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# **Parliamentary Research Digest**

## INSIDE THIS ISSUE:

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#### DECEMBER, 2017

## Editorial

The December, 2017 issue of PIPS Parliamentary Research Digest, being the last of the year focuses on discussing progress and challenges viz a viz National Action Plan as well as an overall review of the Economy of Pakistan since 2013. Both articles are analytical and take an objective perspective to foresee the way forward for consolidation of socio-economic stability in the country. An absorbing piece of child protection legislation in Pakistan is also incorporated. It is noteworthy that these three papers are conducted as research projects by said officers during the PIPS flagship fourth National Parliamentary Development Course, 2017. This digest also includes an article on peace and counter terrorism for sustainable regional development.

The year 2017 has been a momentous year where Pakistan Institute for Parliamentary Services extended coverage of its legislative, research and capacity building endeavors from National Parliament to all four provincial assemblies. PIPS is also working closely with 17 universities offering courses on parliamentary studies. A group of four students are conducting their Masters Thesis on parliamentary topics in guidance of National Parliament and PIPS. We are really encouraged by the wholesome response and words of appreciation we receive from Honourable Members of Parliament and civil society for the PIPS Research Digest that now has a circulation of 2000 spread all over the country.

For any specific areas of importance that you want PIPS to send you research or briefing papers, contact us at <u>research@pips.gov.pk</u>.

Muhammad Rashid Mafzool Zaka Director (Research and I.T)



Group photo of President of Islamic Republic of Pakistan Mr. Mamnoon Hussain with the Speakers of Afghanistan, China, Iran, Pakistan, Russian Federation, and Turkey on occasion of 1st Speakers Conference to Address Challenges of Terrorism and Inter-Regional Connectivity in Islamabad on December 24, 2017

ANALYSIS Economy of Pakistan: A Critical Appraisal Page 01

#### CONCEPT

Peace and Counter Terrorism for Sustainable Regional Development Page 10

OPINION Child Protection Legislation in Pakistan Page 12

National Action Plan 2017: Narrative for Peace and Tolerance Page 18

Editorial Board Editor: Muhammad Rashid Mafzool Zaka Sub Editor: Ms. Tehseen Khalid <u>Members:</u> Ms.Fakiha Mehmood Mr.Rizwan Manzoor

### QUAID E AZAM on Oath, Constitution and Executive Authority

Address to Officers of Army at the Staff College, Quetta, 14th June, 1948

I thank you, gentlemen, for the honour you have done me and Miss Fatima Jinnah by inviting us to meet you all. You, along with other Forces of Pakistan; are the custodians of the life, property and honour of the people of Pakistan. The Defence Forces are the most vital of all Pakistan Service and correspondingly a very heavy responsibility and burden lies on your shoulders. I have no doubt in my mind, from what I have seen and from what I have gathered, that the spirit of the Army is splendid, the morale is very high, and what is very encouraging is that every officer and soldier, no matter what the race or community to which he belongs, is working as a true Pakistani. If you all continue in that spirit and



work as comrades, as true Pakistanis selflessly, Pakistan has nothing to fear.

One thing more, I am persuaded to say this because during my talks with one or two very high-ranking officers I discovered that they did not know the **implications of the Oath taken by the troops of Pakistan**. Of course, **an oath is only a matter of form; what are more important are the true spirit and the heart.** But it is an important form, and I would like to take the opportunity of refreshing your memory by reading the prescribed oath to you.

"I solemnly affirm, in the presence of Almighty God, that I owe allegiance to the Constitution and Dominion of Pakistan (mark the words Constitution and the Government of the Dominion of Pakistan) and that I will as in duty bound honestly and faithfully serve in the Dominion of Pakistan Forces and go within the terms of my enrolment wherever I may be ordered by air, land or sea and that I will observe and obey all commands of any officer set over me....."

As I have said just now, the spirit is what really matters. **I should like you to study the Constitution,** which is in force in Pakistan, at present and understand its true constitutional and legal implications when you say that you will be faithful to the Constitution of the Dominion.

I want you to remember and if you have time enough you should study the Government of India Act, as adapted for use in Pakistan, which is our present Constitution, that the executive authority flows from the Head of the Government of Pakistan, who is the governor-general and, therefore, any command or orders that may come to you cannot come without the sanction of the Executive Head. This is the legal position.

Finally, gentlemen, let me thank you for the honour that you have done me by inviting me. I will be glad to meet the officers informally, as suggested by the General Officers Commanding in his speech, and such a meeting can be, arranged at a time convenient to us both. I have every desire to keep in close contact with the officers and men of the Defence Forces and I hope that when I have little more time from the various problems that are facing us in Pakistan, which is for the moment in a state of national emergency, and when things settle down–and I hope it will be very soon–then I shall find more time to establish greater and greater contact with the Defence Forces. **Pakistan Zindabad** 

#### ANALYSIS

#### Economy of Pakistan: A critical Appraisal Nazish Tariq Rahmani

Research Officer, National Assembly of Pakistan

#### Abstract:

This study aims to explore the compliance of Pakistan Muslim League N's four year performance with their economic vision as promised in their election manifesto named as "National Agenda for Real Change Manifesto 2013". The study is significant as the election year 2018 approaches, the Government's performance regarding the stability and progress of the economy has become part of national discourse. The study investigates the veracity of the claims of economic revival and tries to reach logical inference by analyzing performance indicators in different macroeconomic areas.

The research is qualitative and the data was collected by consulting official documents of the Ministry of Finance, Ministry of Planning & Development, State Bank of Pakistan, The Economic Surveys and budget documents of respective years along with media reports. To evaluate macroeconomic stability, a comprehensive macroeconomic instability index was used which consists of inflation rate, unemployment rate, trade deficit and budget deficit as key indicators.

The research indicates that PML N government has been able to stabilize the economy and increase Gross Domestic Product but suggests with a caveat that it has performed abysmally in important domains like Balance of Payments and Balance of Trade and that serious effective policy should be devised in this regard for long term sustainability.

#### Introduction

The economy of Pakistan has faced many ups and downs since its inception. Internal and external factors, security and political uncertainty have played their key role in determining its course. The present Government of PMLN won its election campaign on the promise of stable economy, resolution of energy crisis and better law and order situation. With 2018 as the election year approaching, the need to assess the economic performance of the PMLN government has become more relevant as it will help in making informed voter decision, as well as help put trust in the Party's ability to implement on its promises.

#### Economic Performance of Pakistan Muslim League (N)

#### I. Macroeconomic Stability

Macroeconomic stability was the main focus of PML N's agenda. The Party seemed conscious of the previous government borrowings, high credit rate to private sector which led to high fiscal deficit, low levels of investment, and higher dependence on borrowing<sup>1</sup>. The strategy proposed in the manifesto was: "Sound macro-economic policies to reduce deficits in the budget and the balance of payments, curb inflationary pressures and reduce country's dependence on foreign loans and assistance<sup>2</sup>."

#### 1. Fiscal Deficit

The fiscal deficit was recorded at 5.8 % of GDP in FY17 against the Government's target of 3.8% and 4.6% recorded in FY16<sup>3</sup>. It is an achievement as fiscal deficit was 8.2% in 2013. Below we are briefly examining fiscal deficit by breaking it into two components i.e. budgetary deficit and Borrowings and other Liabilities.

<sup>&</sup>lt;sup>1</sup> PMLN National Agenda for Real Change Manifesto 2013, Macro Economic Stability, Page 15.

<sup>&</sup>lt;sup>2</sup> PMLN National Agenda for Real Change Manifesto 2013, Macro Economic Stability, Page 8.

<sup>&</sup>lt;sup>3</sup> State Bank of Pakistan Annual Report 2016–17, Chapter 4, Fiscal Policy, Page 47 <u>http://www.sbp.org.pk/reports/annual/arFY17/Chapter-04.pdf</u>

#### a. Budget Deficit

The Party didn't meet its unrealistic target of reducing budget deficit to 4%<sup>4</sup>; however it succeeded in reducing the budget deficit. Overall Budget deficit for fiscal 2016-17 was Rs. 1,864 billion which is 5.8% of GDP<sup>5</sup> against overall deficit was 1833 billion or 8% in 2013<sup>6</sup>. It reached the lowest in 2015-16 to 4.6%. It is worth mentioning that Party had envisioned their strategy<sup>7</sup> of dealing with budget deficit in their manifesto which is as follows:

#### • Increase in Revenues:

"Tax to GDP ratio to increase from 9% to 15% by the end of 2018"

To control deficits, the Government resorted towards increasing its tax revenue. The revenue from taxes was Rs2199 billion in 2012-13 which increased to Rs3969 billion in 2016-17. 80.5% increase in tax revenue collection over a period of four years is an achievement (tax revenue of GDP in 2013 was 9.8% which reached over 12.6% in 2016)<sup>8</sup>. In June 2013, the FBR's tax-to-GDP ratio was 8.7 per cent, which increased to 10.5 per cent in 2016-17, but remained far below the government's target of 15 per cent which is also lowest in the region<sup>9</sup>. (See Annexure 2)

The plan of "To tax all income and to achieve greater equity in the tax system by increasing dependence on direct taxes" remained a dream<sup>10</sup>. Tax amnesty schemes didn't produce impressive results.

#### • Reduction in Expenses:

- One-third reduction in current expenditures: The Government was successful in remaining within the budget as the expenditure against Rs 4,894.9 billion budget in 2016-17 was Rs4841 billion. Current expenditure in revised estimates 2016-17 showed an increase of Rs 60.8 billion, while development expenditure showed a decline of Rs 114.5 billion.<sup>11</sup> The overall expenditure during 2012-13 had been estimated at Rs 3,203 billion which was revised to Rs 3,478 billion<sup>12</sup>. Overall, Government expenditure has increased by 39%. However, current expenditure increase of Rs 2,907 billion in 2012-13 to Rs 3,904billion in 2016-17, showing an increase of 34%.
- **Austerity Measures** : In order to decrease fiscal deficit, the Party had resolved to "eliminate VIP culture and launch an austerity drive particularly expenses relating to the Presidency, Prime Minister, Governors and Chief Ministers"<sup>13</sup>.

There doesn't seem an end of VIP culture nor any significant reduction in Official expenditures. There is a reduction of 21.8% in PM Office expenses as the estimated budget is Rs 916.7 million for 2017 which is lesser than Rs1, 173 billion in 2012-13 (Rs.69 million utilized in excess to estimated Rs.881.6 mil in 2011-12) and only 1.2% decrease in Federal Ministers expenses was noticed which are estimated at Rs162 million against 164 million in 2012-13 but lesser than Rs179 million last year)<sup>14</sup>. A glimpse of government's weak commitment here can be vouched from the fact that an amount of Rs11 billion was spent on advertisements during the last three years where only Rs 4.6 billion was used for public awareness.<sup>15</sup>

<sup>&</sup>lt;sup>4</sup> PMLN National Agenda for Real Change Manifesto 2013, Macro Economic Stability, Page 10.

