

TABLE OF CONTENTS

1

Macrodata

2

Insights for Change

3

Annual Events

4

Webinars

5

Workshops

6

Project Highlights

2.1

Finding the Right Balance
Dr. Aasim M. Hussain

2.2

Re-stoking the Fire: Pakistan's Export Imperative
Dr. Farrukh Iqbal

2.3

Is Pakistan a Normal Economy?
Dr. Shahid Yusuf

2.4

The Political Economy of Pakistan's Economic Recovery
Dr. Ijaz Nabi

2.5

Re-imagining Public Private Partnerships for Better Health and Security
Prof. Shehla Zaidi

2.6

Gendered Geographies and Vaccine Hesitancy Among Informal Workers
Max Gallien, Umair Javed, Shandana Khan Mohmand, and Vanessa van den Boggaard

3.1

Pathways to Development

4.1

Resilience and Inclusion in Education—Bridging the Learning Gap

4.2

Municipal Finance—How Can Cities Generate Own-Source Revenue?

4.3

A Conversation on Pakistan's Current Economic Crisis

5.1

Roundtable on Water Governance and Sustainability

5.2

REMIT Tax Workshops in Lahore and Karachi

6.1

Recent Developments in Climate Finance: Implications for Pakistan

6.2

The Path to a Successful Pakistan

6.3

Financing Sustainable Tourism in Khyber Pakhtunkhwa

MACRODATA

December Newsletter Graphs

In our regular monthly newsletters, we report macro data on a month-by-month basis available [here](#). Annual trends are only reported in the December edition.



INSIGHTS FOR CHANGE

01

Finding the Right Balance
DR. AASIM M. HUSSAIN

02

Re-Stoking the Fire: Pakistan's Export Imperative
DR. FARRUKH IQBAL

03

Is Pakistan a Normal Economy?
DR. SHAHID YUSUF

04

The Political Economy of Pakistan's Economic Recovery
DR. IJAZ NABI

05

Re-Imagining Public Private Partnerships for Better Health and Security
PROF. SHEHLA ZAIDI

06

Gendered Geographies and Vaccine Hesitancy Among Informal Workers
MAX GALLIEN, UMIR JAVED, SHANDANA KHAN MOHMAD, & VANESSA VAN DEN BOGAARD

ANNUAL EVENTS

Pathways to Development

Pathways to Development is a multidisciplinary conference that brings together empirical and historical research by economists, political scientists, sociologists, legal and constitutional scholars, and law and policy reform experts, within and outside Pakistan, to document and describe the scale of challenges facing Pakistan and to organize discussion about ways in which these can be mitigated.

Finding pathways for mitigating and overcoming challenges requires engagement with knowledge and evidence on what works (a growing corpus of work in terms of economic and social strategies and policies for Pakistan's context). This conference brings together a broad range of historical and applied primary research from different disciplines to take stock of the country's trajectory and the reform strategies available to put it on track for development.

The Conference Focuses on

EQUITABLE AND SUSTAINABLE GROWTH IN PAKISTAN

With Work Presented on The Following Themes

- »»» Catalysing Sustainable Economic Growth

»»» Human Capital

»»» Energy for Development

»»» Law and Social Justice
- »»» Macro-economic Stability

»»» Climate Change

»»» Gender
- »»» Fiscal Foundations for Sustainable Development

»»» Politics, Governance and Accountability

»»» Political Economy of Service Delivery

This conference is hosted jointly by the following institutions:

Institute of Development & Economic Alternatives (IDEAS), Chaudhry Nazar Muhammad Department of Economics at LUMS, Mahbub ul Haq Research Centre at LUMS, Institute of Development Studies at University of Sussex (IDS), Consortium for Development Policy Research (CDPR), International Growth Centre, and Centre for Economic Research in Pakistan (CERP).

This year the conference was held during:

DEC, 19-21, 2022

Lahore University of Management Sciences (LUMS)

WEBINARS

Municipal Finance—How Can Cities Generate Own-Source Revenue?

CDPR held a webinar on 'Municipal Finance: How can cities generate own-source revenue?' that took place on Thursday, February 3.

The webinar focused on how local governments can identify viable sources of own-source revenue including property tax and user charges, in addition to provincial transfers. Panelists discussed the key challenges in the design and administration of revenue-generation mechanisms.

