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Editorial

Dear Readers,

The Pakistan Institute for Parliamentary Services continues its mandated legislative, capacity building, research and outreach services with renewed deal and as per the workplan approved by the Board of Governors (BOGs) and Institute's much valued motto *"dedicated to parliamentary excellence."* This month, PIPS held landmark orientation of newly elected Members of Legislative Assembly of Gilgit Baltistan, which was inaugurated by the Hon Speaker National Assembly of Pakistan Mr Asad Qaiser. The absorbing week-long event deliberated on essential parliamentary processes.

This Issue of the PIPS Parliamentary Research Digest includes analytical articles on latest economic indicators of Pakistan; tax reforms as well as a legislative assessment of the India's recently passed controversial farm law. The digest also presents a short book review and an absorbing piece on landmark tradition of Virtual Parliamentary Session by the Provincial Assembly of Sindh during the covid19 challenge.

We welcome feedback of our invaluable readers. Please do not hesitate to send your feedback or contact for any of our services at research@pips.gov.pk

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

Honorable Syed Amjad Ali, Speaker, Legislative Assembly of Gilgit Baltistan and MLAs delegation calls on the Honorable President of Islamic Republic of Pakistan, Arif Alvi, during their orientation at PIPS, January 01, 2021

Honorable Chairman Senate/ President PIPS BoG Senator Muhammad Sadiq Sanjrani presiding over the 38th meeting of PIPS BoG, Friday, February 19, 2021

Honorable Speaker National Assembly, Mr. Asad Qaiser, chief guest, inaugural session of PIPS orientation for Members, Legislative Assembly of Gilgit Baltistan, February 08, 2021

ANALYSIS

Assessing Legislation: India's new Farm Laws & Farmers

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& Wajid Aslam, Young Parliamentary Officer

Abstract

India has introduced three agricultural laws in 2020 in the name of agricultural reforms; commonly being called as "Farm Laws". Up till now, these laws have been passed by the legislature and have also been given Presidential approval. These laws sparked huge protests in India as farmers from neighboring states of the Capital gathered there. The purpose of this study is to assess these laws by applying ROCCIPI Model and to know the reasons behind the protests, so that; the efficacy and short comings of these Acts are highlighted.

1. A Brief History of Agriculture Reforms in India

In the 1960s, India a recently independent country was struggling to produce enough food for its citizens. A string of droughts exacerbated the already fragile condition causing devastating famines. So, Government decided to take control to increase the food supply. It was called "Green Revolution". Because of pragmatic policies, the production of Rice and Wheat increased to the extent that India went from having a food crisis to having a food Surplus. It was in this context that India developed a nationwide food marketing system to ensure fair prices. Under this system, APMCs (Agricultural Produce Management Committees) were created, commonly known as Mandis. The whole agricultural trade happens in these Mandis.

2. Introduction of Farm Laws

India is a country of 1.27 billion people where agricultural workers make-up almost half of the labor force[1]. Approximately 58% of India's population is dependent on agriculture as their primary source of livelihood, which includes 70% of rural households, with 82% of these being small and marginal farmers[2]. Recently in 2020, Indian Government introduced three Bills relating to agriculture. The Government is hailing these laws as revolution in the agriculture sector. While in reality through these laws Government wants to shed away its responsibility towards regulation of agricultural produce by replacing the conventional system of regulation of such commodities with free market. Under the new legislation, the buying and selling prices of crops and agricultural produce shall be decided on the principle of demand and supply. However, there are certain reservations of relevant stakeholders regarding these laws.

3. ROCCIPI Model Applied

Legislative theory to assess any legislation stands on the principle that all social problems reflect repetitive patterns of behaviour. The theory not only assesses the problem but also provides

[1] Food and Agriculture Organization of the United nation: FAO in India Retrieved from http://www.fao.org/india/fao-in-india/india-at-a-glance/en/.

[2] Lexforti Legal News Network, "Critical Analysis on The Farmer Bills, 2020," Available at: https://lexforti.com/legal-news/farmer-bills/#_ftn1

reasons of such behaviour along with highlighting the lacunas in any legislation. This theory suggests seven broad categories- Rule, Opportunity, Communication, Interest, Process and Ideology- which help to make all the likely hypotheses to know the behaviour of relevant actors to that particular piece of legislation. This is commonly known as **ROCCIPI Model.**

I. Rule

a. **The Farmers (Empowerment and Protection) Agreement on Prices Assurance and Farm Services Act, 2020[3]:** The intent of the law is clearly manifested in its title. The words "Empowerment, Protection and agreement" allude towards protecting the interests of the farmers through a legal agreement. Now, the question arises that from what farmers shall be protected? Again, the title tells the answer; the Act provides "Price assurance and farm services". The law provides that a business owner may enter into a legal contract with farmers whenever he wants to purchase any agricultural produce from them. According to Government point of view, this legal agreement is in farmers' interests, so that, a farmer is not cheated by the companies. Moreover, to prevent any form of exploitation of farmers, apart from other modes the Act also provides a "Dispute Settlement Mechanism" (DSM) between a farmer and a buyer by an established Authority. So far, everything looks good. However, the words "Farm Services" in the title lead to ambiguities. It is assumed that the meaning of Farm Services is that a buyer can specifically tell the farmer what quality or grade of product is required and when to deliver the product. There could be many demands like that. This is called "**Contract Farming**". The agreement shall outline the conditions for the production of agricultural goods and for its delivery to buyers' premises within prescribed time period. In return, the buyer agrees to buy the product, often at a price which is usually fixed at the time of agreement. Therefore, it can be said that the primary focus of this Act is to establish Contract Farming.

The Act provides a nationwide legal agricultural framework where farmers shall produce crops as per contract with corporate investors for mutually agreed remuneration. The Government hails the Act as a transformation of Indian agriculture as it shall attract corporate investment in the agricultural sector. Companies often agree to support the farmers through supplying inputs, assisting with land preparation, providing production advice and transporting produce to their premises. To summarise, it is clear that the law "The Farmers (Empowerment and Protection) Agreement on Prices Assurance and Farm Services Act, 2020**"** provides a mechanism of Contract farming. Although, a legal agreement provides security from the government to the contracting parties in general, yet, some ground realities were ignored while making it part of the law. This is why, protests sparked in the aftermath of this law. There are chances that a company could exploit the farmers very easily through legal clauses as there are

[3]"People archives of Rural India, "The Farmers (Empowerment and Protection) Agreement on Prices Assurance and Farm Services Act, 2020," available at: https://ruralindiaonline.org/en/library/resource/the-farmers-empowerment-and-protection-agreement-on-price-assurance-and-farm-services-act-2020/.

not so much educated people in this sector. This main provision of the law has created the problem.

b. **The Farming Produce Trade and Commerce (Promotion and Facilitation) Act, 2020[4]:** The title of the Act clearly shows its purpose i.e. the promotion and facilitation of trade and commerce of agricultural products. To understand the law, one must know the existing procedure of commerce and trade of agricultural products.

The Farming Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 allows farmers to trade their produce inside or outside of their respective States. Agriculture is a state subject and prior to this Act, the States controlled agricultural markets through APMCs (Agricultural Produce Market Committee). These APMCs attracted farmers because of **Minimum Support Price (MSP)** which offered farmers the rates of certain agricultural products fixed by the Government. There at APMCs, certain taxes were also imposed by the government on buying and selling of agricultural produce. It was quite a major source of revenue generation for the state Governments as well.

The new Act will allow barrier-free trade of agriculture produce outside the notified APMCs. Moreover, this Act shall also restrict the State Governments to impose taxes on sale and purchase of Farm produce outside of APMC markets. In this way, it is assumed that farmers shall get more remuneration for their produce. The big land owners shall have more advantage of this Act as they shall have more options on their plate to sell their agricultural produce.