<sup>&</sup>lt;sup>5</sup> Summary of Consolidated Federal and Provincial Budgetary Operations, 2016-17, Ministry of Finance.

http://www.finance.gov.pk/fiscal/July\_June\_2016\_17.pdf

<sup>&</sup>lt;sup>6</sup> Summary of Consolidated Federal and Provincial Budgetary Operations, 2012-13. Ministry of Finance.

http://www.finance.gov.pk/fiscal/July\_June\_13.pdf

<sup>&</sup>lt;sup>7</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 10.

<sup>&</sup>lt;sup>8</sup> Ministry of Finance, Pakistan Economic Survey 2016-17. Economic & Social Indicators, Page 3.

<sup>&</sup>lt;sup>9</sup> State Bank of Pakistan Annual Report 2016–17, Page 50. <u>http://www.sbp.org.pk/reports/annual/arFY17/Chapter-04.pdf</u>

<sup>&</sup>lt;sup>10</sup> PMLN National Agenda for Real Change Manifesto 2013, Tax Reforms, Page 17

<sup>&</sup>lt;sup>11</sup> Budget in Brief 2017-18, Budget Documents, Ministry of Finance. <u>http://www.finance.gov.pk/budget/Budget%20in%20Brief%202017-18.pdf</u> <sup>12</sup> Budget in Brief 2013-14. Budget Documents, Ministry of Finance

http://www.finance.gov.pk/budget/Budget\_in\_Brief\_2013\_14.pdf

<sup>&</sup>lt;sup>13</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 16.

<sup>&</sup>lt;sup>14</sup> Federal Budget Details of Demands for Grants and Appropriations 2017-18/ 2013-14 Current Expenditure, Prime Minister's Office, Ministry of Finance

<sup>&</sup>lt;sup>15</sup> National Assembly Session 17th March, 2017, Question 89.

http://www.na.gov.pk/uploads/documents/questions/1489732775\_533.pdf

#### • Privatization:

"Losses from State Enterprises amounting to approx. Rs. 400 billion will be reduced through revamping / privatizing these institutions."

The Privatization Commission has failed to privatize inefficient and loss-making state-owned entities (SOEs) and has not privatized any such entity in the last three and a half years, though the priority list has 31 companies. It has realized Rs172.9 billion in four capital market transactions and one strategic sale privatized from profit making entities. These capital market transactions included UBL (Rs38.2 billion), PPL (Rs15.4 billion), ABL (Rs14.4 billion) and HBL (Rs102.4 billion), whereas the strategic sale of National Power Construction Company fetched Rs2.5 billion. PIA got a new bailout package of Rs10 billion through enhancements of bank guarantees and entered in dubious dealings after becoming Premier Service. Moreover, Pakistan Steel Mills only got a package for its employees from the Government.<sup>16</sup>

#### b. Borrowings and other Liabilities

Public debt of the previous Government was Rs14, 292 billion where Domestic debt accounted Rs 9,520 billion and External debt stood at Rs4, 336 billion in 2012-13. Public debt increased to Rs 21,771 billion (52.3% increase), domestic debt to Rs 15,707 billion (65% increase) and foreign debt to Rs 6,064 billion (40% increase). Gross public debt increased from 64% to 67.2% of GDP<sup>17</sup>. The Government has increased its reliance on borrowings to meet its deficit requirements.

Currently, there is no plan of the Government announced to deal with this issue. In 2013-14, two Eurobonds of US\$ 1 Billion each floated for interest rates of 7.25% and 8.25% will mature in 2019 and 2024 respectively. Sukuk Bond of US\$ 1 Billion was floated in 2014-15 at 6.75% fixed rate. Similarly, US\$ 500 million debt incurred in Sept 2015 is at 8.25%.<sup>18</sup>

The Party was a huge critic of the previous Government for the build-up of circular debt in the energy and agriculture commodity sectors and resolved to curb it<sup>19</sup>. Despite clearing Rs480billion of circular debt during its initial days<sup>20</sup>, the debt has again resurfaced to an estimated amount of Rs. 700 to 800 Billion<sup>21</sup>.

#### 2. Inflation

The Party promised to bring down inflation to single digit "in the range of 7 or 8%<sup>22</sup>" and was successful in bringing inflation down from 7.4% in 2012-13 to 4.2% in 2017<sup>23</sup>. The reasons being attributed to changes in inflation are international oil prices as well as revival in international economy<sup>24</sup>. The external factors aside, the manifesto provides government's plan in reducing inflation which is as follows:

#### a. <u>Limiting government borrowing:</u>

Increase in Government borrowing will reduce the money supply in the economy which will eventually raise interest rates. If the State Bank tries to fill this gap of liquidity through issuing currency notes, it will stabilize the rates but will lead to inflation. Moreover, higher cost of borrowing for private sector will also increase their cost of production.

The Government aimed at limiting its borrowings but didn't succeed. Overall Government's total domestic debt and liabilities stand at Rs 15,820 billion<sup>25</sup> which stood at Rs 9,764 billion

<sup>&</sup>lt;sup>16</sup> Ali Salman, "Privatisation Commission failing to plug losses", Published in The Express Tribune, February 20th, 2017. <u>https://tribune.com.pk/story/1332528/privatisation-commission-failing-plug-losses/</u>

<sup>&</sup>lt;sup>17</sup> Central Government Debt, State Bank of Pakistan. <u>http://www.sbp.org.pk/ecodata/cengovdebt.pdf</u>

<sup>&</sup>lt;sup>18</sup> Ministry of Finance, Pakistan Economic Survey 2015-16, Table 9.5, Statistical Appendix

<sup>&</sup>lt;sup>19</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 15

<sup>&</sup>lt;sup>20</sup> "Govt clears 480bn circular debt", Published in Dawn on July 23, 2013. <u>https://www.dawn.com/news/1031180</u>

<sup>21&</sup>quot;Circular debt touches Rs800bn: Pepco", Published in Dawn, August 8th, 2017. https://www.dawn.com/news/1350245

<sup>&</sup>lt;sup>22</sup>PMLN National Agenda for Real Change Manifesto 2013, Page 10

 <sup>&</sup>lt;sup>23</sup> Ministry of Finance, Pakistan Economic Survey 2015-16, Economic and Social Indicators, Page 1
 <sup>24</sup> Pakistan Economic Survey 2016-17, Inflation, Pages 114 and 115.

 <sup>&</sup>lt;sup>24</sup> Pakistan Economic Survey 2
 <sup>25</sup> As on 30<sup>th</sup> September 2017

in 2013 (62% increase) <sup>26</sup> while total external debt and liabilities currently stand at \$85.052 billion<sup>27</sup> which was \$65.5 billion in 2012 (30% increase)<sup>28</sup> which increased Gross public debt as percentage to GDP from 63.9% to 67.3%. In June 2017, Total Debt of the Government FRDLA<sup>29</sup> Definition stood at 67.1% of GDP from 60.1% of GDP in June 2013<sup>30</sup>.

Foreign exchange reserves with SBP dropped at \$13.85billion in November 2017 due to payments for debt servicing<sup>31</sup>. The heavy debt burden and its servicing cost have emerged as a deterrent to exchange rate depreciation<sup>32</sup>.

#### b. <u>Decreasing tax rates:</u>

Sales tax overall increased from 16 to 17% and the promise that the rationalization<sup>33</sup> of sales tax will be done by ensuring standard rate for all items remains a mere promise.

Additional customs and regulatory duties were imposed after 2015 and new taxes like Capital gain tax were imposed<sup>34</sup>. SRO<sup>35</sup> culture or mini-budgets were utilized often which is not a good practice to be exercise frequently<sup>36</sup>. Overall it also failed to provide relief to people in lowering tax rates for instance, recently the government increased petroleum prices twice since October 2017 which will in itself increase inflationary pressure<sup>37</sup>. Indirect taxes are 60% of total FBR revenue<sup>38</sup> which shows the ultimate burden is on the consumer through increased price levels.

#### c. <u>Reducing energy shortage and cost of producing energy:</u>

Energy shortage has been significantly reduced but not eradicated. The present Government added installed capacity of 2300 MW as against 3000MW by the previous Government. Electric power production increased from 96496GW/h in 2012-13 to 108,408GW/h in 2015-16 (11912 GW/h, 12.3% addition); however, a decline of 19.7% was seen in 2016-17 to 85,207GW/h from 101,970GW/h last year<sup>39</sup>.

The Ministry of Water and Power admitted that despite tariff reduction in power sector due to decline in the international petroleum prices, the consumers did not get a relief of it because of government imposed two additional surcharges to cover payment of commercial loans and its interest, line losses, tariff rational and other additional taxes on the electricity bill that further burdened the electricity consumers i.e. 43 paisa per unit of debt servicing surcharge and Rs1.23 per unit of Tariff Rational surcharge to return Rs371billion of commercial loan and its interest<sup>40</sup>.

The average power tariff in 2012-13 was Rs13.15 per unit, in 2013-14 was Rs 13.80 per unit, in 2015-16 was Rs 10.90 per unit and average power tariff in 2016-17 is Rs 11.97 per unit<sup>41</sup> till June 2017.

#### d. Lower interest rates through effective monetary policy:

Current policy rate of State Bank is 5.75 % which was 9% in 2013<sup>42</sup> which shows the promise has been fulfilled. Similarly, mark-up rates of Export Refinance Facility have been

<sup>&</sup>lt;sup>26</sup> State Bank of Pakistan, Economic Data, Domestic Debt and Liabilities of Government

 $<sup>^{\</sup>rm 20}$  As on 30th September 2017

<sup>&</sup>lt;sup>28</sup> State Bank of Pakistan, Economic Data, External Debt/ Liabilities of Pakistan

<sup>&</sup>lt;sup>29</sup> Fiscal Responsibility and Debt Limitation Act limit is 60% of GDP

<sup>&</sup>lt;sup>30</sup> Pakistan's Debt and Liabilities- State Bank of Pakistan

<sup>&</sup>lt;sup>31</sup> "Foreign exchange: SBP's reserves continue to drop, stand at \$13.85b", Published in The Express Tribune, November 3rd, 2017.

https://tribune.com.pk/story/1548360/2-foreign-exchange-sbps-reserves-continue-drop-stand-13-85b/ 32 Jawaid Bokhari, "Devaluation of rupee is not the answer if the root cause persists", Published in Dawn, The Business and Finance Weekly on

October 3rd, 2017. <u>https://www.dawn.com/news/1361400</u>

<sup>&</sup>lt;sup>33</sup> PMLN National Agenda for Real Change Manifesto 2013, Tax Reforms, Page 17

<sup>&</sup>lt;sup>34</sup> See respective Budget Speeches, Ministry of Finance.

