



ISSN # 2414-8040

PAKISTAN INSTITUTE FOR PARLIAMENTARY SERVICES
DEDICATED TO PARLIAMENTARY EXCELLENCE

Parliamentary Research Digest

VOLUME 7, ISSUE 08

AUGUST, 2020

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Editorial

Dear Readers,

The Nation celebrated Independence Day on 14th August, 2020 with traditional fervor and festivity in wake of opening up of life in post covid19 challenge. The Pakistan Institute for Parliamentary Services (PIPS) hosted the President of Inter Parliamentary Union and Member of the Mexican Parliament Honorable Ms./Mme Gabriela Cuevas Barron on Sunday, August 23, 2020, on the invitation of the Honorable Chairman Senate/ President PIPS BoG Senator Muhammad Sadiq Sanjrai. The IPU's 130th Anniversary Report Book was presented at an impressive ceremony at the Institute attended by Hon Senators, MNAs and officials of the Federal Parliament and team PIPS.

The IPU President termed PIPS as a wonderful institution offering research and capacity building opportunities to individual MPs and Committees. She reiterated that IPU will be delighted to develop linkage with PIPS and other similar institutions world over providing technical assistance to the MPs. She appreciated the presentation of Executive Director Mr Muhammad Anwer and welcome by the Team PIPS.

This Issue of the PIPS Parliamentary Research Digest includes absorbing articles on country's remittances, post lockdown situation and education, petrol prices globally and a very relevant contribution on local government legislation by a researcher undertaking a post graduate thesis. We take the opportunity to thank the Members of Parliament from all Houses for their immense confidence in the research, legislative and capacity building initiative undertaken by Team PIPS.

Muhammad Rashid Mafzool Zaka
Senior Director General (Research and Legislation)



CHAIRMAN SENATE, MUHAMMAD SADIQ SANJRAI AND PRESIDENT OF INTER-PARLIAMENTARY UNION (IPU) MS. GABRIELA CUEVAS BARRON IN A GROUP PHOTO WITH THE OFFICIALS OF PAKISTAN INSTITUTE FOR PARLIAMENTARY SERVICES (PIPS) ISLAMABAD ON AUGUST 23, 2020.

FROM THE PARLIAMENTARY PAPERS

Information Centre PIPS Total Remittances received from overseas

Qaiser Iqbal (Librarian) &
Areeb Shirazi (Young Parliamentary Officer)

On March 7, 2019, during the 287th Session of 16th Parliamentary Year of Senate of Pakistan, Honorable Minister for Finance presented the statistics regarding the Foreign Remittances sent by overseas Pakistanis during the last three years. As the figures were presented in March, 2019, the previous three financial years analyzed are; 2015-2016, 2016-2017, and 2017-2018.

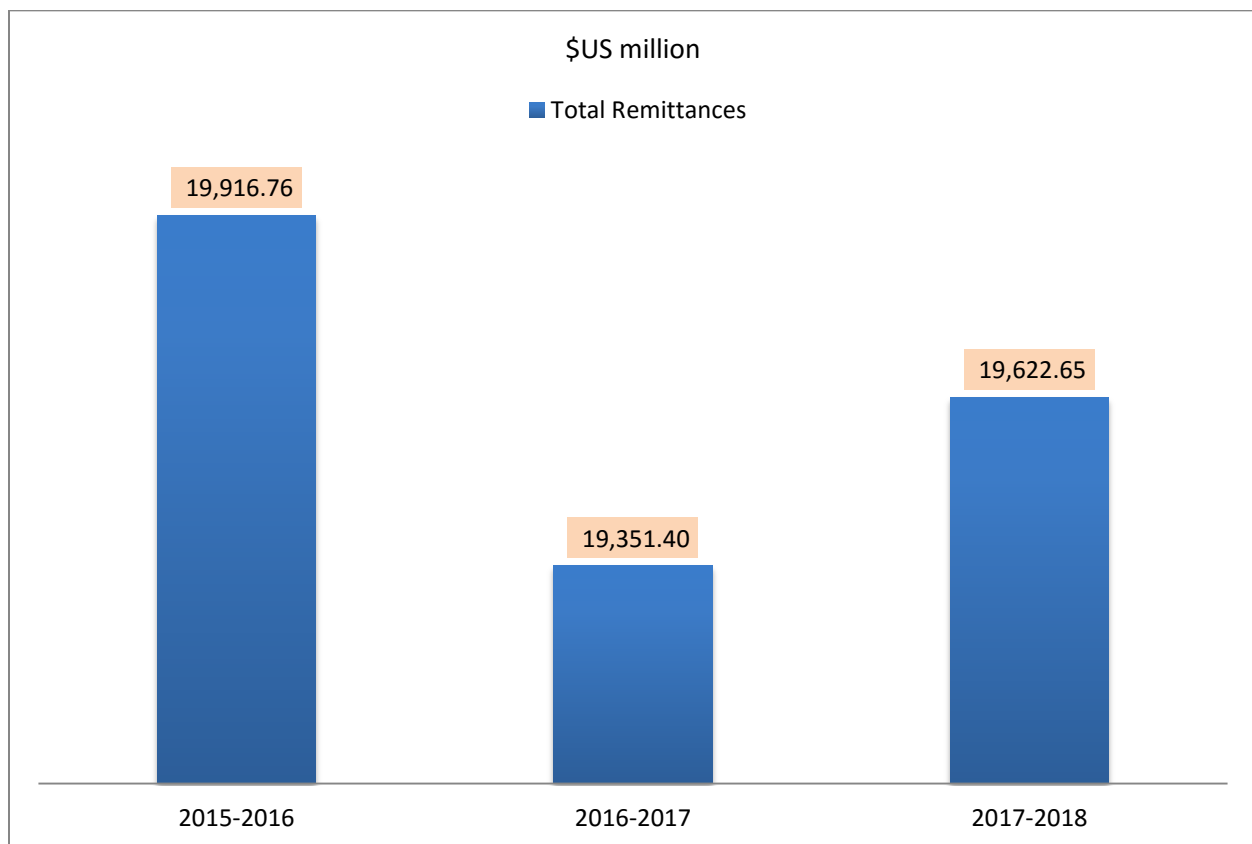


Figure 1 Total Remittances received from overseas during last three years

ANALYSIS

Tracing Effects of Covid-19 on Foreign Remittances to Pakistan Challenges and Way Forward

Faiz Ur Rehman

Assistant Professor of Economics
Quaid-i-Azam University Islamabad

1. Importance of Remittances in Pakistan

Pakistan relies on remittances to finance a significant part of its trade deficit. The exceptional growth in remittances is vivid from the fact that Pakistan received (equivalent to) USD 11.2 billion in 2011 and USD 21.7 billion during the fiscal year 2019. The importance of remittances is not only limited to the fulfillment of foreign exchange reserves (forex), instead, it plays an important role in the socio-economic development of the nation. Various studies in Pakistan have observed that remittance income significantly affect household consumption, education, health, labor supply¹, rural investment, asset accumulation, and poverty. Apart from socio-economic development, remittances play a key role to adjust Pakistan's trade deficit. During the fiscal year 2018-2019, the inflow of remittances was equal to 69% of trade deficit which stood at USD 31.8 billion. Figure 1 shows the importance of remittances by comparing it to other key inflows of forex reserves. The figure shows that remittances (received) are greater than both net development assistance and foreign direct investment. Moreover, the gap between remittances and exports (of goods and services measured in terms of current USD) is apparently decreasing which is partly due to reduction in export earnings since 2015. However, the increase in remittances is ostensible and plays a significant role in this convergence. In 2017, the inflow of personal remittances was equal to 68 percent of total export earnings.

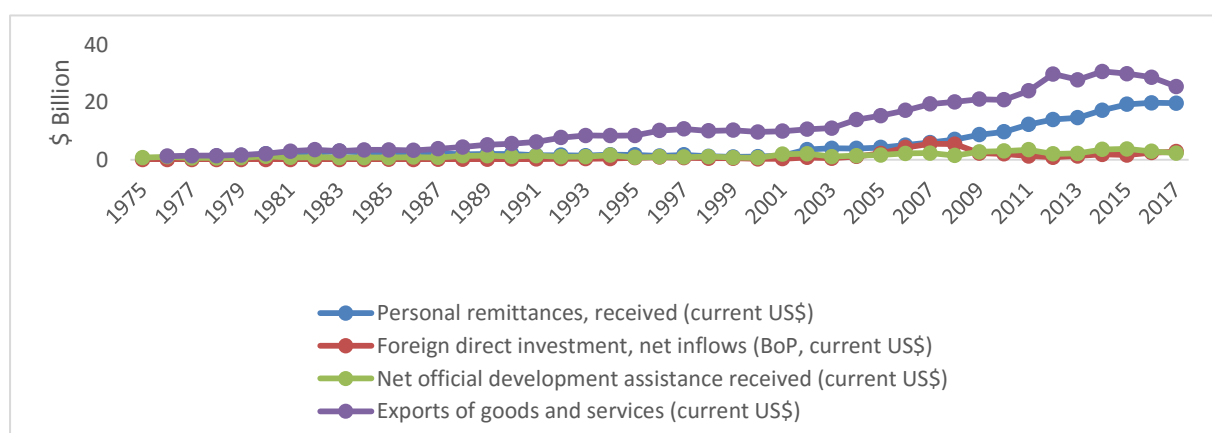


Figure 1: Comparison of Remittances Inflow with other Macro-Economic Indicators
Source: World Development Indicators (WDI)

¹ Arif, G. M. "Effects of overseas migration on household consumption, education, health and labour supply in Pakistan." *International Labour Migration from South Asia, Institute of Developing Economies and Japan External Trade Organization, Chiba, Japan* (2004); Arif, Rabia, and Azam Chaudhry. "The effects of external migration on enrolments, accumulated schooling and dropouts in Punjab." *Applied economics* 47, no. 16 (2015): 1607-1632; Adams Jr, Richard H. "Remittances, investment, and rural asset accumulation in Pakistan." *Economic Development and Cultural Change* 47, no. 1 (1998): 155-173; Mansuri, Ghazala. *Migration, school attainment, and child labor: evidence from rural Pakistan*. The World Bank, 2006; Siddiqui, Rizwana, and Abdur-Razzaque Kemal. "Remittances, trade liberalisation, and poverty in Pakistan: The role of excluded variables in poverty change analysis." *The Pakistan Development Review* (2006): 383-415; Hassan, Mahboob Ul, Haider Mehmood, and Muhammad Shahid Hassan. "Consequences of worker's remittances on human capital: an in-depth investigation for a case of Pakistan." (2013).