Hence, it can be summarised that, the "Farming Produce Trade and Commerce (Promotion and Facilitation) Act, 2020" allows the creation of private markets (Mandis) where there shall be no tax on trade of agricultural products. In this ways, the APMCs shall automatically lose their importance. This shall also lead to extinction of sureties and guarantees provided by the government to the farmers regarding standard fixed rates. Again, here the provision of law that allowed the creation of outside Mandis have also created the problem.

c. **The Essential Commodities (Amendment) Act, 2020[5]:** This Act is not a new one; rather it is an amendment of an already existing Law: **The Essential Commodities Act, 1955**. The law prevents hoarding or black marketing by ensuring the delivery of certain goods, so that, normal life of people is not affected. Such goods may include certain types of food, medicines, fuel and petroleum etc. With the help of this law, the Central Government can add or remove any commodity as and when the need arises. For instance, if investors create an artificial demand of onion in the market by hoarding, the price of onion

[4] Lok Sabha, "The Farming Produce Trade and Commerce (Promotion and Facilitation) Act, 2020,"" Available at: http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/113_2020_LS_Eng.pdf.

[5] Lok Sabha, "The Essential Commodities (Amendment) Act, 2020," Available at: http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/111_2020_LS_Eng.pdf

shall rise. Owing to this Act, Government can put onion on the list enshrined by the said Act. In this way, the availability of onion to consumer at right price is ensured.

The newly passed amendment in the said law is regarding removing certain commodities "as essential" from the list. Furthermore, the Act states that Government shall only regulate supply and prices of these items in times of War, Famine, High Price rise and Natural Calamities. These removed commodities include daily used food items such as cereals, pulses, potato, onion, edible oilseeds and oils.

Hence, "The Essential Commodities (Amendment) Act, 2020"by removing certain agricultural products such as pulses, cereals, edible oil, potatoes and onion from essential commodities list is allowing the corporate companies to take over the control of these commodities.

d. **Critical Evaluation of Rule:** To critically evaluate these Farm laws, it is necessary that the protesting stakeholders should also be given an opportunity to be heard.

- The Farmers (Empowerment and Protection) Agreement on Prices Assurance and Farm Services Act, 2020 provides a mechanism of contract farming. However, farmers, protesting against this law, are anticipating that this law provides legal basis to powerful corporate sector companies to dominate agriculture sector while putting liability clauses on them. There are chances that a company could exploit the farmers very easily through legal clauses as there are not so much educated people in this sector**.**
- Similarly, through the "Farming Produce Trade and Commerce (Promotion and Facilitation) Act, 2020", Government wants to get out of agricultural business and give its control over to free market. Usually, it has been observed that when there is no Government check on market- and government not even imposing any tax on sale and purchase of agricultural goods, monopolies emerge. Big corporate players create artificial demand and supply gap to get more and more profits. There is a staunch possibility that farmers could be exploited at the hands of these big corporate companies because through monopolies they could lower the price of certain crops and farmer shall be unable to meet their expenditures besides having no support from Government.
- Likewise, "The Essential Commodities (Amendment) Act, 2020" removes certain agricultural products of daily use from essential commodities list. On one hand, the farmers shall be able to earn more while inflation may rise on the other hand. Moreover, the chances of hoarding such items may increase as these commodities will not be regulated by the Government. The term "High Price Rise" sets limit of an increase of 50%. It means that Government shall only intervene when

the prices of non-perishable items such as oils and pulses is increased by 50% of current retail price. This leaves a big margin for businessmen to earn more profit while general masses shall be the victims. The limit for perishable items like onions and potatoes is set at 100%.

II. Opportunity

Opportunity means if there are such circumstances which facilitate the problematic behavior. India is a large country where millions of people are affiliated with agriculture business. Farmers are mostly living hand to mouth and majority of them owe huge debts. This is why hundreds of farmers have committed suicides in the past. In such situation, the Acts sparked protests as Farmers being the major stakeholder were not kept in the loop while making such laws.

III. Capacity

While drafting these Farm Laws, it was ignored whether or not farmers could understand the complexities of legal agreements as the majority of them are uneducated. In addition, small farmers may face more problems as they are unable to transport their products to far-flung markets. Similarly, the capacity of farmers-to cope with the expected artificial supply and demand gap-is also a matter of concern. There is a strong chance that farmers will be manipulated by corporate companies.

IV. Communication

Communication means if the actors know and understand the rules in force. Although the Government has provided for a legal mechanism in the event of a breach of the agreement, the process is cumbersome for farmers. To go to such forums and long procedures, the complainants will surely be discouraged from withdrawing their complaints.

V. Interest

Interests refer to actors' own perception of how the costs and benefits of existing legislation affect them. First of all, farmers are against contract farming because they fear exploitation. Second, as the Government does not impose any tax on private Mandis and existing taxes on APMCs continue to be levied, the APMCs lose their importance and the Government's control of the agricultural sector decreases. The private sector shall take control of even provision and supply of essential commodities under these Farm laws.

VI. Process

Process is a criterion by which the relevant actors decide whether or not to comply with the law. In this case, the farmers have taken the path to protest, because their interests are at stake. If the Government does not protect their interests, the legislation may not even be able to achieve the intended purpose.

VII Ideology

After years of exploitation, the farmers have developed a belief that no law is formulated for their benefits. There is lack of trust between the Government and the farmers. Such ideology has played an important role in sparking the protests.

4. Conclusion

In a nutshell, it can be said that these laws are more inclined towards interests of corporate companies than the interests of the farmers. The creation of free markets on the parallel lines of APMCs shall surely render these already existing Mandis useless. The farmers shall sell their products at higher rates in free market because of absence of sales taxes in these markets. On the other hand, the APMCs, where taxes shall continue to be imposed shall become useless in future. There is strong possibility that corporate companies shall exploit farmers in future by creating artificial demand and supply gaps, in the absence of government check. Moreover, legal complexities in the case of contract farming also pose a threat to farmers, owing to their lack of education. Lastly, the provision of control over essential commodities to the corporate sector may break the delivery process as well as the prices of such daily used items may also increase. The laws provides that the government shall only intervene when there is high price rise, war nor famine like conditions. This provision gives a way to corporate sector to create monopolies over the pricing of agricultural products. It is high time that Government should acknowledge its responsibilities towards protecting the interests of its citizens.

ANALYSIS

State of Pakistan's Economy: Challenges and Way forward

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1. Introduction

The economic condition in any country is determined on the basis of set of indicators including: interest rate, inflation, trade balance, economic growth rate, unemployment rate etc. These indicators present a riddle for a common man to understand the real standing of Pakistan economy for establishing a clear view that either the economy is on right track which will lead to sustainable economic success or it will keep detracting and plummeting, failing to achieve some sustainable and encouraging growth pace.

The performance of any political government is largely measured and rated by the people on the basis of two key factors; first its governance and secondly the economic situation of the country. Since, the incumbent Federal Government took office in August 2018; they showed meager performance pertaining to these factors which raises number of questions on the overall performance of the government. However, they had faced number of challenges during their almost thirty months of government including; artificially managed currency value and high debt burden accumulated by previous governments and more importantly the adverse impacts of COVID-19, which devastated many local and global businesses.

This paper traces economic challenges to a common man; the indicators based economic performance of the incumbent government, a set of suggestions and way forward in the given economic scenario.