<sup>&</sup>lt;sup>35</sup> Statutory Regulatory Order

<sup>&</sup>lt;sup>36</sup> "Harmful SRO culture" Editorial published in Dawn on April 15, 2014. <u>https://www.dawn.com/news/1099894</u>

<sup>&</sup>lt;sup>37</sup> "Petroleum prices go up again" published in The Nation on December 01, 2017. <u>http://nation.com.pk/01-Dec-2017/petroleum-prices-go-up-again</u>

<sup>&</sup>lt;sup>38</sup> Pakistan Economic Survey 2016-17, Fiscal Development, Page 66, Table 4.2.

<sup>&</sup>lt;sup>39</sup> Pakistan Economic Survey 2016-17, Tables 14.2 and 14.3, pages 170 and 171, Statistical Appendix

<sup>&</sup>lt;sup>40</sup> "Power ministry admits additional surcharge loan payment", published in The News on July 13, 2017.

 $<sup>\</sup>underline{https://www.thenews.com.pk/print/216215-Power-ministry-admits-additional-surcharge-loan-payment}$ 

<sup>41</sup> Ībid

<sup>&</sup>lt;sup>42</sup> Money & Credit, Economic Survey of Pakistan, Table 5.1, Page 79.

reduced from 9.5% to 3% in July 2016 and the mark-up rate on Long Term Finance Facility has reduced from 11.4% in June 2013 to 6% for exporters and 5% for textile sector<sup>43</sup>

#### e. <u>Removing supply side bottlenecks through increased agricultural output and reduced</u> wastages.44

No significant improvement in supply side of agriculture sector observed despite few subsidies (e.g. Kissan Package) announced as it still lacks competitive edge and faces issues like unavailability of local warehouse facilities and middle man and hoarding issues.

While the subsidy has also been successful in protecting growers from the impact of low international prices of their produce, pursuing this policy would be challenging in the long run. In fact, the country is already experiencing gradual buildup of wheat and sugar stocks. This is happening when the crop yields in the country have lagged behind the global benchmarks by wide margins<sup>45</sup>.

Food insecurity remains a problem where stands at 106 among 119 developing countries on Global Hunger Index according to a report from the International Food Policy Research Institute<sup>46</sup>.

The Asian Development Bank's report "Food Insecurity in Asia: Why Institutions Matter" elucidates there is less relevance of food production to the food insecurity problem and it has more to do with dissatisfactory governance<sup>47</sup>.

#### II. **Economic Growth**

PML (N)'s top priority was to double the GDP growth rate to over 6% during the next five years.<sup>48</sup> It has succeeded in bringing GDP from 3.7% to 5.3% in 2017 and is expected to meet the target next year. The growth puts the country in the league of economies that have a size of over \$300 billion.<sup>49</sup>

i. Agriculture:

> Agriculture sector improved from growth rate of 2.7% in 2012 to 3.5% in 2017 after a slump of 0.3% in 2016<sup>50</sup>. State Bank considers it a notable achievement given that the area under important crops had declined, and the water availability remained lower than expectations<sup>51</sup>.

> The country's agricultural sector has three major roles in the national economy: provides food to consumers and fibre to the industry, earns foreign exchange, and provides a market for industrial goods/machinery. However, the share of agriculture in gross domestic product (GDP) has declined since independence, falling from 53% in 1949-50 to 19.8% in 2016-17.52

#### ii. Industrial growth:

The focus of the Party was to bring "Industrial manufacturing to 7 or 8%53.

The manufacturing sector was growing at 4.9% in 2013 which increased to only 5.3% in 2017. It dropped to 3.5% and 3.7% in 2015 and 2016 respectively. The growth rate of Commodity Producing Sector during the said period increased to 4.3% from 1.7% in 2013.54

The target of 7% wasn't met due to a drag from mining and quarrying (due to decline in natural gas which is about about 66% in the mining sector) and electricity generation & distribution and gas distribution subsectors.55

Manufacturing activities benefited from improved energy supplies, low interest rates, better security situation, and increased spending on construction and infrastructure. The growing domestic consumption bolstered the production of the manufacturing sector.

insecurity/

<sup>&</sup>lt;sup>43</sup> Budget Speech 2017-18, Ministry of Finance, http://www.finance.gov.pk/budget/budget\_speech\_english\_2017\_18.pdf

<sup>&</sup>lt;sup>44</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 10

<sup>&</sup>lt;sup>45</sup> State Bank of Pakistan Annual Report 2016–17, Economic Growth, Agriculture, Page 14

<sup>&</sup>lt;sup>46</sup> "Misplaced priorities: Pakistan ranks at bottom of Global Hunger Index" published in Express Tribune 12th Oct 2017.

https://tribune.com.pk/story/1529406/pakistans-20-population-underfed-report-reveals/

<sup>&</sup>quot;Pakistan's food insecurity" Published in The Express Tribune, October 8th, 2017. https://tribune.com.pk/story/1525612/pakistans-food-

 <sup>&</sup>lt;sup>48</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 8
 <sup>49</sup> "Pakistan is now a \$300-billion economy" Published in The Express Tribune, May 18th, 2017,

https://tribune.com.pk/story/1412545/pakistan-now-300-billion-economy-gdp-growth-5-3/

Ministry of Finance, Economic Survey

<sup>&</sup>lt;sup>51</sup> State Bank of Pakistan Annual Report 2016–17, Economic Growth, Agriculture, Page 14

<sup>&</sup>lt;sup>52</sup> "The 70 erratic years of Pakistan's agriculture sector", Published in Dawn, The Business and Finance Weekly, August 14th, 2017.

https://www.dawn.com/news/1351486

<sup>53</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 10

<sup>54</sup> Pakistan Economic Survey 2016-17, Economic and Social Indicators, page 3

<sup>55</sup> State Bank of Pakistan Annual Report 2016–17, Economic Growth, Industry, Page 18,

http://www.sbp.org.pk/reports/annual/arFY17/Chapter-02.pdf

Despite the favorable macroeconomic environment, some sectors showed deceleration or contraction due to various regulatory issues (for example in leather; and cigarettes) and supply side constraints (in fertilizer; vegetable ghee and cooking oil; and chemicals). Despite all these gains, the industrial growth in Pakistan still lags behind its regional competitors<sup>56</sup>.

Meanwhile, according to World Bank's Doing Business flagship report, Pakistan's ranking improved to 144 in 2017 as against 148 in 2016<sup>57</sup>; however, it stood at 110th position in 2013<sup>58</sup>. This means more reforms are needed towards creating business friendly environment.

#### iii. Services:

Services sector improved from 5.1% in 2013 to 6% in 2016-17.<sup>59</sup> The growth in services sector contributed more than two-third of the increase in overall GDP in 2016. The performance of services sector was fairly broad based, with wholesale and retail as the dominant subsector (31% share in services), posting 6.8% increase in value addition compared to 4.3% in the previous year. This was on the back of strong increase in imports and growth in both the commodity producing sectors (agriculture and industry)<sup>60</sup>.

#### III. Other Economic Indicators

#### **Trade Deficit:**

- "Export-led growth strategy" was declared crucial for the development of the economy<sup>61</sup> but was not followed. Resultantly, current account balance for 2017 is -\$12.4 billion which was -\$2.5 billion in 2012 (396% increase in current account deficit). Exports were \$24.8 billion in 2012 which reduced to \$21.9 billion (12% decrease) while imports were of \$40 billion in 2012 which increased to \$48.5 billion (21.3% increase)<sup>62</sup>. The increase in imports is being attributed to CPEC capital goods. Government introduced textile package but its fruits are yet to be seen.
- The promise of "All exports will be sales tax free"<sup>63</sup> still remains a dream as anti-export bias is still not reduced.
- The manifesto says that "An Export-Import bank (EXIM) will be set up to deal exclusively with finances related to the export of capital goods and other manufactured items, consultancy and technological services involving deferred payment terms. This bank, like similar banks in other countries, will provide a wide range of services"<sup>64</sup>

The EXIM Bank of Pakistan has been incorporated as public limited entity on 11th June 2015<sup>65</sup> and was said to be operational in December 2017<sup>66</sup>.

• There is no sign of the "Equity Fund" for Private and public sector organizations "to encourage Pakistani companies to cater to niche markets through acquisitions of overseas brands and / or brand holding companies.<sup>67</sup>"

#### Investment:

Party promised that the "Investment GDP ratio will rise to 20%"<sup>68</sup> which is currently 15.8%. It was 15% in June 2013. Total investment rate was 10.8% in 2013 which reduced to 5% in 2016. Private investments were 14.9% of the total investment which reduced to 4% in 2016<sup>69</sup>.

During 2017, CPEC and public infrastructure development projects caused slight improvement in investment figures. Increasing investments are a good omen for future growth however the

<sup>&</sup>lt;sup>56</sup> Ibid

<sup>57 &</sup>quot;Pakistan progresses in ease of doing business: World Bank" published in the News on November 1, 2017.

https://www.thenews.com.pk/print/241009-Pakistan-progressesin-ease-of-doing-business-World-Bank

<sup>&</sup>lt;sup>58</sup> "Ease of doing business: Pakistan's ranking slips to 110th place", Published in The Express Tribune, October 30th, 2013.

https://tribune.com.pk/story/624383/ease-of-doing-business-pakistans-ranking-slips-to-110th-place/

<sup>&</sup>lt;sup>59</sup> Pakistan Economic Survey 2016-17, Economic and Social Indicators, page 1

<sup>60</sup> State Bank of Pakistan Annual Report 2016–17, Economic Growth, Services, Page 22

<sup>&</sup>lt;sup>61</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 11

<sup>62</sup> Summary Balance of Payments, State Bank of Pakistan

<sup>&</sup>lt;sup>63</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 12

<sup>&</sup>lt;sup>64</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 12

<sup>65</sup> EXIM Bank of Pakistan. http://eximbank.gov.pk/intro.html

<sup>66 &</sup>quot;Exim Bank to be operational by December", Published in Dawn, April 27th, 2017. https://www.dawn.com/news/1329416

<sup>&</sup>lt;sup>67</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 12

<sup>&</sup>lt;sup>68</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 10

<sup>69</sup> Pakistan Economic Survey 2016-17, page 3, Economic and Social Indicators

current level far below the regional competitors<sup>70</sup>. Foreign Direct Investment stood at \$ 2.7 billion in 2017 while it was \$1.5 billion<sup>71</sup>.

Lower interest rates have increased loans to private sector particularly for fixed investment (Various firms are investing in capacity expansions, anticipating higher demand and better margins in the coming years) 72

#### **Remittances:**

Workers remittances were \$14 billion in 2012-13 which increased to \$20 billion in 2016 (18.4%) increase)73. No significant progress on "Converting at least 50% of the remittances by Overseas Pakistanis into investments"<sup>74</sup> nor any such body formed for the matter.

#### Foreign reserves:

The manifesto doesn't mention reserve benchmark but it is important to note that the overall reserves have improved. Forex Reserves were \$11 billion in 2012-13 (SBP: \$6 billion, with Banks: \$5 billion) which rose to \$ 21.4 billion (SBP reserves: \$16 billion, Bank reserves: \$5.3 billion) <sup>75</sup> by \$10.4 billion i.e. 94.5%.

