of governance, then the state or the 'riyasat' is what is governed based on the constitution of the state. Politics is not a revolution. Laws of the state will apply on all jostling for a seat in the legislature of Pakistan! Riyasat-e-Madina was built on character—that of the unassailable Muhammad (MPBUH)—and not on hooliganism. Revolutions, my friends, do not cry on the shoulders of the courts and burnish the military, but jostlers for power and Pakistan's legislature do!

The author is the President of Reenergija and a former World Banker

WHY IMF PROGRAMS NEVER WORK FOR

PAKISTAN

Henna Ahsan

Every new government in Pakistan looks toward the IMF to manage its balance of payments and other deficits in the country, and so far, Pakistan has undertaken about 22 IMF bailout plans. The question arises, however: despite availing these IMF package to such a large extent, why have we been unable to achieve any long-term and sustainable economic development? Acemoglu and Robinson (2012)¹ have the answer to this perplexing question. They explain that such types of economic failures are not the result of any ignorance, nor is it due to the lack of intelligent economic advisors, but because of the decades-old extractive political institutions, which in turn create extractive economic institutions, from which only a special privileged class are able to benefit.

A political system with extractive institutions does not provide equal opportunity and representation to all people in a country; only a few are eligible to contest elections, and, in some cases, only a particular race/class has the right to vote. Pluralism which ensures that political power is widely distributed to all the people in a society, is missing in these institutions. These institutions were prevalent in many parts of the world, including the U.K., USA, and many regions of Europe. However, these countries progressively transformed their extractive institutions into inclusive institutions and are now among the top performing world economies.

International financial institutions like the IMF consider that bad economic policies cause poor growth in developing countries, so they propose a list of improvements that the developing countries ought to implement. These improvements generally focus on things like reduction in the size of the cabinet, flexible exchange rates, reducing tax gap and increasing tax net, central bank independence, and a free market economy. They focus on some microeconomic measures as well such as privatization,

increasing efficiency of the government institutions, and certain kinds of anti-corruption measures.

Extractive economic institutions are those from which only a special group of people or an elite benefits and common masses and other people have a little to gain from their efforts and investments.

However, history shows that such attempts have not rendered fruitful and long-lasting sustainable development because the basic question of why bad policies and institutions were present in the first place is never addressed. Regarding the independence of central banks, the case of Zimbabwe presents an interesting account. Zimbabwe's President Robert Mugabe, heeding international advice, declared Zimbabwe's central bank independent in 1995. Before this decision, inflation in Zimbabwe was about 20 percent. By 2002 it had reached 140 percent, by 2003 almost 600 percent, and by 2007, 66000 percent, and by 2008 230 Million percent. All this was because after getting sovereign status in 1980, Mugabe gained complete control over Zimbabwe by either eliminating his opponents or co-opting them. This strategy continued until his ouster from the president's office in 2017. So the institutions in the country served only his and his close allies' interests.

Zimbabwe also undertook the independence of central bank under international monetary bail out plan but it failed badly because President Mugabe and his allies were not willing to change the very nature of extractive institutions.

¹Acemoglu, D. and Robinson, J. (2012). Why Nations Fail: The Origins of Power, Prosperity and Poverty, New York: Crown Business Books.

The aforementioned measures fail every time in Pakistan too because the recommendations are only implemented in theory or are undermined by the people at the helm. Policies are implemented only for a short period before business as usual is returned to as politicians dare not change the extractive nature of the institutions. Governments in countries like Pakistan and Zimbabwe spend more than they collect under taxes and then force their central banks to print more money to cover up the difference. Further tax systems remain dysfunctional and discriminatory, providing protection and concessions to non-filers and under-filers.

Before 1970 Brazil also had extractive institutions flourishing under the military dictatorship; however, the rise of the Workers Party under union leader Lula da Silva made possible a new path for the country under a truly democratic regime. Lula organized all parties fighting for the rights of wage workers, especially the poor, under the platform of the Worker's party. He gradually gained control of the country through successive wins in periodic elections. Their "participatory budgeting" system, which was introduced to have common citizens let their preferences be known how cities were allocating their expenditures, became a world model for local governance. Lula lost the presidential elections in 1994 and 1998; however, he finally became president-elect in 2002.

With the inception of this democratic regime in Brazil in 1990, the proportion of the population living in poverty fell from 45% to 30% in 2006. Average schooling years increased from six in 1995 to eight in 2006, and Brazil is now part of the BRIC nations (Brazil, Russia, India, and China) and one of the first Latin American countries to play a significant role in world diplomacy. All this democratic and economic progress in Brazil has not been achieved by the injection of any foreign aid, especially IMF or World Bank, nor is it the result of any policy change regarding a free-market economy or modernization; rather, it is the result of collective efforts of diverse Brazilian political collectives to usher in inclusive institutions in the country.

Pakistan, too, instead of rushing towards IMF now and then, would do well to change the nature of its existing extractive institutions. For this to happen, political leaders must first teach and nurture a democratic culture within their own political parties. All have to agree on the continuity of the democratic system and introduce reforms on a war footing to eliminate bad practices and loopholes from the current electoral system.

Transformation of extractive institutions into inclusive institutions in Brazil from 1990 onwards paved way for Brazil to become part of BRIC nations and one of the first Latin American country to have say in international affairs.

The author is an Assistant Professor at the Pakistan Institute of Development Economics (PIDE), Islamabad





**THE 36TH ANNUAL GENERAL MEETING AND CONFERENCE OF THE
PAKISTAN SOCIETY OF DEVELOPMENT ECONOMISTS (PSDE)
NOVEMBER 22-24, 2022 | QUETTA**

CHARTER OF



**INVESTMENT, PRODUCTIVITY AND
EMPLOYABILITY**

CONCEPT NOTE

Pakistan Institute of Development Economics (PIDE) is pleased to host the 36th Annual General Meeting and Conference of the Pakistan Society of Development Economists (PSDE) on “Charter of Economy: Investment, Productivity and Employability”. The conference will be held on 22–24th November 2022, in collaboration with Balochistan University of Information Technology, Engineering and Management Sciences (BUIITEMS), Quetta, Balochistan.

Pakistan has the lowest investment/GDP ratio (15.41%) in the region. We invite academia to devote urgent attention to this key challenge and develop ideas to address this situation. Investment depends upon enabling environment (policies and endowments), available skills set and labour productivity. Investment facilitates productivity by enhancing skills, which boost returns on input and supplement further demand for labour. Investment attracts technology and fosters an ecosystem for dynamic and innovative economic activity based on genuine competition.

Pakistan’s productivity growth too remains far lower than needed by our development needs. Why does our productivity growth remain so low? Is this true for all sectors? Are there any leading and lagging sectors in this area? What factors could help productivity increase? What types of policies are needed? What kind of behavioural changes do we need to address deeper issues? All these factors need special attention.

Employment and employability is the ultimate development objective. Haque and Nayab (2021) have shown that labour supply remains inadequate in terms of both supply and quality. In Pakistan, large numbers of the youth, when unable to find jobs, become disgruntled and prone to mental illnesses. Our AGM will focus on charting out pathways to enhance both supply and demand for jobs/careers while ensuring social mobility and dignified working conditions. Self-employment and entrepreneurship will thus be important topics during the conference.

Similarly, anticipating the future, digitalization is one of the most transformative drivers of work globally – and will also serve as a central theme. In the 35th PSDE conference held in Peshawar, we attempted to explain lack of opportunities via the lenses of overregulation, asymmetrical information, and a dearth of enabling factors. This year, the objective is to probe deeper and articulate how and why investment, productivity, and employability are intrinsically related – exploring the repercussions if even one of the three remain suboptimal.

Based on the institutional strength and history of PSDE, our conference aims to steer dialogue and prescribe academically informed, policy-laden and action-oriented measures that can redress the conundrums of low investment, low productivity, and low employability.

We invite researchers, policymakers, practitioners and entrepreneurs to recommend indigenous and contextual solutions for growth in Pakistan while positioning themselves within global conversations on a range of issues.

See you all in Quetta!

THEME 1: INVESTMENT AND THE ROLE OF THE STATE

- The political, economic and socio-cultural ecosystem for creating investment opportunities
- The policy barriers in creating opportunities for foreign investment
- Critical analyses of investment policies (domestic and international)
- Regulatory regimes and business confidence
- Sludge: the Cost of over-regulations/documentation
- Institutions and Accountability
- Taxation policies for investment
- The role of State (government, regulatory authorities, judiciary, and institutions) in investment opportunities
- Internal security and investment
- Competing investing opportunities
- Investment and R&D
- Investment in skills set, productivity and ideas, innovation and development

- Entrepreneurship versus Seth culture: Identifying barriers to ideas, creativity and innovation
- Role of Financial Markets in investment growth
- Endowments, physical infrastructure and policy consistency
- Macroeconomic stability and security of economic returns
- Public Investment complementarity for private investment
- Accounting issues in investment measurement in Pakistan
- SOEs privatization as a potential source of private investment
- Markets for Foreign Investment

THEME 2: PRODUCTIVITY AND LABOR MARKET EFFICIENCY

- Total factor productivity
Knowledge economy and intellectual property rights
- The role and efficiency of TEVTA, NEVTEC, technical & vocational training centers, technical colleges, and tech universities
- Curricula for future; evaluation of skill creating institutions
- Opportunities to excel and become productive
- Role of formal educational systems in the context of productivity and entrepreneurship

THEME 3: EMPLOYABILITY: IDENTIFYING MARKET ASYMMETRIES

- Role of cities in growth and employment
- Work attitude, work ethics and drive to excel
- Jobs and skills mismatch
- Automation, employment and productivity: The Future of work
- Labor force participation in Pakistan
- Youth employment versus youth employability
- Jobs availability or suitability for job: What to focus
- Self-employment and the role of State
- State and job creation
- Institutional protection, labor rights, and precarity
- Informational asymmetries, mismatch in educational systems, and unequal access to job opportunities in Pakistan
- Nature of work, professional ecosystems, and social power

- Informal Sector and economic returns (Kokhas, part-time services, freelancing)
- Business incubation centers
- Socio-cultural determinants of employment

THEME 4: POLITICAL ECONOMY OF PAKISTAN

- The political economy of investment and FDI in Pakistan
- The political economy of factor endowments
- Political economy of resource allocation in Pakistan
- Investment opportunity and elite capture
- International political economy: aid, economic transactions and foreign-induced conditionalities
- The issue of regulation, deregulation and overregulation
- International political conflicts and trade

THEME 5: HYBRIDIZATION AND THE FUTURE OF WORK

- Digital economy: The avenues for tomorrow
- Machine learning, artificial intelligence, and robotics
- E-Governance
- Technology-led financial inclusion
- Cultural economy and creative industries
- Social media and self-employment in digital platforms
- Hybridization and work from home: the efficiency
- Financial gateways and digital security
- Digital inclusion – issues of access and affordability
- Migration and employability

THEME 6: NETWORKS, CORRIDORS AND CONNECTIVITY

- Creativity and knowledge corridor
- Ideas and Innovation: the economic returns
- Regional resources and energy corridors
- Graduating from CPEC to BRI
- Asian Economic Union
- Political economy of development and international relations
- Cost of regional conflicts



CHARTER OF ECONOMY INVESTMENT, PRODUCTIVITY & EMPLOYABILITY

22nd-24th NOVEMBER 2022
QUETTA

HOSTED BY:
PAKISTAN INSTITUTE OF DEVELOPMENT ECONOMICS (PIDE)
IN COLLABORATION WITH:
BALUCHISTAN UNIVERSITY OF
INFORMATION TECHNOLOGY, ENGINEERING
& MANAGEMENT SCIENCES (BUIITEMS)



BUIITEMS

THE 36TH ANNUAL GENERAL
MEETING & CONFERENCE OF
THE PAKISTAN SOCIETY OF
DEVELOPMENT ECONOMISTS
(PSDE)

Call for Papers

THEMES

- 1: Investment & the Role of the State
- 2: Productivity & Efficient Labor Markets
- 3: Employability: Identifying Market Asymmetries
- 4: Political Economy of Pakistan
- 5: Hybridization & the Future of Work
- 6: Networks, Corridors & Connectivity

Best Paper Awards

Best papers presented at the Conference will be awarded prizes:



Deadline for Submission of **Abstracts** August 15, 2022

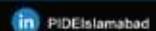
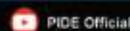
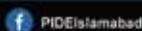
Deadline for Submission of **Full Papers** October 2, 2022

Notification of Accepted Papers **October 20, 2022**

Conference Venue: BUIITEMS

The URL link for abstract submission is: <https://forms.gle/xbVJBNTmXJNsi64FA>

*Travel and accommodation expenses for presenters can be covered by the PSDE. Feel free to contact the organizers for queries by email at: psde@pide.org.pk.



Nasim Beg
(Arif Habib Consultancy)

Sonan Memon
(PIDE)

Danyal Haroon
(Digital Finance Sector)

Khurram Ellahi
(PIDE)

Opinion





33

UNIVERSAL BASIC INCOME

A Simple Measure to Usher in an
Economic Revolution

Nasim Beg

This article is a part of my continuing quest to suggest the use of non-traditional measures to usher in an economic revolution in Pakistan.

I view economic wellbeing through the consumption (lifestyle) of the lowest economic strata of society. I would venture to guess that 80% of our GDP goes to 20% of the population; and using Financial Year 2022 data, this would mean that the per capita income of \$ 1,750 (Rs 314,000) would be split as \$ 7,200 (Rs 1,257,000) per head for the 20% and \$ 450 (Rs 79,000) per head for the 80%, or Rs. 6,550 per month for the 80%. As against this, the government has set the minimum wage at Rs 25,000; if we take six persons per family, this wage amounts to Rs 4,200 per person per month.

With these levels of spending, the economy will remain stunted and the only way to grow it is through increasing the per capita spending. For economic well-being to measure up, we need to set a minimum acceptable lifestyle suitable for this 21st century as our target.

Seventy-five years of economic policies have failed the people. A few facts to indicate the necessity of the revolution, we have 1.5 to 2 million youth needing to be absorbed in economic activity each year. Most are poorly educated, with inadequate or no technical training. In the meanwhile, AI and robotics will increasingly reduce labour absorption in manufacturing. We cannot hope to compete on productivity without AI and robotics and produce exportable surpluses that can earn us foreign exchange. While some people hope for absorption into technological ventures, we cannot expect millions will find work in it. Climate change is likely to cause further migration into urban centres. Unemployed youth will be forced to turn to crime as well as become susceptible to radicalisation. If we continue with business as usual, there is no way that the trickle-down from a stunted economy will deliver anything but blood on the streets.