2. Common Man's Economic Challenges

Since past few years, Pakistan has been a struggling economy and its dependence upon economic programs like IMF and soft loans from different countries has been a continuing activity of successive governments. It is undoubtedly an insurmountable economic burden when a major portion of federal budget of the country goes to debt servicing. Since last two years, the economic challenges for a common household have been increasing at a rapid pace. The fiscal space to attend to basic needs such as food, shelter, and utilities has shrunk to an alarming level. Pakistan is a country with population of 216.6 million. In the last two years, the incidence of poverty in Pakistan has significantly increased. In 2017-2018, the incidence of poverty stood at 31.3 percent whereas in 2018-2019, it increased to 35 marking an increase of 3.7 percent.[1] According to the last data point established, per capita debt of Pakistan in 2019 was $1,154 per inhabitant. In 2018, it was $1,122 and in 2017, it stood at $1,036.[2]

To depict the success of economic strategies and plan, the government claims to sign various trade agreements with developed countries, MNCs and other stakeholders for facilitating trade

[1] Hafeez Pasha, "Rising Poverty", *Business Recorder*, 2019.
[2] "Pakistan National Debt 2019", *Countryeconomy.Com*, 2019, https://countryeconomy.com/national-debt/pakistan#:~:text=According%20to%20the%20last%20data,per%20person%20was%20584%20dollars%20.

activities, building special economic zones, and investing in infrastructure development. Furthermore, one continues to hear about an increasing inflow of foreign remittances and FDI in the country. But, the question is; what does it mean for a common household in Pakistan? To answer the question, we must first establish the factors which directly impact a common citizen. Though the overall economic priorities and situation of the country impacts the common citizens but what shrinks the fiscal space of individuals is the rising inflation in food prices, utilities, and shelter with growing unemployment and lack of decent wages. Based on country's literacy rate and needs of a common household, people won't be relieved with the magnanimous trade agreements, FDI, establishment of special economic zones or partnership with other countries, in fact, what they desperately need are certain reliefs such as; reduction in the prices of food items, utilities and shelter. A common man won't understand and appreciate the economic successes and priorities until it directly impacts and improves the quality of life for him/her and the household – broadening the fiscal space to meet the expenditures. The continuing price inflation of essential commodities since last two years has made it difficult for a common household to meet the essential expenditures. Government can only earn the trust of masses and extract benefit of its economic priorities if it is able to satiate the basic needs of a common man by controlling inflationary factors.

3. General indicators to assess the economic health of the economy

Multiple factors determine the overall health of economy. Consequently, those factors help in underlining the reasons and provide insights for strategizing economic priorities to improve the overall health. Few of the economic factors critical in determining the health of economy are analyzed below:

a. **Public debt:** The total public debt of Pakistan was recorded at Rs 35,207 billion at the end of March 2020 compared with Rs 32,708 billion at the end of June 2019.[3] Before the current government took charge, the Economic Survey of Pakistan (2017-2018) stated that the total public debt of Pakistan stood at Rs 22,820 billion.[4] This depicts that incumbent government has acquired an increased amount of loans in its 24 months period as compared to previous governments. Concurrently, the increased amount of loans resultantly indebted each citizen of the country with $1,154.[5] There might be various reasons which led the government to borrow such amounts in just 24 month period but it has put the common man in economically challenging circumstances to make the ends meet.

b. **Inflation:** During the first seven months of the fiscal year 2019-2020, the headline inflation rose by 14.6 percent. The prime reason for massive increase in inflation stated in the Economic Survey of Pakistan (2019-2020) was the steep surge in food inflation.[6] This is the basic factor discussed in the article portraying the economic challenges of a

[3] Ministry of Finance, *Pakistan Economic Survey (2019-2020)* (Islamabad: Ministry of Finance, 2020).
[4] Ministry of Finance, *Pakistan Economic Survey (2017-2018)* (Islamabad: Ministry of Finance, 2018).
[5] Pakistan Economic Survey (2019-2020)
[6] Pakistan Economic Survey (2019-2020)

common household. In FY 2017-2018, before the elections of 2018, the inflation stood at 4.6 percent.[7]

c. **Industrial production:** The Large Scale Manufacturing (LSM) which has 78 percent share in manufacturing and 9.5 percent in GDP proved to be struggling in FY 2019. The sector recorded a negative growth of -2.28 percent.[8] Comparatively, in FY2018, the LSM sector recorded a growth of 6.24 percent as compared to the 4.40 percent in the preceding year.[9]

d. **Agriculture:** Pakistan is considered as an agricultural economy and agricultural stands as the backbone of overall economic health of the country. In FY2019, the agriculture sector growth rate was recorded at 0.58 percent whereas it improved significantly in FY2020 to 2.67 percent.[10] During the period of 2017-2018, the agriculture sector surpassed its target of 3.5 percent and reached 3.81 percent marking stability in the sector.[11]

e. **Trade and Balance of Payments:** During July-March FY2020, the current account deficit reduced by 73.1 percent to $2.8bn in comparison to $10.3bn in the preceding year. The reason for decrease in the deficit was primarily due to reduction in trade deficit by 31 percent to $14.7bn. For the pre-COVID period July-Feb FY2020, the exports reached $15.6bn compared to $15.1 in last year. But in April 2020, the Pakistan Bureau of Statistics (PBS) data showed that the exports stood at $957 million marking a decrease of 47 percent. Similarly, during July-Feb FY2020, the imports were amounted at $31.5bn compared to $36.6bn in the preceding year.[12] Comparatively, the current account deficit reached to $12,029 million in FY2018. Exports stood at $14.8bn. The import target for FY2018 was $48.82bn; the imports were amounted at $39bn during the first eight months of FY2018.[13]

f. **Employment:** According to the Labor Force Survey (2017-2018), the total labor force in Pakistan was 65.5 million. The unemployment rate is 5.8 percent. According to the survey, highest unemployment is among the age bracket of 20-24 years, indicating youth unemployment (11.56 percent). The labor force of Pakistan is 9th largest in the world with population growth rate of 1.94 percent.[14]

g. **Exchange rate:** As of June 7, 2018, at the completion of 5 year tenure of the previous government, the exchange rate stood at 111.75 rupees per $US. Comparatively, as of Feb 15, 2021, the exchange rate stands at 159.12 rupees per $US.[15]

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[7] Pakistan Economic Survey (2017-2018)
[8] Pakistan Economic Survey (2019-2020)
[9] Pakistan Economic Survey (2017-2018)
[10] Pakistan Economic Survey (2019-2020)
[11] Pakistan Economic Survey (2017-2018)
[12] Pakistan Economic Survey (2019-2020)
[13] Pakistan Economic Survey (2017-2018)
[14] *Labour Force Survey of Pakistan (2017-2018)* (Islamabad: Pakistan Bureau of Statistics, 2018).
[15] Trading Economics, "Pakistan Rupee, 2001-2021 Data 2022-2023 Forecast Historical", *Tradingeconomics.Com*, 2021, https://tradingeconomics.com/pakistan/currency.

4. Way forward

The following set of policy options for redressing the economic situation of the country may be derived from a detailed review of key economic indicators that help to assess economic performance in each of the areas concerned.

a. **Strengthening mechanisms for price control:** As price control or inflation control is considered as one of the key factors to evaluate the economic performance of any political government, so it demands a considerable focus utilizing all available tools for coping it. Broadly speaking, inflation emerges due to overprinting of money or due to poor market governance. During PTI Government, the money printing could not be considered as significant reason for price hike whereas it badly failed in introducing a good market regularizing mechanism. Furthermore it failed to control input prices such as electricity, fuels, imported and local raw materials which trigger costs hike and ultimately a rise in general prices.

   The State Bank of Pakistan introduced monetary policy largely according to market requirements considering the inflation phenomenon[16] however, Government needs to reconsider its market control structure to cater artificial price escalation through price control committees and offices in place.

b. **Control of input prices, in particular energy and fuel tariffs:** The present government regime witnessed a continuous increase in energy tariffs such as electricity as well as petroleum products. Being key input factor in all kinds of production and economic activity, it put serious negative impact on economic growth and price hike.

   The Government needs to immediately explore new modes of energy that may provide economical options as well as it should rationalize continuous energy tariff hikes which is directly hurting industry and a common household. The government is facing severe challenges pertaining to growing circular debt with regard to electricity sector which is being translated into energy tariffs. This channel is adversely hurting economic growth and triggering inflation. The government should introduce some sustainable solutions for energy price control in the short run as well as introduce some economical and sustainable energy options in the future. Such options may include; solar energy, wind energy, dams as well as to cater huge reliance on petroleum fuels, government should expedite transport transition to electric and solar vehicles.

c. **Tax cuts to low performing sector:** The Government should give tax cut to low performing sector to encourage investments and economic activity. Previously, governments in Pakistan had been giving tax holidays to industries in specific industrial areas or industrial estates/zones[17]. Such initiatives encourage local and international investors and industrialists for new startups and help achieving employments and economic growth.

[16] "SBP Keeps Policy Rate Unchanged, Says 2021 Inflation Expected To Be In 7-9% Range", *The News,* November 23, 2020.
[17] Nasir Jamal, "Not-So-Special Economic Zones", *Dawn*, 2019.