AS Pakistan's liquid foreign currency reserves slip in the wake of a widening current account deficit, falling overseas remittances and a growing international trade imbalance, a return to yet another IMF bailout looks inevitable76.

#### **Currency devaluation:**

US dollar weighted avg. exchange rate was Rs 99 on June 30th 2013 which reached Rs 105.4 on 30th Sept 201777. The Finance Minister artificially maintained Rupee value throughout his tenure<sup>78</sup>. On different occasions during 2016, the IMF said Pakistan's currency is overvalued by as much as 20%79. The Economic and Social Survey for Asia and the Pacific Report 2017 released by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) warned that the government's policy of keeping the exchange rate stable by intervening in the foreign exchange market may become unsustainable if the US dollar appreciates against most major currencies in global markets<sup>80</sup>. Consequently, rupee dropped to Rs107 on 8th Dec 2017 from Rs 105 within a week after State Bank's decision to not to intervene<sup>81</sup> and is expected to drop further.

#### Large-scale infrastructure projects:

"PML (N) will focus on motorways, dams, housing projects and development of new urban centers and cities<sup>82</sup>". The government has initiated many such projects especially under \$62 billion CPEC project. PSDP allocation for 2017 was Rs1001 billion with Rs305.3 billion released so far<sup>83</sup> as against PSDP of 2013 with budget allocation of Rs 540 billion<sup>84</sup> which indicates an increase of about 85% in budget allocations over four years.

But no sign of the "Bureau of Infrastructure Development (BID)" which was supposed to coordinate and oversee the programme for private sector participation in infrastructure development and develop financing schemes<sup>85</sup>"

https://www.dawn.com/news/1375239/pakistans-exchange-rate-facing-risks-un-body-warns

<sup>&</sup>lt;sup>70</sup> Economic Growth, State Bank of Pakistan Annual Report 2016–17, Page 12. <u>http://www.sbp.org.pk/reports/annual/arFY17/Chapter-02.pdf</u>

<sup>&</sup>lt;sup>71</sup> Foreign Investment in Pakistan, Economic Data, State Bank of Pakistan.

<sup>72</sup> Economic Growth, State Bank of Pakistan Annual Report 2016–17, Page 12. http://www.sbp.org.pk/reports/annual/arFY17/Chapter-02.pdf 73 Ministry of Finance, Pakistan Economic Survey 2016-17.

<sup>74</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 9

 <sup>&</sup>lt;sup>75</sup> Domestic Markets & Monetary Management Department, Economic data, State Bank of Pakistan
 <sup>76</sup> Farhan Bokhari, "Back to the IMF?" Published in Dawn, September 5th, 2017. <u>https://www.dawn.com/news/1355654</u>

<sup>77</sup> State Bank of Pakistan, Pakistan's External Debt and Liabilities - Outstanding (Archive)

<sup>78 &</sup>quot;Finance minister intervenes to arrest slide in rupee's value" Published in Dawn on July 06, 2017. https://www.dawn.com/news/1343602

<sup>&</sup>lt;sup>79</sup> "Pakistan on the verge of seeking IMF bailout, experts claim" Published in The Express Tribune, August 23rd, 2017.

https://tribune.com.pk/story/1488579/pakistan-verge-seeking-imf-bailout-experts-claim/

<sup>&</sup>lt;sup>11</sup> Khurram Hussain, "What's up with the rupee? "Published in Dawn, December 14th, 2017. https://www.dawn.com/news/1376419/whats-upwith-the-rupee

<sup>82</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 9

<sup>83</sup> STATUS OF RELEASES AS ON 08-12-2017, Ministry of Planning Development & Reform.

http://pc.gov.pk/uploads/archives/ReleaseSummary2017-18\_08-12-2017.pdf

<sup>&</sup>lt;sup>14</sup> STATUS OF RELEASES AS ON Oct 2013, Ministry of Planning Development & Reform.

http://pc.gov.pk/uploads/archives/ReleaseSummary2013-14\_02-08-2013.pdf

<sup>85</sup> PMLN National Agenda for Real Change Manifesto 2013, Page 13

#### Impact on society:

We shall briefly review few factors which can help us get a glimpse on the effect of economic performance on society.

- Unemployment: The government introduced many youth job/ business schemes. The unemployment rate in 2015 reduced from 5.9% according to Labour Force Survey 2014-15, from 6.2% in 2013.
- Income levels: The per capita income has increased from \$1333.7 to \$1629 in four years.<sup>86</sup>
- **Poverty:** Pakistan's Multidimensional Poverty Index (MPI) showed a strong decline, with national poverty rates falling from 55% to 39% from 2004 to 2015<sup>87</sup>.

#### Inference

After discussing the status of the economy regarding macroeconomic stability, the question remains that are we macro economically stable? For this, we shall be using indicators like Inflation rate, unemployment rate, budget deficit and trade deficit for the construction of macroeconomic instability index, <sup>88</sup> but we shall not get into empirical testing and instead will confine ourselves in simply comparing the constructs. From the above discussion, we can conclude that the Government has improved first three indicators while performs poorly in curing trade deficit. From this we can infer that economy has been moderately stabilized.

The indicators used for inferring economic growth is growth rate of Gross Domestic Product of the economy and of three main sectors i.e. Agriculture, manufacturing and services. The indicators indicate sufficient improvement.

The discussion leads us to conclude that PML N Government has succeeded in reviving the economy by enabling moderate macroeconomic stability and increased national output. This also leads us to conclude that the Government has not completely succeeded in implementing the provisions related to economic revival as mentioned in manifesto but has shown significant progress in their implementation.

#### Conclusion

The Party had envisioned two pronged strategy in its manifesto where it will first try to stabilize the economy by controlling deficits and improving revenues and secondly by expanding the economy. In its quest to achieve macroeconomic stability, the Government has significantly controlled the situation by bringing down the fiscal deficit. This was achieved by reducing its budget deficit through increased tax revenue collection. The country's forex reserves reached a relatively stable position. The claim of reduction in expenses and austerity drive didn't materialize significantly. Privatization process remained sluggish and borrowings rose drastically along with reoccurrence of circular debt liability which might affect Govt's efforts to curb load shedding in the future.

Country's revenue generating ability appeared very unimpressive as foreign investments remained sluggish in comparison to the economy's need and exports underperformed leaving the economy on remittances. Inflation reduced to half but the role of the Government in reducing inflationary pressure is not clear. The Party did provide relief by reducing local oil prices to the masses which it recently seems to be taking back with the uptick in international prices. Sales tax along with other taxes continues to haunt tax payer while tax to GDP ratio remains unimpressive.

The economy seemed to respond to the Party's efforts which were reflected in increased growth rate of all sectors which has reduced unemployment, poverty and increased per capita income. It is a well-known fact that the present Government inherited a challenging economic situation. After a period of four years, the Government has achieved relative stability. However, to thrive, the Government needs to find ways for self-reliance in the longe run.

<sup>&</sup>lt;sup>86</sup> Economic Survey. Economic & Social indicators, Page 3

<sup>&</sup>lt;sup>87</sup> "Pakistan's new poverty index reveals that 4 out of 10 Pakistanis live in multidimensional poverty" UNDP Press release on Jun 20, 2016. http://www.pk.undp.org/content/pakistan/en/home/presscenter/pressreleases/2016/06/20/pakistan-s-new-poverty-index-reveals-that-4-out-of-10-pakistanis-live-in-multidimensional-poverty.html

<sup>&</sup>lt;sup>88</sup> Amjad Ali and Hafeez Ur Rehman, "Macroeconomic Instability and Its Impact on Gross Domestic Product", an Empirical Analysis of Pakistan, Pakistan Economic and Social Review, Volume 53, No. 2 (Winter 2015), pp. 285-316.

#### Way Forward

The Government needs to rigorously focus on its revenue generating avenues both internally i.e. taxes and externally i.e. exports, remittances and FDI. It should also focus on reducing its expenses like current expenditures, tax evasion, divestment, excess imports, capital flight, loss making state owned entities etc. The low tax-to-GDP ratio indicates the country's low capacity to make involuntary savings which are essential for resource redistribution and economic development which calls for deepening of structural reforms, both by the federal and provincial governments<sup>89</sup>. Indirect taxes are 60% of total FBR revenue and are 66% of the consolidated federal and provincial tax revenue. Such a high burden of indirect tax on the economy (8% of GDP) needs correction for many reasons as they are regressive form of tax, dampen demand and create anti-export bias. Wide scale tax avoidance and evasion have increased Government's reliance on taxes which should be dealt with immediately.<sup>90</sup> Provinces should also take steps for mobilizing revenue effectively through taxing agriculture and real estate sectors as the performance of provincial tax authorities has been below par. Moreover, provincial revenue collection under agricultural tax has remained stagnant<sup>91</sup>. Tax evasion should be seriously dealt with or else the current system only penalizes tax payers.

Dwindling exports should be dealt on emergency basis with carrots for exports and sticks for imported goods. The existing growth structure, particularly for industries, does not generate sufficient export earnings to ease the balance of payment constraint. Government should enhance their capacity. Current policy incentives do not encourage industries to look out for competition in the global markets. Many exports have been lost due to poor competiveness. More of the GDP growth comes from the services sector, which has limited export potential. The growth strategy should therefore focus on promoting investment in high value added exporting activities both in industrial and services sectors<sup>92</sup>. The current investment rate, though improving, still remains insufficient to enhance production capacity to match the fast growing demand.

The country is getting in a vicious debt trap. The government will have to find other avenues to fill its deficits. China Pak Economic Corridor is an excellent opportunity for the country to enter a new economic era. However, apprehensions like the project will cause massive liability repercussions, destruction of local industry and provincial mistrust in fund allocation need to be addressed. A sustainable solution for circular debt has to found or else it will keep on resurfacing.

Agriculture should be given its due share of importance as it is the basis of economy. According to the World Bank, "There is also evidence of long-term deterioration in water and soil quality. Reduced effectiveness of agricultural research and extension services also played a role. But it must be added that limited growth in agricultural productivity also reflects the fact that, over time, there has not been much diversification to higher value crops partly because the government's policies have been preoccupied with major crops, especially wheat."<sup>93</sup>

The other major decision the state in Pakistan needs to take is to get out of the business of agriculture marketing. Let the markets set the price for various agricultural products and let traders handle all produce. The government should neither procure, nor store, nor sell. Once the market gains efficiency it too will affect the pattern of farming in favour of high-value crops.<sup>94</sup> State bank should be autonomous so that the monetary policy doesn't yield to political goals of the Government. There is a dire need to increase forex reserves through exports and remittances or else the country's dependence on foreign loans and bailout packages will lead to dangerous levels. The remittances should be attracted through attractive investment packages. A business friendly environment is the key for which security conditions and Government economic policies will have to go hand in hand.

https://tribune.com.pk/story/1379376/making-agriculture-work-pakistan/

<sup>&</sup>lt;sup>89</sup> State Bank of Pakistan Annual Report 2016–17, Chapter 4 <u>http://www.sbp.org.pk/reports/annual/arFY17/Chapter-04.pdf</u>

<sup>&</sup>lt;sup>90</sup> Ibid. <sup>91</sup> Ibid.