Coming back to the minimum lifestyle spending, it must cover the minimum units of basics, such as nutrients, housing, clothing, energy, transportation, education, medical etc., and today, a minimum access to the internet as well. This can only be achieved by introducing Universal Basic Income (UBI) that covers all of this and is inflation linked. Assuming we start with twice the minimum wage, albeit it

needs a significant improvement, thus increase it in real terms by perhaps two to five percent per year, starting at Rs 50,000 per family, transfer Rs 25,000 per adult to 70,000,000 adult women and men. I have assumed 35 million families of 6 persons each. For married couples, the sum of the two will cover the family. The government does not need to identify targeted families as it does for BISP, as it is not financial aid to the poor, but a right of every adult citizen.

This increased purchasing power and consumption at the level of 80% of the population, will trigger the economic activity required to grow the economy, however, it will put a stress on our foreign exchange reserves, as a significant portion of our economic activity is currently highly import dependant and we do not earn enough foreign exchange. In the past we have kept our imports cheap, benefiting the 20% by borrowing dollars to keep the Rupee propped up. Our imports versus exports and remittances have had a gap of \$ 67 billion since 1971. Had we not borrowed to pay for our imports, the Dollar would have been far more expensive much earlier and the market would have forced us to be more dependent on domestic productivity by ensuring better translation of international prices towards improving agricultural yields, exploring energy sources, indigenous manufacturing, etc. It would also have helped reward and grow exports. If the currency is left to face market forces and not supported by borrowed dollars, the inflation indexed UBI will help the economy grow, without the fear of inflation impacting the public.

The federal government is not in a position to ensure that the provinces empower district and local governments financially, however, with UBI through direct transfers it can reach the poorest of districts. This will generate economic activity even in the poorest of districts and potentially transform them.

UBI will be a major step towards empowering women, as well as other marginalised communities. Children need not be out of school trying to supplement family incomes and not suffer stunted growth owing to malnutrition. Duflo and Banerjee suggest that the population growth rate diminishes with prosperity, not the other way around. Empowered people who are not preoccupied with if and where the next meal will come from, can apply their minds to exercising democratic rights.

There are several successful examples of the introduction of basic income, which range from developed countries to developing. None of these have had a much-feared adverse impact of the recipients becoming lazy or misusing the income. As an example of outcomes of Madhya Pradesh (India) BI project (reported by Rob Rainer robertjrainer@gmail.com November 16, 2015): Improved sanitation, Better access to drinking water, Improved energy and lighting sources, Significant increases in ownership of household assets, Significant increases in food sufficiency, Significant increases in child nutrition, No increase in spending on alcohol, Majority of BI recipients perceived improvement in health, Increased spending on school uniforms, shoes and books, Reduction in waged child labour, Increase in income-earning work and business start-ups. Decrease in household debt, Increase in women's household and financial empowerment, Girls and women benefited disproportionately in nutrition, health and education outcomes.

Based on the 2022 data, the UBI will amount to Rs 21 trillion per year. On the other hand, all existing

subsidies would have to be removed. The financing of UBI would come from revisiting the State's financing structure. The State is the issuer of its fiat currency, it does not need to raise revenues and does not need to borrow the same currency. The aggregate money supply would be controlled through weaning off from fractional reserve banking. I have covered this subject in two recent articles, "Growing the Economy by Applying the Modern Monetary Theory and Treating Universal Basic Income as a Fundamental Right"; and "Stop subsidising banks and others with Rs 2 to 4 trillion a year and invest it in social development."

UBI can start by first allocating a smaller amount than has been suggested but increasing it each year and reach the target over five to ten years and simultaneously weaning the banks off the fractional reserve system. We will need the gradual approach for domestic supply to catch up.



SIGNALING LABOR MARKETS AND UNIVERSITIES

Sonan Memon



36

Sketch

Lahore University of Management Sciences (LUMS)

The most elite and prestigious universities (for instance Harvard or LUMS in Pakistan) serve to act as signals in the labor market, which means that they solve an information revelation problem. Jobs in various sectors such as graduate schools, corporate sector, and others such as data science and management consultancy require different types of abilities. It is complex and costly to evaluate these abilities and elite universities partially address this problem by restricting the set of potential workers that can be hired. Social scientists refer to this as “social capital”, which is the social networking and recognition acquired through prestigious schools. I use the term social capital in the way that French sociologist Pierre Bourdieu defined it; that is “the aggregate of potential resources which are linked to possession of a durable network of institutionalized relationships or mutual acquaintance”.

With millions of potential applicants, the desired labor force cannot be selected efficiently if all of them are evaluated, given the costs of processing information. Hence, top recruiters restrict the pool of potential applicants to some elite universities. Even with the advent of artificial intelligence, selection of labor force must be done from a relatively small sample of people. Consequently, along with endowing people with pure intellectual capital which has its own independent returns in the labor market and intrinsic value, elite universities also serve as pure signals in the market, improving labor market outcomes for all students who study there.

Consequently, decomposition of the various returns of education from elite universities becomes a natural question to address. To what extent, if at all is the knowledge and skill set of students attributable to training at such universities relative to students’ intrinsic motivation and innate ability? In addition, if substantial knowledge acquisition and skills are generated within such universities, what proportion of this is due to a student’s interaction with and lectures delivered by professors versus interaction and competition from capable peers versus access to learning resources such as libraries? For instance, if the main returns stem from the social capital of connections, which are not directly due to professors, it is optimal for

the latter to do less teaching and allocate it to low-paid teaching assistants instead. Similarly, if individuals’ innate ability and motivation are the dominant determinants of success in the labor market, professors should invest less on teaching. However, this policy has adverse effects (economists call it negative externality) for some students who wish to pursue graduate school, especially a PhD. Meanwhile, if the dominant driver of returns to education is the quality of lectures, there is a tradeoff between investing in teaching and research activity for professors. Lastly, if purely academic interactions with peers and access to learning resources are the dominant drivers of outcomes, then the professors can invest more time on research and less on teaching, assuming little intrinsic motivation to teach.

Clearly, there is substantial heterogeneity across students in terms of their career goals and demand for education type. For instance, those pursuing a PhD in economics would want to be trained for academia and rigorous analysis of economic models by professors. Meanwhile, economics majors who want to work in the corporate/public sector would not demand such training. For the latter category, the labor market returns are likely to be less correlated with direct interaction with professors. Of course, in practice such students do not actually interact much with professors, which is an efficient allocation of time for both parties. Nevertheless, the process of going through rigorous coursework can facilitate learning for all students, as well as signal certain capacities in the job market. For instance, critical thinking, writing and the ability to consistently exert effort toward an end-goal can be learned through coursework; these skills are highly sought-after in the job market.

On the one hand, the proportion of students pursuing graduate school is low (despite increasing over time), which limits the extent to which coursework can be tailored in line with their preferences. However, the professors are normally not trained to offer specific training for non-academic jobs, leading to an intermediate solution. That is to say that the focus of teaching is on intuition and less formalism, while covering the core concepts, which aims to teach all students certain generalizable and core thinking tools. Furthermore, some specific, advanced

courses are offered to be palatable for those with academic ambitions while other non-rigorous courses are offered, suitable for students with non-academic goals.

Given the variation of goals and abilities across students, should different students pay different fees for the same undergraduate degree or a specific course? For instance, should the teaching fees be higher for students who want to pursue a PhD and should students with higher innate ability pay lower fees? Similarly, should students pay higher course-specific fees for advanced and rigorous courses taught by professors as compared with less rigorous courses taught by teaching fellows?

Any answers to such controversial questions will create ethical quandaries and will have implications for access to education across various socio-economic strata. If all students are studying in the same classroom, then the idea of paying different fees will face backlash since it will be perceived as discriminatory. However,

since advanced and rigorous courses are chosen by specific student types, one can justify different fees if students are informed about it before enrollment and variation in fees helps improve professors' motivation to work harder. Even if different student types are enrolled in the same course, we already have some mechanisms which create variation in costs. For instance, merit scholarships for best students financially reward them for innate ability and hard work. We also have need based scholarships for students who satisfy the university's entrance criteria but cannot afford the fees.

With the help of data driven, rigorous research that is publicly verifiable and accessible, elite private universities can address these questions and design more efficient and tailored pricing strategies for the various student types. This process will raise thorny ethical questions which must be debated, and a democratic solution must be arrived at. This will require inputs from and consent of students, professors, and university administration.



Social Media's Toll on MENTAL HEALTH

Danyal Haroon

39



The writer is a user experience designer working in the digital finance sector and holds a bachelor's in Computer Science from LUMS.

Over the past decade, communication technology has evolved at such an unprecedented rate that we are struggling to keep up. Social media platforms such as Facebook and Twitter started out as simple tools for online communication; now, they are hubs of global information exchange which spark a lot of debate and sometimes controversy. Our engagement with social media is increasing day by day thanks to algorithms that push content onto our feeds that retains our attention. Increased usage of social media has led to noticeable changes in our behavior and negative impacts on our mental well-being.

Social media used to be a predominantly urban phenomenon with most initial users possessing a high level of digital literacy. With the availability of affordable internet and smartphones, social media gained traction in all strata of society in both developed and developing countries. According to a survey conducted by Gallup in 2021, 28% of Pakistanis in urban areas and 24% in rural areas claimed to use TikTok. While these statistics may be slightly exaggerated, TikTok does have over 18 million users in Pakistan. The fascinating thing is that – unlike Coca-Cola or McDonald's – TikTok did not exist until a few years ago and they have no physical presence in Pakistan.

Twitter has over 3 million users in Pakistan which is much less than TikTok, but the platform houses a fair amount of political discourse in Pakistan. Twitter users tend to voice their opinions very vocally, which is pertinent in an age of increased media censorship. Although most discourse on Twitter in Pakistan revolves around politics and sports, it is interesting to note that many younger users – those in their late teens and early twenties – now use the platform as a personal diary. They share problems from their daily life and sometimes their insecurities as well. The #MeToo movement is an example of how users opened up about abuse incidents they had been through. People like to share personal details from their life even though Twitter is a public platform. Perhaps they feel comfortable doing this because social media gives them the liberty to create and adopt an online persona. This persona may reflect their actual personality, a particular facet of their personality, or a completely different personality altogether. Some people go so far as to adopt the personas of other individuals. Anwar Maqsood is a popular one in Pakistan. However, this is not only unethical but also against Twitter's guidelines.

With people so heavily invested in it, social media has real impacts at an individual and community level. A study titled WhatsApp Vigilantes conducted

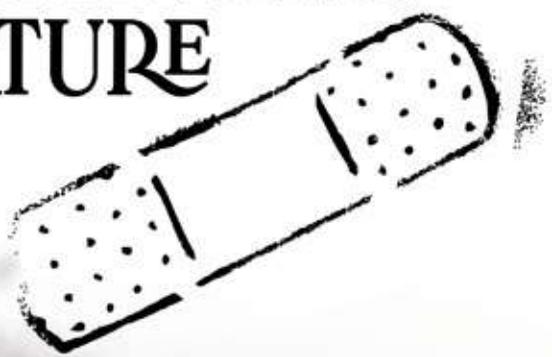
by professors at the London School of Economics showed how misinformation on social media triggered mob violence in India. Social media is loaded with content that is often exaggerated or false but seems real to us. A common example of this is hate speech, something almost every regular Twitter user experiences at some point. If I post a controversial Tweet, I am likely to receive hateful comments from “keyboard warriors”. If the same people were sitting with me at a social gathering, it is highly unlikely that they will utter the same words to my face. Social media gives them a shield of impunity and anonymity. I know that, but my mind still internalizes the hateful comments at a subconscious level.

Then there is the echo-chamber effect. The content you see on your feed is carefully curated by algorithms according to your taste. The content on my feed will be different from yours because we have different interests and worldviews. Essentially, both of us are in chambers where our existing beliefs are reinforced by the content we see. Unless we talk to each other, our exposure to different worldviews becomes limited. Algorithms are also designed to retain as much of our attention as possible. Video platforms are particularly good at this because they can throw you down an endless spiral. Hundreds of hours of video are uploaded to YouTube. While we do not usually pay to use social media, advertisers pay social media companies to buy our time and attention. It is no coincidence that you see adverts for products that you talked to a friend about or merely thought about. Algorithms are analyzing your patterns through multiple data points.

According to Jaron Lanier, author of the book *Ten Arguments for Deleting Your Social Media Accounts Right Now*, social media is different from television or billboards; when you see content on it, you are being observed constantly and algorithms are taking in that information to show you content which eventually changes your behavior. Privacy concerns arise from this, even though social media companies claim that your data is safe. To ensure that we do not fall prey to the addictive nature of social media, it is important to evaluate the nature of our engagement with it. Let us avoid mindless scrolling. Ask yourself: does the amount of time I invest in social media produce positive outcomes in my life? Our phones now have tools such as app timers and notification blockers to help regulate our screen time. If you feel that your social media usage is an addiction, there are professionals who can help you overcome it. Regaining your time and lost focus will not be easy, but it will help.



Fixing Descartes' Error RE-ENCHANTING NATURE



“ Maurice Berman in the 1980s introduced the idea of ‘re-enchanting the world’, let us redeem the lost magic and wonder in this universe ...

Khurram Ellahi



The pale blue dot is getting bleak; it is no more blue nor green. A recent study deemed ‘affluence’ as the greatest threat to Planet Earth, which faces an ecological tipping point. This particular study by the World Economic Forum demanded a great reset in the behaviors of human beings, particularly in terms of how they interact with their environment. But the great reset is not only required in our buying behaviors and how we consume natural resources, but rather a philosophical reset of Descartes’ Error.

This particular term was used by Damasio to highlight the error of Descartes by creating an artificial separation between mind and body. The duality divided the world into thinking beings on the one hand and objects on the other, with no intrinsic meaning or value. This philosophical idea of Descartes paved the way for Weber and consequently this whole process turned the environment into meaningless matter.