2. Expected Decrease in Remittances Due to Covid-19

World Bank predicts a decrease of 19.7 percent in global remittances in 2020 while this reduction is predicted to be 22.1 percent in South Asian countries.² This sharp decline, right after remittances hit a record high in 2019, can have severe and unpredicted consequences for these economies. “Remittances are a vital source of income for developing countries. The ongoing economic recession caused by COVID-19 is taking a severe toll on the ability to send money home and makes it all the more vital that we shorten the time to recovery for advanced economies,” said World Bank Group President David Malpass. “Remittances help families afford food, healthcare, and basic needs. As the World Bank Group implements fast, broad action to support countries, we are working to keep remittance channels open and safeguard the poorest communities’ access to these most basic needs.” Thus, Figure 2 shows monthly remittance inflow to Pakistan and the predicted decrease in remittances due to Covid-19 pandemic.

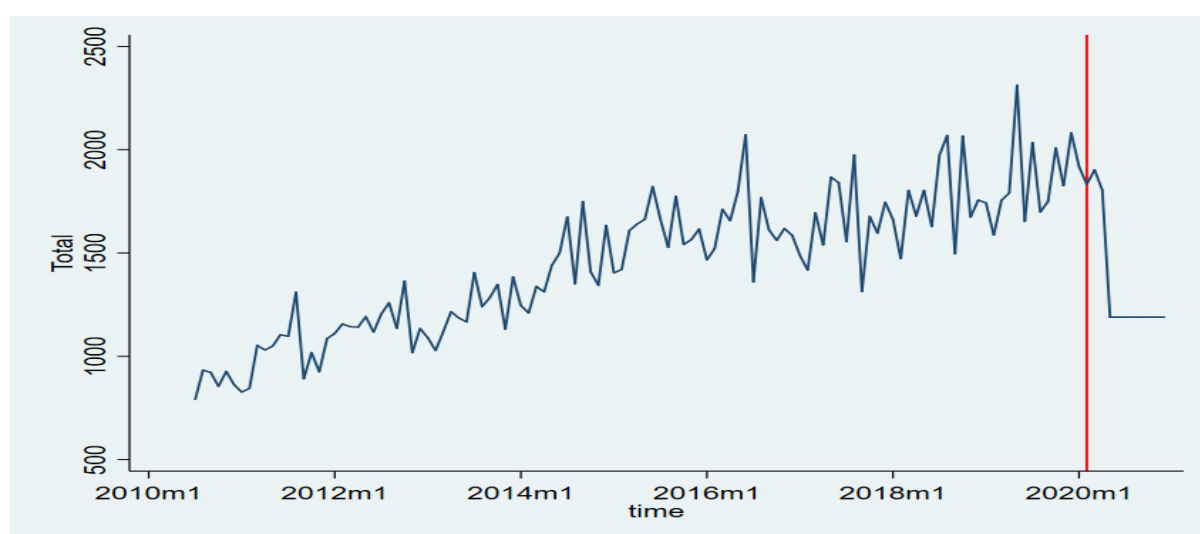


Figure 2: Predicted Decrease in Remittance Inflow in Pakistan

Source: State Bank of Pakistan

In absolute terms, Pakistan is expected to lose USD 5 billion of remittances during what is left of 2020. This decline in remittances (of USD 5 billion) is equal to 11.6% of government budget in 2019-2020, 71% of defense budget, 29.5% of total foreign reserves, and 20% of total export earnings. Not only this, the large economies hit severely by this pandemic also include Pakistan's top export destinations,³ thus, this pandemic would not only decrease remittances but also decrease export earnings significantly. According to World Trade Organization's press release, global trade is expected to shrink between 13% and 32% in 2020 (13% to 36% in Asian merchandise exports) as the economic activities are disrupted due to covid-19 pandemic.⁴ Pakistan Board of Investment on its website show that Month on Month net foreign investment had a negative trend from January to April 2020.⁵ A decrease of almost USD 5 billion reduction in remittances and a significant loss in both exports and foreign direct investment can have stark consequences for an economy like Pakistan that continuously face balance of payment crisis.

² World Bank, *World Bank Predicts Sharpest Decline of Remittances in Recent History*. April 22, 2020. <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>

³ Aadil Nakhoda, "Pakistan's top export destinations have been devastated by Covid-19. What does it mean for our trade?," *Dawn*, May 18, 2020.

⁴ WTO, *Trade set to plunge as COVID-19 pandemic upends global economy*, April 08, 2020.

⁵ Board of Investment (2020). Retrieved from <https://invest.gov.pk/index.php/>

World Bank also predicts a slight recovery of remittances in 2021 but it will take a few years to get back to levels previously observed.

3. Workers Profile and Timeline of Significant Corridors

In response of covid-19 pandemic, governments all over the world enforced lockdowns to ensure social distancing. In this situation a major chunk of the semi or unskilled worker, lose their jobs who mainly perform manual tasks on contract or daily wages. Fifty-five percent of Pakistani diaspora are either unskilled (39%) or semi-skilled (16%) (see Figure 3). Generally, there is not much difference between working ability of semi-skilled or unskilled migrants.⁶ This proportion of the unskilled and semi-skilled workers indicates that the impact of this pandemic might be worse than predicted.

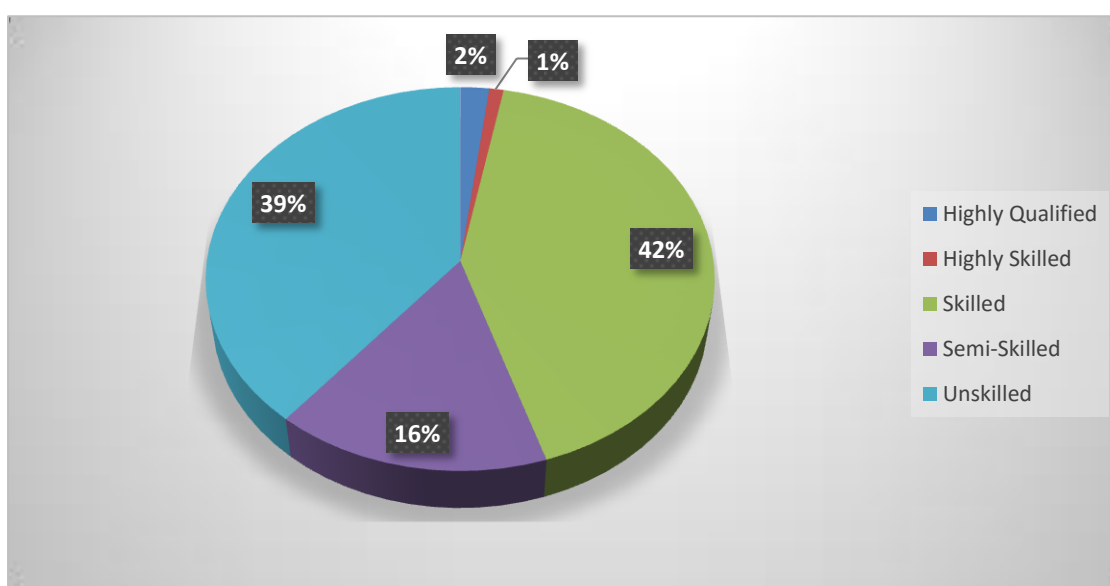


Figure 3: Skill Composition of Pakistani Diaspora in 2015

Source: Ministry of Overseas Pakistanis and Human Resource Development, Pakistan

Pakistani organizations, especially Pakistan Remittance Initiative, show an optimistic picture and suggest that the remittance inflow has not been decreased in the recent months and is expected to do the same during the time ahead. There can be several reasons of why remittance inflow has not decreased in the recent months. Firstly, not all the countries were hit by covid-19 simultaneously and the timeline of the response by each country is different. Secondly and more importantly, workers usually save a proportion of their income⁷ and could be sending their savings to their homes. This can translate to a long-term reduction in investment by Pakistani diaspora in the home country.

This pandemic is affecting the most significant remittance corridors of Pakistan. Pakistan receives 22.9% of its remittances from Saudi Arabia, which makes it the most important corridor. Kingdom of Saudi Arabia imposed its first temporary lockdown in early March and this lockdown is expected to be extended until June 21, 2020.⁸ Many Pakistanis were laid off during

⁶Government of Pakistan, Labour migration from Pakistan:2015 status report (Islamabad: Ministry of Overseas Pakistanis and Human Resource Development, 2016).

⁷ Ulku, Hulya. "Remitting and Saving Behaviour of International Migrants: Evidence from Turkish Households in Germany." *Brookings World Poverty Institute (BWPI) Working Paper 47* (2008).

⁸ "Saudi Arabia to end curfew on June 21, except in Mecca," *Aljazeera*, May 26, 2020.

the lockdown and many returns to their homes.⁹ Second of the most significant corridors is Pakistan-UAE corridor from which Pakistan receives 21.1% of its remittances. UAE imposed its first lockdown (curfew) on March 23, 2020.¹⁰ Just as in the case of Saudi Arabia, a large number of Pakistanis in UAE also lost their jobs during Covid-19 lockdowns. After that, USA and UK are the two countries from where Pakistan receives more than 25 percent of its remittances. Both of these economies suffer severely at the hand of this pandemic and enforced strict lockdowns and implemented SOPs. Economic activity during this situation halts and international, along with domestic, workers lost their jobs, which translates to a lower level of remittance flow.

4. What the Government(s) Can Do?

To understand the long-term impact of this pandemic, there is a need of a comprehensive information collection and migrant policy formation. Past experiences suggest that pandemics have long-term and persistent effects on labor institutions.¹¹ As the modern economic system demands, the world cannot stay in the lockdown for a reasonably large period until the vaccine reaches each person on the planet. Governments are already relaxing the lockdowns with implementation of SOPs. Peter Drucker argued in 1993 that “commuting to office work is obsolete”. Organizational psychologist Adam Grant argues that work will never be the same. He argues that shorter workday would be a healthy legacy of covid-19 pandemic¹² and it will transform work ethics, leadership, and trust. Migrants should be educated and trained to comply with the new economic (and working) environment created by this pandemic.

A step-up in digitalization and usage of information technology is needed in the fields of education and training, communication, work organization, and banking and finance. International community should focus on a new policy framework for providing protection to migrants. Government of Pakistan should focus on increasing the proportion of skilled migrants. This pandemic highlights the importance of human capital formation using information technology. Familiarizing with online task management should also be made a part of the policy framework as “commuting to office work” is becoming “obsolete”. In the last decade, a remarkable progress in the field of digital finance has been observed which makes the new global economic system to better cope with the upcoming challenges of this pandemic. A large number of Pakistani diaspora belong to rural areas, global digitalization and usage of information technology should be extended to remote areas to facilitate the inflow of remittances. Digital financing and credit facilitation to migrants would also increase the foreign direct investment by Pakistanis living abroad. Lastly, better international cooperation on global scale of Pakistan with significant corridors (KSA, UAE, USA, and UK) is required to maintain a healthy remittance flow.