Newly proposed industrial zones under CPEC projects can provide a great opportunity in this regard. The Government should announce a tax holiday for industries developed in these special economic zones to better utilize the land allocated as well as to get benefit of industrialization, export growth and employment generation. These aspects are already under consideration of the government since initial CPEC plans[18]; the only thing that will matter would be the rational and sustainable implementation of proposals which may give a sustainable boost to economy.

d. **Focus on R&D spending to enhance import substitution:** Pakistan has huge industrial and export potential because of its abundant labor force and inputs base due to fertile agricultural landscapes. To tap this potential, the country had been lagging in focusing on research and development – according to needs of the local market and international market. Unfortunately, our number of merchandises/ indigenous products could not get registered in the international market due to incompetence and lack of focus of relevant government authorities. Pakistani Basmati rice was the classic example of this issue where it had been registered in international market by India[19].

The potential of Pakistan's industry needs to be boosted by dedicatedly focusing on research and development by the government authorities. During first spike of COVID-19 in 2020, Pakistan was initially importer of number of surgical and medical equipment required to cope with the COVID-19 spread. But soon after, when Government authorities focused on this challenge, within a few months, Pakistan was able to export such equipment to international market. This aspect shows that Pakistan has huge potential, where an efficient coordination of industry and government as well as effective research and development by the universities and relevant government agencies can play a significant role in boosting industrial production and enhancing exports[20].

e. **Effective launch and implementation of public sector development programs:** The government's spending through public sector development programs plays a huge role in boosting economic activity and creating employment. During FY 2019-20, the PSDPs could not be implemented as per initial plan due to reallocation of resources to health sector and social security program[21]. This relocation of funds from development projects slashed economic growth significantly in the given years as well as put adverse impacts on employment and economic activity throughout the country.

Similarly, in ongoing fiscal year, Government is not extending some significant expansion in public sector development programs as economy could not fully recover out of COVID-19 where it already had a meager resource base. In this scenario, Government seems to perform below its set economic targets for FY 2020-21[22].

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[18] Wasim Iqbal, "Incentives To Sezs Under CPEC Being Revisited", *Business Recorder,* October 17, 2019.
[19] "Pakistan Gets Geographical Indicator Tag For Basmati", *Dawn,* January 28, 2021.
[20] Umer Khayyam, "R&D And Knowledge-Sharing – Pakistan Can Learn From European Model", *The Express Tribune,* March 11, 2019.
[21] "PSDP Cut As Covid-19 Eats Up Resources", *The Express Tribune,* June 13, 2020.
[22] Shahid Iqbal, "GDP To Grow By 2.5Pc In FY21: SBP", *Dawn,* November 19, 2020.

For the upcoming year FY-2021-22, the Government needs to allocate a significant amount to development budget to improve the economic activity and performance in its wellbeing. The key priority areas in this regard may include, health, education, roads infrastructure, industrial zones etc. More importantly, the focus should be on real time spending of allocation proposed in the budget documents instead of budget cuts or relocation to some non-development areas at later stage.

f. **Improving Social Security Programs:** Unfortunately, poverty rate showed a significant rise in recent years[23]. To bring people, out of poverty, the Government projects under Ehsaas Program and Benazir Income Support Program (BISP) should be given significant funding with some result oriented program structure which may help people to come out of poverty by availing some sustainable livelihood target. Under this, Government should provide some micro loans to the people below poverty line with some effective and sustainable micro business plans rather mere financing consumption expenditure of poor families. A robust and well researched scheme should be launched with sustainable structure according to requirement of different areas of the country considering local strengths, dynamics and business climates. Providing micro business loans to women may help in empowerment of women as well as the multiple research studies give evidence that women are more responsible and productive in utilizing micro loans for small startups of businesses[24].

5. Conclusion

On the basis of extensive debate on economy of Pakistan, it is safe to state that it is battling with number of challenges such as low economic growth, inflation and hampering employment opportunities. The incumbent government could not achieve some tangible performance targets since it had completed almost half of its government term. The government showed improvement in catering current account balance, improving trade balance and increasing tax revenues but unfortunately it could not translate these achievements in shape of giving some economic incentives to a common man. The inflation particularly in the food items, falling employment opportunities and slashing development plans, hurt the economy of a common man adversely.

Keeping in view the on-ground economic conditions, the Government should immediately improve market governance to address unjustified inflation and price fluctuations. Similarly, there is an immediate need to address input prices specifically; the energy tariffs i.e. electricity and gas, which put an upward pressure on production cost and inflation.

Finally, the Government should significantly focus on enhancing and implementing public sector development programs to expedite economic growth, enhance employment opportunities and bring market stability.

[23] Iftikhar A. Khan, "Another 10M Likely To Slip Below Poverty Line", *Dawn,* June 12, 2020.

[24] GPFI, *Strengthening Access To Finance For Women-Owned Smes In Developing Countries* (Washington, DC: International Finance Corporation, 2011).

OPINION

Pakistan's Tax Collection System Reform

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Abstract

Taxes -the vital and primary source of revenue are certainly important priority of a country. In Pakistan, as in other countries, two types of taxes are levied, such as direct taxes and indirect taxes. According to the Pakistan Economic Survey 2019-20, direct taxes account for 38% and indirect taxes for 62% of total tax collection. Pakistan's tax system is complex and faces various challenges in the form of tax evasion, tax evasion, undocumented economy, a narrow tax base, tax progressiveness and dependence on indirect taxation. As a result, these challenges result in a low tax-to-GDP ratio and lower tax collection over the years. Therefore, in order to overcome these issues, the government must pay attention to improving the tax system by ensuring an effective tax regime, simplifying taxation, broadening the tax bases, administrative reforms and digitizing the tax collection system.

1. Tax Regime in Pakistan

Tax regimes can be defined as any administrative practices, legislation and set of rules or regulations which determine tax collection system as well as tax rates. In general, tax regime has two main components; a set of taxation laws and efficient tax administration to enforce established laws. The main function of the tax regime is to ensure the collection of taxes. There must be an effective and pragmatic tax culture in the country because a strong tax regime may not be successful if it is not compatible with its tax culture.[1] According to the Income Tax Ordinance (ITO) of 2001, there are three types of tax regimes in Pakistan through which the tax is imposed on the income.

a. **Normal Tax Regime (NTR):** First type of the tax regime is the Normal Tax Regime. Under the umbrella of NTR, the basic rate of taxes is levied on the income of large groups. In this regime various deductions and allowances are allowed.
b. **Minimum Tax Regime (MTR):** Under the Minimum Tax Regime, in some cases where the normal tax is less than the minimum tax rates, a minimum tax is levied to the taxpayer.
c. **Final Tax Regime (FTR):** Against the conventional and orthodox tax regimes, another regime in the ordinance is the final tax regime. In Pakistan, FTR is mentioned in section 169 of the Income Tax Ordinance, 2001. Main and important feature of FTR is that, it is a transaction-based taxation. Under the final tax regime, income of commercial

[1] Mohsin Raza Malik, "Promoting Tax Culture" *The Nation,* March 15, 2017. https://nation.com.pk/15-Mar-2017/promoting-tax-culture

importers, exporters and execution of contracts was considered as final tax liability. FTR is also known as presumptive tax regime.[2]

In Pakistan, taxation system is categorized into two types i.e. direct and indirect taxes. Direct taxation include taxes on corporate incomes, income from properties, businesses or professions, capital gains and income from other sources. On the other hand, indirect taxes comprise on custom, sales and excise taxes etc. According to the Economic Survey of Pakistan 2019-20, the share of indirect taxes (62 percent) in revenue collection is higher than direct taxes (38 percent) (Figure 1). As mentioned in the Constitution of Pakistan, the authority of tax collection is divided between federal and the provincial governments. The provinces levy taxes on agriculture commodities, services sector, real estate property and motor vehicles etc. It is noteworthy to mention here that provinces contribute only 4 to 7 percent of the total tax revenues in shape of direct taxation while receive 35 percent of their expenditure from the federal government.[3]