Due to disenchantment, being cannot experience the immediate world. The environment which was home to wonder, charm, and magic was turned into a utility function: a resource used to enhance productivity and efficiency. Planet Earth, which provided wonder to Keats and Wordsworth was turned into a stern positivist idea to be observed from a distance. Nature became a productive function, rationalization removed the sacred and spiritual from the lives of beings. The environment became a product and beings became alienated.

In less than a century, since disenchantment of the earth was publicized, the consequences presented

themselves. Smog is taking over cities, great work of heritage is lost in carbon smoke from vehicles, we have lost the beautiful day light, and we have routinized the dumping of truckloads of plastic into oceans - oceans that had been host to beings since antiquity. There is a reason why Elon Musk and influencers like Zuckerberg are presenting to us an escape from the real world, calling for an exodus to Mars or simply wearing an Oculus and escaping into augmented/virtual reality while the earth burns to ashes.

Maurice Berman in the 1980s introduced the idea of ‘re-enchanting the world’, let us redeem the lost magic and wonder in this universe. Let us allow beautiful shadows to be visible in the tree, allow spirituality to flow along with the rivers, allow hope to rise as the sun comes out. Furthermore, even from an existential perspective, we had Homer, Keats, Shakespeare, Ghalib who once added such depth to the physical world that it became worth living – pulling us in and captivating our imaginations. Today’s ‘crisis of meaning’ can only be addressed via re-enchantment.

While Project Disenchantment continues to choke the planet, we continue theorizing the use of carbon. Some might argue that prior to disenchantment; Planet Earth had seen various environmental shocks. Those were natural shocks, chosen by the environment. The Intergovernmental Panel for Climate Change’s (IPCC) sixth assessment report states that current warming is the result of human activity and since the mid-20th century it has been increasing at

an unprecedented rate. July 2020 was the hottest month since records began in 1880. Saving nature is cheap and easy, let us withdraw greedy ideas from the planet earth and re-imagine the generosity which planet earth showed when a feeble primitive man was walking here. This same being has grown strong and wise but has sadly failed to develop a sense of empathy towards nature.

Thus, of utmost importance is to correct the assumptions through which we look at nature. It is high time we rethought curriculums and excluded all Machiavellian ideas that turn human beings into apathetic beings. Marks of recent floods in Pakistan, should leave a mark in

schools, and the stains of causalities should be experienced in our hearts and souls. God gave human beings pain, because God wanted human beings to see everything: I believe the recent floods are a wakeup call to pursue a hard reset in how we look the nature and planet earth.

As highlighted by Iqbal in his poem “The Advice of an old Baloch to his Son”

***“In our world, where once more civilization looses its wild beasts.”
“In one more encounter Spirit and Flesh Meet”***

Postscript: while you read this article, five trucks full of plastic were dumped into the Atlantic.



THE MISSING MIDDLE

Nadeem ul Haque

44



About two decades ago, I wrote an article entitled “where are the tower cranes?”

Since then, the question has been asked many times. Yet there are very few tower cranes to be seen in Pakistani cities even today.

In most parts of the world, development is virtually symbolized by the presence of tower cranes. Rapidly growing cities such as Dubai, Shanghai, Seoul, Hanoi and others have sported a jungle of tower cranes to demonstrate their transformations. Even mature cities such as London New York and Washington display many tower cranes to show that cities are hubs of construction and rejuvenation.

Only in Pakistan do administrators refuse to allow cities to evolve other than in the horizontal direction. Sprawl based on housing societies remains the paradigm for cities, possibly because a) the colonials mandated it, and b) we do not have the brainpower to develop a new consensus.

City managers (mostly PAS officials) believe that nothing should go higher than two stories. They also believe that homes are separate single-family units owning their own land and two stories only! They also believe that cities are only government offices, convenience shops and widely spaced-out single-family homes with lots of roads, flyovers, and signal-free corridors for cars to whizz about!

In their world there is no room for playgrounds, community spaces, educational spaces, public spaces, libraries, expansive commerce, and many other forms of human activity.

This vision has led to Plotistan where cooperative housing societies have mushroomed in the world of plots and single-family houses! The flawed model is fraught with illegalities, scams, building delays and all forms of other undesirable activities. Yet city administrators resist plans to densify cities by allowing flats and mixed/multiple use buildings with more room for pedestrians and bicyclists!

Pakistan has some of the largest cities in the world but most are devoid of public amenities – besides the use of the car. PAS city managers still resist parking and mobility policies. PIDE prepared a parking policy for Islamabad which is still awaiting consideration by officials.

The officials’ love for cars is such that poor housing and street vending is easily dispensed with to widen streets and build flyovers – thus compromising the mobility of the poor.

The question I wish to raise here is why there seems to be a strange infatuation with restricting buildings to two floors. The world over, cities allow low rise development, say, in the 3-10 floor range. For some reason our city managers prohibit this low-rise development too. Often the reasoning for this that there will be no parking space for cars. Do only people with cars have the right to breathe?

In most cities old neighbourhoods are decaying: Samanadad in Lahore, Satellite town in Rawalpindi, Namak Mandi in Peshawar, and many others. Areas such as these are extremely well located but choked and crying out for rejuvenation. People are crowded in ancestral homes waiting to build upon them and receive a market value of the property or allow their family to expand into a better home. In some cases, the area has moved to greater commercial activity and people wish to exploit this potential. In short, their potential wealth has increased waiting for the regulator (PAS officials) to allow them to realize it.

Similarly, areas like Raja Bazaar, Hall Road, Brandreth road, even Mall Road Lahore are all congested vibrant shopping areas. They are growing without room to expand. They could expand upwards or even into a warehouse style shopping mall with underground parking if only the regulator (PAS officials) would allow them to develop their properties.

As an economist, I keep imagining the possibility of neighbourhood rejuvenation as an opportunity to expand our investment opportunities.

Question: What if we allowed all old houses that for decades have been restricted to 2 floors to go up by 3 or 4 floors? In most countries houses are allowed to go to 3 to 5 floors. In Pakistan, for some bizarre reason, we are stopped from doing this by the PAS. Families have expanded and are crowded into the old house that was meant for a small nuclear family. Why not let them build and live in comfort?

The current PAS model is that you can’t build up in the inner city but must wait for housing colonies to

develop way outside cities and then build a house there. Housing societies take two decades to develop and are fraught with fraud and delays. Moreover, they are miles outside the city and places where people have lived their lives. It takes a lifetime to make this costly transition. Most families cannot afford to have their savings tied up in risky housing societies – which often only lead to loss.

While I initiated the debate on high rise and flats some thirty years ago, I now realize that what is missing is the middle—letting people develop ancestral properties to develop their neighbourhoods. This will unlock investment and employment and develop cities without dislocating people and neighbourhoods.

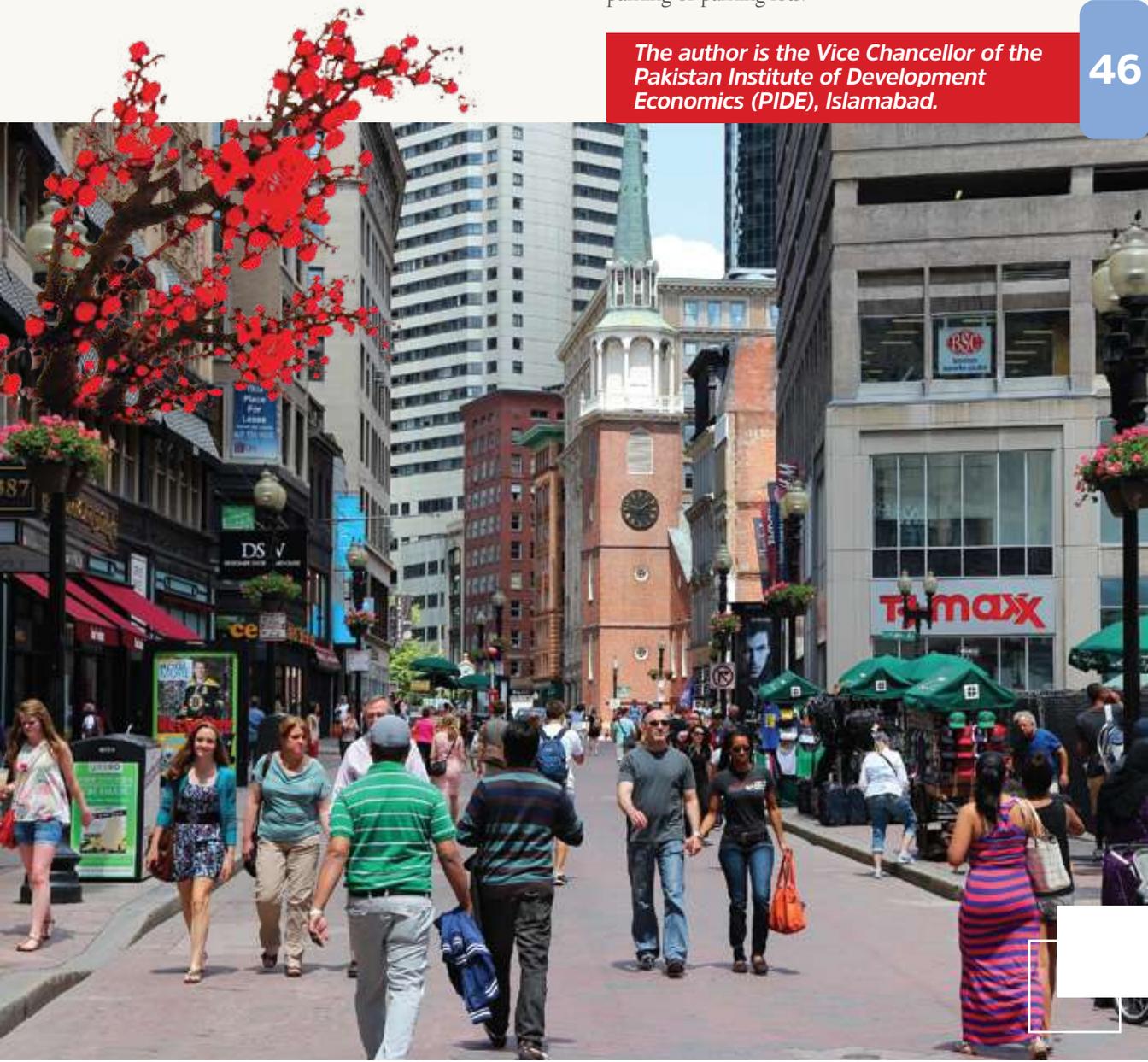
Allowing the middle to develop will promote well-being at every level. I appeal to our PAS city managers to allow the middle to develop. All it takes is a rule change. Remove the 2-floor restriction and let people go up 2-3 floors higher. Of course, some may not be able to go higher given the state of their construction. But let each family have the choice.

This is also a simple win-win for the housing shortage.

Of course, this proposal will not sit well with the current silly requirement that cars must be accommodated before people. Even in current congestion, people are parking their cars.

Let floors be built and let people use paid street parking or parking lots.

The author is the Vice Chancellor of the Pakistan Institute of Development Economics (PIDE), Islamabad.



Debate

**SHOULD PAKISTAN'S
STATE-OWNED
ENTERPRISES BE
PRIVATIZED?**

BY EDITORIAL BOARD

The debate segment of our magazine seeks to initiate open, good-faith exchanges on 'big picture' questions of policy: in particular, ones that involve two consolidated 'schools of thought' that have each evolved in isolation and become the antitheses of one another over time. This is due, of course, to ideology and the incentive structures of both media and academia – which are structured to foster the growth of echo chambers. Through this section of Discourse, the Pakistan Institute of Development Economics is attempting to lay out the two perspectives of an overarching topic in a manner that centres our audience, allowing them to engage with both perspectives and come to their own conclusions.

For this particular issue, our overarching question is, "Should Pakistan's State-Owned Enterprises Be Privatized?" Since at least the early 1980s and with the Washington Consensus reorienting the modus operandi of international financial institutions in favour of the troika of 'liberalise, privatize, and deregulate', countries across the world have gradually restructured key institutions in a manner that prioritizes the free market, reducing the state's role in economic affairs. This has produced mixed results, dividing academics and analysts into two primary camps: those who believe structural adjustment policy prescriptions were not sufficiently implemented, and those who claim they are simply ineffective.

Also known as 'neoliberalism', the Washington Consensus approach to public policy derives its inspiration from the Chicago School – most famously Milton Friedman – who argued that it is through fierce competition between various 'players' in an arena that they all benefit.

This is because the most efficient at delivering quality goods and services in a particular market will grow and experience 'economies of scale', allowing them to expand operations further and drive out poor performers – thus helping reallocate resources to a potentially more useful purpose. It is purported that this will necessarily be the case, as businesses have an 'incentive' to perform: owners invest their hard-earned money in a particular venture and will naturally do everything it takes to turn a profit, i.e. a 'return on capital' for their time and effort.

Supporters of the free-market school argue that it is one of the most effective ways to eliminate 'elite capture' in a country, as it inevitably 'cuts the government down to size' – eliminating unnecessary programs, agencies, ministries, etc. that did not serve a particularly useful function in the first place other than granting permissions and appropriating resources for personal use. Rather than curtailing business activity via excessive taxation, tariffs, custom duties, etc. the argument is to allow firms to operate freely in order to ensure employment, investment, and economic growth.

Critics of the aforementioned approach argue that while businesses may have an incentive to be efficient in terms of their own operations relative to competitors, they do not have any stake in generating positive societal outcomes at a broad level. This is particularly the case in certain key sectors, such as education and healthcare, where students/patients are seen as revenue generating 'customers' rather than citizens with a fundamental right to these services as per the constitution. The private sector also tends towards monopoly if left unchecked, whereby competition in a specific arena is bound to decrease over the passage of time as predatory big firms use their financial leverage to drive out other players by temporarily adopting extremely

low prices, only to raise them significantly above the original starting point once the others are forced to shut down.

At another level, corporations must necessarily exploit workers in order to remain 'efficient' – driving down their wages or replacing them with machinery in order to minimize expenses. In order to counteract this, various countries in the developed world allow civil society organizations like trade unions to keep businesses in check and ensure they remain responsive to the needs and desires of their employees: thus preserving a democratic spirit to the process. These mechanisms have also slowly been clamped down upon in countries like Pakistan, whether that is by legal or administrative means. With the gradual withering away of regulatory oversight, especially in a country that has historically struggled with rule of law, global bureaucracies have made significant inroads into Pakistan's governance arena, crowding out local research and dictating policies to opportunistic domestic political actors.