⁹ “250 Pakistanis stranded in Saudi Arabia return home,” *Arab News Pakistan*, May 14, 2020.

¹⁰ “Dubai imposes two-week lockdown as Gulf states step up coronavirus fight,” *Reuters*, April 04, 2020.

¹¹ Fochesato, Mattia. “Demographic shocks, labor institutions and wage divergence in early modern Europe.” *Unpublished ms. Available at <http://econ.sciences-po.fr/sites/default/files/file/mattia-fochesato.pdf>* (2014); Haddock, David D., and Lynne Kiesling. “The Black Death and property rights.” *The Journal of Legal Studies* 31, no. S2 (2002): S545-S587; Herlihy, David. *The Black Death and the transformation of the West*. Harvard University Press, (1997).

¹² Experience suggest that a shorter work week or shorter workday boosts productivity (Kleinman, 2019). Zoe, Kleinman. “Microsoft four-day work week 'boosts productivity.’” *BBC News*, November 04, 2019.

OPINION

Lockdown and Future of Education

Tehseen Khalid, Director Research
& Areeb Shirazi, YPO, PIPS

Introduction

Since World War II, the coronavirus pandemic has proved to be the greatest challenge for mankind. As of August 05, 2020, it has resulted in 18 354 342 cases and 696 147 deaths, globally. In Pakistan, a total of 281 136 cases and 6 014 deaths have been reported.¹ The virus that emerged in Asia has made its way to America, Europe, and other parts of the world. Several clinical trials and studies are underway in developing a vaccine or repurposing a medicine to find out the cure of this deadly disease. With the growing havoc as a result of corona across countries, the education system is facing challenges in more than 190 countries where schools have been closed impacting 1.6 billion children and youth, and around 94% of the world's student population is affected due to closure of schools and learning spaces.² It has been estimated that the dropout due to the closure of schools can reach around 23.8 million by next year due to the economic impact of this pandemic.³ Hence the crisis has left meager opportunities of learning for most vulnerable children especially those living in rural areas, girls, disabled, and refugees.

Pakistan is amongst one of the countries that have temporarily closed education institutions amid the COVID-19 crisis. Apart from 19.1 million children already out of school, the pandemic has affected 40 million school-going learners.⁴ According to an estimate, Pakistan is likely to be one of the most affected countries besides Niger, Mali, and Chad where the number of out-of-school children might increase due to negatively affected economic growth as an aftermath of the pandemic.⁵ Since the past few months government is trying to figure out and implement alternatives to ensure the continuation of education - be it school, college, or university. Immediately after the closure of educational institutions, universities and independent degree awarding institutions (public and private) across the country have been providing online education as per government instructions and HEC guidelines. A national TV channel namely "Teleschool" has been launched by Honorable Prime Minister Mr. Imran Khan in mid-April as a stop-gap arrangement to provide learning opportunities to students in every nook and corner of the country. Moreover, resources of Sabaq Foundation, Knowledge Platform, Sabaq, Online Campus, and International Online Platform have been made available online on the official website of the Ministry of Federal Education and Professional Training that can be utilized by parents and teachers for educational purposes. The Ministry has also issued National Education Response and Resilience Plan (K-12) for tackling education amidst the COVID-19 pandemic. A project namely "COVID-19 Response, Recovery, and Resilience in Education Project (COVID-19 RREP)" funded by the World Bank worth USD 19.85 million is under consideration. The

¹ WHO, *Coronavirus Disease Situation Report 198*, August 05, 2020. Available at: https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200805-covid-19-sitrep-198.pdf?sfvrsn=f99d1754_2

² United Nations, *Policy Brief: Education during COVID-19 and beyond*, August 2020. Available at: https://reliefweb.int/sites/reliefweb.int/files/resources/sg_policy_brief_covid-19_and_education_august_2020.pdf

³ Ibid.

⁴ Ministry of Federal Education and Professional Training, *COVID-19 Response, Recovery, and Resilience in Education Project*, May 2020. Available at: <http://www.mofept.gov.pk/SiteImage/Misc/files/Draft%20SEP%20RREP.pdf>

⁵ Shelby Carvalho and Susannah Hares, "Six Ways COVID-19 will shape the future of education," Center for Global Development, July 22, 2020.

project aims to “protect gains in access to education and learning (via distance learning), prepare for a return to school and to increase the resilience of the system to future shocks.”⁶

Amidst current outbreak, where governments have taken stringent measures for implementing social distancing protocols, on one hand, it seems logical for closing institutions for the safety of youth. However, on the other hand, the closure of educational institutions for such a long duration will impact the learning process besides loss in human capital and economic opportunities over the long run.⁷ Moreover, the impact of such outbreaks can be more devastating for developing countries that are already struggling with their weak education system. Hence, the pandemic carries a negative impact on vulnerable students due to prevailing rich to poor dividends in such countries.

In the current scenario, most countries have opted for on-line learning mode as an alternative to the traditional education system. In Pakistan, most of the private schools are using this approach for reaching out to the students. In urban areas, around 14% of households have computer/ laptop/ tablet facility. At the national level, only 34 percent of households have internet facility. Among provinces, KP is ahead of other provinces while Balochistan has the lowest number of internet connections.⁸

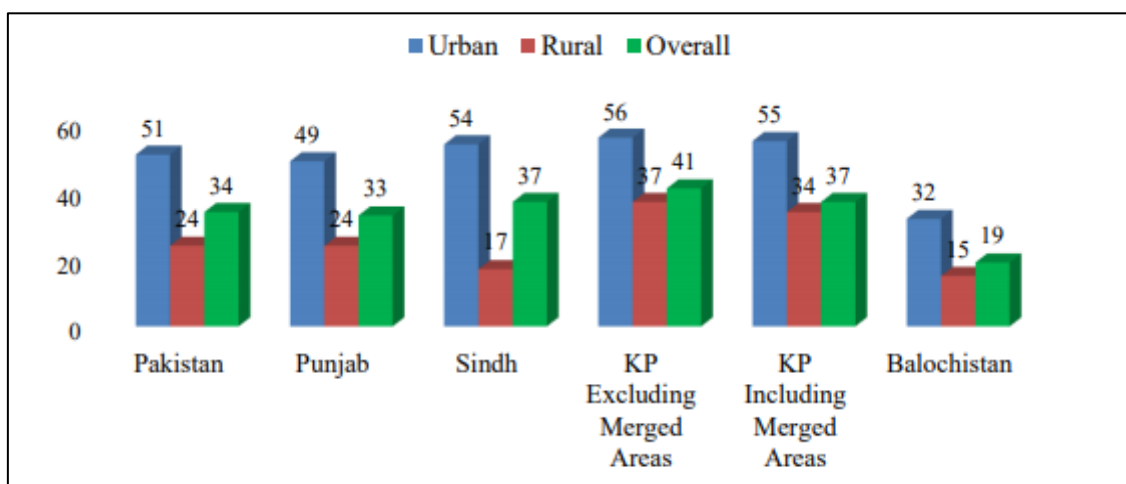


Figure 1: Percentage of Household with an Internet connection

Source: PSLM 2018-19

The above data shows that most parts of the country are not aptly tech-savvy to optimize the use of e-learning due to which most of the school-going children have lost learning opportunities. Hence the time out of school is also posing an economic challenge for families.⁹ Moreover, online learning has a financial impact i.e. on one hand investment is required not only for the provision of ICT facility in every household but also for sustainable supply of resources while on the other hand long-term investment is required for development and distribution of digital learning content which is difficult for a developing country already facing challenges of economic stability. Similarly, launching a TV channel for children cannot guarantee effective learning that can be ensured in closed-door teacher-student interaction in a classroom.

⁶ Ministry of Federal Education and Professional Training, *COVID-19 Response, Recovery, and Resilience in Education Project*, May 2020. Available at: <http://www.mofept.gov.pk/SiteImage/Misc/files/Draft%20SEP%20RRREP.pdf>

⁷ World Bank. *World Bank Education And COVID-19*, (World Bank, 2020), <https://www.worldbank.org/en/data/interactive/2020/03/24/world-bank-education-and-covid-19>.

⁸ Pakistan Bureau of Statistics, *Pakistan Social and Living Standards Measurement Survey 2018-19* (Islamabad: Pakistan Bureau of Statistics, 2019) Available at: <http://www.pbs.gov.pk/content/pakistan-social-living-standards-measurement-survey-pslm-2018-19-national-provincial>

⁹ World Bank 2020, *Op. cit.*

Homeschooling is fading the abilities of students for socializing and effective learning. In a child, the optimum brain development requires stimulating enriching environment, social interaction, and learning opportunities. But the pandemic has severely affected and will continue to affect this natural trajectory of development of children. Besides impairing brain development, lack of educational opportunities in the early years (school-going age) can lead to irreparable loss to the children's potential for the rest of their lives.¹⁰

Policymakers around the world are trying to explore possible solutions for this challenge that is directly affecting students' ability of effective learning. These include:

- i. practicing online teaching through trial and errors especially for student assessment;
- ii. introducing an online evaluation mechanism and examinations;
- iii. establishing assessment criteria promotion of students to the next classes.¹¹

Way Forward

Schools have an undeniable role in the personal, mental, and physical development of a child. Closure of schools, even for the short-term is indeed troublesome and carries a detrimental effect on child development. Prolonged shut-down can lead to educational inequalities which will widen the gap between children belonging to a poor or rich families belonging to the same school due to lack of appropriate facilities for learning. In Pakistan, educational institutions are likely to open on September 15, 2020. However, preventing this crisis from becoming a generational catastrophe demands urgent action by the parliament, government, and educational authorities. Education departments will likely issue SoPs for reopening schools such as implementing social distancing measures, maintaining a clean and healthy environment for making school environments safe for students and teachers, etc. However, besides this short term arrangement, long term policy revisions are required for continuation of education. A set of suggestions have been provided in the preceding paragraphs which can be opted to mitigate the devastating impact of the pandemic.

- a. **Impact Assessment of COVID-19:** Amidst corona pandemic, departments and educationists have started working on exploring various methods of providing effective quality education to children by especially focusing on minimizing the possible negative impacts of lockdown and closure of schools. However, currently a national impact assessment survey is required to determine that how far this pandemic has affected the education of the school-going children and what factors were responsible for affecting children's education besides affecting their mental, social and physical development. Hence through this survey, policymakers will be able to identify and develop short-term, medium-term, and long-term objectives to address the holistic spectrum of needs that children, teachers, and parents require during and after this crisis for fulfilling the learning gaps.
- b. **Education Financing:** Financing remains the foundation of continuity of education. Under these special circumstances, there is an urgent need for redirection of finances towards strengthening of the education system by mobilizing revenues to address the insufficiencies in education spending. Parliament has a key role in this regard which can redirect finances towards the education sector by cutting down spending in least priority areas.
- c. **Professional Training of Teachers:** The current pandemic not only forced teachers to enter and manage virtual classrooms, adapt to new modalities, and engage students through innovative learning modules without sufficient preparation but also meet the

¹⁰ UNICEF. *Early Childhood Development And COVID-19 - UNICEF DATA, UNICEF DATA, 2020*, <https://data.unicef.org/topic/early-childhood-development/covid-19/>.

