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Editorial

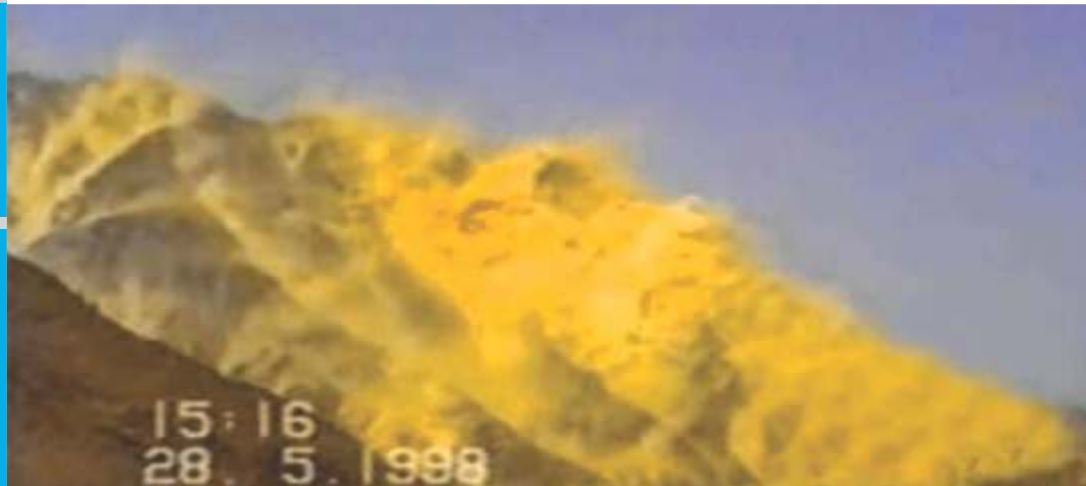
Dear Readers,

The Joint Session of the Majlis e Shoora (Parliament of Pakistan) on May 26, 2022, being cognizant in unison, condemned the abhorrent attempt of the Indian government to deprive the Kashmiri people of their true leadership by blatant persecution of Hurriyat Leader Mr. Yasin Malik, in a fabricated case in the Indian Illegally occupied Kashmir (IIOK). The consensus resolution categorically identifies the persecution as an unmitigated violation of the Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR). The world conscious must respond to stop this state terrorism by India.

We take this opportunity to share that the Institute for Parliamentarianism Kazakhstan and the Pakistan Institute for Parliamentary Services (PIPS) have signed a landmark MoU of cooperation on May 9, 2022, for provision of legislative, research, capacity building and outreach services for parliamentary institutions in the region.

As per the tradition, this Special Issue of the PIPS Parliamentary Research Digest on Economy and Budget includes analytical article on Decent Workplace and Economic Growth, Agricultural and Rural Economy of Pakistan in addition to comparative economic indicators over the last few years. 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
Director General (Research)



Youn e Taukhir: May 28, Pakistan celebrates the 24th anniversary of its first five nuclear tests conducted in the north-western Chaghi district of Balochistan at 3:16 pm on the 28 in 1998

Glimpses of Workshop on House and Committee Business: Responsibilities and Functions of Sindh and Balochistan Assembly Officers, May 12-14, 2022



PARLIAMENTARY BUSINESS**Resolution passed by the Majlis-e-Shoora in favour of
Hurriyat Leader Mr. Yasin Malik****RESOLUTION PASSED BY THE MAJLIS-E-SHOORA
(PARLIAMENT) IN JOINT SITTING
26-05-22**

This House shows solidarity with the family of Hurriyat Leader Mr. Yasin Malik, who is being persecuted in a manifestly dubious and motivated case in the Indian Illegally Occupied Jammu and Kashmir.

This House condemns the abhorrent attempt of the Indian Government to deprive the Kashmiri people of their true leadership, which is the blatant violation of Universal Declaration of Human Rights (UDHR) and International Covenant on civil and political rights (ICCPR).

This House stresses the struggle for the right of self-determination in Kashmir is indigenous and cannot be dampened by the draconian strong-arm tactics of the Indian Government.

The House resolves that Government of Pakistan should take immediate steps and urges the international community to counsel India to drop all fabricated charges against all political leaders of Indian Illegally Occupied Jammu and Kashmir including Mr. Yasin Malik, ensure their safety and well-being, and also arrange their meeting with his spouse "Ms. Mishal Malik" along with 10 years old daughter, and to stop human rights violations in Kashmir, lift the brutal military siege, and let the Kashmiri people exercise their right to self-determination in accordance with their aspirations and relevant UN Security Council Resolutions.