We hope you find this edition's debate insightful, in which Naveed Iftikhar argues in favour of privatization of State-Owned Enterprises in Pakistan while Ammar Rashid argues against. Let us know your own stance on the topic by using the hashtag #DiscourseByPIDE on Twitter, and remember to back it up with sound evidence and reasoning!

Sincerely,

Editorial Board

Discourse Magazine

Pakistan Institute of Development Economics

THE CASE FOR **PRIVATIZATION** OF PAKISTAN'S STATE-OWNED ENTERPRISES



50

Naveed Iftikhar

Most State-Owned Enterprises (SOEs) in Pakistan are not performing well due to numerous reasons. The discussion on SOEs' current and future performance is divided like any other economic and social policy debate. Some want to privatize every SOE. Others do not want to divest shareholdings of the government from any SOE. Most of the time the discussion revolves around ideological orientation. Currently, Pakistan is going through a severe financial crisis. Therefore, it is imperative that we develop some rationale for owning or privatizing SOEs.

Technology, globalization, and management models have advanced significantly in the last couple of decades. Consequently, it is not appropriate to continue with the same models of governance and management of SOEs as had been followed since their establishment some time ago.

According to various government reports, there are around 200 SOEs associated with the federal government. However, this number is misleading. There are only around 50 SOEs of substance which have a significant share of public sector SOEs' holding. Almost all of these SOEs operate in the Energy, Communication and Manufacturing sectors. On the other hand, most SOEs are only not for profit companies created as project companies or project management unit types of entities. Many of them should be closed, disbanded, or liquidated. As a result, it can be stated that substantive work is needed on around 50 SOEs in the sectors mentioned above. Another important aspect of privatization or reform of SOEs is that there cannot be a one-size-fits-all approach. Each SOE and sector operates under unique local and global circumstances. Hence specialized/precision treatment will be needed for each SOE instead of generalized/antibiotic treatment of all ailing SOEs.

There are some SOEs which do not have any economic or social rationale to be operating under the public sector. For example, Pakistan International Airlines & Pakistan Steel Mills have been incurring huge losses without delivering quality services and products. We have local and

international private players operating in these sectors which are more efficient than our SOEs. It is simply not possible to operate these SOEs optimally in such competitive sectors. Hence an earliest divestment or privatization of such entities needs to be pursued.

Pakistan Railways is a major SOE. The case of Pakistan Railways is unique in many ways. For a country like Pakistan with a vast geography Pakistan Railways is vital for passenger traffic and freight services. However, the balance of public investment has significantly tilted towards highways and motorways. This lack of investment has severely impacted the modernization efforts of Pakistan Railways.

There is a need to implement aviation sector model in the Railways sector. Non-moving infrastructure can be owned and operated by the government, who may engage private sector in this infrastructure upgradation and operations. However, the moving infrastructure needs to be opened up for the private sector. The current governance model of Railways sector may not allow private sector participation as many such experiments and pilot projects failed recently. Some private sector trains have also been doing well. However, as a direction, Pakistan Railways needs both public investment and private sector investment.

As another case study, petroleum and power companies are operating as monopolies. Many petroleum companies are generating profit but there has rarely been any kind of benchmarking of such companies. The efficiency gains also need to be assessed considering their monopoly powers in this sector are guaranteed by the state. Power sector distribution companies need immediate attention. However, there is a need to consider that these companies should not be turned into private monopolies. Sector reforms are needed in the power sector before inviting private sector in the distribution business. Competitive market in the power sector is still elusive. The journey towards a competitive market started in 1990s but it was never implemented in letter and spirit. Cost plus tariff structures and inefficient

governance of power companies has added over Rs 3 trillion circular debt in the last decade. The introduction of upfront tariffs and competitive bidding started very late in this process. This delay has severely impacted the governance and financial health of the Power sector.

Moving forward, the geographic coverage and multiple business of distribution companies needs to be split to create a more manageable size of operations for the private sector. Karachi Electric experience has informed us that privatization alone cannot solve all problems. There has to be appropriate sectoral and market reforms for the efficiency gains of the private sector.

There is a need, therefore, to encourage the listing of SOEs on the stock exchange. It will improve governance and transparency which will be helpful in preparing these SOEs for privatization process.

The federal government has also enacted P3A act that governs public private partnership projects.

Some of the SOEs should also be engaged for inviting private sector investment under this new law.

Lastly, the legal structure of privatization commission and process was crafted in 1990s. Only a few changes have been made since the beginning of privatization process. This institutional structure cannot handle privatization at this time. There is a need to consider various innovative and recent options for divestment instead of typical asset sale.

Hence the debate on privatization should go beyond whether to privatize or not to privatize. It should include questions like what is to be privatized and what is not to be privatized right now; how to privatize an SOE; how to govern SOEs efficiently and transparently; and how to engage private sector investment and management in improving the state of affairs in some of the SOEs. Each SOE in Pakistan is operating under unique local and global circumstances and needs specialized treatment after close analysis, instead of a generic treatment for all.



THE CASE AGAINST **PRIVATIZATION** OF PAKISTAN'S STATE-OWNED ENTERPRISES

“Privatization is not the development panacea it is claimed to be, particularly for countries at earlier stages of development, and its effectiveness as a generator of sustainable growth and efficiency is in fact deeply questionable.”

Ammar Rashid

53



Since the 1980s, most mainstream parties in Pakistan have come into power promising to privatize ‘inefficient’ and ‘loss-making’ state owned enterprises (SOEs), framing this as one of the principal routes to development. This is of course a global trend – since the onset of neoliberal economic ideology in the 1970s, privatization has been aggressively advanced as a policy imperative in developing countries as part of the neoliberal economic prescriptions of international financial institutions like the International Monetary Fund and World Bank.

After decades of enforced privatization around the developing world, however, the record stands clear – privatization is not the development panacea it is claimed to be, particularly for countries at earlier stages of development, and its effectiveness as a generator of sustainable growth and efficiency is in fact deeply questionable. In contexts dominated by postcolonial rentier states amid high wealth and land concentration like Pakistan, the evidence demonstrates that privatization simply tends to result in the capture of state rents by domestic or international business interests, often at considerable economic, fiscal and environmental cost to the public (Glade, 1989).

STATE ENTERPRISE IN POST-WAR HISTORY

Neoliberal supporters of privatization often represent it as a core ingredient of the economic success of developed countries. However, evidence from the economic histories of Western Europe to North America to East Asia suggests quite the opposite – that there is no significant large economy that developed successfully through policies of privatization and deregulation from the get-go (Chang, 2003), whereas there are many examples of economies where SOEs, particularly in strategically important industries, have played significant roles in growth, employment, and technological innovation.

Post-War European history is replete with such examples, where growth under Keynesianism

was achieved with large SOE-dominated sectors. In France, technological modernization and industrial development was led by public firms like Thomson, Renault, Alcatel, Usinor and Thales, among others while in Finland, it was led by state investment in forestry, steel, mining, transport, paper machinery and chemical industries (Berne and Pogorel, 2003; Willner, 2003). More broadly, the origins of some of the most important general-purpose technologies of the 20th century, from mass production systems to information and communications, and aerospace technology, can be traced to public-sector investments (Mazucatto 2020; Ruttan 2006; Block and Keller 2011).

The evidence from the economic success stories of East Asia is in the same vein. South Korea, in its most rapid growth periods, maintained a very large state sector in industries like steel, oil, gas, electricity, and fertilizers while Taiwan has had one of the largest public sectors in the developing world, with oil, coal, gas, electricity, and fertilizers having long been supplied by public enterprises. In one of the world’s most rapidly growing economies in the 21st century, Viet Nam, state enterprises still account for 30% of GDP and 40% of total investment (Dang, Nguyen and Taghizadeh-Hesary, 2020).

China’s rise as an economic and technological superpower, often attributed by neoliberal economists to the rise of its private sector and rollback of the state, in truth has been and continues to be led by SOEs. As recently as 2019, Chinese SOEs accounted for over 60% of China’s market capitalization and in 2020, they generated 40% of China’s GDP of US\$15.97 trillion (101.36 trillion yuan). (Tjan, 2020)

The evidence from the most prominent economic success stories of recent history are clear – far from privatization being the driving force behind development, state-owned sectors have been key in driving economic growth and technological innovation. Countries like Japan, South Korea, Taiwan and China all made rapid economic and technical progress using SOEs, usually following periods of land reform, particularly at earlier

stages of development. While the opening of their markets also played a key role in growth, global markets were most effectively utilized by states with the capacity to regulate and discipline business and financial interests to effectively serve national development objectives, such as export growth and technological learning. (Studwell, 2014).

PAKISTAN'S SORDID PRIVATIZATION HISTORY

Pakistan's own history with privatization reveals a great deal about its perils in the context of an undemocratic authoritarian state apparatus, high levels of wealth concentration and absence of land reform.

Privatization in Pakistan began under the PPP government in 1988 and was continued by the PMLN and Musharraf governments throughout the 90s and 00s, mostly as part of IMF and World Bank loan conditions. Over the course of the next two decades, successive governments gave away control of strategically important sectors, including energy, banking, telecommunications, and transport, to the private sector. Over 160 industrial units (in industries like cement, chemicals, fertilizers, steel, food and others) worth Rs 120 billion were privatized by the end of the 1990s (Naqvi and Kemal, 1991). Another study has put the total value of privatized state enterprises between 1990 and 2010 at Rs 476 billion (Fatima and Rehman, 2012).

The evidence-based reviews of the privatization process in Pakistan that have since taken place show a consistent pattern: of non-transparent privatization processes that enable business interests to capture state rents with no incentives for or resultant improvements in efficiency or productivity.

In their detailed analysis of the performance of public and private industrial enterprises following privatization in Pakistan, Naqvi and Kemal (1991) found that that “changing the locus of ownership of industries is by itself neither a necessary nor a sufficient condition for efficient operation of industrial enterprises.” They further found that greater incidence of allocative inefficiency was actually in privatized

industrial enterprises, with “51 of 60 industrial units identified as inefficient found to be in the private sector” (Ibid). They further found that productive capacity utilization was comparatively higher in public enterprises. In light of this, they found that “divestiture of public enterprises, mainly on ideological grounds, or to satisfy the sensibilities of donors and creditors was not an optimal policy”. (Ibid)

In their analysis of the outcomes of privatization in energy and banking, Munir and Naqvi (2018) found that, in both cases, “the privatizations failed not only with respect to their stated aims, leading to a decline in national productive capabilities, but also had adverse distributional consequences, shifting the rewards to the buyers while the risks and costs remained with the public sector.”

In banking, several major Pakistani banks were privatized in 1991 (through heavily criticized and non-transparent processes) as an apparent remedy for inefficiency, ownership concentration, low savings, inadequate credit to small and medium enterprises (SMEs) and high levels of non-performing loans. In the years following privatization, bank profitability dramatically increased even though economic growth rates remained sluggish – instead of lending for productive enterprise, banks shored up profits through increased investments in high yielding government debt. Meanwhile, lending to the private sector, including to manufacturing, agriculture and SMEs, fell from 25% of GDP in 2000 to 16% in 2015 (Ibid). Privatization even failed to address ownership concentration, with the five largest commercial banks accounting for 60% of deposits and 80% of profits until only recently (Ibid).

In their analysis of Pakistan's 1994 energy privatization, Munir and Khalid (2012) document the excessively generous terms provided to independent power producers (IPPs), which promised guaranteed USD returns irrespective of electricity production and without any incentives for design efficiency. The IPP policy also incentivized the use of expensive furnace oil-based thermal IPPs, passing the cost to the government. (Ibid) The generous terms provided to IPPs ended up “privatizing the

profits and socializing the losses” of electricity generation, with the government ending up “spending \$21.42 million more for every 100 MW generated” through thermal power than it would in the public sector over the projects life. (Ibid) Further, with the shift to thermal, the country became hostage to rising oil prices, leading to massive debts that had to be cleared through more borrowing, creating the infamous circular debts that have continued to be a massive fiscal drain for governments.

PTCL’s privatization tells an even sorer tale. In his analysis of telecommunication giant’s privatization, Mangi and Siddiqui (2013) documents how PTCL was transformed from a highly profitable organization and one of the strongest telecom players in South Asia, with regionally recognized technical expertise, to a mismanaged organization with declining margins and technological prowess following privatization. After being sold to UAE giant Etisalat, PTCL’s performance on every measurable metric - from profits, market capitalization, to share prices, to tax revenue generated – fell drastically while the remuneration of its executives rose to among the highest in the industry (Mangi and Siddiqui, 2013; Munir, 2012).

BEYOND THE NEOLIBERAL STRAITJACKET

While proponents of privatization continue to play up its theoretical benefits, it has not lived up to its claims – be it improving allocative efficiency, expanding productive capacity, or leading to sustainable economic growth. The fact is the idea of the private sector as the sole engine of economic growth and creator of value is an increasingly obsolete one. As economists like Mazucatto (2020) have shown, the state has long played a critical role in value creation, has actively shaped markets, capital investments, and innovation, and shouldered crucial financial risks before private actors are willing or able to.

From China, to Korea, Taiwan and Viet Nam, to many others, economic progress has been built on the back of interventionist policy prescriptions like smallholder-oriented land reform, state-led industrial policy geared towards

export discipline and technological development, and tightly regulated financial sectors geared to support domestic industry and employment (Studwell, 2014). Privatization, in the absence of a state with the capacity to discipline business interests, has merely enabled those interests to obtain state rents without contributing to national development objectives, while the risk and fiscal burden is borne by the public sector and the taxpayer.

This is not to suggest that the many badly-managed SOEs in Pakistan do not require significant restructuring and reform. Most are often governed through the same opaque, clientelist and top-down logic that animates the rest of the state in Pakistan. Widespread changes are needed in their governance and management structures, performance incentives, productive investments, and resource allocations. Fixing them is also a question of generation of political will – such as that exercised for successful reform of now well-performing state institutions like Pakistan Post and NHA. But one-size-fits-all privatization can no longer be a credible policy prescription.