¹¹ Burgess, and Sievertsen, H. H. "The Impact Of COVID-19 On Education". VOX, CEPR Policy Portal", *Voxeu.Org*, 2020, <https://voxeu.org/article/impact-covid-19-education>.

expectations of students and parents. In many parts of the country, lack of basic facilities such as computers or internet facilities amplified their challenges besides increasing their out-of-pocket expenses. Given the magnitude of the corona pandemic and until the availability of any vaccine, there is a possibility of recurrence of this disease. Therefore, it is imperative that virtual teaching module may be developed and the professional training of teachers must be conducted in accordance with international standards. Moreover, virtual training must be made part of their professional training modules to keep them technologically equipped to handle any crisis in the future.

- d. **Integration of technology and learning:** During the lockdown, the primary focus of educational institutes remained on providing educational technology (ed-tech) for filling the learning gaps. Despite many hopes, the usage of ed-tech remained very low because many families around the globe do not have access to internet¹² which shows that there is no substitute of teachers and technology cannot replace traditional modes of learning. This is true for underdeveloped and developed countries. Thus post lockdown, greater attention can be given on integrating technology and learning together keeping in mind that this change needs investment into technology which will be a slow process. However, we must seize this opportunity to adopt new technology and bring new learning solutions that were once impossible to adopt. Various universities and educational institutions are providing online courses which can be blended in existing courses. In Pakistan, International Centre for Chemical and Biological Sciences, University of Karachi has taken lead in this regard by developing an integrated version of MOOCs (iMOOCs) which provides single source free access to thousands of courses at school, college and university level.¹³ Ministry of education at the federal level and all provincial education departments can work together to develop an updated curriculum with ed-tech based resources that can be utilized during the traditional mode of learning at present to improve the quality of education and during any crisis in the future.
- e. **Reenrollment of all Students and out of school children:** Parents and community can play a central role in the reenrollment of out of school children. Centre for Global Development has prepared a toolkit for reducing dropout after a crisis. The toolkit contains two sets of recommendations for reenrollment of out of school children which can be adopted by the government in its plans for dealing with this crisis. These are:
 - i. “combine community participation and large-scale direct communication campaigns to parents, and consider increasing attendance options to accommodate all children, including those with highest risk of dropping out; and
 - ii. provide financial or in-kind support, such as school feeding, to help families overcome the costs of attending school.”¹⁴
- f. **Public-private educational partnerships:** Amid pandemic, the world witnessed the importance of reliable learning consortiums and coalitions among diverse stakeholders including; governments, education professionals, technology providers, and others for educational innovation. Learning from the example of Hong Kong based forum (read-together), it is a consortium of at least 60 educational organizations, publishers, media, and industry professionals providing more than 900 educational assets including; videos, books, chapters, assessment tools, and counseling services amid the debilitating times of Covid-19 pandemic.¹⁵ Defying the traditional norms of government-funded and non-

¹² Shelby Carvalho and Susannah Hares, “Six Ways COVID-19 will shape the future of education,” Center for Global Development, July 22, 2020.

¹³ Atta-ur-Rahman, “Post-COVID reconstruction of Pakistan,” *The News*, July 22, 2020.

¹⁴ Center for Global Development, Planning for School Reopening and Recovery after COVID-19: *An evidence kit for policymakers* (Washington: Center for Global Development, 2020).

¹⁵ “3 Ways The Coronavirus Pandemic Could Reshape Education”, *World Economic Forum*, 2020, <https://www.weforum.org/agenda/2020/03/3-ways-coronavirus-is-reshaping-education-and-what-changes-might-be-here-to-stay/>.

profit social projects, it has become increasingly evident that educational innovation is receiving global attention. In the past decade, it has also been visible that most of the educational innovation (interest and investment) came from the private sector. With its debilitating effects, the pandemic could pave way for a greater scale, cross-industry coalitions, which were initially limited in their scope. Furthermore, it can bring together every segment of society (stakeholders) for a commonly agreed educational goal – in times of global uncertainties and calamities.

- g. Educational needs for students with disabilities – a forgotten aspect amid Pandemic:** Approximately 15% of the world's population – over 1 billion people – lives with disabilities. Many among them need assistive technologies such as low-vision devices, wheelchairs, and hearing aids.¹⁶ More time and resources are required for students with disabilities to actively contribute and participate in the learning process. Generally, during a global crisis like the prevailing pandemic, people with disabilities (PWDs) suffer a lot. They become isolated and have no social interaction which is believed to be a help for them to move forward in life. Although, various national governments took affirmative actions to address the challenges of education of 1.6 billion students affected by the pandemic by introducing e-learning methodologies but people with disabilities remained forgotten and were rarely taken into account. Hence, particular attention is required on revising the curriculum for students with disabilities and mode of e-learning needs to be more considerate and intelligently devised to address their learning challenges especially under a crisis. Moreover, teachers, students, institutions, and families need to come together to decide upon the effectiveness of such initiatives in mitigating the educational challenges faced by the students with disabilities.

Conclusion

Over the period of 5-6 months, the current pandemic has affected around 1.6 billion learners in addition to out-of-school children. Countries are trying various stop-gap arrangements for fulfilling this learning gap. While Pakistan is planning to resume educational Institutions in September, continuation of education must be its top priority. However, adjustments to this new normal must lead to some structural and functional changes in the educational system which will also help in dealing with any such crisis in future.

¹⁶World Health Organization, "Disability", *WHO*, accessed August 11, 2020, https://www.who.int/health-topics/disability#tab=tab_1.

ANALYSIS

Oil Price fall amidst the COVID-19 Pandemic**Fakiha Mahmood**

Research Officer, PIPS International Relations Desk

Abstract

As the spread of novel Corona Virus Disease (COVID-19) continues to challenge governments and health authorities around the world, the international oil market has gone through unprecedented moments in simultaneous demand and supply shocks triggering price crash at levels never seen in the history of oil market spanning over several decades. The international oil market emerged among the most severely hit commodity markets as the price of futures contract for May 2020 in New York Mercantile Exchange (NYMEX) WTI¹ entered the negative domain for the first time in history. As the markets struggle to come out of the crisis, the situation necessitates deeper scrutiny of the impact of the COVID-19 pandemic. With the objective of analyzing the recent plunge in oil prices, this paper seeks to answer as to what is the magnitude and scope of recent oil price crash? How does the oil price drop compare with the previous declines? And what is the demand and supply outlook for oil prices in near future? It concludes with the expectations of gradual price recovery in near term. The OPEC+ agreement for production cuts has been successfully concluded and the lockdowns have begun easing across the world thereby increasing the oil demand. However, the analysts are pointing towards extreme uncertainties surrounding the international oil market in particular and the global economy in general.

1. Introduction

As the spread of novel Corona Virus Disease (COVID-19) continues to challenge governments and health authorities around the world, the international oil market has gone through unprecedented moments in simultaneous demand and supply shocks triggering price crash at levels never seen in the history of oil market spanning over several decades.

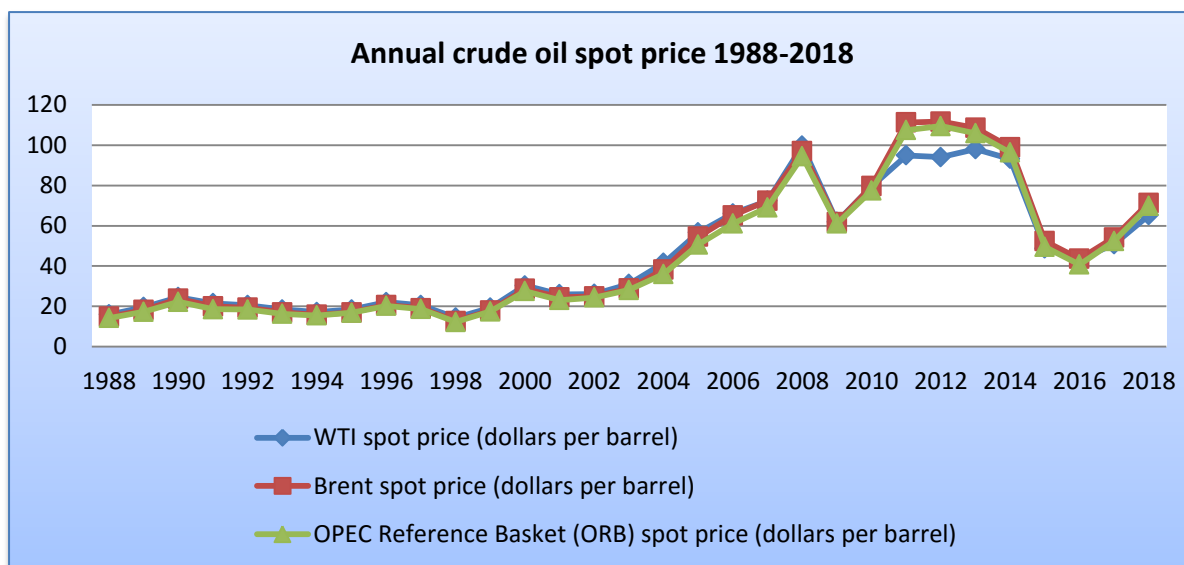
Declared as a pandemic by the World Health Organization on March 19, 2020 the corona virus has infected 4,731,458 people across the global and 316,169 people have lost their lives as of May 19, 2020. As a result of the lockdowns and other mobility restrictions put in place by the governments' world over, with the objective to contain the spread of this pandemic, the economic activity has shrunk significantly in past two months.

The international oil market emerged among the most severely hit commodity markets as the price of futures contract for May 2020 in New York Mercantile Exchange (NYMEX) WTI entered the negative domain for the first time in history. As the markets struggle to come out of the crisis, the situation necessitates deeper scrutiny of the impact of the COVID-19 pandemic. With the objective of analyzing the recent plunge in oil prices, this paper focuses on following key questions.