 <sup>&</sup>lt;sup>92</sup> State Bank of Pakistan Annual Report 2016–17, Chapter 2, Page 13 <u>http://www.sbp.org.pk/reports/annual/arFY17/Chapter-02.pdf</u>
 <sup>93</sup> Shahid Burki, "Making agriculture work for Pakistan" Published in The Express Tribune, April 10th, 2017.

<sup>&</sup>lt;sup>94</sup> Shahid Burki, "Making agriculture work for Pakistan" Published in The Express Tribune, April 10th, 2017. https://tribune.com.pk/story/1379376/making-agriculture-work-pakistan/

#### CONCEPT Peace and Counter Terrorism for Sustainable Regional Development Dr Nazir Hussain,

Director School of Politics and IR, Quaid-e-Azam University

Over the past few decades, the world has been transformed to emphasize its focus on economic and trade activities in the inter-state and inter-regional relations. Pakistan and its adjoining regions are also witnessing a surge of economic connectivity in the shape of Road and Belt Initiative (RBI) by China that aims to connect several regions around the world. This has been possible due to the unprecedented economic growth by China and its goals to regional economic outreach. Coupled with this, Russian economic surge since 2000 and its desire to cross into the open seas through Afghanistan/Pakistan have been made possible by the China-Pakistan Economic Corridor (CPEC). Turkey, being the fastest growing economy over the years has also made substantial investments in Pakistan and has become a major stakeholder in this regional economic modernization. Iran, after the lifting of international sanctions, is expected to get major investments from China, Russia and Europe. The Central Asian Republics (CARs) have the potential to be the economic heavens for investment and trade.

These bilateral and multilateral regional activities augur well for Pakistan, South Asia and adjoining states and regions for inter-state connectivity, strong economic role and mutually beneficial bilateral/multilateral relations. This all makes many states around Pakistan/Afghanistan/South Asia as major stake-holders in peace and stability of this vital region that connects South Asia, Central Asia, West Asia and beyond. However, this regional economic dynamism requires sustained and all-inclusive peace and stability in the regional security milieu that is being threatened by terrorism, non-state actors and proxy wars in others' territories.

The primary factor that threatens the regional peace and stability and even the individual state's survival is terrorism. Unfortunately, since 9/11 the scourge of this ever-increasing menace has penetrated in every state, society and institutions across the regions. It has made massive human and material loss to every state and society. The other factor that creates greater impediment in regional peace and security is Afghanistan. The country and its people have suffered the most during the last three decades. The road to regional peace and security passes through Afghanistan; its security is paramount to each state of the region. The third factor is the ever-increasing phenomenon of non-state actors and their use as proxies. There are many NSAs that are home-grown or foreign inspired who are creating obstacles in the peace and stability of the region. The funding, training and weapon supplies to these actors not only jeopardize the regional security environment but also put the individual country at the risk of being used for terrorism.

Every individual state of the region has made concentrated efforts to face these challenges but Pakistan has suffered the most and done the most. Since the Army Public School (APS) massacre in 2015, Pakistan has launched sustained and focused attempts in all directions through military operations of *Zarab-ul-Azab* and *Rad-ul-Fasad*, which have reduced these threats substantively. Besides, wiping the terrorist threats for the country, these operations have also broken the terrorist network of entities working against China, Russia and CARs. Pakistan has also raised a special security force to ensure the safety and security of lines of communications, road and railway links and industrial installations important for regional connectivity.

However, for a sustainable regional economic order, the peace and security of the region is paramount and individual, collective and institutional efforts are required to be directed to wipe out the threatening factors and actors towards this goal. Pakistan, China, Russia, Iran, Afghanistan and CARs have made substantial efforts in individual capacity, as a group and through institutional mechanism. The experiences gained can be shared and worked upon accordingly. Fortunately, all these countries are part of many regional organizations such as Shanghai Cooperation Organization (SCO) and Economic Cooperation Organization (ECO), which can built mutual trust and understanding towards sustained peace and security in the region. Many regional states have already started joint military and anti-terrorists exercises to learn from the experience of each other and direct their military and non-military means to bring about peace and stability in the region. Moreover, still many more serious and sincere efforts are required towards bringing peace and stability in Afghanistan; let all the regional states pledge to work for that. Afghanistan is a regional security issue and must be solved by regional initiative. Let all the stake-holders directly and indirectly be involved in this process; let there be no foreign involvement by any state in Afghanistan; let the peace and stability of Afghanistan be the focus of regional economic connectivity. The primary objective of bringing peace and stability of Afghanistan could be stimulus for ending terrorism and phenomenon of non-state actors, along with non-interference and no use of NSAs as proxy against any other country.

Pakistan has already given its national commitment for peace and stability of Afghanistan as it is directly affecting the security of the country. Pakistan has pledged not to allow the use of its territory against any other country. Pakistan has launched massive military and non-military efforts to wipe out non-state actors from its soil. Pakistan is committed to regional peace, security and stability as it is essential for regional economic progress and development and regional interdependence. Let all the stake-holders of economic connectivity, regional cooperation and sustainable development commit themselves and resolve to work for the cherished goal of giving a better future to their next generations by working towards regional peace, security and stability that can spur new economic dynamism.

Quaid-e-Azam Muhammad Ali Jinnah, the Founder of Pakistan and its first Governor General, in a broadcast talk to the people of the USA in February 1948, outlined the following goals of Pakistan's foreign policy:

"Our foreign policy is one of friendliness and goodwill towards all the nations of the world. We do not cherish aggressive designs against any country or nation. We believe in the principle of honesty and fair play in national and international dealings and are prepared to make our utmost contribution to the promotion of peace and prosperity among the nations of the world. Pakistan will never be found lacking in extending its material and moral support to the oppressed and suppressed peoples of the world, and in upholding the principles of the United Nations Charter."

#### **OPINION**

#### Child Protection Legislation in Pakistan Ms. Saadia Bashir,

Legislative Officer, PIPS

#### Introduction

# "We owe our children the most vulnerable citizens in any society, a life free from violence and fear." Nelson Mandela

Every child has an inherited right to human dignity and the right to protection from all forms of violence and discrimination. It is the basic and fundamental right of every child to be protected from all forms of violence, exploitation, and abuse. Due to violation of their basic rights, they are considered as the most vulnerable segment of any society. According to the definition of the UNICEF the term 'child protection' refers to preventing and responding to violence, exploitation and abuse against children including commercial sexual exploitation, trafficking, child labour and harmful traditional practices, such as female genital mutilation/cutting and child marriage. <sup>1</sup>

The Convention on the Rights of the Child (1989) outlines the fundamental rights of children, including the right to be protected from economic exploitation and harmful work, from all forms of sexual exploitation and abuse, and from physical or mental violence, as well as ensuring that children are not separated from their family against their will. These rights are further refined by two Optional Protocols, one on the sale of children, child prostitution and child pornography, and the other on the involvement of children in armed conflict.<sup>2</sup>

According to the definitions the Child protection is the process of protecting individual children suffering from maltreatment as a result of abuse or neglect. Child abuse involves acts of commission and omission, which results in harm and maltreatment to the child. Child protection covers a wide range of important, diverse and urgent issues. Many, such as child prostitution, others such as violence in the home or in schools, may relate more closely to poverty, social values, norms and traditions. Often criminality is involved, for example, with regard to child trafficking.

This also reflects a basic human consensus that a world fit for children is the one in which all children are protected. At the UN General Assembly Special Session on Children in 2002, States committed themselves in the declaration of A World Fit for Children, the outcome document of that meeting, was to build

"a world in which all girls and boys can enjoy childhood in which they are loved, respected and cherished in which their safety and well-being are paramount and in which they can develop in health, peace and dignity".<sup>3</sup>

Children's rights to protection from violence, abuse and exploitation are clearly laid out in international law, the legal standards of regional bodies and in the domestic law of the countries. Pakistan has also ratified the International conventions on child rights which provide special protections to the children. Among these the most significant is the United Nations Convention on the rights of the Child (UNCRC) as it provides the national policy guidelines on children's issues. This study will highlight the salient features of various national and provincial child protection laws in-built struggle to find out balance solution between International obligations and national laws on child protection.

#### International Perspective on Child protection

Children rights have been recognized in international law as early as 1924, when the first International Declaration on the Rights of the Child was adopted by the League of Nations. Later the human rights instruments such as the Universal Declaration of Human Rights of 1948 and International Covenant on Civil and Political Rights of 1966 were developed, further in such instruments as the

<sup>&</sup>lt;sup>1</sup> "What is Child Protection?" UNICEF document available <u>https://www.unicef.org/protection/files/What\_is\_Child\_Protection.pdf</u> <sup>2</sup> Ibid

<sup>&</sup>lt;sup>3</sup> "Child protection- Inter parliamentary Union "UNICEF available at : archive.ipu.org/PDF/publications/childprotection\_en.pdf

International consensus developed on the need for a new instrument that would explicitly lay out the specific and special rights of children.

In 1989, the United Nations Convention on the Rights of the Child was adopted by the General Assembly. It rapidly became the most widely ratified human rights treaty in history, enjoying almost universal ratification. International consensus developed on the need for a new instrument that would explicitly lay out the specific and special rights of children. In 1989, the United Nations Convention on the Rights of the Child was adopted by the General Assembly. It rapidly became the most widely ratified human rights treaty in history, enjoying almost universal ratification.<sup>4</sup>

The United Nations Convention on the Rights of the Child (commonly abbreviated as the CRC or UNCRC) is a human rights treaty which sets out the civil, political, economic, social, health and cultural rights of children. The Convention defines a child as any human being under the age of eighteen, unless the age of majority is attained earlier under national legislation.<sup>5</sup>

Nations that ratify this convention are bound to it by international law .Compliance is monitored by the UN Committee on the Rights of the Child which is composed of members from countries around the world. Once a year, the Committee submits a report to the Third Committee of the United Nations General Assembly which also hears a statement from the CRC Chair, and the Assembly adopts a Resolution on the Rights of the Child.