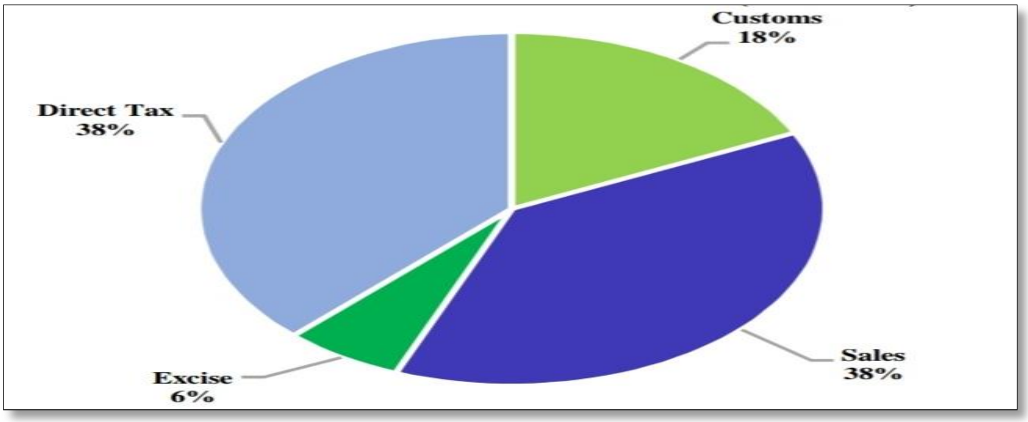


Figure 1 Proportion of direct and indirect taxes 2019-20
Source: Pakistan Economic Survey 2019-20

2. Issues of Taxation in Pakistan

Under the Income Tax Ordinance 2001, it is the responsibility of Federal Board of Revenue to collect taxes at different tax rates. In Pakistan, the lowest tax-to-GDP ratio i.e. less than 11 percent has been observed for many years. [4] The reason behind lower tax collection is inefficiency of management of the revenue collection authorities and the prevailing poor tax culture. The low tax to GDP ratio, tax avoidance or tax evasion in Pakistan is due to the incompetency of the tax system including:

a. **Ineffective Tax Administration:** Despite many reform efforts, there are some deficiencies in tax administration that the tax department has been facing. These

2 Talha Munir, "Analysis of the Final Tax Regime (FTR) Pakistan: Background, Salient Features, Pros and Cons, and Effects on Economic Activity." Lahore University of Management Sciences June 18, 2020. https://www.researchgate.net/publication/342261685_Analysis_of_the_Final_Tax_Regime_FTR_Pakistan_Background_Salient_Features_Pros_and_Cons_and_Effects_on_Economic_Activity

3 GoP, Finance Division, "Economic Survey of Pakistan 2019-20: Fiscal Development" GoP Finance Divison, June 02, 2020. http://www.finance.gov.pk/survey/chapter_20/04_Fiscal_Development.pdf

4 Muhammad Yasir, "Poor Tax Culture" *The Nation,* September 23, 2020. https://nation.com.pk/29-Sep-2020/poor-tax-culture

deficiencies include enervating institutional structure such as mismanagement, weak human resources, and inadequate financial control system, poor performance of the tax auditors, poor identification of non-filers and lack of transparency in taxation system. In Pakistan, out of 2 million tax filers, only 0.6 million are employees that filed their income tax returns. Out of 100,000 companies only 50 percent companies pay their taxes in-spite of being registered with the (SECP) Securities and Exchange Commission of Pakistan.[5]

b. **Narrow Tax Base**: The main hurdle in poor tax collection is the narrow tax base in Pakistan. There are three main reasons behind this narrow tax base. Firstly, the presence of informal enterprises in which their wages or earnings are below the taxable threshold and hence do not pay taxes. Secondly, as mentioned in Income Tax Ordinance 2001 and the Income Tax Rules 2002 the salary allowance and privileges of certain groups such as widows, pensioners, employees of research organizations and non-governmental organizations are given concessions. Thirdly, the transactions that are made on a cash basis are not documented. This undocumented transaction is a hurdle to levy taxes on their incomes.

c. **Skewed Tax Structure:** Pakistan is basically comprised on lower middle income and middle income class and at the top level the wealth is saturated within a narrow group of elite class. For every government, it is a challenging factor to collect taxes and then redistribute to the lower middle income classes. Out of 152 countries, Pakistan ranked 137th as per Oxfam`s report named "Commitment to Reducing Inequality (CRI) 2018". In Pakistan the income distribution is uneven. In such circumstances it is extremely challenging to collect taxes from elite and hence the burden of taxes shifts towards lower middle class. Therefore, Pakistan heavily relies on indirect taxation to meet its fiscal expenditures. According to the Economic Survey of Pakistan 2019-20, the share of indirect taxes (62 percent) in revenue collection is higher than direct taxes (38 percent).[6]

d. **Corruption and Tax Evasion:** In Pakistan, the main reason behind the corruption of tax official is that the salaries and incentives are highly inadequate. A survey was conducted by the Task Force on Tax Administration to identify the root causes of corruption. The results of the survey showed that poor compensation, discretionary powers of tax officials, absence of accountability, and complexity of tax system were the reasons behind corruption. Broadly, there are two motives of corruption i.e. in order to fulfill basic necessities of their families or due to the lack of reward system.[7]

e. **Underground Economy:** Underground economy is also known as shadow or undocumented economy. Being non-observable and non-auditable, the underground/ shadow economy is the major hindrance in tax collection in Pakistan. Undocumented

[5] G.B. Sahqani, "INSIGHT: Pakistan Budget—Tackling Fiscal Problems Through Tax Policies" *The Bloomber Tax*, July 19, 2019. .https://news.bloombergtax.com/daily-tax-report-international/insight-pakistan-budget-tackling-fiscal-problems-through-tax-policies

[6] GoP, Finance Division, "Economic Survey of Pakistan 2019-20: Fiscal Development" GoP Finance Divison, June 02, 2020. http://www.finance.gov.pk/survey/chapter_20/04_Fiscal_Development.pdf

[7] The World Bank, "Pakistan Policy Note 16: Mobilizing Revenue." The World Bank, June 2013. http://documents1.worldbank.org/curated/en/378401468074335833/pdf/795830BRI0SASE0Box0377381B00PUBLIC0.pdf

economy having 70-80 percent share of the GDP is a serious challenge in revenue collection of the State. Various reasons of the shadow economy included poor regulatory channels, tax illiteracy, cash and non-banking transaction, growing informal enterprises and smuggling etc. Along with above mentioned issues the system is further complicated due to lack of confidence of taxpayers on the tax system. [8]

3. Fiscal Performance of 2019-20

Tax structure of Pakistan is regressive in nature and loopholes of taxation are the narrow tax base, massive tax evasion, concessions and exemptions, corruption, weak tax administration, regressive tax regime and heavy reliance on indirect taxes rather than direct taxes. In Pakistan, the reasons behind low tax to GDP ratio are the combined effects of these challenges over the years. The overall tax revenues declined to 11.8 percent of GDP during FY2019. FBR tax collection also declined to Rs. 3,828.5 Billion in FY2019 against Rs. 3,843.8 Billion in FY2018. In the domain of FBR tax revenue, the direct taxes decreased by 5.9 percent and sales tax revenue decreased by 1.8 percent. In FBR tax collection, the share of sales tax remained the major revenue source with a higher contribution of 38.1 percent followed by the share of customs 17.9 percent and (Federal Excise Duty) FED 6.2 percent during FY2019. This shows that the tax revenue of Pakistan highly relied on indirect taxes over the years. Currently, the indirect taxes contribute 62.2 percent and the direct taxation 37.8 percent in revenue collection. The share of direct taxes has been increased over the years due to various reformative measures such as the Universal Self-Assessment Scheme (USAS) and the Income Tax Ordinance, 2001.[9]

4. Major Initiatives Taken by FBR

To bring equity and fairness in taxation system, FBR has taken various initiatives. The main purpose of these initiatives was to generate more tax revenues.

a. **Automation of Business Processes:** A mobile app has been launched for online registration of sales and income taxes. In addition, for filing of simple return, another app named 'Tax Assan' has been launched.

b. **Income Tax Enforcement Measures**

   i. **Withholding Taxes:** These include
      - Special WH Tax Management Plan
      - Taxpayer Education/Awareness Outreach Initiative
      - Focused & Risk Based WH Taxes Monitoring"

   ii. **Broadening of Tax Base (BTB) Initiatives:** For broadening, the tax base data was obtained from Distribution Companies (DISCOs) and Gas Companies which in result increased the number of tax filers to around 2.7 million.