Key questions

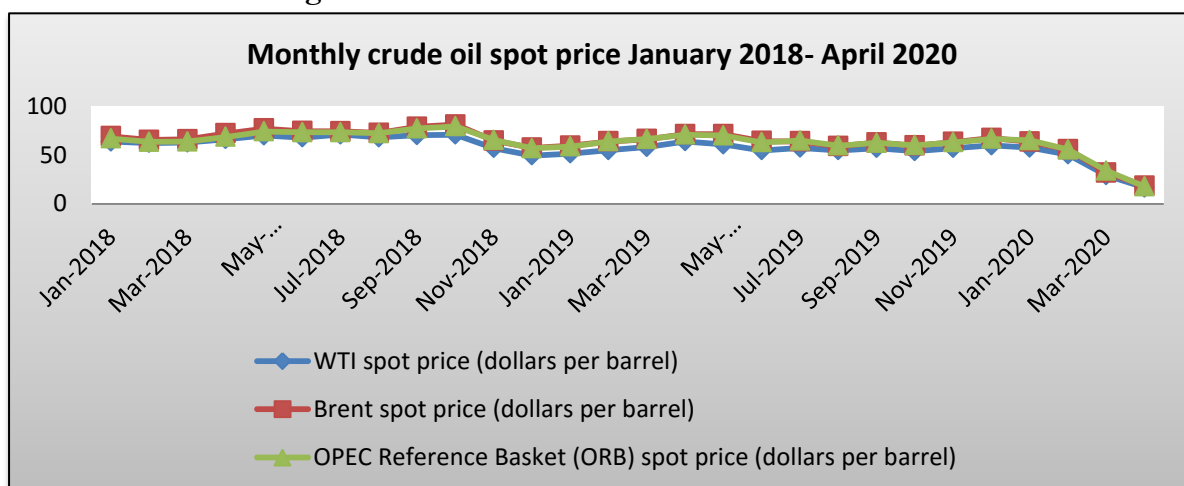
1. *What is the magnitude and scope of recent oil price crash?*
2. *How does the oil price drop compare with the previous declines?*
3. *What is the demand and supply outlook for oil prices in upcoming months?*

¹ West Texas Intermediate (WTI) is a crude stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma. (source, EIA)



Source: EIA and OPEC²

2. Historical Background



Over the past four to five decades, oil prices have witnessed various slumps. The prices have generally responded to geopolitical, economic or related developments because these events retain the potential to disrupt the flow of oil and products to market. The fragility of oil prices emanates from the uncertainty about future supply or demand of this commodity which is at the heart of mobility around the world. However, the influence of the events is short lived and the prices regain momentum once the issue loses significance.³ Some of the instances are as follows:

1. 1973/74 - the Arab oil Embargo
2. 1979 - the Iran-Iraq war and the Iranian revolution
3. 1985/86 - Saudi Arabia raised production by more than 40 percent within a year

² Notes: data based on spot price which refers to "the price for a one-time open market transaction for immediate delivery of a specific quantity of product at a specific location where the commodity is purchased "on the spot" at current market rates." Brent refers to "blended crude stream produced in the North Sea region (a part of Atlantic Ocean in Northern Europe) which serves as a reference or "marker" for pricing a number of other crude streams. (source, EIA) The ORB is calculated as a production-weight average of the OPEC Basket of crudes (These are: Saharan Blend (Algeria); Girassol (Angola, as of January 2007); Djeno (Congo, as of June 2018), Oriente (Ecuador, as of October 19, 2007); Zafiro (Equatorial Guinea, as of May 25, 2017); Rabi Light (Gabon, as of July 1, 2016); Iran Heavy (IR Iran); Basrah Light (Iraq); Kuwait Export (Kuwait); Es Sider (Libya); Bonny Light (Nigeria); Qatar Marine (Qatar); Arab Light (Saudi Arabia); Murban (United Arab Emirates); and Merey (Venezuela).

³ EIA, "What drives crude oil prices: spot prices," https://www.eia.gov/finance/markets/crudeoil/spot_prices.php.

4. 1990/91 - the first Gulf War
5. 1998 - the East Asian Financial Crisis
6. 2008 - Global Financial Crisis or the Great Recession of 2008
7. 2014 - shale oil production
8. 2020 - the spread of novel corona virus disease across the global culminated into travel and mobility restrictions putting severe pressure on oil demand. Resultantly, the oil price crashed witnessing new lows in history.



The recent oil price crash has come at a time when the oil market was grappling with oversupply due to increasing US shale oil production. The restrictions imposed on mobility around the world due to the spread of COVID-19 induced demand shock which triggered the oil price crash. These factors were further compounded with the initial collapse of negotiations over cuts in oil production between Saudi Arabia and Russia, the world top oil producers.⁴ The figure above depicts that the magnitude of recent oil price crash is much higher as compared to past instances as seen from the perspective of percentage decline in oil demand.⁵

3. The OPEC+ agreement

The Organization of the Petroleum Exporting Countries (OPEC) was formed in 1960 by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela with the objective “to co-ordinate and unify petroleum policies among Member Countries, in order to secure fair and stable prices for petroleum producers; and efficient, economic and regular supply of petroleum to consuming nations; and a fair return on capital to those investing in the industry.” Currently, it has 13 member countries.⁶

⁴ Ken Koyama, “COVID-19’s Long Term Structural Impact on Energy Markets,” *The Institute of Energy Economics Japan*, April 7, 2020, <https://eneken.ieej.or.jp/data/8922.pdf>.

⁵ Figure source: World Bank, “The outlook for commodity markets, and the effects of coronavirus, in six charts,” <https://blogs.worldbank.org/voices/outlook-commodity-markets-and-effects-coronavirus-six-charts>.

⁶ Apart from five founding member countries, these include: Libya (1962), the United Arab Emirates (1967), Algeria (1969), Nigeria (1971), Gabon (1975), Angola (2007), Equatorial Guinea (2017), and Congo (2018).

Top 10 Oil Exporting Countries

	Country	(tb/d) ⁷
1	Saudi Arabia	7,242.9
2	Russia	5,069.1
3	Iraq	3,848.0
4	Canada	3,150.2
5	UAE	2,465.7
6	Kuwait	2,074.5
7	United States	2,002.4
8	Nigeria	1,972.8
9	Iran	1,849.6
10	Kazakhstan	1,436.7

Source: OPEC Annual Statistical Bulletin 2019

In the aftermath of 2014 oil price decline, OPEC decided to invite non-OPEC oil producing countries, notably Russia and Mexico in September 2016. Resultantly, the OPEC Plus group was formed which agreed to reduce output by 1.8mb/d for the first half of 2017. This included the commitment of two thirds production cut by OPEC members and one third by other members. Over the past four years the agreement was adjusted and extended over various occasions.

Members of the OPEC+ group met on March 6, 2020, however the meeting failed to result in an agreement. The group met again on April 12 and agreed to:

“Adjust downwards their overall crude oil production by 9.7mb/d, starting on 1 May 2020, for an initial period of two months that concludes on 30 June 2020. For the subsequent period of 6 months, from 1 July 2020 to 31 December 2020, the total adjustment agreed will be 7.7mb/d. it will be followed by a 5.8mb/d adjustment for a period of 16 months, from 1 January 2021 to 30 April 2022. The baseline for the calculation of the adjustments is the oil production of October 2018, except for the Kingdom of Saudi Arabia and The Russian Federation, both with the same baseline level of 11.0mb/d. The agreement will be valid until 30 April 2022, however, the extension of this agreement will be reviewed during December 2021.”⁸

While the next meeting of the OPEC+ member countries is scheduled to take place on 10 June, 2020, analysts are expecting significant production cuts around the world.

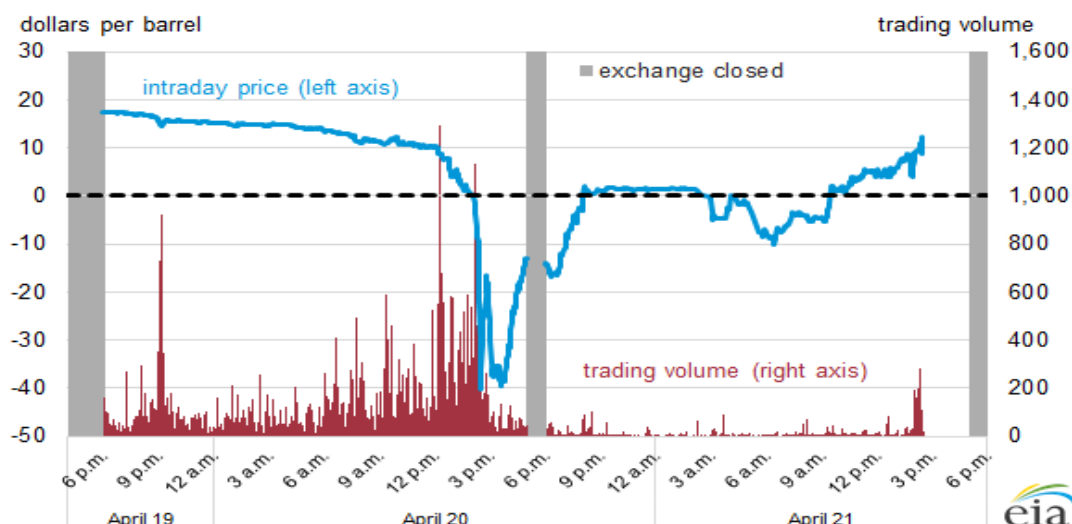
4. Oil futures price crash

The New York Mercantile Exchange (NYMEX) West Texas Intermediate crude oil front month futures⁹ prices fell below zero dollars per barrels up to \$40.32/b on Monday April 20, 2020. The contract for May 2020 delivery was set to expire on April 21. It was the first time the WTI futures fell below zero since its inception in 1983. This rare price crash was led by several factors including the inability of contract holders to find other market participants to sell the future contracts as well as the scarcity of available crude oil storage as several market participants paid a counterparty to close out of the contracts.

⁷ Tonne barrels per day

⁸ OPEC, “The 10th (Extraordinary) OPEC and Non-OPEC Ministerial Meeting concludes,” Press Release 12 April 2020, https://www.opec.org/opec_web/en/press_room/5891.htm.

⁹ According to EIA, futures market refers to “a trade center for quoting prices on contracts for the delivery of a specified quantity of a commodity at a specified time and place in the future.”