As events since the 2007 global financial crash have demonstrated, there exists a massive need for a strong productive, distributive, and regulatory state role in the economy, beyond simply ‘fixing market failures’ or ‘welfare provision’. COVID-19 pandemic demonstrated the perils of handing over critical sectors of the economy to the whims of the market and brought back to focus the importance of effective state capacity, be it for addressing systemic demand shocks in the economy or public investments and guarantees for rapid vaccine development. The climate crisis, the urgent need for investments in renewable energy, ecological restoration, green technology, as well as global climate cooperation and an expansion of the ecological commons underscore the importance of creatively reimagining the role of the state – as a cooperative and democratic instrument for value creation and economic, social, and ecological well-being - beyond the neoliberal straitjacket.

Bibliography:

Berne, M., and Pogorel, G. 2003. 'Privatization Experiences in France', Paper presented at CESifo Conference on Privatization Experiences in the EU, Cadenabbia, Italy.

Block, F., and Keller, M.R. 2011. Where Do Innovations Come From? Transformations in the US Economy, 1970– 2006. Working Papers in Technology Governance and Economic Dynamics No. 35, TUT Ragnar Nurkse School of Innovation and Governance.

Chang, H-J. 2002. Kicking away the ladder: development strategy in historical perspective. Anthem Press.

Dang, L. N., D. D. Nguyen, and F. Taghizadeh-Hesary. 2020. State-Owned Enterprise Reform in Viet Nam: Progress and Challenges. ADBI Working Paper 1071. Tokyo: Asian Development Bank Institute. Available: <<https://www.adb.org/publications/state-owned-enterprise-reformviet-nam-progress-challenges>>

Glade, W. 1989. 'Privatization in Rent-Seeking Societies', World Development. pp. 673-82.

Goher, F & Rehman, W. 2012. A review of privatization policies in Pakistan. Interdisciplinary Journal of Contemporary Research in Business. 3. 1017-1032.

Mangi, R & Siddiqui, K. (2013). Privatization of PTCL: Corporate Governance Failure. IUP Journal of Corporate Governance. 12. 35-39.

Mazzucato, M and Li, H. L. 2020. The Entrepreneurial State and public options: Socialising risks and rewards. UCL Institute for Innovation and Public Purpose, Working Paper Series (IIPP WP 2020-20). Available at: <https://www.ucl.ac.uk/bartlett/public-purpose/wp2020-20>

Munir, K and Naqvi, N. 2017. Privatization in the land of believers: the political economy of privatization in Pakistan. Modern Asian Studies, 51 (S6). pp. 1695-1726. ISSN 0026-749X

Munir, K. 2012. 'Privatization of PTCL: A lesson for policymakers'. Published in Express Tribune on 13 March 2012.

Munir, K., and Khalid, S. 2012. 'Pakistan's Power Crisis: How did we get here?' Lahore Journal of Economics, September 2012, pp. 73-82

Naqvi, S. N. H. and A. R. Kemal. 1991. 'The Privatization of the Public Industrial Enterprise in Pakistan', Pakistan Development Review, vol. 30, no. 2, 1991, 108,

Ruttan, V. 2006. Is war necessary for economic growth? Military procurement and technology development. Department of Applied Economics, University of Minnesota

Studwell, J. 2013. How Asia works: success and failure in the world's most dynamic region. Grove Press: New York.

Tjan, S.T. 21 May 2020. "How reform has made China's state-owned enterprises stronger". www.weforum.org. Retrieved 9 October 2022.

Willner, J. 2003. 'Privatization and State Ownership in Finland' CESifo Working Paper, no. 1012, Ifo Institute for Economic Research, Munich.

Business



GROW





PAKISTAN'S MICROFINANCE SECTOR



AS LIQUID AS A ROCK

“As the dust settles on the devastation caused by the Pandemic, the sector faces another sustainability challenge caused by the recent floods ...”

Ahtasam Ahmad

● ●

Pakistan's Microfinance sector has done exceptionally well when it comes to increasing outreach. Currently, the sector serves around 8.5 million people with a gross outstanding loan portfolio of PKR 449 billion.

The primary contribution to scale of the otherwise donor-dependent model of microfinance has been from the Microfinance Banks (MFB). These institutions comprise around 76 percent of the sector's total lending and being the only deposit-taking entity in the sector enables them to channel greater resources towards increasing outreach.

However, the past couple of years has been very challenging for the microfinance sector in general and MFBs in particular. When the pandemic hit in 2020, those belonging to the lowest economic strata were affected the most by the lockdowns and subsequent economic downturn. Unfortunately, these people were also the main borrowers for the sector and their ability to pay back loans was severely compromised. Thus, the sector was faced with an unprecedented liquidity crunch and the vulnerability of its business model was exposed through deteriorating portfolio quality. The sector, still struggling from the aftershocks of the pandemic, is now faced with a greater challenge in the shape of recent flash floods. The devastation caused by the calamity

would have a greater impact on the institutions compared to Covid as around 60 percent of the microfinance lending portfolio is for Agri inputs and livestock in rural parts of the country . In absence of regulatory cover like the central bank's discount windows and having SBP as the lender of last resort, a luxury that commercial banks have, many commercial players operating in the segment are likely to go bust. Therefore, it is worthwhile to understand the intricate details which cumulatively lead to a massive liquidity problem for those operating in the sector.

Firstly, there is a need to understand the liquidity being referred to. The MFBs, governed by the State Bank of Pakistan (SBP), are required to maintain a certain ratio between capital invested and risk exposure of different asset classes. This is called the Capital Adequacy Ratio (CAR). Microcredit being a high-risk asset class means that whenever an MFB is trying to increase lending it has to inject more capital to meet statutory liquidity requirements. But, isn't there any other way to not breach CAR and still expand? Of course, there is. The banks can secure the portfolio against collateral. But, here comes the regulatory limitation. The primary form of collateralization allowed to the MFBs is by securing loans against gold and to add to it, there is also a cap of 35 percent of the total portfolio on such collateralization .

Therefore, if an MFB is to enter high ticket price lending like tractors etc., it would be suffocated by regulatory requirements.

Another, classic example of policymakers stifling liquidity of the sector is the Kamyab Pakistan Program (KPP). As per the framework, trillions of rupees were to be disbursed in microloans with help of the microfinance sector. However, the flaw in this scheme was that it did not provide regulatory cover against increased risk exposure (provided only a 10 percent first loss guarantee) which meant that MFBs had to inject significant capital to maintain liquidity if the scheme was implemented to its full scale. Further, the amount being provided to the sector for carrying out the groundwork was well below their operational cost which is north of 20 percent. In addition to this, there were concerns about the timely disbursement of funds which is somewhat fair as the banks already have amounts piling up on their balance sheets against receivables for SBP. Therefore, in this case, operational liquidity would have also been a concern.

61 Still, it is important to mention that the regulator and policymakers are not completely oblivious to the issues at hand. They have a keen interest to reach out to the excluded segment and the aforementioned scheme is an example. SBP did revise lending limits for the sector to support microenterprise and housing finance. Further, the

criteria for the classification of non-performing loans (NPL), a major drag on liquidity, was also relaxed. However, the relief would be short-lived as once the International Financial Reporting Standard (IFRS) 9 is implemented there is going to be a significant impact on NPLs. Therefore, some serious regulatory intervention is required to ensure that the sector not only sustains but also thrives. As the financial impact of flood unwinds, assistance would be required from the regulator to keep the sector afloat, similar to the rescheduling that was permitted during Covid. Additionally, the revision of stringent liquidity and collateralization requirements on the basis of portfolio type can incentivize the sector to increase productive and Micro Small and Medium Sized Entity (MSME) lending. Also, enabling digital financial services can be a solution in the long run but the absence of sophisticated data for credit scoring and relatively lower mobile broadband penetration as well as financial literacy presents a strong case for holding onto the brick-and-mortar model.

Yet, there needs to be some serious deliberation between the stakeholders involved to devise a commercially viable model of operating in the sector. This is the only way that scale can be achieved and the market penetration of the microfinance sector can be increased from the current 41% to a substantially higher figure.



PRODUCTS OF INFLATION SHRINKFLATION AND SKIMPFLATION



Anjeela Khurram and Saba Anwar

In the face of mounting inflation, businesses have adopted various strategies to retain consumers to buy their products at a lower price. One such strategy is Shrinkflation: the drop in the quantity of a product for the same sticker price to grapple with rising production costs. Pippa Malmgren, a British economist, coined the term shrinkflation in 2009.

Admittedly, consumers are more sensitive to a price increase than quantity downsizing. Inflation increases the production and distribution costs of goods, so transferring price pressure to customers by increasing sticker prices can result in the loss of market share. Therefore, companies adopt this strategy to retain their customers and cope with the increasing manufacturing and

distribution costs during high inflation times. Companies adopt this strategy mostly for FMCG (Fast Moving Consumer Goods), including beverages, food, and other commodities with high elastic demand. FMCG constitutes items companies can easily shrink late, either by introducing a new variant of the same item or new packaging tactics. Companies maintain their profit margin by reducing the minimal quantity to ensure that consumers should not notice an immediate reduction in unit sales for the same price. However, continuing successive stretches of shrinkflation can lead to the loss of these companies' customers. . Shrinkflation is increasing in popularity across the globe, not



only in Pakistan, as inflation gains momentum. Termed as down switching by the business community in developing countries, it is a modus operandi in the rural areas only where consumers are more price sensitive. Inflation has always been known as an erosion of purchasing power, while shrinkflation is the deterioration of the quantity and quality of products.

Akin to shrinkflation, there is another phenomenon, skimpflation—when service companies shrink their services and offerings for the same price paid. NPR's Planet Money proposed this term in October 2021 to signify the deterioration in the quality of services and offerings of service industries, while the price is kept constant.

Now the question is how the combination of inflation and shrinkflation affects consumer behavior. For shorter periods while it is still unobservable, the operating profits of the businesses can soar exponentially despite the rising cost pressure, as was observed in PepsiCo and Cadbury in 2011. However, the continuation for longer periods can have different implications on consumer behavior. In this era of a digital revolution, smart consumers share information through social media groups, thus driving the attention of the masses toward shrinkflation. There are different modes of social media content like websites, blogs, and short videos

that contain information on the downsized products along with their pictures. Opined as stealth inflation and financial fraud, smart consumers start looking for the best alternatives, resulting in losing loyal brand customers. This is more prevalent in competitive markets. Also, the modified shopping habits evolve with more business turnover during “sale” and “deal” announcements.

The interesting fact is that as the bout of inflation smoothens out, the reverse is seldom observed. The ‘upsizing’ doesn't come naturally and is generally rare. The inflation expectation theory and profit margins might continue dominating board meetings' major decision-making, yet the upsizing should be ensured by the consumer rights associations and policymakers for the same products. Some lawsuits in developed countries against major corporations eventually resulted in retaining the original quantity of the products. This brings to the fore the need for more active consumer protection rights associations, price control committees, and courts to ensure the hedge for the poor consumer against such malpractices. Until then, vigilance against new prices, packaging, and volumes is a must for all consumers. The best way could be to keep a record of the unit price. This will take a while on the shelves, but it would help consumers save money and make informed decisions.



References

- ¹Wilkins, S., Beckenuyte, C., Butt, M.M. “Consumers’ behavioral intentions after experiencing deception or cognitive dissonance caused by deceptive packaging, package downsizing or slack filling.” *European Journal of Marketing*, 2016; 50(1/2): 213-235.
- ²Rosalsky, Greg (26th October 2021). “Meet skimpflation: A reason inflation is worse than the government says it is”
- ³<https://www.npr.org/2022/06/08/1103766334/shrinkflation-globally-manufacturers-shrink-package-sizes>
- ⁴<https://www.mouseprint.org/category/downsiz/>
- ⁵For instance, as pointed out by Jalil (2021) in the Drivers of Inflation: From Roots to Regressions, PIDE knowledge brief, 38:2021, oil prices are one of the major drivers of inflation. As the oil prices reduce in international markets, the benefits are passed on to the consumers. This should be reflected by upsizing.
- ⁶https://www.finance.gov.pk/jobs/Operational_Framework_I0102021.pdf
- ⁷<https://www.sbp.org.pk/smefd/circulars/2021/C11-Annex.pdf>
- ⁸<https://pmn.org.pk/wp-content/uploads/2020/03/howwhyofinlendingrates.pdf>
- ⁹<https://www.sbp.org.pk/acd/2022/C2.htm>
- ¹⁰<https://profit.pakistantoday.com.pk/2022/07/09/ifrs-9-likely-to-revamp-loan-provisioning/>
- ¹¹<https://pmn.org.pk/wp-content/uploads/2022/09/MicroWatch-Issue-64-4.pdf>

CHOOSE FRANCE

PAKISTAN 

Student fair

Serena Hotel

3rd November 2022 - 1 to 5:30pm

**Meet representatives from
French universities, Campus
France and Alumni!**




**AMBASSADE
DE FRANCE
AU PAKISTAN**
Le Palais
National
Islamabad


**CAMPUS
FRANCE**
— PAKISTAN —

 **FRANCE
ALUMNI**
— PAKISTAN —


Alliance Française
— PAKISTAN —



64

SPORTS



Wither Pakistan's Football?

Ismail Farooq

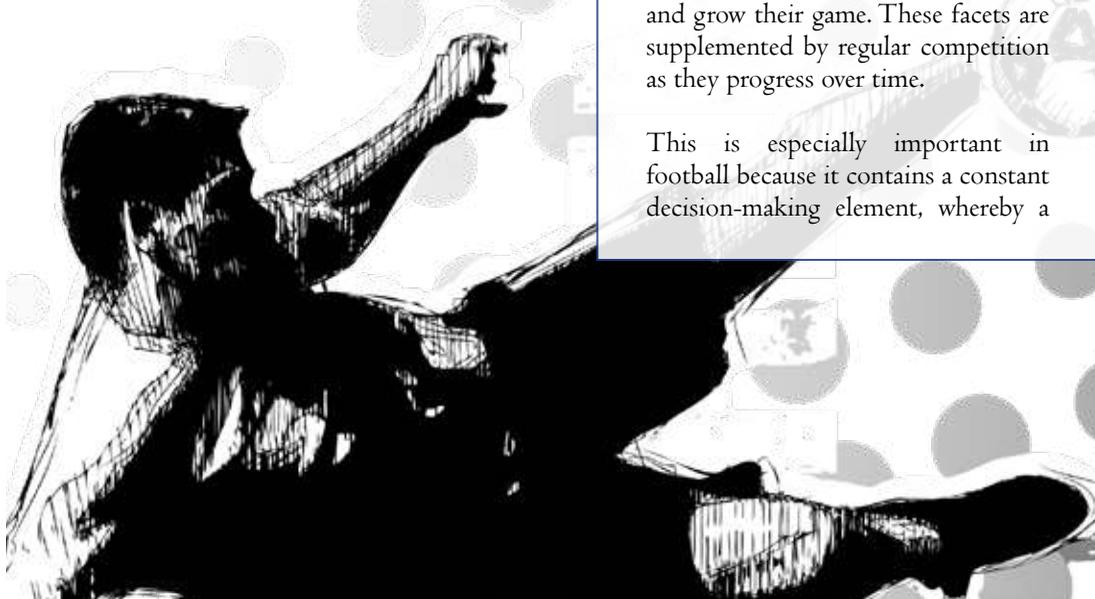
The FIFA World Cup 2022 will kick off in less than a month, with hosts Qatar playing Ecuador on 20th November 2022. Pakistan's only contribution to the event will be in the form of its footballs. Its football team is nowhere near participating in the event any time soon.