[8] Mirza *et al.,* "Tax Burden and Income Disparities–A Review of Pakistan's Taxation System." *ISSRA papers* Volume: 10. 2018. https://www.ndu.edu.pk/issra/issra_pub/articles/issra-paper/ISSRA_Papers_2nd_Half_2018/07.TAX-BURDEN-AND-INCOME.pdf

[9] GoP, Finance Division, "Economic Survey of Pakistan 2019-20: Fiscal Development" GoP Finance Divison, June 02, 2020. http://www.finance.gov.pk/survey/chapter_20/04_Fiscal_Development.pdf

c. **Sales Tax Enforcement Measures:** "Point of Sales (POS), the development of a mobile app for customers to get cash back on sales invoices. Track and Trace System introduced for specific goods such as tobacco, cement, sugar, beverages and fertilizers. Inland Revenue Enforcement Network (IREN)".

5. Acts, Ordinance and Rules of Taxes enforced in Pakistan

The list of acts, ordinances and rules of taxes enforced in Pakistan as given below:

a) Sales Tax Act, 1990
b) Federal Excise Act, 2005
c) Sindh Sales Tax on Services Act, 2011
d) Punjab Sales Tax on Services Act, 2012
e) Khyber Pakhtunkhwa Sales Tax on Services Act, 2013
f) Baluchistan Sales Tax on Services Act, 2015
g) Islamabad Capital Territory Sales Tax on Services Ordinance, 2001.
h) Customs Act, 1969
i) Benami Transactions (Prohibition) Act, 2017
j) Public Finance Management Act, 2019
k) The Federal Board of Revenue Act, 2007
l) Voluntary Declaration of Domestic Assets Act, 2018
m) Income Tax Amendment Act, 2016
n) Income Tax Ordinance, 2001
o) Assets Declaration Ordinance, 2019
p) Voluntary Declaration of Domestic Assets Ordinance, 2018
q) Foreign Assets (Declaration and Repatriation) Ordinance, 2018.[10]

6. Way Forward

Low tax collection in Pakistan is due to poor taxation system, bad tax administration, complex tax laws and tax evasion. Therefore, there is a dire need to adopt some pragmatic measures to improve taxation system of the country.

a. **Progressive Taxation System:** Tax system of Pakistan is regressive in nature and heavily relies on indirect taxation. Progressive taxes or Ability to Pay Principle can bring equity in taxation as poor and rich people are levied taxes according to proportion of their incomes. To bring progressivity and prohibit tax evasion, effective monitoring, intelligence and adequate auditing is needed in the system. Therefore, FBR must adopt the policy of progressive taxation to curtail the problems which will increase the tax collection and also reduce the burden of indirect taxes on the poor.

b. **Broadening Tax Base:** In Pakistan, tax to GDP ratio is very low in comparison to its neighboring countries and follows a narrow tax base. In Pakistan, only 1.96 million tax returns were filed in 2018. The need of the time is to expand the tax base by a number of methods such as giving the incentives to the tax filers and the tax collectors. This can be

[10] GoP, Federal Board of Revenue, "Acts/Ordinance/Rules." GoP Federal Board of Revenue, January 19, 2021. https://www.fbr.gov.pk/act-rules-ordinances/131226

done by encouraging filers through lowering the tax rate and increasing the tax rate for non-filers. FBR can also incentivize the filers by introducing the lucky draw scheme. In this scheme, random computerized balloting will select the random tax filers and in return, give surprise gifts i.e. cars, gold and home appliances etc. In addition to these, Media can play a crucial rule to highlight the benefits of being a filer.

c. **Digitalization of Tax Collection System:** Tax system in Pakistan is very complex and the traditional methods of taxation take times. To save time and increase tax revenues, the State Bank of Pakistan and Federal Board of Revenue should digitalize the tax collection system. The online tax collection method can positively increase the revenue by minimizing the inefficiencies of the tax collecting authority. This will also reduce the cost and increase the confidence of the tax payers.

d. **Administrative Reforms:** To address the administration issues, it is necessary to involve the stakeholders, make laws and implement these laws through consensus and consultation with stakeholders and experts of the subject instead of making policies that are less effective and fail to generate the best results. Rationalization of the system can enhance the tax compliance, technical competence, capabilities of the authorities. Reforms cannot work until analysis is made of the tax structure and the tax administration. The tax administration can be successful by devising an independent justice system, expertise for drafting of laws, integrating databases, devising tax forms and procedures and training of the tax administrators. These reform efforts must aim to increase the efficacy of tax administrations at federal and provincial levels.

e. **Social responsibility of public office holders:** Unfortunately, in Pakistan "representation without taxation" has been practiced since long times. To address this, the National Conflict of Interest Act 2016 has been enacted, which holds all public office holders responsible for the declaration of assets and tax payment details. In this scenario, public office holders, specifically politicians, government officials and ministers should declare their assets as advised in The National Conflict of Interest Act 2016 as well as should pay their due taxes to set good example for the common plebian. Following this, political leaders and public offer bearers can play a crucial role in eradicating and discouraging tax evasion by making details of their assets and status of their tax payment available to public. This develops trust in the system and sets a positive precedent for the public.

f. **Simplification of the Tax collection System:** Simplicity of the tax system and legislation is the guiding principle for enhancing the tax collection. Through simplification of tax system, tax literacy and awareness of their duties for the payment of taxes can increased the documented economy for tax collection. The perception of people and attitude to pay taxes can be influenced by tax literacy and persuasive messaging which can give rise to tax compliance behavior. The government should make the tax filing process simpler with a simple tax structure and introduce new reforms to enhance revenue collection.

An Introduction to a Book

Reviewed by
Fayyaz Gul,
Assistant Librarian, PIPS

The book So-called Durand Line or Grandfather Grandson Border is written by Juma Khan Sufi; belongs to Yousafzai tribe Born in Swabi, Khyber-Pakhtunkhwa in 1948. Originally, the author wrote this book in Pushto, later translated into Urdu in 2020. The author addresses the propaganda against the Pak-Afghan border, called the Durand line, in this book. And the author constructs a powerful narrative in response to the propaganda of Afghan and anti-Pakistan elements, through which the writer demonstrates the historical agreement with fact and evidence about the Durand Line, the boundary between Pak and Afghanistan.

The Durand Line is a 2,640-km (1,640-mile) border between Afghanistan and Pakistan. It is the outcome of an agreement between the Secretary of the British Indian Government, Sir Mortimer Durand, and the Amir, or ruler, of Afghanistan, Abdur Rahman Khan. The author discusses the time-to-time agreements between the Afghan Amirs and the representatives of the British Government.

The 1st border Agreement "Anglo-Russian Agreement-1873" between the foreign offices of London and Saint Petersburg, n which the northern boundary of Afghanistan was defined.

The 2nd Agreement was the "Durand Line Agreement-1893". It's the result of an agreement between Sir Mortimer Durand, a secretary of the British Indian government, and Abdur Rahman Khan, the amir or ruler, of Afghanistan. The current Pak-Afghan border was demarcated in this agreement on the objection of the then Amir Abdurrahman Khan of Afghanistan.

The 3rd Treaty was concluded in 1905 between the Amir Habibullah Khan and Honorable Mr. Louis William Dane, foreign secretary of the British Government, which had continued the already existing agreement between the British Government and Amir Abdurehman in 1893.

The 4th agreement is known as the Treaty of Peace-1919. In Article 5 of this Treaty, the Government of Afghanistan accepts the Anglo-Afghan border accepted by the late Amir of Afghanistan.

This book is a very good historical document made with a great deal of effort to record the Pak-Afghan border agreements while, in the British era, it is a solid proof of the international border agreements of today. Since the borders of the different countries set by the British Empire at the time of partition are accepted as international borders by their respective nationals, but in the case of Afghanistan, they are in good standing against the agreements made by their former rulers with the British Government. This book can be seen as a good alternative to a breakdown in the impact of propaganda against Pakistan's sovereignty.