As the impact of the novel COVID-19 seeped into the oil market, the consumption of crude oil and petroleum products declined significantly due to the reduced economic activity. The extreme demand shock put pressure on the storage capacity due to the excess of imported and domestically-produced crude oil volumes in the United States. Together these factors led to the first ever negative prices of oil future contracts in the United States and probably the world over.¹⁰

5. Global oil demand outlook: beyond the “Black April”

- i. **IEA:** With partial or complete lockdowns in place in around 187 countries across the world, mobility which accounts for 57% of the global oil demand has reduced at an unprecedented scale. By the end of March 2020, global average road transport activity almost fell to 50% of the 2019 level. Road transport decreased from 50% to 75%, and air travel came to a halt in certain regions; Europe alone recorded 90% decline in air travel. By the end of March world oil demand had tumbled by 10.8 mb/d (million barrels per day) year-on-year. Apart from mobility, the dramatic reduction in car sales across the globe has significant repercussions for oil demand across the rest of the year 2020. China witnessed 82% decrease in car sales in February 2020 as compared to last year. Car sales dropped to 55% from 2019 levels across the European Union in March. Similarly, car sales recorded 38% drop in United States in March. The IEA Executive Director termed April 2020 as the “Black April” in relation with the price of the May WTI futures contract which plunged to negative price. The IEA outlook for 2020 as a whole shows a demand fall of 8.6mb/d.¹¹
- ii. **EIA:** The EIA Short Term Energy Outlook for May 2020 analyzed reductions in oil demand by evaluating three main drivers: lower economic growth, less air travel, and other declines in demand not captured by these two categories, mainly related to travel curtailments due to stay-at-home orders. Based on the data and assessments, EIA has lowered its forecasts for global oil demand in 2020. At the same time EIA reiterates that precise effect of lockdowns on petroleum consumption remains highly volatile and depends largely on the level of mobility restrictions both in theoretical as well as empirical terms.
- iii. **OPEC:** projections for 2020 highlight significant decrease of world oil demand by 9.07mb/d, this is 2.23mb/d below last month’s estimate. However, demand is expected to increase in the subsequent quarters of 2020.

¹⁰ US Energy Information Administration, “This Week in Petroleum” released on April 22, 2020, https://www.eia.gov/petroleum/weekly/archive/2020/200422/includes/analysis_print.php.

¹¹ International Energy Agency, Global Energy Review 2020; Oil Market Report, May 2020.

World oil demand in 2020, mb/d

	2019	1Q20	2Q20	3Q20	4Q20	2020	Change 2020/19	
							Growth	%
Total	99.67	92.40	81.30	92.28	96.30	90.59	-9.07	-9.10
Previous estimates	99.67	92.92	86.70	94.28	97.30	92.82	-6.85	-6.87
Revision	0.00	-0.53	-5.40	-2.00	-1.00	-2.23	-2.23	-2.24

Source: OPEC Monthly Oil Market Report, May 2020

6. Global oil supply outlook

- i. **IEA:** On the supply side the scenario is dominated with massive production cuts in among all major producers with few exceptions. The OPEC Plus agreement concluded on 12 April is set to reduce production among the member countries. Saudi Arabia, followed by UAE and Kuwait, has announced voluntary production cut of 1mb/d more than required under the agreement. Resultantly, Saudi oil production in June will be 4.4mb/d below April's record level. However, the magnitude of production cut is even more among the countries outside the OPEC+ agreement. These include the countries led by United States and Canada. In April these countries saw output 3mb/d lower than at the start of the year. In June this drop could reach 4mb/d according to IEA estimates.¹²
- ii. **EIA:** as a result of the OPEC+ agreement the OPEC crude oil production is expected to fall below 24.1 mb/d in June. This is 6.3mb/d decline from April when OPEC production increased in the aftermath of dialogue failure between Saudi Arabia and Russia in March. If the production falls up to this level, it would be the OPEC's lowest level of production since March 1995. Among OPEC+ producers, Russia is set to experience the largest liquid fuels production declines in 2020 though they are expected to rise in 2021. For the US, EIA expects a fall of production by 0.8mb/d in 2020 and another 0.6mb/d in 2021.¹³
- iii. **OPEC:** notes that global liquids production in April decreased by 0.18mb/d to average 99.46mb/d, compared with the previous month. Under the OPEC+ agreement as well as the announced shut-ins by countries like United States and Canada, the global crude supply is expected to fall significantly in May. The total production of the OECD region is expected to fall by 1.94mb/d year on year, compared to 1.67mb/d of growth in 2019. Oil supply in Former Soviet Union countries which are part of OPEC+ agreement will see a decrease of 1.57mb/d year on year. According to OPEC estimates, Norway, Brazil, Guyana and Australia are expected to be the key drivers of growth in 2020.¹⁴

7. Conclusion

The global spread of COVID-19 has set new precedents in the international oil market. The measures put in place to contain the spread of corona virus disease, including partial or complete lockdowns and other mobility restricting measures, created simultaneous demand and supply shocks in the oil market triggering the price crash which created great uncertainties for the global economy in the short and mid-term future.

The historical analysis suggests that the steep price declines are nothing new for the international oil market. Over the past decades oil prices have been influenced by various geopolitical, economic as well as weather related events like Arab oil embargo of 1973, East Asian Financial Crisis 1998, global economic recession of 2008 etc. The prices recovered soon after the situation

¹² International Energy Agency, Oil Market Report, May 2020.

¹³ EIA, Short Term Energy Outlook, May 2020.

¹⁴ OPEC, Monthly Oil Market Report, May 2020.

normalized. However, the magnitude of price decline witnessed in the April 2020 is unprecedented in terms of percentage decline in oil demand. Furthermore this is the first time that the price of futures contract entered the negative domain.

Besides the supply demand conundrum arising out of the mobility restrictions put in place to contain the spread of the pandemic, the uncertainty shrouded over the production cuts due to initial collapse of negotiations between Saudi Arabia and Russia under the OPEC+ framework also put negative pressure on the oil market. Though the agreement finally took shape, and there are expectations that the prices will recover soon, the analysts are pointing towards extreme uncertainties surrounding the international oil market in particular and the global economy in general.

While the world has started to open up and resume the social and economic activities halted with the easing of lockdowns in countries across America and Europe and Asia, the recovery of global oil demand as well as its adjustment with the global oil supply is expected to come about slowly. It would largely depend upon the pace of economic recovery in the shadow of COVID-19 which continues to haunt the policy makers around the world due to lack of preventive vaccine and treatment drugs.

OPINION

**Local Government Legislation by the Provincial Assembly of Punjab
(2002-2018)**

Naima Bintaey Shahab
Independent Researcher

1. Background

Local governments under military regimes in Pakistan have been more than just a favorite; they have been a priority. The regimes of Ayub Khan and Zia ul Haq, like that of Pervez Musharraf, dissolved national and provincial assemblies upon the assumption of power and instituted local governments in a federal vacuum, i.e. before the former could be elected and reinstated. All these systems were introduced and implemented through Ordinances, though once assemblies were formed, they were transferred to the provinces for implementation.

Punjab's experience with local governments has been similar to other provinces. The 2000 Local Government Proposed Plan, titled *Devolution of Power and Responsibility: Establishing the Foundations of Genuine Democracy*, was promulgated through provincial governments – more specifically provincial Governors since Assemblies stood dissolved – and came into force as provincial Local Government Ordinances. In Punjab, this was called the Punjab Local Government Ordinance (PLGO) 2001¹.

Key features of the Ordinance as it was originally promulgated were the dissolution of the rural-urban divide heralding the end of discretionary fund transfers and preferential treatment; dissolution of the Division tier, dissolution of the post of Deputy Commissioner and the transfer of its revenue and magisterial mandate to the District Officer Revenue and the District and Sessions Judge, respectively; creation of the post of District Coordination Officer (head district administration) and its subordination to the elected head of the district government; and the creation of a rule-based system for fiscal decentralization².

2. Amendments to the Punjab Local Government Ordinance (2001-2013)**a. The first round of amendments (2001-2002)**

In the year 2002, elected governments returned to national and provincial legislatures, including in Punjab. Before this, eight amendments had been made to the Ordinance through a series of ordinances, in absence of assemblies³. This has been referred to as the first round of amendments in the foregoing and encompasses the years 2001 and 2002. It is worth mentioning here that though the Punjab Assembly had taken oath in 2002, it was late in the year and did not afford the time to take up local governments on the agenda. It is for this reason that while seven out of eight amendments in this round were in the year 2002, they were all through ordinances in the period preceding the re-institution of elected assemblies.

In no particular order, the following are the key amendments that came in round one:

¹ Mezzera, Marco, Safiya Aftab, and Sairah Yusuf. "Devolution row: an assessment of Pakistan's 2001 local government ordinance." *Report for the research project: "The 'Political Economy' of State-building—The Pakistan Case Study"*, Netherlands Institute for International Relations, The Hague (2010).

² Cheema, Ali, Asim Ijaz Khwaja, and Adnan Khan. "Decentralization in Pakistan: Context, content and causes." (2005).

³ Punjab Laws Online., "Punjab Local Government Ordinance 2001," Punjab Laws Online, http://www.punjablaws.gov.pk/426.html#_ftn28

- i. Earlier, offices set up by the *district* government headed by the EDO and coordinated by the DCO were placed under the district administration in addition to the decentralized offices. Now, the word district [italics above] was omitted, placing all offices of the provincial government in the area (those headed by the EDO and coordinated by the DCO) also in the purview of the district administration.
- ii. Organizing cattle fairs and cattle markets were added to the purview of the Tehsil Municipal Administration.
- iii. Chapter XII-A Provincial and Fiscal Transfers was constituted under the Punjab Local Government (Fifth Amendment) Ordinance 2002 (XXXV of 2002).
- iv. The provincial government was prohibited from reallocating, “or in any other manner divesting title of properties vested in the local government”, without its prior permission.

b. The second round of amendments (2003-2007)

The second round of amendments began in the year 2003. Amendments in this round were introduced as Acts of Assembly. But those were still made with the President’s approval since Local Government Ordinances, at that time, enjoyed constitutional protection under the 2002 Legal Framework Order – and later under the constitution, after the latter’s incorporation under the 17th Amendment the following year.⁴

The end of this round corresponds with the sunset of protection on entries “27 to 30 and entry 35 in the Sixth Schedule” that included the provincial local government ordinances and articles that could not be amended, repealed, or altered without the President’s earlier approval.⁵

In the second round from 2003 to 2007, only one major amendment was made in 2006, while the rest were made in 2005 under Punjab Local Government (Amendment) Act 2005 (X of 2005). This amendment was introduced in the run-up to the local bodies’ elections scheduled for 2005.⁶ In a desperate measure, the Punjab Assembly brought a good seventy-eight amendments in the Ordinance, essentially giving the Chief Minister overwhelming powers over all three tiers of the local government. It is worth mentioning here that similar amendments were made by other provinces around the same time.⁷

Of the amendments that can be said to have empowered local governments, the following were made:⁸

- i. The system of joint electorates for minorities was restored in response to long-standing demands. Earlier, minorities did not have a say in who got elected to the general seats since their electorate was separate.
- ii. The term of the local government was to start from the day they received the actual notification to resume office rather than simply “the 14th day of August of the year in which elections are held” as was stated earlier. This guaranteed a complete term to the local governments.
- iii. Elections were to be conducted by the Chief Election Commissioner. This was done to bring the Ordinance in line with The Conduct of General Elections Order,

⁴ “Cabinet amends NWFP local government ordinance,” *Dawn*, February 04, 2009. <https://www.dawn.com/news/938054>

⁵ National Assembly of Pakistan, “17th Amendment 2003,” National Assembly of Pakistan, <https://pakistanconstitutionlaw.com/17th-amendment-2003/>

⁶ Ashraf Mumtaz, “Improved 2007 Prospects for PML-Q,” *Dawn*, August 30, 2005, <https://www.dawn.com/news/1068251>

⁷ Mujahid, Rahmat Ali. *Amendments in the Punjab Local Government Ordinance, 2001:(June 2005)*. Aurat Publ. and Information Service Found., 2005.