Sd/-

Mian Riaz Hussain Pirzada,
Minister for Human Rights
Mr. Zahid Akram Durrani,
Deputy Speaker
Khawaja Muhammad Asif,
Minister for Defence
Syed Khurshed Ahmed Shah,
Minister for Water Resources
Syed Amin ul Haque,
Minister for Information Technology and
Telecommunication
Moulana Abdul Akbar Chitrali
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Mr. Murtaza Javed Abbasi,
Minister for Parliamentary Affairs
Mr. Abdul Rehman Kanju

Resolution passed by the National Assembly of Pakistan on Federal Shariat Court's Verdict against Riba (Interest)

قرارداد

25-05-2022

قومی اسمبلی کا یہ ایوان وفاقی شرعی عدالت کے سود کے خلاف فیصلہ 26 رمضان المبارک 1443 ہجری 28 اپریل، 2022 کا خیر مقدم کرتا ہے اور فیصلہ سننے والے بیٹج میں شامل وفاقی شرعی عدالت کے چیف جسٹس جناب محمد نور، جسٹس ڈاکٹر سید محمد انور اور جسٹس خادم حسین شیخ کو قرآن و سنت کے احکامات پر عملدرآمد اور آئین کے تقاضے کو پورا کرتے ہوئے ایک تاریخ ساز اور جامع فیصلہ دیئے جانے پر خراج تحسین پیش کرتا ہے۔

دستخط:۔۔۔

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علی گوہر خان

اراکین قومی اسمبلی۔

ANALYSIS

Effective implementation of SDG-8 in creating decent work and economic growth in Pakistan: Issues, challenges and way forward

Karim Khan

Associate Professor, Pakistan Institute of Development Economics (PIDE)

1. Introduction

The Sustainable Development Goals (SDGs), comprising 17 inter-related development goals, provide a “scheme to achieve a better and more sustainable future for all”. The SDGs were set up in 2015 by the United Nations General Assembly to succeed the Millennium Development Goals (MDGs) after having a series of consultations. While comprising 169 specific targets, the SDGs reflect a focus for the international community’s development efforts until 2030.¹ It is a universal plan for all countries to end poverty, protect the planet and ensure economic prosperity for all. In other words, it is a complete set of agendas for inclusivity in the development process which are expected to be achieved by 2030. As far as economic prosperity is concerned, it is essential to promote sustained economic growth and ensure higher levels of productivity and technological innovation. In this regard, entrepreneurship, job creation, eradication of forced labour, slavery and human trafficking are the key elements. With these ingredients in mind, SDG 8: Decent Work and Economic Growth is aimed at achieving full and productive employment and ensuring decent work for all, irrespective of gender and social class. At the same time, SDG-8 would translate into reducing poverty, advancing social well-being, boosting economic prosperity and inclusivity and safeguarding the planet.

Pakistan was the first country when it adopted the SDGs as its own national development agenda through a unanimously adopted parliamentary resolution in February 2016. Accordingly, Pakistan has aligned its long-term development agenda, provincial development strategies and medium-term plans with the SDGs. In March 2018, the National Economic Council (NEC), approved a national SDGs Framework to prioritize the SDGs on three categories.² Category 1 contains those goals that require immediate attention to achieve the maximum short-term impact with minimum effort. SDG-8 is among these goals, with special focus on promoting decent work and creating employment. The federal government, in consultations with the provincial governments, has developed the national SDGs Monitoring and Evaluation Framework to provide a snapshot of progress on goals, targets and indicators nationwide on national SDGs Dashboard. Since then, we have been making progress but in a truncated manner. In this chapter, I want to contribute on three fronts. First, I want to examine the existing developments with regard to SDG-8 in Pakistan. Second, I want to elaborate on issues and challenges which are creating hurdles in the way of achieving the targets in SDG-8. Finally, I would provide a tentative way forward, given our existing situation and the potential challenges.

2. Existing Scenario of SDG 8 in Pakistan

This section is decomposed into two sub-sections. The first one is describing the scenario with regard to inclusivity in the development process, while the second one is focusing on decency of work and employment in Pakistan.

¹ See for instance, Bandy X. Lee et al., “Transforming our world: implementing the 2030 agenda through Sustainable Development Goal Indicators,” *Journal of Public Health Policy* 37, no. 1 (2016). doi: 10.1057/s41271-016-0002-7.