We must first understand the magnitude of the problem: Pakistan is the only one out of 47 countries in the Asian Football Confederation (AFC) that has never won a single World Cup qualifier match. How has a country of over 220 million people never won a single qualifier while Qatar, with less than four million people, has achieved a top 50 FIFA ranking?

As with all complicated problems, the underlying issues are multivariate in nature. However, I believe most people offer the wrong diagnosis of why Pakistani football continues to stagnate or even regress. For me, if Pakistani football is to progress in any meaningful way, the primary aspect that needs focus is grassroots development.

Grassroots development consists of developing and coaching young players (as young as five years of age) and providing them with the appropriate environment to learn and grow their game. These facets are supplemented by regular competition as they progress over time.

This is especially important in football because it contains a constant decision-making element, whereby a





player has to make decisions in relation to the ball, their teammates and their opponents. A player needs to decide where to be/go (positioning), where to dribble/pass/shoot, and when to do all these things to gain maximum advantage. The legendary Johan Cryuff said it best, “Football is a brain game, where to run,

when to run, when to cover, when to press [...], it’s decisions like these that come from the brain that determines whether you’re a good player or not.”

Elite football is primarily about decision-making. It is about how you find solutions with limited space and time. The higher you progress in football levels, the less space and time you get, so your decisions become less deliberate and more a result of habit/instinct. Therefore, it becomes increasingly difficult for players without extensive coaching to find solutions.

You can develop this decision-making element in only one way: providing the right environment and coaching for the children to learn. For example, before children reach 11 or 12 years, you need to teach them the correct techniques and ensure they get maximum touches of the ball (roughly 1000 touches per session and a ratio of one ball for two players). To develop their decision-making, you put them in small-sided games (3v3 or 4v4) in a compact area and let them play. And you routinize this process. This method is effective because players get maximum touches on the ball, and the compact area forces them to find solutions in tight spaces. Children grasp new concepts much more quickly than adults, so they find solutions quickly and impressively.

After age 12, you start coaching their decision-

making through targeted interventions and inputs. This period is when elements like body orientation, the timing of movement, and other advanced principles come into play. This time is also when players need regular competition to hone their competitive spirit, develop a professional and winning mentality, and learn how to apply training principles in pressure situations.

You might ask, “How does he know that a well-coached team of Pakistani kids can become world-beaters?” Here is how I know: Karachi United, a professional football club in Karachi, sent their U-12 team to the Aspire Academy in Qatar in 2018. Not only did they beat European youth teams like Fenerbahce to win the tournament, but they also played a “modern” possession-based brand of football. How did they do it? The players were all Pakistani. They did it because those players were coached and developed in an environment that fostered their decision-making.

Grassroots development is the only absolutely necessary condition needed for Pakistani football to progress (sidenote: I recently talked to one of Pakistan’s best coaches about this topic here). If we do not do this, we can forget about qualifying for any World Cup. Even if we start today, it will take at least 15-20 years for us to reach a competitive level in the continent, let alone the world. Rome was not built in a day.

Pakistan has raw talent, but raw talent alone gets you nowhere in football. Since our talented children are never properly developed, by the time they reach, say, 20 years of age, it is already too late for them to play at the level required globally. Too many years of their youth have been wasted. At the global level, for comparison, players are developed from an extremely early age. By the time they reach 20 years, they already have over 10 years’ worth of football development. How can our players compete against them with (in most cases) zero years of productive coaching? This problem is also consistent with the fact that the major element separating every Pakistani player from a professional player abroad is decision-making. You will find many Pakistani players who are not bad technically. In fact, some of them are quite good. But they are (mostly)

atrocious in terms of decision-making. That is not really a surprise; it is possible, albeit difficult, to become a technically proficient player by practising skills like passing, dribbling, and shooting, but it is virtually impossible to become a good decision-maker without the right environment and coaching.

Why don't we do all of this? There is a severe lack of good quality coaches and an intellectual football culture. We lack coaches not in quantity but in quality. We have coaches with top licensing certifications, but licenses are merely a signalling mechanism/operational checkpoint. I have observed all levels and all top-level personnel (players/coaches/executives) of Pakistani football. I can safely say there are less than a handful of coaches who are operating at the

required level. Pakistani coaches are, generally, either uninterested or totally at odds with how football is trained and played today.

To progress, we must invest in coaching education and somehow instil an intellectual football culture from the bottom-up. We must invest in our children of today who will become the stars of tomorrow. Only then will we have something to look forward to in the future. Instead, all we have done is squabble on political issues, devise outlandish schemes, or think we are blessed with God's special grace so things will automatically fall into place without needing to change anything.

There are no shortcuts in life. We must walk the hard yards before we reach the gates of success.





THE T20 WORLD CUP

Past and Present

Waseem Abbas





T20 cricket embodies the tastes and traits of both Millennials and Generation Z, in terms of being unpredictable, adept at quick changes and extravagance displayed, and precisely it is what drives the rising popularity of the shorter format of the game. No time wasted, like fast food made and digested in no time, T20 cricket gives close contests, a flurry of towering sixes and scintillating fours, trembling of wickets, and most importantly, the billions of bucks that it generates in just four hours due to its increasing viewership. The Pakistan-India clash in the semi-final of the 2021 T20 World Cup (WC) garnered a record 167 million TV viewership and around 10,000 hours of live coverage on TV and other digital platforms. T20 as a format in international cricket is just 17 years old, and we are already into the 8th edition of mega-events in this format. The 12-team tournament started in Australia on the 22nd of September, Pakistan wrestled with its arch-rival India, and England locked horns with its traditional opponent, the Aussies, in the first week of the event. More nail-biting contests are expected in the next

two weeks, with the final of the tournament scheduled to be played in Melbourne on the 13th of November.

England, Australia, Pakistan and India appear to be the tournament favorites and the forces to be reckoned with. England, the current ODI champions, have the best batting lineup, while Pakistan's bowling has express pace guiled with deceptive slower balls. India's batters can compete with England's but their bowling is an area of concern that will haunt them as the tournament progresses. The strengths of all other teams are kept aside, it is the host country, the defending champion, Australia, which will be a hard nut to crack in this tournament.

Team Pakistan is dependent on the fortress of dependable openers, Babar Azam and Muhammad Rizwan, the most successful opening pair in T20I's history, while its middle and lower order has failed to click since the Asia Cup 2022 despite numerous experiments. The Pakistan Cricket Team

fans have all hopes pinned on the bowling lineup consisting of Shaheen, Harris, Shadab, Nawaz and Naseem, and if the batters support our bowlers, the mercurial boys in green can stun the pundits by lifting the coveted trophy.

If we look at the history of the T20 World Cup, the Caribbean team appears at the top of the table, winning both the 2012 and the 2016 editions of the mega event under Daren Sammy's leadership. The current West Indian team looks like a shadow of its former self from the golden era of West Indian T20 cricket (2012-16) when their lineup had multiple superstars. Sammy, Gayle, Russel, Bravo, Narine, Pollard, Samuels, and others who were instrumental in lifting the trophy twice are not part of the squad anymore.

England won their sole title in 2010 under Paul Collingwood by defeating Australia in the final by seven wickets. Pakistani fans would remember this tournament for the 20th over onslaught against Saeed Ajmal by Aussie southpaw Michael Hussey in the semifinal where the Australian batter belted Ajmal to score 23 when 19 was required off 6 balls. Sri Lanka is another team with a trophy under their belt, winning the mega-event in 2014 under Lasith Malinga by defeating MS Dhoni's India in the final.

Pakistan cricket team was at its cruel best in the first two editions of the T20 WC, played in 2007 and 2009, winning the latter and narrowly losing the final in the former. In the first-ever T20 megaevent in 2007, Pakistan came close to winning the event but that mistimed scoop by Misbah shattered all dreams. Having carried the burden of Pakistan's batting throughout the World Cup, Misbah faltered just 5 runs shy of the target. Pakistan compensated for its nail-biting defeat in the 2007 T20 WC with a rejuvenated performance in the 2009 WC

under Younus Khan to lift their only title. If we look at the standout performers of the T20 World Cups, Asian players seem to dominate. Boom Boom Afridi won the Player of the Tournament award in the 2007 WC and while he won player of the match in the 2009 WC final, he narrowly missed the Player of the Tournament award in 2009. Pakistan's Umer Gul was the leading wicket-taker in the first two editions of the tournament while Misbah and Dilshan were standout batters. England's Kevin Peterson, Pakistan's Babar Azam, Australia's David Warner, West Indies' Marlon Samuels, and Australia's Shane Watson excelled for these respective countries in the upcoming editions. Interestingly enough, India's modern-day great Virat Kohli grabbed Player of the Tournament in both the 2014 and 2016 editions of the WC, while West Indies' Marlon Samuels won Player of the Final in both the 2012 and 2016 World Cups.

Mahela Jayawardene, Gayle, Dilshan, Rohit Sharma and Virat Kohli are the top run-scorers in T20 World Cup history, and it is expected that by the end of the ongoing event, the experienced Indian duo will surpass others ahead of them. The wicket charts are led by Shakib, followed by Shahid Afridi, Malinga, Ajmal, Mendis, and Umer Gul. This list is unlikely to change as Shakib is the only active player from this elite list.

The T20 WC this year so far has been full of action, thrill, glitz and drama, just like the previous editions, and it is hoped that cricket fans get to see high-class performances and close contests. While it is almost impossible to accurately predict champions in cricket, especially in the T20 format, where a bad or good over can change the game in your favor or against you, I feel that Australia and England will be the strongest contenders to lift the 8th edition of T20 WC.



PIDEAS

Ideas for change

PIDEAS (PIDE IDEAS) is an initiative of the Pakistan Institute of Development Economics (PIDE) and the Research for Social Transformation and Advancement (RASTA) programme to generate and disseminate research-based ideas, inform policy debate and suggest actionable solutions for policy change. Through PIDEAS, RASTA is encouraging the dissemination of the PIDE research through documentary filmmaking. The visual format has always remained one of the most engaging and key conversational tools of producing research, and in the wake of using this as an instrument for knowledge production and dissemination.

Over the past month, PIDE has kickstarted an initiative to visit universities around the country to showcase its work, initiate debate on key policy issues, and screen the following documentary films.

1. NO COUNTRY FOR THE YOUTH

- The documentary highlights the issues of youth unemployability, lack of opportunities, provision of housing and soft skills in Pakistan.
- Pakistan currently has the largest percentage of young people ever recorded in its history; more than 50 per cent of the population in Pakistan are youth.
- Age-specific unemployment data shows that 31

31 per cent of educated youth (graduates) are unemployed. This finding raises serious concern about the fact that the education being currently imparted is either not of quality or is not of relevance.

- Lack of career counselling and soft skills are also an identified issue in the current educational system of Pakistan.

- Most universities are not offering hostel facilities. The living and transportation costs are too high to afford for the students who migrate from rural to urban areas.

- The current urban landscape with limited opportunities to excel is anti-youth in Pakistan.

- The government has a huge footprint in many sectors that impedes growth, hence limiting the opportunities for the youth to grow.

- Employment opportunities can grow if the government footprint is reduced and ease of doing businesses (without governmental over-regulation) is encouraged.

This documentary is based on PIDE's research titled 'Opportunity to excel: Now and the Future'

2. RETHINKING URBAN MOBILITY IN PAKISTAN

-Cities are the engine of growth because cities are where development and innovation happen. Cities are where the labor force, industries, and economic corridors exist.

-The issue with Pakistani cities is that they are expanding horizontally, developing into urban sprawl.

-With expanding urban sprawl, people spend most of their time in cars and other modes of transportation, which translates into a cost defined along the axis of money, psychological stress and opportunity cost.

-The current transportation in the urban development policy of Pakistan is disconnected from environmental impacts such as pollution. The major reason for this is that in Pakistan while building transport infrastructure, most of the investments went into building huge structures.

-For an effective transport and urban mobility policy, we need to highlight the areas of population, employment, densification and intensification around our cities, followed by linking all these corridors with one another.

This documentary is based on PIDE research titled 'Rethinking Mobility (Urban Transport Policy) in Pakistan'

3. AN UNENDING WAIT FOR CAR: OWN MONEY

-Own money is a premium charged over and above the price of the vehicle for express delivery of vehicles.

-Own money remains undocumented and is paid in cash. Thus, we refer to it as a black-market premium.

-According to PIDE's research, Pakistani consumers pay PKR 30-34 billion on average as own money premium only for car purchases every year.

-While the automobile manufacturers/assemblers disassociate themselves from the practice of collecting own money, their actions facilitate the exploitative environment for earning own premium.

-Basic reasons for own money premium are limited supply of vehicles and booking culture.

o Due to limited supply, 3S dealers, private dealers and some consumers are able to gain control over the automobile market through the early booking of vehicles and then selling further by earning their own money premium as companies fail to meet the demand for new vehicles.