MAPPING PARLIAMENTARIANS FORUM

INTER-PARLIAMENTARY UNION-IPU

1. **From political will to law: Advancing universal health coverage in Africa and Asia-Pacific**

   Virtual Workshop, 2 March 2021

Countries worldwide committed to universal health coverage (UHC) as part of the Sustainable Development Goals (SDGs) and reiterated their commitment in 2019 through the IPU resolution *Achieving universal health coverage by 2030: The role of parliaments in ensuring the right to health*. These political commitments need to be formalized through national legislation. Although following the adoption of the SDGs, many countries have been pursuing change by enacting legislation and developing policy frameworks, progress needs to be accelerated. According to the most recent global data available, Asia and Africa account for 98 percent of the global population impoverished by out-of-pocket health spending. Sub-Saharan Africa, South Asia and the Pacific Island Small States also have the lowest levels of health service coverage. It targets countries from Africa and Asia-Pacific. The target audience includes parliamentarians' members of health committees and other committees dealing with health matters, and parliamentary staff supporting parliamentary work on health. The workshop will also be open to other interested parliamentarians and parliamentary staff and include the IPU Advisory Group on Health members and its technical partners.
Source: https://www.ipu.org/event/political-will-law-advancing-universal-health-coverage-in-africa-and-asia-pacific.

2. **Information seminar on the structure and functioning of the IPU for English speaking participants**

   Monday, 22 March 2021 – Friday, 26 March 2021

   Virtual event

This is an information seminar for parliamentary staff who serve as Secretaries of IPU Groups or are responsible for the relationship of their respective parliaments with the IPU. The seminar is intended to provide them with an opportunity to acquire in-depth knowledge of the IPU, and hence facilitate their work in advising and assisting parliament and its members on all matters relating to the IPU, its programmes and activities, structures and working methods.
Source: https://www.ipu.org/event/information-seminar-structure-and-functioning-ipu-english-speaking-participants.

3. **What will it take to reach gender parity in political participation in a post-COVID-19 world?**

   Virtual Event, 23 March 2021

   IPU – UN Women Annual Parliamentary Meeting (CSW65)

Bringing together parliamentarians from all around the world and building on the urgency for concrete powerful actions to maintain the focus on parity in political participation, IPU and UN Women will organize the annual Parliamentary Meeting on the occasion of the Commission on the Status of Women (CSW) in March 2021 on the theme "What will it take to reach parity in political participation in a post-Covid-19 world?". The theme of the Parliamentary Meeting is in

line with the priority theme of the 2021 65th CSW on Women's full and effective participation and decision-making in public life, as well as the elimination of violence, for achieving gender equality and the empowerment of all women and girls. The Meeting will provide an opportunity to contribute to the CSW's debates from a parliamentary perspective. In addition to the Parliamentary Meeting, the IPU is organizing a side event on online harassment. This side event will be held on Wednesday 24 March, from 3.30 to 5 p.m.
Source: https://www.ipu.org/event/what-will-it-take-reach-gender-parity-in-political-participation-in-post-covid-19-world.

COMMONWEALTH PARLIAMENTARY ASSOCIATION-CPA

1. **Observances under the auspices of CPA:**

- Commonwealth Day: 8 March 2021
- International Women's Day: 8 March 2021

2. **CWP Asia Region: CWP Roundtable: Gender Sensitive Parliaments in the 21st Century (Asia Region)**

Virtual/online, 17 March 2021

The Commonwealth Women Parliamentarians (CWP) network is delivering a series of virtual Regional roundtable discussions for both female and male Parliamentarians and parliamentary staff across the Commonwealth that will explore the relevant steps Parliaments can take to ensure that they strive to become gender sensitive institutions. The roundtables will seek to facilitate a united Commonwealth approach to increasing the number of gender sensitive Parliaments across the Commonwealth. The CWP Asia Region Roundtable will take place on 17 March 2021 virtual/online.
Source:
http://www.cpahq.org/cpahq/Main/Women_MPs/CWP_Gender_Sensitisation_Workshops_2021.aspx.

3. **Commonwealth Heads of Government Meeting (CHOGM), Kigali, Rawanda – also including: Commonwealth Youth Forum; Commonwealth Women's Forum; Commonwealth People's Forum; Commonwealth Business Forum, 21 June 2021**

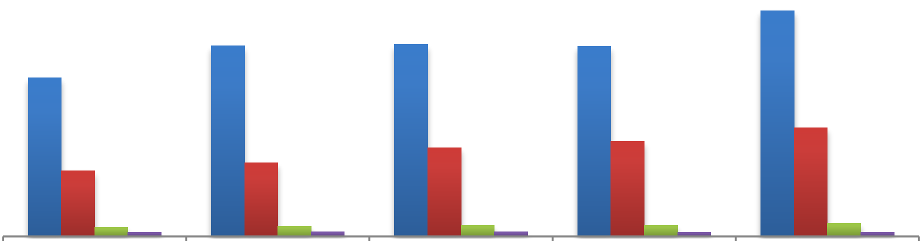
In Kigali, Commonwealth leaders will convene under the overarching theme 'Delivering a Common Future: Connecting, Innovating, Transforming', building on CHOGM 2018 outcomes which were inspired by the theme 'Towards a Common Future'. The meeting will place a strong emphasis on delivering achievable, comprehensive, meaningful, and powerful initiatives that effect change and implement the CHOGM 2018 agenda.
Sources: http://www.cpahq.org/cpahq/Main/Home/Main/Home.aspx?hkey=98e6b3f2-25d9-4d37-8f03-9ac0745ce845; https://chogm2021.rw/index.php/theme/.

FROM THE PARLIAMENTARY PAPERS

Number of patients treated free of cost at PIMS and FG Poly clinic during 2014-19

Qaiser Iqbal, Librarian
& **Areeb Shirazi**, Young Parliamentary Officer, PIPS
Information Centre, PIPS

On Jan 31, 2020, during the 265th session of Senate of Pakistan, 17th parliamentary year, Honorable Minister In-charge of National Health Services, Regulation and Coordination presented the comparative analysis of last five years regarding the number of patients treated free of cost at PIMS and FG poly clinic hospital, Islamabad.



	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
OPD	1,045,981	1,257,135	1,267,000	1,254,024	1,490,591
Emergency	431,772	486,691	586,437	628,252	718,078
In-patient department	61,483	68,297	72,601	72,367	85,287
Surgical procedure	27,236	29,371	29,114	27,508	28,640

Figure 1 Number of Patients provided free treatment at PIMS Islamabad during 2014-19

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Surgical procedure	8,772	9,321	8,649	9,362	10,209
In-patient department	31,556	32,688	31,773	33,571	38,755
Emergency	428,476	257,191	292,789	301,860	255,686
OPD	1,097,114	1,155,323	1,272,303	1,241,158	1,424,719

Figure 2 Number of Patients provided free treatment at FG Polyclinic Islamabad during 2014-19

PARLIAMENTARY BUSINESS

Virtual Parliamentary Sessions by The Provincial Assembly of Sindh

Aamir Ali Mugheri
Assistant PRC Officer
PIPS PRC, Provincial Assembly of Sindh

The Sindh Assembly was the first to hold virtual parliamentary sessions in Pakistan.

The pandemic of Covid-19 brought the entire world to a standstill, disrupting governments to function and provide essential services while forcing people to remain indoor. For smooth administration of state affairs the governments across the world opted for digital technology. To ensure that public services are not disrupted in crises like situation, the governments embarked on online working patterns that require public servants and supporting staff to work from within their homes via digital video zooming. The parliaments, the highest law making forums also optimized the digital technology and initiated virtual/hybrid parliamentary sessions.