The Panelists Were
Dr. Rizwan Akram Sherwani
DG Excise & Taxation, Government of Punjab

Dr. Aisha Ghaus Pasha
Economist, MNA, Former Finance Minister for the Government of Punjab

Dr. Anwar Shah
Nazar Bank, and Director of the Centre for Public Economics, Chengdu/Wenjiang, China

Mr. Altaf Sarjo
Administrator, Karachi Metropolitan Corporation

Dr. Mahvish Shaoukat (Moderator)
Economist at the World Bank

The Session Was Co-chaired by
Mr. Najib Benhassine
(Country Director for Pakistan, World Bank)

Dr. Ijaz Nabi
(Country Director, IGC and Executive Director, CDPR)

Watch Here

Resilience and Inclusion in Education—Bridging the Learning Gap

CDPR held a webinar on 'Resilience and Inclusion in Education—Bridging the Learning Gap' in the Pakistan Development Policy Series, in collaboration with the World Bank. The webinar took place on Tuesday, March 29.

This webinar focused on the effects of the pandemic on the education sector and outlined cost effective interventions for immediate learning recovery.

The webinar included a panel discussion, chaired by Dr. Ijaz Nabi (Country Director, IGC and Executive Director, CDPR) and Dr. Jaime Saavedra (Director, Global Education Practice, World Bank).

The Panelists Were
Koen Geven
(Economist at the World Bank)

Rachel Glennerster
Associate Professor of Economics at the University of Chicago, and ex-Chief Economist at FDCO

Shahram Tarakai
Minister for Education, Khyber Pakhtunkhwa

Riaz Kamili
Executive Vice President, The Citizens' Foundation

Sabrin Beg (Moderator)
Assistant Professor of Economics at the University of Delaware

Watch Here

A Conversation on Pakistan's Current Economic Crisis

CDPR in collaboration with IGC and Mahbub ul Haq Research Center held a webinar titled "A Conversation on Pakistan's Current Economic Crisis" on Thursday, August 4.

At the webinar three top experts discussed Pakistan's current economic challenges.

Georgetown University's Dr. Shanta Devarajan, who advises the Sri Lankan government, discussed how Sri Lanka got into economic difficulties and the way forward.

Dr. Reza Baqir, recent State Bank Governor and former chief of IMF's sovereign debt division, discussed the IMF's approach to handling sovereign debt distress and assessing the situation in Pakistan.

Dr. Homi Kharas, Senior Fellow in the Center for Sustainable Development at the Brookings Institution, discussed the role of international finance, including the IMF, in avoiding economic crises in low income economies.

The conversation was moderated by Dr. Ijaz Nabi, IGC-Country Director and CDPR Executive Director.

CDPR NEWSLETTER DECEMBER 2022

WORKSHOPS

WORKSHOPS

Roundtable on Water Governance and Sustainability

CDPR in collaboration with IGC hosted a virtual roundtable discussion on 'Water Governance and Sustainability' on Thursday, September 15.

The roundtable brought together a small group of experts, academics, and policy stakeholders together for a structured conversation around key challenges surrounding water management that are compounded by the impacts of climate change. The discussion focused on two distinct impacts of climate change and pollution on overall water supply in the country:

1. Floods

2. Droughts

The objective was to understand the trends, causes, and impact on human settlements, food security and economic activity and explore solutions as a collaborative effort between experts, researchers and policymakers with the underlying objective that improved management and governance can help Pakistan mitigate the impact of climate change.

REMIT Tax Workshops in Lahore and Karachi

CDPR held two workshops on, "Reforming Pakistan's Taxes for Sustainable and Inclusive Growth", in collaboration with the Revenue Mobilization, Investment and Trade Program (REMIT) funded by Foreign Commonwealth & Development Office (FCDO) on April 15 and April 25, in Lahore and Karachi.

The purpose of the workshops was to generate a dialogue on tax reform with a focus on improving the performance of various federal taxes in terms of both willingness to pay and collection. They also aimed to provide input into the upcoming budget to support the Federal Board of Revenue (FBR).

The workshops consisted of three panel discussions in each session, on income tax, sales tax performance and customs tariff. These were followed by interactive sessions with relevant stakeholders including representatives of the private sector, relevant government officials, academics and members of the civil society.