⁸ Ibid.

2002 (CHIEF EXECUTIVE'S ORDER 7 OF 2002).⁹ Earlier, elections were to be conducted by a provincial Election Authority.

- iv. An internal audit of local governments was made mandatory, and the writing of annual evaluation reports streamlined.
- v. The DCO was also stripped of the power to act as a revenue collector for the district. A new section 30B was added that empowered District Officer (Revenue) to act as a collector.

Meanwhile, amendments that disempowered the local governments include:

- i. Powers of the Chief Minister to suspend or remove a Zila, Tehsil, or Union Nazim, or to suspend or set aside a resolution of the Zila, Tehsil, or Union council. This provision was also there under the original Ordinance; however, the procedure was different. The process for removal or suspension, as the case may be, was to be initiated by the Local Government Commission on its own or on receipt of information or an application to that effect. The Chief Minister was to give orders for suspension or removal based on recommendations of the Commission. Under the Amendment, the process was to begin with the Chief Minister. If he believed that such action is taken, the matter was to be referred to the Local Government Commission whose advice was *non-binding* on the Chief Minister.
- ii. The budget of a local government, after approval from the respective council, was to be put up for review by the provincial government and, if the later found it necessary, it could ask the local government to make changes accordingly.
- iii. The Zila Nazim was empowered to initiate the Annual Performance Evaluation of the DCO, but the same authority was taken away in respect of the District Police Officer.
- iv. Conditions on the levying of taxes inherent to the Ordinance were removed and the section was changed to "All taxes, levied under this Ordinance shall be collected as prescribed." This kept the provision open-ended thus allowing the provincial government more space to amend the 'prescription' as and when it may feel necessary.
- v. Auditor General of Pakistan was empowered to take the audit of a Tehsil, Town or Union into his own hands, and direct the Local Fund Audit Department to stop the process it had initiated to that effect.
- vi. A bar was placed on becoming Nazim or Naib Nazim for the third time.
- vii. Earlier, the Naib Zila Nazim was to be elected by the Zila Council in its first meeting through a secret ballot. The words "through secret ballot" were omitted under the Punjab Local Government (Amendment) Act 2006 (VIII of 2006).

A comparison of the amendments made in the first two rounds, i.e. from 2001 to 2002 and 2003 to 2007, brings several to light. One, it shows a sharp contrast between the inclinations of the center and the province or, as it may, the cross-institutional nexus at the center and the political class in the province. Two, the number of amendments made in the second round is disproportionately higher than the number of amendments made in the first round which indicates a degree of provincial dissatisfaction with the order as it had hitherto prevailed. And three, all amendments made in the first round empowered the local government, while *most of those* made in the second disempowering it.

c. The third round of amendments (2008-2013)

The amendments made in this post-constitutional protection period constitute the third round of amendments to the PLGO 2001. It spans during the years 2008 to 2013. With the expiration of

⁹ "Verbatim Debates (2008-2013)," Provincial Assembly of Punjab, February 04, 2010, <https://www.pap.gov.pk/uploads/verbatim/text/en/2010-02-04.pdf>

protection in 2009, provinces could make amendments to the Ordinances without the President's approval.¹⁰ They could also have made new laws if they had so wished. But local governments did not seem to be on any provincial government's agenda. None of the provinces conducted elections under the existing Ordinance after the terms of the local bodies elected to office in 2005 expired in 2009.¹¹

Legislation in this period is also remarkably low, which is strange given how the year 2008 marked the end of military rule and ushered in the era of democratic governance. The first time the subject was taken up in the Punjab Assembly was on the 28th of January, 2010 and it was after two years after the assumption of office by the democratically elected government. Subsequently, the following amendments were made.

- i. Section 150 about local government elections was changed twice during this period. Under Punjab Local Government (Amendment) Bill 2010, which was passed on the 4th of February 2010, the charge was given to a provincial Election Authority. Later, under Punjab Local Government (Amendment) Act 2010 (XVIII of 2010), it was reverted to the Election Commission of Pakistan. Prior to both, the charge had rested with the Chief Election Commissioner.
- ii. Likewise, amendments were made twice to Section 28 relating to District Coordination Officer. First that the DCO in a city district may be an officer in BS-21, was abolished. Later on, the condition that the DCO, in general, be "as far as possible" an officer in BS-20, was also abolished.
- iii. Section 30B authorizing District Officer (Revenue) to act as a collector was omitted.
- iv. Finally, the provincial government was authorized to change the boundaries of a union, tehsil, or town, subject to prior publication and notification. No other conditions were attached to making such a change, and it was mandated that the change so made would take effect from the day of the notification.

d. A Supreme Court Directive

In April 2012, the Chief Justice of an appellate court, in a hearing on the law and order situation in Balochistan, inquired as to why it was taking the provinces so long to conduct local government elections as constitutional obligation was being neglected. In the same vein, he ordered the provinces to submit comprehensive statements as to when elections would be held.¹² It was in response to this directive that legislation on local government suddenly turned from amending the old law to dispensing with it altogether and replacing it with a new one.

After being introduced by the Minister for Law and Parliamentary Affairs on June 7, 2012, as The Punjab Local Government Bill 2010 (Bill No. 23 of 2012), it was referred to the Standing Committee on Local Government and Rural Development by the Speaker with the direction to submit its report on June 22.

However, the Committee could not submit its report on the said day and ask for an extension. The same was granted until July 31.¹³ Again, as before, the report was not presented and, upon a Motion moved by Mehr Ishtiaq Ahmad, another extension was granted till August 31.¹⁴ But

¹⁰ "Sixth Schedule," http://www.pakistani.org/pakistan/constitution/schedules/schedule6_18amendment_delete.html

¹¹ Adnan Adil, "Fear of the local," *Dawn*, November 16, 2014, <https://www.dawn.com/news/1144754>

¹² "Punjab LG elections to be held by August 10: Report," *The Express Tribune*, April 12, 2012, <https://tribune.com.pk/story/363562/punjab-local-government-elections-to-be-held-by-august-10-report/>

¹³ "Sitting on 22nd June 2012," Provincial Assembly of Punjab, <https://www.pap.gov.pk/business/stn/en/19/524/sop>

¹⁴ "Sitting on 18th July 2012," Provincial Assembly of Punjab, <https://www.pap.gov.pk/business/stn/en/19/533/sop>

there was no mention of “Bill No. 23 of 2012” in the three sessions that followed.¹⁵ In Session 43 – the fourth since the last time the Bill was taken up in the Assembly — the Committee again asked for an extension. This time it was granted till April 8, 2013.¹⁶

It is worth mentioning here that the term of the Assembly ended on March 20, and the general elections were announced for May 11, 2013. The new Assembly took oath on June 1.¹⁷

3. The Punjab Local Government Act 2013

The passing of the Punjab Local Government Bill 2013 (Bill No.5 of 2013) was preceded by five sittings on “general discussion” of the Bill, spread across two sessions. However, it was passed only a day after the report of the Special Committee was presented. In the first, Opposition was absent, then it protested and, ultimately, a boycott by it. This was proceeded by a walkout the next day owing to haste passage of the Bill. But resistance to the Bill did not just come from the Opposition, but it also came from within the ranks of the PML-N, the then party in the majority. Some members also left out the provincial cabinet and some complained that the government was not paying due attention to public issues in their constituencies.¹⁸

The Punjab Local Government Act did not subordinate the local administration to elected governments like its predecessor. All mention of local administration as it figured in the Ordinance was conveniently removed while drafting the Punjab Local Government Bill and was not taken up in any subsequent legislation. Accordingly, lesser functions were devolved to local governments. The Tehsil tier was done away with and the number of councilors at union level was reduced.

The only remnant of administration left with local governments after the Ordinance was repealed and replaced with the Act, was the Chief Officer. But far from being under the authority of the local government, the Chief Officer was to be the eyes and ears of the provincial government at each local level, both rural and urban. According to Section 64, he was responsible for “ensuring adherence by the local government to all laws, policies and oversight framework of the Government in the prescribed manner.”

On the flip side, the Local Government Commission was somewhat rationalized, at least on paper. It was authorized to hold periodic consultative meetings of members national and provincial assemblies, and local Mayors and Chairmen, meant to formulate procedures for the utilization of development grants awarded to the legislators for discretionary spending, basically for projects in their constituencies.

Amendments to the Punjab Local Government Act 2013

No sooner than the Punjab Local Government Act (PLGA) 2013 was promulgated, amendments were brought in through ordinances. So much so that an Opposition Member of the Provincial Assembly declared on the floor of the House that the government had imported an “ordinance factory” in Lahore that was churning out countless ordinances.¹⁹ The total number of amendments passed in this period was thirteen. Of these, the following are worth noting:

¹⁵ “Summary of Proceedings,” Provincial Assembly of Punjab, 2012, https://www.pap.gov.pk/assembly_business/sop/en/19?filter=true&search=23+of+2012&limit=all

¹⁶ “Sitting on 17th December 2012,” Provincial Assembly of the Punjab, <https://www.pap.gov.pk/business/stn/en/19/541/sop>

¹⁷ Muhammad Shahid Ehsan Ghoury, *Punjab Assembly Decisions 2000-2014*. Lahore: Punjab Assembly Secretariat (Lahore: Provincial Assembly of Punjab, 2015). https://www.pap.gov.pk/uploads/downloads/pap_decisions_2015.pdf

¹⁸ Abdul Manan, “Punjab Assembly: Local govt bill passed with majority,” *The Express Tribune*, August 21, 2013.

¹⁹ “Verbatim Debates (2013-2018),” Provincial Assembly of the Punjab.

- i. Delimitation was to be final after the announcement of the elections schedule.
- ii. Union councils were to be divided into six wards for the election of one member each. They were to be divided into two wards (consisting of three adjoining union council wards each) for the election of women.
- iii. Elections were to be conducted on party-basis. This amendment was brought once the provision related to non-party elections in the original Act was challenged in a court of law.
- iv. The authority to delimit union councils was given to Election Commission of Pakistan.
- v. Membership of Punjab Finance Commission was expanded to include representation from local governments: one mayor each from the metropolitan corporation and a municipal corporation, and one Chairman each from a municipal committee, a district, and a union council respectively.

The list of disempowering amendments was as usual very long.