In wake of the deadly COVID-19 pandemic and the disasters that it unleashed globally the two senior Parliamentarians belonging to the Provincial Assembly of Sindh i.e. Hon. Jam Madad Ali, and Hon. Ghulam Murtaza Baloch fell victims to the Pandemic which necessitated and reinforced the need to develop a comprehensive digitalized mechanism to ensure the conduct of parliamentary sessions. Therefore, in line with global practices, the provincial assembly of Sindh held virtual/hybrid parliamentary sessions. This received utmost favor and approval by the Hon. Chief Minster Sindh and Hon. Speaker Provincial Assembly of Sindh who personally took interest in devising the strategy and methods to develop the mechanism for holding the sessions of House virtually and online via technology. At a time when Covid-19 infections were reported to be highest in the Province, the holding of virtual/a hybrid session by the provincial government manifests its commitment toward serving the people and upholding the parliamentary supremacy regardless of challenges that were posed by the pandemic.

In order to overcome procedural difficulties for holding virtual/hybrid sessions, necessary amendments were made in the rules of procedure of provincial assembly of Sindh 2013 dated 15-06-2020, which is reproduced as below:

1. In sub-rule (1) of Rule 3 of Rules of Procedure of Provincial Assembly of Sindh after the words "date, time and place" the words "and manner of the sitting" were added.
2. After sub-rule (2) of Rule 3 of Rules of Procedure of Provincial Assembly of Sindh following proviso be added:

> "Provided that in case of emergency that makes it impracticable or unsafe for the Members to assemble at a single location, the Speaker may order for holding session by using any means of electronic communication including video conference or any audio-visual arrangements".

The conduct of the virtual/hybrid parliamentary sessions was the first innovation of its kind, and the Provincial Assembly of Sindh can be credited with taking the lead in organizing the virtual/hybrid sessions and adopting this technology.

The Leader of the House Syed Murad Ali Shah acclaimed the steps taken in this regard and expressed his satisfaction over the conduct of historic virtual/hybrid sessions in the words:

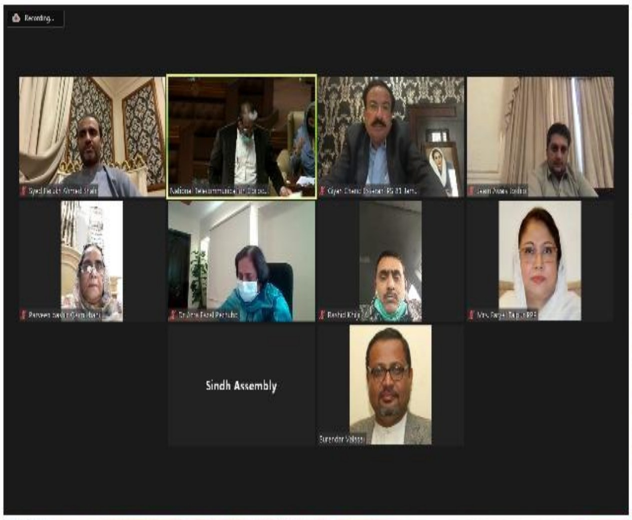
> *"This is the first time in the history of the country that we are holding this session virtually and it can be improved more with the passage of time I would like to thank the NED University and the staff of the IT department who facilitated this work and worked hard. This is the lesson for all the Assemblies in Pakistan: The National Assembly, The Senate and the Provincial Assemblies that if they work hard and resort to the uses of technology and with the cooperation of all specially the opposition to which I am thankful for their cooperation, we may hold online and hybrid sessions. Every member shall have an access to the sessions of the House while the speaker shall be in charge of all authority as to whom should he allow to speak".*

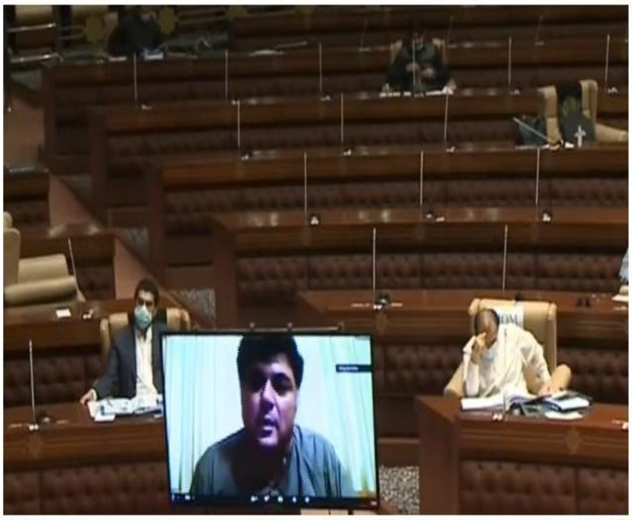
In connection with the conduct of the virtual/hybrid parliamentary sessions, a help desk was formed which issued a one pager instructions to the Hon. Members. For the smooth and uninterrupted access to the sessions, the Assembly facilitated the members with 40-MB high speed CIR internet. The entire regulation and control of the said technology rested with the speaker of the House. Moreover, two additional screens were installed within the House to facilitate the sitting members. The user ID, passwords and link continued to change on daily basis which were timely shared with the Hon. Members via Whatsapp and email one hour before the commencement of the session. For facilitating the online sessions, the Assembly used licensed version of ZOOM Application. Hon. Members were specially instructed to maintain the parliamentary decorum irrespective of the place of their joining the online parliamentary sessions.

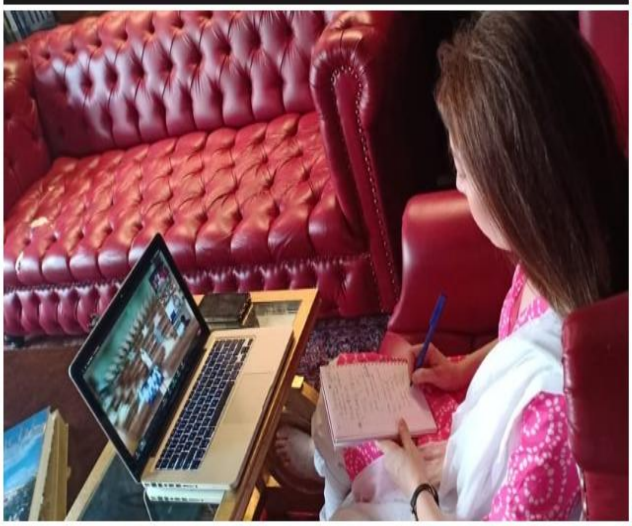
However, the entire practice was not free of some of the challenges and hardships too. Firstly, internet connections used by the Hon. Members were quality deficient and caused much of the inconvenience during the sessions. Secondly, members had to be taught to establish proper environment before being online. Since the start of the virtual/hybrid sessions, the Assembly has completed 38 online virtual/hybrid sittings. This would not have been possible had there been no efforts and hard work on part of Mr. Muhammad Taimoor Talpur, Minister For IT Government of Sindh, Mr. GM Umer Farooq Secretary Provincial Assembly of Sindh, M.H.M Hassan Shah, Additional Secretary Provincial Assembly of Sindh, Mr. Sajid Ahmed, Administrator Automation Provincial Assembly of Sindh and the IT Department NED University Karachi.

The Provincial Assembly of Sindh has successfully undertaken this task and led the other parliamentary institutions to follow suit in this regard. The effective use of technology has overhauled the performance of the House more robustly and the entire legislative business remained uninterrupted throughout the period of pandemic mainly because of the innovative sustainable and comprehensive reliance on technology by the Provincial Assembly of Sindh. The following are some of the Glimpses of parliamentary sessions.

GLIMPSES OF VIRTUAL PARLIAMENTARY SESSIONS AT PROVINCIAL ASSEMBLY OF SINDH







COMMEMORATING PAKISTAN RESOLUTION MARCH 23, 1940

Group Photo of Quaid-e-Azam Muhammad Ali Jinnah along with Muslim Leaders from across British India, Lahore 1940

PAKISTAN INSTITUTE FOR PARLIAMENTARY SERVICES
DEDICATED TO PARLIAMENTARY EXCELLENCE

Pakistan Institute for Parliamentary Services was established in Dec 2008 through an act of the Parliament to promote research, provide training and to provide facility of information to the Parliamentarians in performance of their duties and for matters connected therewith and ancillary thereto.

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Integrity, professionalism, non-partisanship, accessibility and anticipation

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