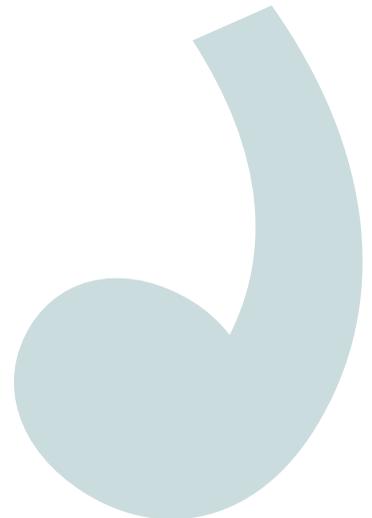
o Booking culture, i.e., advance bookings of the vehicle after which parts are procured to assemble the vehicle, prolongs the manufacturing period while the final cost is not known to the consumer, as the price at the time of delivery is charged and not the price at the time of booking. This adds price and delivery uncertainty, thus forcing consumers to pay own money and get the vehicle immediately

- To eliminate own money premium, the booking culture needs to be demolished. No vehicle can be sold or booked that has not been manufactured and is not available at the dealership. Furthermore, the supply needs to be increased through increased production by local manufacturers/assemblers and allowing selective imports of vehicles.

This documentary is based on PIDE research titled 'The Issue of Own Money'

PIDEAS aims to bring together relevant stakeholders, including academicians, policymakers, practitioners, development partners, civil society, and public and private sector representatives, to typify the issues of socio-economic significance, cross-fertilize ideas through knowledge sharing and prescribe actionable output for change and growth. Through PIDEAS initiative, PIDE is stimulating content creators and filmmakers to articulate their artistic expressions and bringing research and policy closer to people.

RASTA shall continue to bridge research-policy gap through developing the art-research-practice nexus in Pakistan.



•• HISTORY



...S CHA...
...the new systems I...
...from a can with...
...addition of the...
...of the...
...day as police tried to...
...been treated for min...
...the crash that...
...to the near...
...both...
...the lab...
...to...

Swat's Forgotten MASTERPIECE

Salman Rashid



The Yusufzai Plain stretches from the Mahaban Mountains in the north to the line of the Grand Trunk Road, passing through Nowshera and from the Indus in the east just west of Mardan. Of all the districts of Khyber Pakhtunkhwa, Mardan is agriculturally the richest and most prosperous. Across this rough rectangle of sub-montane country, there flow a number of perennial streams. Though their ebb and flow depends on seasonal rains, the streams seldom run dry. Augmenting this flow is the Kabul River and its tributaries, all of which keep the aquifer recharged. With subsoil water not very far from the surface, the country was naturally dotted with virtually tens of thousands of wells that satisfied domestic as well as agricultural needs. For the latter, husbandmen also employed Persian wheels on the district's many rivers.

In addition to these natural sources of irrigation, there were a number of artificial irrigation canals, especially in the more level part to the south of the area. Some of these dated back to the Middle Ages while others bore the names of governors from the time of the Saddozai rule in 18th century. Consequently, the country was generally prosperous in terms of agriculture. That said, there were, nonetheless, large ran-fed tracts of land away from the rivers where crop failure and famine was not unknown.

The Swat River, rising in the glaciers of Swat Kohistan, had already been tapped by Raj engineers as far back as 1885 to create the Lower Swat Canal taking off from the river in the territories of the independent state of Dir. However, owing to the irregular topography of the country that today comprises the districts of Charsadda, Mardan and Swabi, this minor canal could only irrigate a small portion of land, leaving considerable agricultural potential untapped. Inspector General of Irrigation in the Punjab John Benton had recently delivered a masterful stroke by ruling in favour of the unique topography at Mangla. As a result, the Upper Jhelum Canal was flowing without a barrage or weir having been thrown across the Jhelum River. Now this man was called upon to devise a system bringing the waters of the Swat River down to parts of Mardan and Swabi beyond the command of the Lower Swat



Canal. Given the topography, it was obvious the river would have to be tapped north of the Malakand Pass in order for the target areas to be watered. Amandarra, just outside Batkhela town, was chosen as the take off point after conducting surveys. Here the Swat River makes a wide arc to the right, forcing its flow to hug the left bank in a narrow channel, a situation identical to the one that Benton had approved at Mangla. A three-gated headworks on this narrow channel was all that was necessary to raise the water level in order to feed into a canal through a regulator. Not far south of the proposed headworks, however, sat the mountain barrier of the Malakand Pass. Seemingly impassable, the pass could not reign in Benton's soaring mind. With signature verve, he proposed a tunnel to carry the Swat waters down to the heart of the Yusufzai Plain.

Even as work on the headworks and canal regulator at Amandarra and canal excavation was taken in hand in 1909, G. L. Bill, a mining engineer, set about surveying for the shortest possible alignment for the tunnel. With the experience of building railway tunnels in the subcontinent behind them, British mining engineers were well acquainted with the kind of stratum they were to work in. Still, digging a three kilometre-long tunnel for a canal was out of the ordinary. This was no railway tunnel where large steam-driven machinery could be trundled in on rails. Rather, it was a much narrower conduit with low clearance and a much sharper fall. Men had to dig in uncomfortably cramped quarters and the trolleys to remove debris could only be rolled in by a derrick placed outside the mouth of the opening. Just as they had come to dig the railway tunnels in distant

Balochistan, Kashmiri and Pakhtun miners once again flocked to work under the Malakand Pass. Almost in lockstep, the headworks, canal as well as the tunnel, named after Benton, were completed on schedule in early 1914. The gates of the regulator were winched up and nearly 2200 cusecs of water flowed into the Upper Swat Canal speeding down the tunnel and into the Yusufzai Plain in time for the final watering of the ripening wheat crop.

Entering the plains near Dargai, Upper Swat Canal swings east to sweep the Mahaban foothills in Swabi district before turning west again to cover its 310,000 acres of cultivable land. Though this country was watered by several hill torrents, it had a history of periodic crop failure. Now, for the first time, as the chilled emerald waters of the Swat River flowed into patches of cultivation, the farmers of Mardan and Swabi knew the fear of famine was well behind them. As time went by a fine web of minor distributaries drew off from the main canal to increase the area under cultivation. As the 20th century drew to a close, rising population and changing cropping patterns warranted greater need for irrigation. To their credit, Pakistani irrigation engineers designed and executed an auxiliary tunnel running next to Benton Tunnel. At its lower end in Mardan district, this new outlet runs an 81 megawatt power station besides raising the current irrigated command of Upper Swat Canal to 2.48 million acres.

When Pakhtun farmers today pride their sugar beet and tobacco for its quality, scarcely anyone of them knows of Sir John Benton, the man who boldly went ahead with plan after innovative plan to enrich land.

WRITING ORIENT

On Western Gaze and its Discontents

Fatima Ahmad



The narrator was sincerely minding her own business when she came across the prose that felt like a cold glass of water being thrown on the face, Hamid Dabashi's *Hollywood Orientalism* is not actually about the Arab World. It is about the American world, that builds on Orientalist tropes while borrowing (or seeming to borrow) from Islamic lore, Muslim Culture and Muslims. He takes the knives out for the white gaze as:

“...the epicentre of Hollywood as an industry stands a factual, virtual, or fictive white narrator telling the world he is the measure of truth and wisdom, joy and entertainment”.

Dabashi's dissection of Denis Villeneuve's *Dune: Part I*, based on Frank Herbert's novel of same name, engages with the much lauded giant Edward Said's work on Orientalism, and simultaneously makes a point for its relevance

to date. Said's contribution of comparative literature has since its publication surpassed its efficacy as a theory of literature to a well-grounded political theory that explains the manner in which Western cultures imagine the 'Orient' from their own vantage point – laying bare the political nature of imperial contact with the 'other'. An important to note here, however, is that this particular kind of discourse actually predates imperialism as per Said.

The classic essentials of Orientalism include an 'imagined community' of the West's choosing, written out of a mould. The Orientalized cultures, people and realities are above differentiation and incapable of social growth. Their development, myths, experiences remains the same across multiple temporal junctures.

The Orientalist mythologies subsist and thrive off the absolute inability of the writers to rid themselves of the entrenched ideologies imprinted in their sub-conscious by the way they have read, listened, seen these communities being portrayed through time. Said attributes this plight to the foundations of Middle-Eastern Studies programs in the West, one which centres the political importance of the West. The result is naturally outright racist scholarship.

The foundational roots of the Orientalist discourse demands these writings on history, culture, and politics to be read with a degree of reflexivity, keeping in view the process and actors that produced it. He refers to this ideology seeping into contemporary political subjectivities as:

“It is quite common to hear high officials in Washington and elsewhere speak of changing the map of the Middle East, as if ancient

societies and myriad peoples can be shaken up like so many peanuts in a jar”.

Another problem is that over the course of time the discourse has made its way into the art-forms which are sociologically grounded as low-brow arts including pop-culture, media reporting, television, Hollywood and even video-games. These mass consumed cultural forms have contributed to shaping the public subjectivities of the non-West or, as Stuart Hall dubs it, ‘the rest’.

The Oriental inertia showed a degree of flexibility following 9/11: incorporating Western fears to ‘the othered’ in West’s grand tragedy. The Oriental subject and cultures, now branded in the image of an essential villain, i.e. a violent and backward terrorist, in juxtaposition to American Innocence.

American innocence did not merely rely on the character attribution of terrorism and criminality to black, brown, and indigenous individuals at its own convenience, this ‘image attribution’ and profiling negated, de-politicized, and de-historicized 9/11 itself. The Orientalized cultures became a vassalage for Western interests, the art merely acquiesced.

In the process of Eastern writing, the praxis of Orientalism follows these cultures back home; language as the Master’s tool becomes a conduit for reproducing these forms of imagination. Post 9/11 Anglophone fiction as a medium came at the forefront of this inspection; the writers becoming ‘cultural brokers’ to the West. They presented the cultures back home in a similar vein as their Western counterparts. Instead of subverting stereotypes, they strengthened them.

The top three most engaged with works of fiction written by Pakistani authors followed this playbook in an almost religious fashion. Mohsin Hamid centres a terrorist as protagonist of his bestseller, *The Reluctant Fundamentalist*, the success of which presented a perfect blue-print for appealing to Western curiosity: informing other budding writers about how to depict Pakistan for the West. The layered narrative of the prose jumps between a food blog on the one

hand and the ‘making of a terrorist’ on the other. What it fails to do is to present Pakistani lived experiences in all their complex details, reducing the whole to disfigured and disaggregated parts. Another bestseller, *Exit West*, depicts the ‘migrant other’ of an un-named war torn country. It is a derivative of European pre-Brexit ‘The Great Replacement’ paranoia, i.e. waves of people from the Global South moving in great numbers to the Global North.

Kamila Shamsie’s *Home-fire* is a diaspora narrative that introduces a binary characterization of a British-Pakistani member of parliament: the ‘high achieving immigrant’ against the evergreen ‘terrorist immigrant’ in relation to the British Security State. These characters are an embodiment of what is desirable to the Western gaze, largely dependent on the western political climate and its ‘informed’ subjects.

The writers’ ‘native informant’ status gives their voices and literary narratives a degree of legitimacy that Western authors do not have. These fictionalized oriental cultural scripts end up defining the social imaginings of the portrayed community and remain inadequate, controversial, and contested. The East does not write for and about the East – rather, the East writes for West.

A single set image which has been reproduced so much so that it has come to literally define entire personalities, national character, and common sense of the defined is difficult to shrug off. Chimamanda Adichie refers to it as: the danger of a single story. The question remains, how can knowledge production be rethought/reimagined to rid subjects from the Western gaze? There are no radical solutions. But, to take a leaf out of Dabashi’s critique:

“You don’t fight Hollywood with critical argument . . . You signal, celebrate and polish the representations that are works of art.”

In this spirit, there exists a dire need for the promotion of a diverse range of voices in publishing spaces to signal and celebrate the well-informed, true to matter representational

practices that don't betray their purpose: ones that can hold a mirror to the societies and cultures they profess to represent the realities of. a violent and backward terrorist, in juxtaposition to American Innocence. It did not merely rely on the character attribution of terrorism and criminality to black, brown, and indigenous individuals at its own convenience, this 'image attribution' and profiling negated, de-politicized, and de-historicized 9/11 itself. The Orientalized cultures became a vassalage for Western interests, the art merely acquiesced.

In the process of Eastern writing, the praxis of Orientalism follows these cultures back home; language as the Master's tool becomes a conduit for reproducing these forms of imagination. Post 9/11 Anglophone fiction as a medium came at the forefront of this inspection; the writers becoming 'cultural brokers' to the West. They presented the cultures back home in a similar vein as their Western counterparts. Instead of subverting stereotypes, they strengthened them. The top three most engaged with works of fiction written by Pakistani authors followed this playbook in an almost religious fashion. Mohsin Hamid centres a terrorist as protagonist of his bestseller,

The Reluctant Fundamentalist, the success of which presented a perfect blue-print for appealing to Western curiosity: informing other budding writers about how to depict Pakistan for the West. The layered narrative of the prose jumps between a food blog on the one hand and the 'making of a terrorist' on the other. What it fails to do is to present Pakistani lived experiences in all their complex details, reducing the whole to disfigured and disaggregated parts.

Another bestseller, Exit West, depicts the 'migrant other' of an un-named war torn country. It is a derivative of European pre-Brexit 'The Great Replacement' paranoia, i.e. waves of people from

the global south moving in great numbers to the global north. Kamila Shamsie's Home-fire is a diaspora narrative that introduces a binary characterization of a British-Pakistani member of parliament: the 'high achieving immigrant' against the evergreen 'terrorist immigrant' in relation to the British Security State. These characters are an embodiment of what is desirable to the Western gaze, largely dependent on the western political climate and its 'informed' subjects.

The writers' 'native informant' status gives their voices and literary narratives a degree of legitimacy that Western authors do not have. These fictionalized oriental cultural scripts end up defining the social imaginings of the portrayed community and remain inadequate, controversial, and contested. The East does not write for and about the East – rather, the East writes for West.

A single set image which has been reproduced so much so that it has come to literally define entire personalities, national character, and common sense of the defined is difficult to shrug off. Chimamanda Adichie refers to it as: the danger of a single story.

The question remains, how can knowledge production be rethought/reimagined to rid subjects from the Western gaze? There are no radical solutions. But, to take a leaf out of Dabashi's critique:

“You don't fight Hollywood with critical argument . . . You signal, celebrate and polish the representations that are works of art.”

In this spirit, there exists a dire need for the promotion of a diverse range of voices in publishing spaces to signal and celebrate the well-informed, true to matter representational practices that don't betray their purpose: ones that can hold a mirror to the societies and cultures they profess to represent the realities of.