CDPR NEWSLETTER DECEMBER 2022

PROJECTS

PROJECT HIGHLIGHTS

Recent Developments in Climate Finance: Implications for Pakistan

The Government of Pakistan (GoP) has ambitious plans for reducing 2030 greenhouse gas (GHG) emissions to 50% of baseline projected levels. These plans anticipate USD 151 billion of investment just for energy sector mitigation projects by 2040. In the GoP's view, any 50% reduction below baseline projected emissions should be financed 15% from domestic sources and 35% from international sources. International financing should be mostly on a concessional basis.

Despite Pakistan's relatively high emissions and relatively low GDP per capita, accessing concessional international climate finance (CF) will require meeting stringent qualifying criteria. Globally, the volume of concessional finance is modest. Of the total CF of USD 632 billion in 2019-20, USD 65 billion was concessional finance by multinationals to East Asian economies and only USD 20 billion was granted to the poorest countries. The Ukraine war clouds prospects for substantial increase in overall volume of funds.

Of about USD 325 billion in recent worldwide annual funding for renewable energy (RE), the great majority was private equity and market-rate debt. With decreases in per-KWH costs to within the range for fossil fuel alternatives, RE is now expected to cover its costs and provide an adequate return on investment (ROI). By contrast, only 13% of recent CF came in the form of concessional debt or grant financing—focused on more challenging geographies (e.g., Sub-Saharan Africa) and sectors (e.g., agriculture, forestry, or other land-use projects).

This project suggests developing a strategy to target private external CF both for RE and for other climate change investments. Concessional CF may well be limited to non-remunerative climate adaptation projects (e.g., agricultural, or women participation in economic activity have deprived low-income households the opportunity to increase and diversify sources of income that can create a path to sustained economic growth.

However, the vulnerability of low-income households is further exacerbated because low-income households are more susceptible to the high costs of pollution (air and water) and income shocks associated with climate change, and low levels of women participation in economic activity have deprived low-income households the opportunity to increase and diversify sources of income that can create a path to sustained economic growth.

This project reviews existing literature and datasets to investigate how to make Kamyab Pakistan Programme an intervention that strengthens low-income households' ability to manage economic vulnerability through lowering environmental costs and diversifying income sources by increasing the participation of women in the labor force. The team analyzed the sources of vulnerability differently, focusing on environmental risk factors affecting health and women's contribution to household income. Existing data and papers were reviewed to better understand Pakistan's current health burden linked with environmental risk factors and the situation with respect to gender inclusion, with a particular focus on vulnerable, low-income households. In doing so, the report also comes out with conclusions that go beyond Kamyab Pakistan Programme and appear to be foundational steps for any development program that strives to support Pakistan citizens to be healthier and more productive.

The report "The Path to a Successful Pakistan" was prepared by a team comprising Kulsam Ahmed (Director, Integrated Learning Means (LIM), CDPR fellow), Ijaz Nabi (Executive Director, CDPR and Country Director, IGC and former Sector Manager, World Bank), Sarwat Nasim (Assistant Professor, Colby College), Farah Said (Assistant Professor, LUMS) and, Anna Mahmood (Country Economist, IGC).

Financing Sustainable Tourism in Khyber Pakhtunkhwa

The FDCO funded Sustainable Energy and Economic Development (SEED) program collaborated with CDPR to formulate a policy note on financing sustainable tourism in Khyber Pakhtunkhwa. The policy note explores how local resources can be mobilized to finance tourism development. It gives a preliminary assessment of ring-fencing revenue generated in the tourist areas of Khyber Pakhtunkhwa for developing specific tourism related infrastructure and services to promote sustainable tourism in these areas.

The lead author of this report was Dr. Turab Hussain (LUMS) with support from Emaan Hafeez (CDPR) and Zohra Aslam (CDPR). Key input was provided by Hina Shukh (International Growth Centre) and Zara Salamat (CDPR). The report benefited from contributions from Dr. Ijaz Nabi (CDPR).