² International Labour Organization (ILO) Pakistan, “Pakistan Decent Work Country Profile 2019,” 2020.

2.1. Inclusive Development

Inclusivity in growth process incorporates the pace of economic growth, poverty reduction, distributive justice or reducing inequalities and productive employment. As far as the pace of economic growth is concerned, it is truncated since the announcement of SDGs agenda (see table 1). For instance, from the financial years 2015-16 to 2017-18, the average rate of economic growth was 5.10% (4.56% for 2015-16, 5.22% for 2016-17 and 5.53% for 2017-18).³ However, during the present regime, the average rate for the last three years is 1.86%, with growth rates of 2.08% for 2018-19, -0.47% for 2019-20 and 3.96% for 2020-21. The growth rate for 2020-21 surpassed the projected growth rate of 2.1% amid the Covid-19 pandemic which was made possible by a surge in remittances combined with higher growth rates in large-scale manufacturing, wholesale and retail trade. The sectoral contribution in this performance is as follows: growth rates of 2.77%, 3.57% and 4.43% in agriculture, industrial and services sectors, respectively. The government set a growth target at 4.8% for 2021-22, with a claim to put the economy on path of growth rate of 6% to 7% in the next two to three years. Similar is the case with GDP per capita growth rate which has been, on average, 2.33% from 2015-16 to 2017-18.⁴ In sharp contrast, from 2018-19 to 2020-21, the average rate is -0.877% which is due to the serious repercussions of Covid-19 pandemic. Owing to optimistic growth performance in 2020-21, the Asian Development Bank has projected the growth in GDP per capita at 1.7% for financial year 2021-22. With respect to growth rate of real GDP per employed person, it was 1.8% in 2017-18 against a stipulated target of 3% in accordance with the SDG 8.2.1 (see table A1 in the appendix).⁵

Amid the truncated growth performance, the situation in terms of poverty, inequality and human development is not encouraging. Though the national poverty headcount ratio had declined from 36.8% in 2011-12 to 24.3% in 2015-16, but again, it rose to around 31% in 2017-18. However, Covid-19 has played a further havoc in this regard. According to recent estimates of the World Bank, based on lower-middle-income poverty rate (\$3.2 per day), poverty in Pakistan stood at 39.3% in 2020-21 and the situation for financial year 2021-22 is no good, given the projected poverty rate of 39.2%.⁶ Similar is the case with inequality in Pakistan as is shown by the recent Pakistan's 2020 National Human Development Report (NHDR). According to NHDR 2020, the income share of the richest quintile is 49.6 percent compared to only 7 percent of the lowest quintile.⁷ A further decomposition of income-based inequality shows that the income share of the poorest 1 percent is 0.15 percent compared to 9 percent of the richest 1 percent in 2018-2019. Likewise, the income of the richest 10 percent of Pakistan's population is over 30 percent more than that of the total income of the poorest 40 percent of the population. These statistics suggest that Pakistan would need to transfer 23 percent of the income of the richest two quintiles to the poorer three quintiles to ensure the equal distribution of income across all quintiles. In terms of Human Development Index (HDI), the value of human development for the richest quintile is 0.698 compared to only 0.419 for the poorest quintile. All these contribute to Pakistan's low ranking on Human Development Index (HDI) which is 154th out of 189 countries, with HDI value of 0.557.

³ Finance Division Pakistan, *Pakistan Economic Survey 2020-21* (Islamabad: Printing corporation of Pakistan Press, 2021)

⁴ Asian Development Bank, *Asian Development Outlook (ADO) 2021: Financing a Green and Inclusive Recovery* (Philippines, Asian Development Bank, 2021).

⁵ Pakistan Bureau of Statistics (PBS) *Labour Force Survey 2017-18* (Islamabad, PBS, 2018).

⁶ The World Bank, "Pakistan's Economic Update and Outlook," June 2021.

⁷ United Nations Development Programme, *Pakistan's National Human Development Report (NHDR) 2020* (Islamabad, UNDP, 2020).