"Everything has its beauty, but not everyone sees it." - *Andy Warhol*



78

ART THROUGH THE EYES OF A CURATOR

Roma Larak Ali

"The role of curation, especially in Pakistan is still budding. It's a fairly emerging concept where only a few people really understand what a curator does."



Art is love. It is an expression, a feast to our eyes and soul. Art is important because creating something through imagination unleashes the spirit. It helps us feel exhilarated, it is a depiction that tells a beautiful story that is derived from the heart. It helps elicit emotions in the most nurturing and satisfying ways.

As a curator my role is to embody the artists' work and elegantly narrate their story to the world. I am a curator currently living and working in Islamabad. I joined Artcade (previously known as My Art World) as a curator/ creative head in 2019. Since joining Artcade I have curated numerous art exhibitions and workshops for children and adults and worked with several national and international artists and organizations.

My vision is to encourage and promote artists from all over Pakistan and through the use of various social media platforms boost the confidence of these talented individuals enabling them to reach a wider audience. I believe art is naturally within us all and can be utilized as a tool to expose us to a multiplicity of possible futures. Our gallery in Islamabad has exhibited works by many emerging artists and as a curator I am proud to see their continued growth and recognition as they exhibit on other art platforms both locally and internationally.



During my career I have curated several collective themed exhibitions and mentored multiple emerging artists to create their own narrative of themes through their individual art skills, observation, memory and imagination. I prefer to work closely with artists to best understand and tell the story of their work. I believe an art exhibition represents the most important moment of augmentation of an artist's career, a unique opportunity that involves a series of protagonists from the gallery owner, to collectors and art enthusiasts. In addition to the promotional value, it provides artists with multiple opportunities and growth.



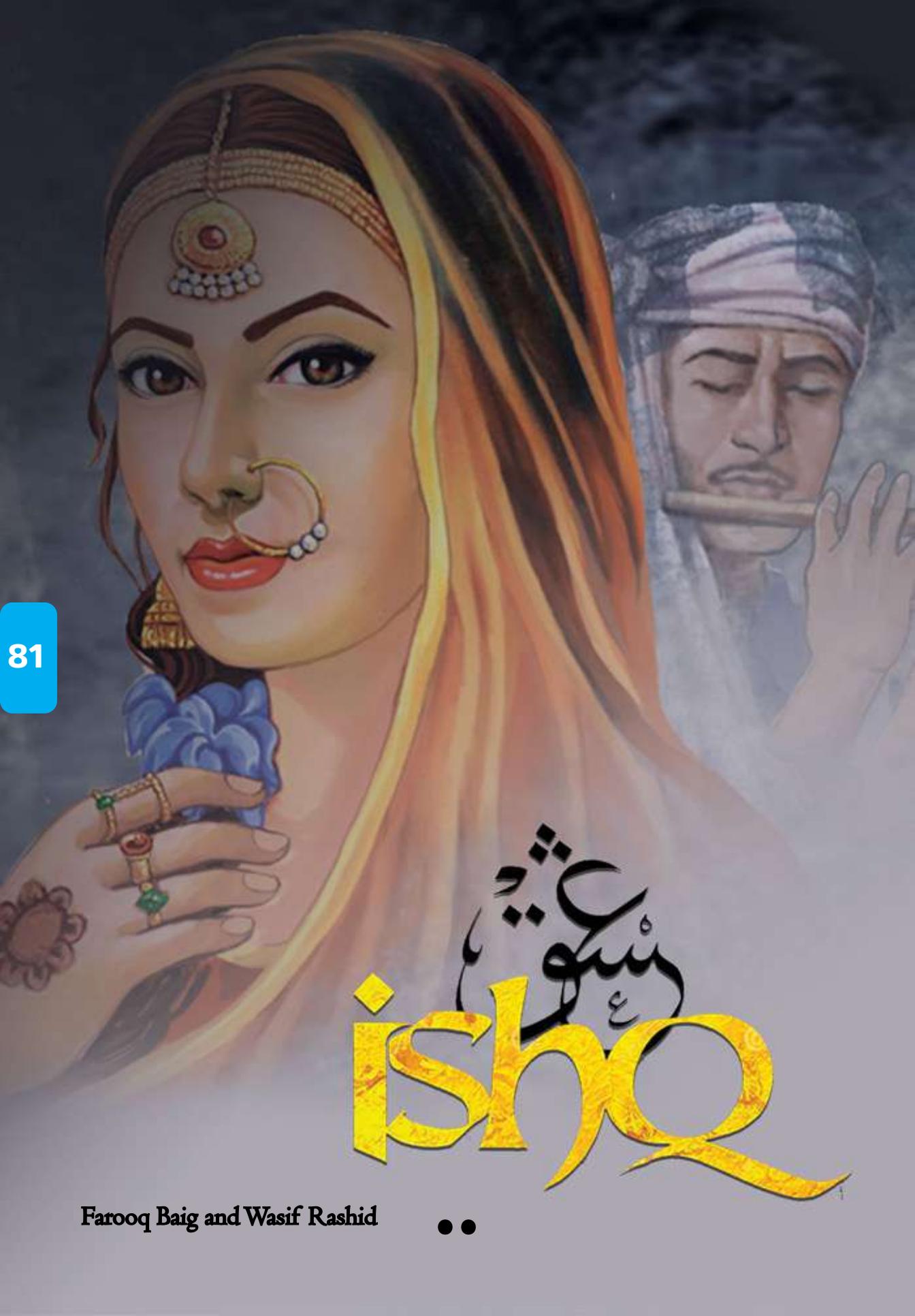
The role of curation, especially in Pakistan is still budding. It's a fairly emerging concept where only a few people really understand what a curator does. Today, curators along with artists

play an important role in storytelling. Curators decide on the themes and ideas to be experienced by the audience and make decisions about which works of art should be displayed and how they should be seen. If you look at the overall experience, a curator's role is extremely rewarding. It provides an opportunity to learn continuously, to offer expertise and artistic opinions to highlight works of artists and to help communicate an overall aesthetic to the audience at large.

My curatorial practice aims on shedding light on the ethical dilemmas of everyday life. From the general issues of globalization to the very specific problems of everyday existence our contemporary lives are replete with ethical enigmas. As individuals we are constantly involved in the ins and outs of these ethical dilemmas. Art plays an important role in shaping the culture of a society. Since art and society are intertwined, to me art serves as the most vital platform to shed light on such issues. Among the exhibitions I have curated is the group show 'Alienation' an online art show, that brought together works by 24 contemporary artists who used their skill and imagination to reflect on the underlying challenges and emotions people faced during the covid-19 self-isolation period.

The contemporary art scene in Pakistan has long been vibrant and since its emergence, ever evolving. Although it is still developing and suffers from a lack of connection with the wider international audience, there are numerous art galleries and institutes that are doing their best to preserve the art and support the artists and art community to help reach the wider international art arena. As an art enthusiast I believe, art promotes expression and creativity. It strengthens the bond between people and communities. It creates pleasure, hope, flair and a deeper understanding of the world we live in. It helps us re-examine the world from a fresh perspective and therefore deserves a central place in our society and lives.





شوق
ishoq

Farooq Baig and Wasif Rashid





The history of Heer Ranjha has been a part of our childhood, often narrated as a lesson in 'True Love'. However, by the time we finished school, Shakespeare's Romeo and Juliet had taken over our imaginary senses and perspectives.

The tale of Heer Ranjha is a Sufi narrative/spiritual journey of separation and seeking reunification. The story of Heer Ranjha represents the greatest of all passionate loves: Ishq - the love of the Creator, which is absolute and pure.

In addition to the above, a particular aspect of the story appealed to me; It was how Heer

challenged a patriarchal society and shook it to its foundations. It was about emancipation, gender, equality, freedom, free speech and choices – all the rights accorded to a woman in Islam.

The journey to put Ishq together has been an experiment and an exercise in building bridges between diverse cultures, working out their creative differences, and dealing with financial and time constraints – an interpretation of Heer Ranjha as a celebration of 70 years of Pakistan's Independence, which was being celebrated in 2017. It was the first time we had an opportunity to tell the story our way through the thoughtful and engaging script we meticulously prepared

with Murshid. We used Punjabi colloquialisms and set the story against the beautiful backdrop of Punjab. We combined classical and modern dance with a unique blend of poetry and fusion music. The most exciting aspect of this was working with two different composers. Finding that music producers work from a completely different perspective in London proved a big challenge.

We had commissioned Ian Brandon to compose the first song of the play. We hadn't received anything, and as time was of the essence, I rang him a week later and asked: 'Where is the song?' 'It's in your e-mail,' he replied calmly. Hurriedly searching e-mail, I was horrified to find it was a music sheet – a jumble of symbols, lines and numbers. When I quizzed him further about the music and who would sing the song, I was informed that I would have to get an orchestrator and a singer to bring it all together. In the end, it took thirty-four people to produce one song. This was not how we did things in Pakistan – we just told a composer to compose a song, and he or she gave us a disc the following day, no questions asked. So these differences were really marked.

Now to the main reasons why we wanted to do *Ishq*. Three were threefold: the first was to tell our own stories, of course; the second was to show the diversity of the cast that we chose for this play, to show what integration was all about; and thirdly, and most significant was to bring home to young Pakistanis that they have to start making their music, writing their musicals, producing the music, and the whole thing as homegrown production. What we have seen so far in Pakistan, which I feel has been a great disservice to generations, is the quality of the musicals that have been presented. These are plagiarised without concern or respect for production values – a script and music hurriedly composed, and the plate is put together by what people have seen on a visit abroad. Then there are always CDs to plagiarize. With *Ishq*, we wanted

to show the entire process of how a musical really should be put together.

We are in conversation with a gentleman called Dave, who's written a very valuable book on how to put musicals together. We intend to bring these people to Pakistan to help us and to school our young generations so that we can start telling our stories. We need people to change the West's mindset towards our fables and stories.

They say that Shakespeare plagiarised Heer Ranjha as *Waris Shah* preceded the Bard by almost 300 years when he wrote his famous Heer. Shakespeare was not averse to 'borrowing' stories from here and there, like Anthony and Cleopatra, and many others.

So I think we manage to cover the first two of three points, and the third is in the pipeline. Hopefully, *Ishq* will give enough motivation to the younger generation to start getting ready for the next generation.

Why did I choose *Ishq* as a title and not Heer Ranjha or *Love of Heer Ranjha*? It was because I heard this very beautiful song called *Ishq*:

Ishq ki Ibtida bhi To;
(You are the Beginning of Love;)

Hussan ki Intiha Hi to;
(You are the Acme of Beauty;)

Rehno Do, Raaz Khul Gaya;
(Leave it; the secret is out;)

Banday Bhi Tum, Khuda Bhi Tum;
(You are the Man in God, And the God in Man.)

No word in the English dictionary translates the word *Ishq*, and I think the above poetry does the play tremendous justice. What could have served to sum up the essence of what *Ishq* is all about?



PIDE BI-MONTHLY ROUND-UP

PIDE Knowledge Brief

WORKING PAPERS

- Quetta Cafes: An Indigenous Tea Cafes Chain in Twins Cities
- Parental Tobacco Smoking and Child Malnutrition
- Inflation in Pakistan: High -Frequency Estimation and Forecasting

KNOWLEDGE BRIEFS

- Quetta Cafes: An Indigenous Tea Cafes Chain in Twins Cities
- Is a multilateral full trade liberalization policy effective in Pakistan?
- Does Incentive Mechanism Influence the Research Productivity of Public Sector University Teaching Faculty in Pakistan? A Comparison between Tenure Track System (TTS) and Basic Pay Scale (BPS)
- Impact of Climate Change on Water in Pakistan
- Foreign Aid Effectiveness: The Relationship Between Aid Inflows and Economic Growth
- Gas Crisis in Pakistan: A Review of Accountability Systems: Learning from Best Practices

RESEARCH REPORTS/MONOGRAPHS

- PIDE Commentary on the 23rd IMF Program
- Parental Smoking and Child Health
- Effectiveness of Oil and Gas Regulatory Authority

BASICS (BELIEFS, ATTITUDES, SOCIAL CAPITAL, INSTITUTIONS, COMMUNITY AND SELF)

- Who Do We Think We Are: The Question of Identity!
- Understanding Social Capital
- About the PIDE-BASICS Survey

WEBINARS

- Economics for the 21st Century: Paul Ormerod Post Flood Rehabilitation & Development Rethink: by Simi Sadaf Kamal, Hassan Abbas Shah, and Syed, Mahmood Nawaz Shah
- Master Planning and People's Lives: by

Saboohi Sarshar, Nasir Javed, Naveed ul Haq, and Nadeem Khurshid

- Beyond Winning: A Discussion on State of Sports Industry in Pakistan: by Nasrullah Rana, Shah Muhammad Shan, and Ameer Ali Abro
- Mega Solar Project and Amendment in NEPRA Distributed Generation and Net-Metering Regulation, 2015: by Tahir Basharat Cheema, Waqas Bin Najib, Moin M. Fuda, and Syed Feisal Ali
- Governance of Islam in Pakistan - An Institutional Study of the Council of Islamic Ideology: by Sarah Holz
- The Industrial Civilization - How the Rest Can Reach Up With the West: Syed Sardar Ali
- Using Behavioral Economics for Behavioral Change: Dan Ariely
- Freelancing in Pakistan: Haroon Raja, Ibrahim Amin, and Dua Sukhera
- Current Urban Paradigm of Pakistan High Rise and Town Planning: Ghulam Sarwar Sindhu and Omer Masud
- Aid, Politics and the War of Narratives in the US-Pakistan Relations: Hussain Nadim

EVENTS

- Seminar with the World Bank Global Director, Marcello Esteveo
- Leading Through the Dangers of Change: Hamza Haroon
- PIDE RASTA Documentary Film Screening at Islamabad Club
- Business Enabling Environment Index, in association with USAID Small & Medium Enterprise Activity
- Memorandum of Understanding Between PIDE and the Pakistan Metrological Department (PMD)
- KP Data Portal and Evidence-Based Planning: Naeem uz Zafar, Taimur Khan, Nazish Afraz, and Shujaat Farooq
- J.P. Morgan's Global Research Team Visits PIDE
- Seminar by the Productivity Commission

The Pakistan Institute of Development Economics
A center of cutting edge research on Economics,
Governance and Public Policy since 1957 and the official think tank of
the Ministry of Planning, Development and Special Initiatives.



Pakistan Institute of Development Economics