CDPR NEWSLETTER DECEMBER 2022

CONTENTS OF LAST MONTH'S NEWSLETTER

1

Macrodata

2

Insights for Change

3

Policy Analysis

4

Fellows' Articles

1.1

Trade

1.2

Balance of Payments

1.3

Prices

2.1

Transition to Clean Energy: How are Power, Capitalism, and Politics Perpetuating Coal Use in Pakistan
Hina Shaikh

3.1

Impact of Covid-19 on Fresh Produce Supply Chains

4.1

Dr. Homi Kharas
Debt, Creditworthiness, and Climate: A New Development Dilemma

4.2

Dr. Faizal Bari
Mothers: The Decisive Factor

4.3

Dr. Riaz Riazuddin
Our Dutch Disease

4.4

Dr. Umair Javed
Campus and Tarmac

1

Trade

2

Balance of Payments

3

Prices

4

Trade

5

Trade

6

Trade

7

Trade

8

Trade

9

Trade

10

Trade

11

Trade

12

Trade

13

Trade

14

Trade

15

Trade

16

Trade

17

Trade

18

Trade

19

Trade

20

Trade

21

Trade

22

Trade

23

Trade

24

Trade

25

Trade

26

Trade

27

Trade

28

Trade

29

Trade

30

Trade

31

Trade

32

Trade

33

Trade

34

Trade

35

Trade

36

Trade

37

Trade

38

Trade

39

Trade

40

Trade

41

Trade

42

Trade

43

Trade

44

Trade

45

Trade

46

Trade

47

Trade

48

Trade

49

Trade

50

Trade

51

Trade

52

Trade

53

Trade

54

Trade

55

Trade

56

Trade

57

Trade

58

Trade

59

Trade

60

Trade

61

Trade

62

Trade

63

Trade

64

Trade

65

Trade

66

Trade

67

Trade

68

Trade

69

Trade

70

Trade

71

Trade

72

Trade

73

Trade

74

Trade

75

Trade

76

Trade

77

Trade

78

Trade

79

Trade

80

Trade

81

Trade

82

Trade

83

Trade

84

Trade

85

Trade

86

Trade

87

Trade

88

Trade

89

Trade

90

Trade

91

Trade

92

Trade

93

Trade

94

Trade

95

Trade

96

Trade

97

Trade

98

Trade

99

Trade

100

Trade

101

Trade

102

Trade

103

Trade

104

Trade

105

Trade

106

Trade

107

Trade

108

Trade

109

Trade

110

Trade

111

Trade

112

Trade

113

Trade

114

Trade

115

Trade

116

Trade

117

Trade

118

Trade

119

Trade

120

Trade

121

Trade

122

Trade

123

Trade

124

Trade

125

Trade

126

Trade

127

Trade

128

Trade

129

Trade

130

Trade

131

Trade

132

Trade

133

Trade

134

Trade

135

Trade

136

Trade

137

Trade

138

Trade

139

Trade

140

Trade

141

Trade

142

Trade

143

Trade

144

Trade

145

Trade

146

Trade

147

Trade

148

Trade

149

Trade

150

Trade

151

Trade

152

Trade

153

Trade

154

Trade

155

Trade

156

Trade

157

Trade

158

Trade

159

Trade

160

Trade

161

Trade

162

Trade

163

Trade

164

Trade

165

Trade

166

Trade

167

Trade

168

Trade

169

Trade

170

Trade

171

Trade

172

Trade

173

Trade

174

Trade

175

Trade

176

Trade

177

Trade

178

Trade

179

Trade

180

Trade

181

Trade

182

Trade

183

Trade

184

Trade

185

Trade

186

Trade

187

Trade

188

Trade

189

Trade

190

Trade

191

Trade

192

Trade

193

Trade

194

Trade

195

Trade

196

Trade

197

Trade

198

Trade

199

Trade

200

Trade

201

Trade

202

Trade

203

Trade

204

Trade

205

Trade

206

Trade

207

Trade

208

Trade

209

Trade

210

Trade

211

Trade

212

Trade

213

Trade

214

Trade

215

Trade

216

Trade

217

Trade

218

Trade

219

Trade

220

Trade

221

Trade

222

Trade

223

Trade

224

Trade

225

Trade

226

Trade

227

Trade

228

Trade

229

Trade

230

Trade

231

Trade

232

Trade

233

Trade

234

Trade

235

Trade

236

Trade

237

Trade

238

Trade

239

Trade

240

Trade

241

Trade

242

Trade

243

Trade

244

Trade

245

Trade

246

Trade

247

Trade

248

Trade

249

Trade

250

Trade

251

Trade

252

Trade

253

Trade

254

Trade

255

Trade

256

Trade

257

Trade

258

Trade

259

Trade

260

Trade

261

Trade

262

Trade

263

Trade

264

Trade

265

Trade

266

Trade

267

Trade

268

Trade

269

Trade

270