- i. The first meeting of the local governments was to be held on the day specified by the provincial government.
- ii. The number of provincial government members in the Punjab Finance Commission was increased with two additional seats going to government MPAs (their number now raised to five) while Opposition MPAs continued to be two).
- iii. If a local government was, for any reason, not in office, the government was authorized to appoint administrators to run its affairs for a period of twelve months. This period was earlier set at six months.
- iv. Bar against dual membership was lifted so that a union council member elected as Mayor or Deputy Mayor to a district council did not have to relinquish his seat in the union council.
- v. In the event of an emergency, the government was relieved of the obligation to publish rules in the Official Gazette before their promulgation.
- vi. A premature union council vacancy could only be filled through re-election whereas earlier it was filled automatically by the candidate with the second-highest number of votes.
- vii. Cattle markets were transferred to the purview of companies. The organization, establishment, and maintenance of cattle markets by local governments were made subject to the consent of the company. This was a major setback since cattle markets were a major source of revenue for local governments, upwards of a billion.
- viii. Elections to reserved seats were made indirect.

But perhaps the most important amendments were the First, Second, and Fifth Amendments of 2016 viz. VII, VIII, and XLII of 2016. This is because within the same year, and not too far apart, the very changes brought under the First and Second Amendments were reversed under the Fifth Amendment. These included: reducing the minimum qualification for technocrats to fourteen instead of sixteen years; allowing the government more discretion in determining the number of non-Muslim seats, and changing of the electoral college for chairmen and vice-chairmen to “by open division in the prescribed manner” from “general members present and voting”. All these were reversed.

The electoral college for reserved seats at the union council level was also changed twice. Originally, it was the Chairman, Vice-Chairman, and general members present and voting. Under the Punjab Local Government (Second Amendment) Act 2016 (VIII of 2016), it was changed to “in the prescribed manner”; and under the Fifth Amendment, it was changed back to the original. Similar changes were made for districts and urban local governments.

Having listed all key amendments made to the local government law in Punjab over the years, it is interesting to juxtapose and analyze the same. This was not only a key objective of this paper but also led to some of its key findings. These are summed up in the heading below.

4. Analysis of Amendments made by the Punjab Assembly (2002-2018)

- a. **The Nature of Amendments:** One major conclusion from the analysis of amendments is the difference in the nature of amendments brought to the law during and after constitutional protection. The amendments made from 2002 to 2007, in essence, the ones made in 2005, did not meddle with the structure of local governments in the province. For instance, they did not take the administration out of the control of elected governments; did not re-centralize any of the decentralized offices, and did not alter the mode of elections. The only thing they did was to give the Chief Minister unprecedented control over decision-making down to the union council level. Half of this can be attributed to a centrist tendency in the Chief Minister himself and the other half to the President whose dual interest in retaining both the local government system and what may be called the King's Party chief minister in the most populated province of Pakistan and it led him to assert the same. Notwithstanding the causes and effects of such measures, it is important to note that, by and large, particularly for local areas that the Chief Minister may be disinterested in, the local governments continued to function autonomously. They had both the required powers and the machinery to exercise those powers at their disposal and command.

The amendments made post-constitutional protection, however, have a different nature. Provisions relating to how many of whom assume office, when, and how, were amended repeatedly. Particularly, provisions relating to *individuals* such as their qualification, eligibility, grade, and organizational affiliation were changed and reverted, only to be changed back again. As objectively as one may look at it, this looks like an attempt at accommodating or hampering certain individuals.

- b. **The Timings:** Two, the major amendments usually come around the time of elections, or the assumption of office. In 2005, amendments were made in the run-up to the second local government elections under the Local Government Ordinance 2001. Two months to the elections was a strange time for the Punjab Assembly to arrive at a consensus on such radical amendments, but it did. Verbatim debates of the session that saw the passing of these amendments, as with many others around the same time are missing from the Punjab Assembly web site.

Similarly, the fifth Amendment to the PLGA made in 2016 came just short of the assumption of office by the local governments scheduled for 2017. In this amendment, as explained in the previous section, all changes made under an earlier amendment were reversed. The reasons for this change of mind are not clear, though, as before, there are only a select few amendments that were reverted. The ones relating to the lifting of the ban on dual membership, or the authorization to appoint interim administrators for twelve rather than six months, were left untouched.

- c. **A (Counter-)Balancing Act:** Three, not all amendments made to the law were negative or disempowering. However, there was a pattern to those that were. Their timings were significant, and no provisions were made to counterbalance their impact as was the case with many positive, empowering amendments. For example, union councils were to be delimited by the Election Commission, but the demarcation of district councils and metropolitan and municipal corporations was to continue to rest with the provincial government. Also, Section 7 was retained, allowing the provincial government to divide or reconstitute a local government which has an effect equivalent to the delimitation of constituencies. This provision however did not

include union councils. Similarly, local government representation in the PFC was increased at the same time as decreasing Opposition representation in the same.

- d. **‘Not the Voice of the People’:** Four, it is not clear whom these amendments represent. Voices were being raised against the PLGA from the time it was passed in the Assembly. Those against it included a broad set of actors ranging from Opposition within the Assembly to the academia, civil society members, local bodies contestants, and minorities. In 2018, when the then government was about to end its term, various associations of chairmen, vice-chairmen, and councilors were out on the roads protesting lack of funds, functions, and encroachment by the provincial government. However, none of the amendments incorporated any demands of these diverse sections of society. The only ones that seem to have done so were those prompted by courts such as the handing of union council delimitation to the Election Commission and the conduct of elections on party basis.

5. Conclusion

An overview of the legislation on the subject of local government by the Punjab Assembly from the year 2002 to 2018 suggests a rather disturbing dynamic for what is supposed to be a federal democratic polity. The provincial government stands out as an entity, independent of local governments with interests mostly separate from and occasionally contradictory to the local government. There appears to be an uneasy relationship between tiers of the government meant to be complementary in function. This is unfortunate and disappointing. What future can local governments be expected to have in a province where the very government charged with constituting and sustaining them, has an interest neither in their constitution nor their sustenance? A provincial government ought to serve as the forum for the coming together of voices, talents and solutions to the problems identified province-wide by local governments. That does not seem to have been the case in Punjab.

And it is not just the government. The opposition seems to have contributed to this state of affairs with its inability to employ parliamentary prerogatives to make its case against the government is standing up for greater and effective devolution to local governments. Whether it was a lack of interest or sheer ignorance of the range of legislative tools at its disposal, the opposition, especially in the years from 2013 to 2018, could not achieve much by ‘walking out’ on the government’s various excesses and its arbitrary management of local government affairs.

Information Centre PIPS
Total Remittances received from overseas (continued)

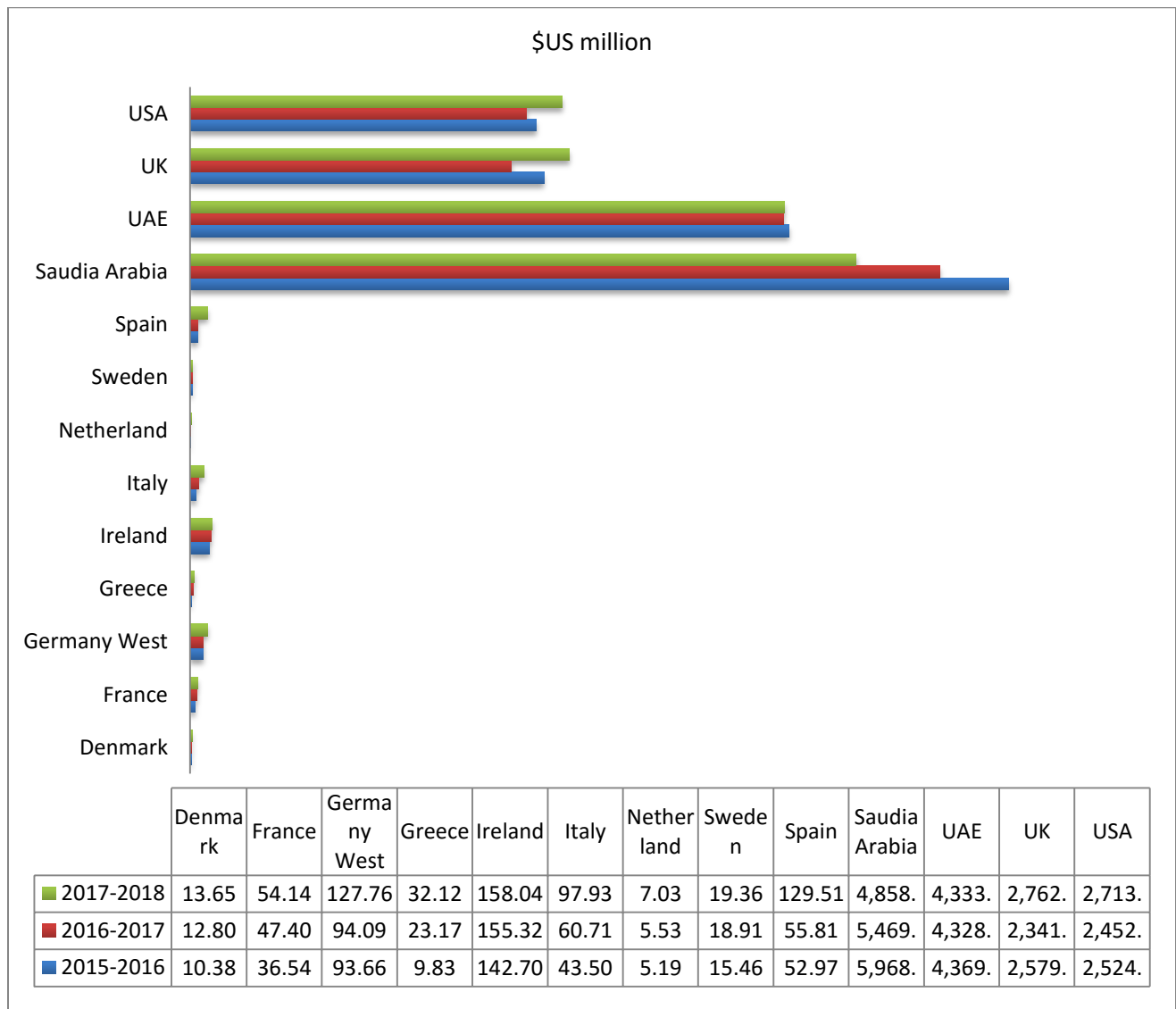


Figure 2 **Country-wise comparison of total remittances received from overseas during last three years**



Excerpts of the Honorable Ms./Mme Gabriela Cuevas Barron, President IPU and MP Member Chamber of Deputies of Mexican Parliament remarks on her visit to the Pakistan Institute for Parliamentary Services (PIPS), August 23, 2020:

“...Thank you for setting and sharing best practices that can make us better representatives and more effective leaders. Thank you also for being a powerful voice defending multilateralism. It has been an amazing beginning for my first visit to Pakistan. Thank you for your lovely anniversary book presentation that I will remember all my life.”



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