#### Some important articles of CRC convention on the protection of the rights of the Child:

- i. Article 2 (Non-discrimination): The Convention applies to all children, whatever their race, religion or abilities; whatever they think or say, whatever type of family they come from. It doesn't matter where children live, what language they speak, what their parents do, whether they are boys or girls, what their culture is, whether they have a disability or whether they are rich or poor. No child should be treated unfairly on any basis.
- ii. Article 19 (Protection from all forms of violence): Children have the right to be protected from being hurt and mistreated, physically or mentally. Governments should ensure that children are properly cared for and protect them from violence, abuse and neglect by their parents, or anyone else who looks after them.
- iii. Article 32 (Child labour): The government should protect children from work that is dangerous or might harm their health or their education. While the Convention protects children from harmful and exploitative work, there is nothing in it that prohibits parents from expecting their children to help out at home in ways that are safe and appropriate to their age. If children help out in a family farm or business, the tasks they do be safe and suited to their level of development and comply with national labour laws.
- iv. Article 34 (Sexual exploitation): Governments should protect children from all forms of sexual exploitation and abuse. This provision in the Convention is augmented by the Optional Protocol on the sale of children, child prostitution and child pornography
- v. Article 39 (Rehabilitation of child victims): Children who have been neglected, abused or exploited should receive special help to physically and psychologically recover and reintegrate into society. Particular attention should be paid to restoring the health, self-respect and dignity of the child.
- vi. Article 40 (Juvenile justice): Children who are accused of breaking the law have the right to legal help and fair treatment in a justice system that respects their rights. Governments are required to set a minimum age below which children cannot be held criminally responsible

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup>"<u>OHCHR | Convention on the Rights of the Child</u>" United Nation High Commission office of the High Commission document available at : www.ohchr.org > OHCHR > English > Professional Interest

and to provide minimum guarantees for the fairness and quick resolution of judicial or alternative proceedings.<sup>6</sup>

#### Child protection legislation in Pakistan

#### International Context

Pakistan is signatory to the United Nations Convention on the Rights of the Child (CRC), Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and other Protocols and Conventions protecting children from sale and prostitution, hazardous labour, and discrimination on the basis of education or disability. It is not party to the Convention Relating to the Status of Refugees.<sup>7</sup>

#### After 18th amendment National Context of child legislation

The process of devolution has altered the political, programmatic, policy, and service context of child protection. After the 18th amendment, introduced in 2010, the sole legislative and administrative authority on all matters relevant to child protection lies with the provinces.

#### Under the Constitution of Islamic republic of Pakistan 1973

The Constitution of the Islamic Republic of Pakistan does not generally distinguish between children and adults. Nonetheless, it does include a number of provisions that specifically address children:<sup>8</sup>

- Art. 11(3) prohibits slavery and forced labour, and states that "no child below the age of fourteen years shall be engaged in any factory or mine or any other hazardous employment"
- Art. 25A establishes "free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law";
- Art. 25(3) and 26(3) allow for positive discrimination, stating that nothing "shall prevent the State from making any special provision for the protection of women and children";
- Art. 35 sets special protection for the institution of marriage, the family, the mother and the child;
- Art. 37 establish a duty not to employ children and women in vocations "unsuited to their age or sex, and for maternity benefits for women in employment".

#### Legislation on child protection at National and Provincial Level

There is no comprehensive children's act in Pakistan, but provisions related to children's rights appear in both general thematic codes and specific acts.

#### Laws at Federal Level

In General law P.P.C, and Cr. PC there are many provisions for guarding the interest of children. In brief these are as under:

- a) Act of a child under seven years is not an offence. (Section 82 PPC).
- **b)** Nothing is an offence which is done by a child above seven years of age and under twelve, who has not attained sufficient maturity of understanding to judge of the nature and consequences of his conduct on that occasion. (Section 83 PPC).
- c) Unless contrary appears from the context, the consent of a person under twelve years of age is no consent. (Section 90 PPC).
- **d)** Exposure and abandonment of child under twelve years by parent or person having care of it. (an offence under section 328 PPC).

laws

<sup>&</sup>lt;sup>6</sup> "<u>Rights under the Convention on the Rights of the Child</u>" - <u>Unicef</u> fact sheets of the convention document available at : https://www.unicef.org/crc/files/Rights\_overview.pdf

<sup>7 &</sup>quot;Child protection system mapping and assessment - Collective for" available at:

www.researchcollective.org/Documents/EXECUTIVE\_SUMMARY\_Punjab.pdf

<sup>&</sup>lt;sup>8</sup> "Pakistan National Laws" Child Rights International Network CRIN https://www.crin.org/en/library/publications/pakistan-national-

Pakistan was among the first 20 states to sign the UNCRC. In so doing, it made a commitment to "respect and ensure the rights set forth in the Convention to each child within their jurisdiction without discrimination ..." Since then, the Government of Pakistan has taken several significant steps toward ensuring protection of the rights of the child. The most significant was to promulgate the Juvenile Justice System Ordinance (JJSO) 2000. This meets most of the international standards for juvenile justice: it fixed the age of the child at 18, abolished the death sentence for juvenile offenders, provided for separate juvenile courts and Borstal institutes and reinforced the provision for release on probation for children in conflict with the law.<sup>9</sup>

It is a beneficial legislation for the welfare of the children involved in criminal offences. Child cannot be charged with or tried for an offence together with an adult. Every child shall have the right of legal assistance at the expense of the State by an Advocate of at least five years standing at the Bar. Child shall in the ordinary course be released on bail or placed under the custody of a Probation Officer and no punishment of death be awarded to him and he shall not be handcuffed, put in fetters or given any corporal punishment.

To give protection during arrest and bail, the officer in charge of the police station must immediately inform the guardian about the arrest, and give the time, date and name of the juvenile court the child will attend. When a child is arrested for a nonbailable offence, the police must produce the child before the juvenile court within 24 hours of arrest. However, if this might expose the child to any danger, he or she will then be placed under the custody of a probation officer or a suitable person or institution dealing with the welfare of the child. In no circumstances should the child be kept in a police station or jail.

To give protection during trial and imprisonment, the law states that the Provincial Government must establish juvenile courts. These should be set up in consultation with the Chief Justice of the High Court and will have exclusive jurisdiction to try cases in which a child is accused of an offence. The court must decide cases within four months. Every child is entitled to legal assistance at the State's expense. No child can be charged or tried with an adult and all girls and boys should be tried separately by the juvenile court. If a child is convicted of an offence, the juvenile court may direct the child offender to be released on probation for good conduct by placing the child under the care of a guardian who might have to execute a bond with or without surety.

A study by Amnesty International in 2003 identified wide-scale failure of the provincial governments to implement the JJSO 2000 at each stage of arrest, trial and imprisonment of boys and girls. There are no national procedures in place for registering births and there is therefore no official record that a child has reached the age of eighteen. Coordination within government departments is poor, and involves cumbersome procedures. There is inadequate allocation of funds and a lack of commitment to create the necessary awareness of the Ordinance.<sup>10</sup>

According to the monitoring reports of 2014, the year 2014 went by without the establishment of a single juvenile court for children involved in criminal litigation or the creation of Borstal institutions at district level despite express provisions to the effect in the Juvenile Justice System Ordinance (JJSO) 2000. Segregation of adults from children was not strictly followed. Children faced torture in police stations and on occasions in the prison too.

The Juvenile Justice System Ordinance (JJSO) 2000 provides protective measures for children in conflict with law and from the death penalty. However, this law is yet to be implemented in its entirety in all the provinces including FATA, GB and AJK. There is a general lack of awareness about this among majority of the law enforcers and lower judiciary.

• The Protection of Pakistan Act 2014 especially section 24 gives the power to override other laws including the JJSO. With the recently lifted moratorium on the death penalty in the wake of the December 16, 2014 terrorist attack on the Peshawar school, there are increased concerns among

<sup>&</sup>lt;sup>9</sup> "Towards Juvenile Justice " Learning from Pakistan Angela Coleridge and Ghulam Qadri: Save the Children Sweden <sup>10</sup> Ibid

child rights activists that this may lead to potential death penalties for children held in cases of terrorism.

• The Criminal Law (Amendment) Act 2004, has led to increased media coverage of the crime of honour killings including that of minors (82 honour killings of minor girls were recorded in 2014 alone) and at some level its acceptance as a harmful traditional practice. However, major gaps in terms of implementation and knowledge of this law still exist. While the Criminal Law (Amendment) Act 2004 enables the prosecution of the perpetrators of honour killings, the lack of knowledge about this law even exists among the police, lawyers and judges. Further, due to the social acceptance of the act and power of the influential, the police are often unwilling to implement the law and as a result most cases are settled out of court.<sup>11</sup>

Appropriate, effective and adequate legislation forms the backbone of any sustainable change in child rights, in the light of International Conventions following child protection laws have enacted: <sup>12</sup>

- The Right to Free and Compulsory Education Act 2012;
- The Acid Control and Acid Crime Prevention Act 2012;
- The Prevention of Anti-Women Practices (Criminal Law Amendment) Act 2011;
- The National Commission for Human Rights Act, 2012;
- The Juvenile Justice System (Amendment) Ordinance 2012;
- The Sindh Child Protection Authority Act (SCPAA) 2011;
- The Sindh Protection of Human Rights Act 2011; the Sindh Human Rights Commission Act 2011;
- The Sindh Right of Children to Free and Compulsory Education Act 2013; the Sindh Child Marriage Restraint Act 2013;
- The KP Child Protection and Welfare Act (CPWA) 2010; KP Borstal Institutions Act (BIA) 2012;
- The KP Prohibition of Child Labour Act 2015;
- The Punjab Employment of Children Act (Amendment) 2011;
- Punjab Protection of Breastfeeding and Child Nutrition (Amendment) Act 2012;
- The Punjab Free and Compulsory Education Act 2014;
- The Punjab Child Marriage Restraint Act 2015;
- The Balochistan Free and Compulsory Education Act 2014,
- Balochistan Promotion of Breastfeeding Act 2014;
- The Amendment to the Frontier Crimes (Amendment) Regulation 2011.

#### Coordination and Independent Monitoring

An already notoriously weak area of government, coordination between departments, and the monitoring of the implementation of the UNCRC, has further deteriorated over the last few years. Since the adoption of the 18th Amendment, the Government has been unable to develop an efficient system to assess, monitor and streamline its work on child rights. The National Commission on Child Welfare and Development (NCCWD) is now part of the Ministry of Law, Justice and Human Rights, which has provincial directorates to ensure child rights are promoted and protected. In reality, however, the provincial mechanisms lack clarity, roles and responsibilities significantly overlap and there is no provincial uniformity. <sup>13</sup>

In Sindh, for example, child rights are meant to be overseen by the Sindh Child Protection Authority, in Punjab the Social Welfare Department and Child Protection Bureau, in KP the Child Rights Commission,

<sup>11</sup> Ibid

<sup>&</sup>lt;sup>12</sup> "Pakistan Save the children resource center " Implementing child rights in Pakistan :Alternative report for UN & CRIC June 2015 document available at : https://resourcecentre.savethechildren.net/.../uncrc20alternative20report20pakistan20f

<sup>&</sup>lt;sup>13</sup> Provincial child rights issues have been identified and discussed comprehensively in an assessment and mapping done for each province by the Collective for Social Science Research, between 2012 and 2013.

and in Balochistan directly by the provincial Social Welfare Department. In FATA, the state of child rights is particularly alarming with no effective legislation or functional monitoring bodies in place.

#### The National Plan of Action for Children

There has been no noteworthy progress reported on the National Plan of Action for Children adopted in 2006. None of its strategies have been implemented since the 18th Amendment was passed, and it remains entirely a plan on paper with no on-the-ground value.

#### Conclusion

In the light of above discussion it is evident that despite the presence of child protection laws the welfare and security of children remain a daunting challenge. Children are being subjected to horrific violence and their rights are mostly abused. The overall situation of the Child rights does not present and encouraging state of affairs.

#### Recommendations

- **i.** The state of ignorance of children must end. Their issues need, on an urgent basis, to be mainstreamed and integrated into all aspects of national life, human rights, and economic development discourse, their issues viewed and addressed in a holistic manner.
- **ii.** It is recommended that the importance of child rights be recognised through establishment, implementation and strengthening of the national and provincial child rights commissions; strengthened national and provincial policies; adherence to all the United Nations Conventions and Optional Protocols signed and ratified by the Government of Pakistan; effective and sustainable mechanisms, programs, services and budgetary allocations.
- iii. Coordination systems and mechanism between various child rights bodies and departments must be improved and streamlined on an urgent basis.
- iv. There is a need to develop a national data base on child rights which could also assist in monitoring the situation of child rights in the country.
- **v.** The relevant government bodies such as the police, judiciary, parliamentarians, field works, protection centers, health care professionals, media and other services must also be made aware of the new laws and amendments made in the existing laws on a regular basis. Awareness of JJSO in particular is needed in relevant sectors.
- vi. The Government must, on an urgent basis, taking serious and concrete steps to tackle intolerance, terrorism and extremist ideologies and groups, especially where children are involved.

#### OPINION National Action Plan 2017: Narrative For Peace And Tolerance Ms. Mahira Rafique Research Officer, National Assembly of Pakistan

#### Abstract

This research essay aims to focus on the various variables of the National Action Plan (NAP) that are directly relevant to promoting peaceful and tolerant coexistence in the society. The implementation status of these postulates has been examined in detail and gaps have been identified with suggestions to improve the same.

An in depth analysis of these variables has revealed that visible progress has been made by the Government in curbing terrorist attacks in the country. The ratio of terror attacks till 2017 fell by 73% and sectarian violence decreased by 80% since 2014. So far, almost 1000 URLs and 10 websites of proscribed organizations have been blocked by PTA, which were found to be actively disseminating terrorist content. Record number of crackdowns against hate speech and effective progress in targeting extremist literature has also been made by the law enforcement agencies.

NAP has undoubtedly contributed towards improvement in the overall law and order situation of the country, however, some limitations in policy and resources have impeded its execution in true letter and spirit. It is, therefore, suggested that the oversight of the implementation of NAP needs to stem from the Parliament. Stronger legislation for protection of minorities and religious sects needs to be introduced, with amendments to relevant laws.

Since devolution, much rests with the provinces for implementation. It is, therefore, the need of the hour that necessary measures and mechanisms are put into place for seamless coordination between the centre and provinces. Moreover, capacity and resource building of institutions responsible for NAP implementation needs to be made a priority, so that they are able to cope with the given challenges professionally.

#### Background of National Action Plan (NAP) Formulation:

Pakistan experiences one of the highest rates of terrorism-related deaths in the world (5th behind Iraq, Afghanistan, Nigeria and Syria),<sup>1</sup> among which a large amount of the causalities are that of civilians. According to South Asia Terrorism Portal, fatalities in terrorist violence in Pakistan from 2003 to 2017<sup>2</sup> now amount to 62694. Despite this alarming situation, Governments have consistently failed in devising any coherent or concrete security or counter-terrorism policy for the country. The measures taken over the years have proven to be ineffective, short term, temporary and reactive in nature.

After assuming power in 2013, Pakistan Muslim League – Nawaz (PMLN) introduced in the Federal Parliament, it's first counter-terrorism policy - *National Internal Security Policy (NISP) 2014-18* in May 2014. NISP, however, failed to deliver the desired results because of the lack of consensus between the civil bureaucracy and the military administration regarding its implementation and the lack of funding, Rs. 32 billion, (\$305million USD) which it required, as per reports.<sup>3</sup>

The second counter-terrorism / security policy presented by the PMLN Government in the same year was the National Action Plan (NAP), following the Tehrik-e-Taliban Pakistan's (TTP) December 16, 2014 attack on the Army Public School (APS) in Peshawar. The carnage took the lives of more than 150 children and staffers, as a result of which the government formed a committee of political, military, and intelligence representatives tasked to formulate a counter terrorism policy. This committee produced a

<sup>&</sup>lt;sup>1</sup>Global Terrorism Index 2017, t. (2017). Global Terrorism Index 2017 | Statista. [online] Statista. Available at:

https://www.statista.com/statistics/271514/global-terrorism-index/ [Accessed 9 Dec. 2017].

<sup>&</sup>lt;sup>2</sup> Data till December 3, 2017

<sup>&</sup>lt;sup>3</sup> Rumi, R. (2015). Charting Pakistan's Internal Security Policy. [online] Washington, DC: UNITED STATES INSTITUTE OF PEACE. Available at: https://www.usip.org/sites/default/files/SR368-Charting-Pakistans-Internal-Security-Policy.pdf [Accessed 9 Dec. 2017].

20-point, whole-of-government National Action Plan (NAP) against terrorism, which was announced by Prime Minister Nawaz Sharif on 24 Dec 2014, after a day-long meeting with the heads of all parliamentary parties during an All Parties Conference (APC).

National Action Plan is a mix of law enforcement, judicial, administrative and military goals that seek to target terrorist networks, eliminate support for terrorism and promote peaceful and tolerant coexistence among the country's various religious sects. NAP is currently in its implementation stage.

#### Aim of Study:

The aim of this research study is to identify the various aspects of NAP, which are imperative for a peaceful and tolerant society in Pakistan and analyze the progress made by the Federal and Provincial Governments on the same. Furthermore, the study shall look into the effectiveness of the said implementation and the various measures that could be taken by the Executive branch to make these more operative.

#### Key Elements of National Peace Narrative:

The National Internal Security Policy (NISP) 2014-18 document identifies the National Internal Security Apparatus (NISA)<sup>4</sup>, responsible to counter the threat of terrorism within the country. The apparatus outlined in the said document offers a framework of state security institutions (role players) tiered in a manner, so as to comprehensively cater the menace of terrorism. The same security structure (more or less) is currently operative for implementation of National Action Plan (NAP) and building a national peace narrative. The key elements of NISA include:

- a. National Counter Terrorism Authority (NACTA), as chief coordinating institution of counterterrorism implementation.
- b. Inter-Services Intelligence (ISI) and Intelligence Bureau (IB), as head of intelligence cooperation.
- c. Various Law Enforcement Agencies (LEAs), under Ministry of Interior and Ministry of Defence as implementation bodies.

#### Postulates in NAP directly impacting Peace and Tolerance in the Society:

In the context of promoting peace and tolerance in the society, the most important and pertinent variables in the National Action Plan<sup>5</sup> are:

- i. Ensuring no armed militias (militant outfits and armed gangs) are allowed to function in the country;
- ii. Countering hate speech and extremist material (Strict action against the literature, newspapers and magazines promoting hatred, extremism, sectarianism and intolerance);
- Taking effective steps against religious persecution and dealing firmly with sectarian iii. terrorists:
- iv. Measures against abuse of internet and social media for terrorism.

The next part shall discuss the implementation status of the identified postulates from NAP, necessary for peace and tolerance in the society.

#### Ensuring no armed militias are allowed to function in the country:

One way of gauging the efficacy of this objective is by looking at the statistics of post-NAP terrorist activities, which have shown a downward trend and can be correlated with NAP.<sup>6</sup>

According to the statistics presented by Minister of Interior in the Senate on March 10, 2017, visibility of armed militias and display of weapons has been curtailed, a total of 1865 terrorists have been killed and 5611 arrested since the implementation began.

Despite the Government's efforts to curb violent-Islamist /non-state actors in the country, examples like Lashkar-e-Taiba (LeT)7, now renamed as Jamaat-ud-Dawa (JuD) openly operating in Punjab pose question on the seriousness of Government in enforcing NAP. The inconsistency of policy still remains blatant, especially on groups attacking outside Pakistan.

<sup>&</sup>lt;sup>4</sup> Detail available at Annexures

<sup>&</sup>lt;sup>5</sup> Source: Official Website of NACTA <sup>6</sup> Available at Annexures

<sup>7</sup> LeT was banned in 2002, after it was revealed that the organization was involved in the 2001 Indian Parliament attack in New Delhi

Apart from this, the challenge of coordination between Federal and Provincial law enforcing agencies, especially after 18<sup>th</sup> amendment, continues to be a problem. Lack of uniform policies across provinces and trans-border implications remain an impediment in the effective implementation of NAP.

#### Countering hate speech and extremist material:

One of the salient features of NAP was to curb hate speech and the development and distribution of hateful literature. Ministry of Interior had directed provincial home departments to control hate speech dissemination over loud speakers and distribution of extremist literature. Provincial law enforcement agencies, especially police, were tasked to carry out indiscriminate crackdown in this regard.

According to official figures, for hate speech and spreading hateful literature, the police have till March 2017, registered 1335 cases, arrested 2465 persons and sealed 70 shops. As for violating the Sound System Ordinance 2015 – an Act that was framed to curb hate speeches (mostly sectarian) by prayer leaders of mosques; 16267 cases have been registered, 16824 persons arrested and 5141 equipment confiscated<sup>8</sup>.

However, hate speech and material still continue to be available in various parts of the country openly. The lack of resources, training and equipment with the law enforcement agencies at provincial level is another reason for the lapse in crack down on hate speech ad material.

#### Taking effective steps against religious persecution and dealing firmly with sectarian terrorists:

Condemnation against sectarian violence from the highest public offices has been an encouraging and positive sign for the religious minorities in the country. The fall in sectarian incidents since 2014 have been directly and indirectly linked to the Government Action under NAP:

Year	Incidents
2011	70
2012	185
2013	127
2014	176
2015	79
2016	34
Source: Question Hou	r of Senate Session, 10 <sup>th</sup>
March 2017.	

Despite the verbal condemnation by higher ups, cases of glaring religious persecution continue to be a compounding problem. The progress made by the Government in this regard has been admittedly very slow. According to the briefing given to Senate in March 2017, NACTA is still in the process of collecting data, which after completion shall be verified before any further action could be taken on same. Meanwhile, targeted attacks against religious minorities and various sects like Ahmedis, Hazara Community and Shias continue to take place.

#### Measures against abuse of internet and social media for terrorism:

Curbing social media and internet usage by terrorist networks for recruitment, training and fund raising of militants has been given special emphasis in the NAP. Implementation in this regard is linked to the passage of Pakistan Electronic Crimes Act (PECA) 2016. Moreover, till March 2017, 937 URLs and 10 websites of proscribed organizations were blocked by Ministry of Information & Broadcasting / PTA<sup>9</sup>.

The implementation process does not specify any organization on the national or provincial level with the dedicated responsibility of surveillance and monitoring of terrorist activity online. FIA, PTA and Ministry of Information seem to be performing overlapping roles in this regard, whereas, provincial Counter Terrorism Departments (CTDs) seem to be lacking the resources to carry out such online investigations. Furthermore, civil society fears that the vague language of PECA 2016 may infringe upon their right to free speech.

<sup>&</sup>lt;sup>8</sup> Source: Question Hour of Senate Session, 10<sup>th</sup> March 2017.

<sup>&</sup>lt;sup>9</sup> ibid

#### Way Forward:

- **i.** The oversight of the implementation of NAP needs to stem from the Parliament. In this regard, Parliamentary Committee on National Security could be a pertinent platform, which could seek regular in camera briefing on the progress of NAP.
- ii. Stronger legislation for protection of minorities and religious sects needs to be introduced, with amendments to past pieces of laws, which have failed to curb sectarian violence.
- **iii.** For each goal defined in NAP, Key Performance Indicators (KPIs) need to be jotted down, clearly laying down deliverables, timelines and responsible institutions. In this regard, provincial disparities need to be taken into consideration, so that realistic and achievable goals are set against existing capacities.
- **iv.** Broader cooperation between Centre and Provincial authorities responsible for NAP implementation should be streamlined with clearly defined roles, to avoid confusion and promote synergies. In this regard, platforms like CCI could be involved.
- v. Institutions responsible for surveillance and crackdown against online terrorist activity need to be clearly identified, both at the Federal and Provincial levels.
- vi. Any duality of policy in condemning internal attacks and condoning external attacks must be done away with.
- vii. Capacity and resource building of law enforcement agencies, judiciary and other institutions responsible for NAP implementation needs to be made a priority, so that they are able to cope with the given challenges professionally.
- viii. A mass public campaign is needed to create awareness regarding the forms and manifestations of terrorism. Counter narrative should be promoted to public at large by holding open debates on various platforms such as print, electronic and social media, educational and religious institutions and other community forums.
- **ix.** Revival of healthy and participatory social activities pertaining to sports, literature and culture should be patronized by Government to generate an overall unifying national narrative.

#### **Conclusion:**

For a counter terrorism policy to be successful, it is imperative that the policy be formulated and implemented with consensus, clarity and coordination. International examples of successful counter terrorism policies include that of the UK, Peru, Germany, Italy and Sri Lanka among others.

Although progress has been made in the implementation of NAP and an improvement in the overall security situation is evident, however, there is still a lot that needs to be done. Taking into account the general frustration level of the public and the disparities resented by provinces, the federal government needs to ensure an effective implementation policy in both letter and spirit from hereon. This can be achieved by institutionalizing the implementation process of NAP and defining time bound objectives. The Pakistani nation has suffered a lot in the past decade and deserve that their sacrifices don't go in vain.

#### Annex-I: 20 Points of National Action Plan:

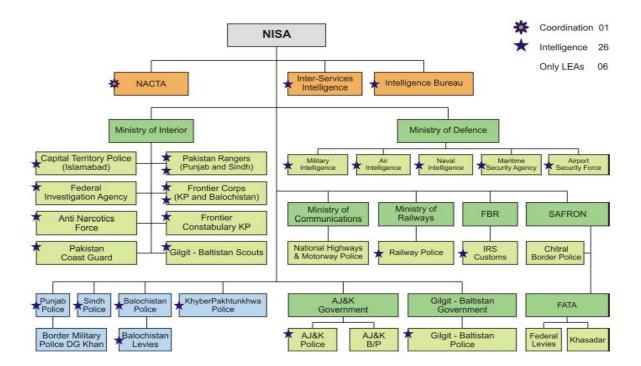
The 20-Points of the NAP are outlined below:10

- 1. Implementation of death sentence of those convicted in cases of terrorism.
- **2.** Special trial courts under the supervision of Army. The duration of these courts would be two years.
- 3. Militant outfits and armed gangs will not be allowed to operate in the country.
- 4. NACTA, the anti-terrorism institution will be strengthened.
- 5. Strict action against the literature, newspapers and magazines promoting hatred, extremism, sectarianism and intolerance.
- 6. Choking financing for terrorist and terrorist organizations.

<sup>&</sup>lt;sup>10</sup> Source: Official Website of NACTA

- 7. Ensuring against re-emergence of proscribed organizations.
- 8. Establishing and deploying a dedicated counter-terrorism force.
- 9. Taking effective steps against religious persecution.
- **10.** Registration and regulation of religious seminaries.
- 11. Ban on glorification of terrorists and terrorist organizations through print and electronic media.
- **12.** Administrative and development reforms in FATA with immediate focus on repatriation of IDPs.
- **13.** Communication network of terrorists will be dismantled completely.
- 14. Measures against abuse of internet and social media for terrorism.
- **15.** Zero tolerance for militancy in Punjab.
- **16.** Ongoing operation in Karachi will be taken to its logical end.
- **17.** Balochistan government to be fully empowered for political reconciliation with complete ownership by all stakeholders.
- **18.** Dealing firmly with sectarian terrorists.
- **19.** Formulation of a comprehensive policy to deal with the issue of Afghan refugees, beginning with registration of all refugees.
- 20. Revamping and reforming the criminal justice system.

#### Annex-II: National Internal Security Apparatus (NISA)11:



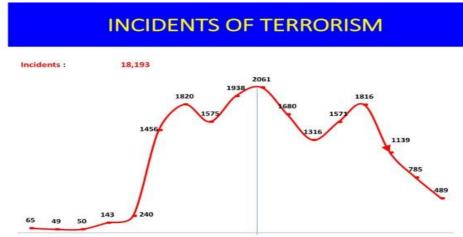
<sup>11</sup> Source: Ministry of Interior

Ser	Reporting Lines	Agencies	No	Coord	Intel	Only LEAs
1.	Prime Minister	Inter Services Intelligence	1		<ul> <li>✓</li> </ul>	
2.	Prime Minister	Intelligence Bureau	1		<ul> <li>✓</li> </ul>	
3.	Prime Minister	National Counter Terrorism Authority	1	~		
4.	Federal	Police: GB, AJK	2		~~	
5.	Federal	Police: AJK Border Police	1			~
6.	Ministry of SAFRON	Khasadar (FATA)	1			~
7.	Ministry of Defence	MI, AI, NI, Maritime Security Agency and Airport Security Force	5		***	
8.	Ministry of Interior	FIA, 2 x FC, 2 x Pakistan Ranger, Coast Guard, GB- Scouts, ICTP, ANF, Frontier Constabulary	10		~~~ ~~~ ~~~ ~	
9.	Ministry of Interior	Federal Levies	1			~
10.	Ministry of Communication	MW & NHP	1			~
11.	Federal Board of Revenue	FBR Intelligence (Custom and IRS)	1		~	
12.	Ministry of Railway	Railway Police	1		×	
13.	Provincial Government	Four Police (SB and CTD) and Balochistan levies	5		~~~ ~~	
14.	Provincial LEAs Only	Border Military Police Dera Ghazi Khan and Chitral Border Police	2			~~
	Tota	l	33	1	26	6

#### Annex-III: Synopsis & Profile of National Internal Security Apparatus (NISA)12:

\*intelligence capacities, methodology, purposes and application of the agencies vary in various ways and are incomparable.

#### Annex-IV: Incidents of Terrorism (2001-2017)<sup>13</sup>:



2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

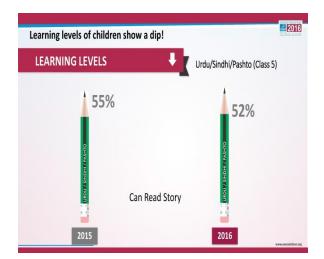
<sup>12</sup> Source: Ministry of Interior
 <sup>13</sup> Source: Official Website of NACTA, 2017

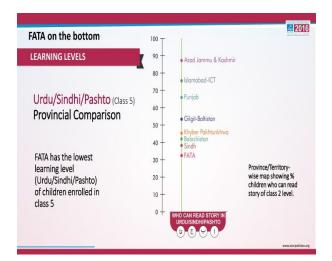
S. No.	NAP Point	Implementation Status	Government Concerned	
1.	Action against Armed Militants	<ul> <li>Visibility of armed militias and display of weapons curtailed.</li> <li>Terrorists Killed: 1865</li> <li>Terrorists Arrested: 5611</li> </ul>	Provincial	
2.	Countering Hate Speech & Extremist Material	<ul> <li>Hate Speech / Material:</li> <li>Cases Registered: 1335</li> <li>Persons Arrested: 2465</li> <li>Shops Sealed: 70</li> <li>Misuse of Loudspeakers:</li> <li>Cases Registered: 16267</li> <li>Persons Arrested: 16824</li> <li>Equipment Confiscated: 5141</li> </ul>	Provincial	
3.	Taking steps against religious persecution	Data collection by NACTA still in progress, to be verified and then put up for further action	Federal & Provincial	
4.	Measures against abuse of Internet and Social Media	<ul> <li>Pakistan Electronic Crimes Act (PECA) 2015 passed.</li> <li>937 URLs and 10 Websites of proscribed organizations blocked by Ministry of Information &amp; Broadcasting / PTA</li> </ul>	Federal	
5.	Ending Sectarian Terrorism	The following number of incidents of SectarianTerrorism were recorded:YearIncidents201170201218520131272014176201579201634	Provincial	

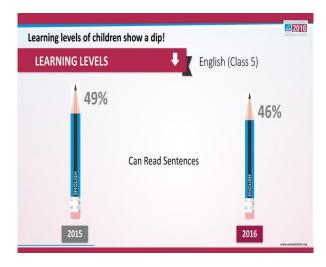
# Annex-V: Implementation Status of NAP by Federal & Provincial Governments since its launch, January 2015 till 10<sup>th</sup> March 2017 <sup>14</sup>:

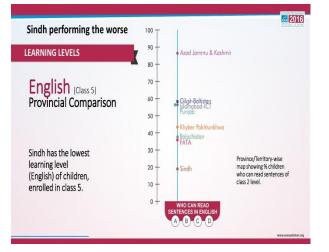
<sup>&</sup>lt;sup>14</sup> Source: Question Hour of Senate Session, 10<sup>th</sup> March 2017.

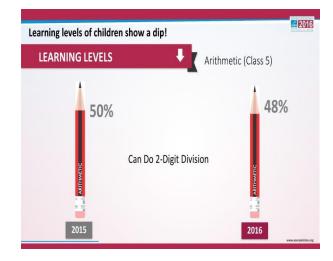
### **ANNUAL STATUS OF EDUCATION REPORT 2016**

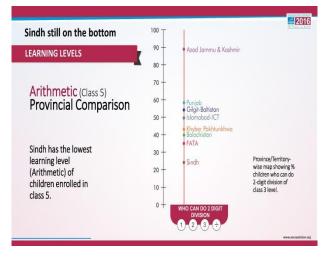














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