Productive employment is defined by the International Labour Organization (ILO) as “employment yielding sufficient returns to labour to permit the worker and her/his dependents a level of consumption above the poverty line”. In other words, the deficit of productive employment takes two forms: the working poor and the unemployed. SDG-8 is in fact the extension of the concept of productive employment which incorporates along with employment the goals of rights at workplace, social protection and social dialogue in a consolidated, gender-sensitive vision, which guide economic and social policy choices across the board. The unemployment rate is estimated at 8.83% for 2020-21, with the number of unemployed reaches to 6.65 million, which, again, is aggravated by the Covid-19 pandemic. Likewise, according to the ILO, the average monthly earnings of employees in Pakistan are only Rs. 19,269 which is less than the minimum wage, designated in the budget 2021-22.

Table 1: Pakistan’s Performance on Growth Performance, Poverty, Inequality and HDI

Year	GDP Growth Rate (%)	GDP per capita growth (%)	Poverty Headcount Ratio (National Poverty Line) (%)	Lower-Middle-Income Poverty Rate (\$3.2 per day) (%)	HDI Value	Gini Coefficient (%)
2015-16	4.56	2.6	24.3			32
2016-17	5.22	3.3				
2017-18	5.53	1.1	31			
2018-19	2.08	0.3				30
2019-20	-0.47	-2.7				
2020-21	3.96	-0.2		39.3	0.5577	
2021-22	4.8	1.7		39.2		

Source: Economic Survey of Pakistan (2020-21), the World Bank (2021), the Asian Development Bank (2021).

2.2. Employment and Decent Work

As stated earlier, the unemployment rate in Pakistan is estimated at 8.83% for 2020-21. Historically, it has been ranging from around 5% to 6% since 2006-07 which is clearly reflecting inadequate employment opportunities, especially, for educated people, women and youth. According to some estimates, the unemployment rate among degree-holders is almost three times higher than that of the overall unemployed people. Similarly, female has been worse than their male counterparts, with unemployment rate of 8.27% for them compared to 5.07% for male.⁸ Further, the youth unemployment rate is quite high as compared to the average unemployment rate, with 11.56% unemployment rate among the age group of 20-24 years. Moreover, it is higher in urban areas compared to the rural areas and, also, it is highly prevailed among young women in comparison with young men. The rate of youth not in education, employment, or training (NEET) was 31% in 2017-18. Here too the gender gap disadvantaged young women, with a youth NEET rate of 54.9% for young women, compared to just 7.6% for young men. In addition to higher unemployment rate, employment in Pakistan lacks diversity, which is mostly concentrated in agriculture and services, both are contributing 37.4% and 38.6% to total employment, respectively.⁹ Though, we have experienced structural transformation, with the share of industry in

⁸ PBS, Labour Force Survey 2017-18.

⁹ PBS, Labour Force Survey 2017-18.

total employment raising by 3.6% and that of services by 2.4%, but still employment is highly concentrated in Pakistan. With respect to gender, more women are working in the agriculture sector compared to men. In contrast, industry and services sectors are dominated by men as is shown in table 2. Moreover, the share of wage and salaried workers in total employment is 42.9% in 2017-18, with the corresponding share for male is 46.8% and, for female, it is 29%. Similarly, the share of own account workers in total employment is 35.7%, with the corresponding share for male is 39.9% and, for female, it is 20.6%. Further, the share of employment in informal economy is 71.4% of non-agriculture employment which is more or less the same for both male and female.

The Labour Force Survey (LFS) 2017-18 shows that labor force participation rate remained at around 52% in 2017-18 while the employment-to-population ratio remained stagnant in the range of 51-52%.¹⁰ In both of these, a large gender gap persisted as the participation rate for male is 81.1% compared to only 22.8% for female and the employment-to-population ratio for male is 77.2% compared to only 20.9% for female. With regard to excessive working hours, the share of employment working 50 hours, or more is 37.8%, with the corresponding share for male is higher than that of the female. Also, the incidence of excessive working hours is higher for urban workers. As far as sectoral comparison is concerned, more people are engaged in excessive working hours in trading as compared to agriculture. From 2009-10 to 2017-18, labour productivity grew at the same rate as growth in GDP per capita, although productivity declined in the industrial sector. The real monthly earnings of paid employees grew at an annual average rate of 3%.¹¹ Despite these gains, the real earnings of men and urban employees have been higher than those of women and rural employees, with the gender and regional gap widening in the latter half of the period.

Table 2: Decent Work Indicators in Pakistan

Labor Force Participation Rate		2009-10	2014-15	2017-18
Both Sex		53.5	53.3	51.9
Male		81.7	81.4	81.1
Female		24.1	25	22.8
Employment-to-Population Ratio				
Both Sex		50.7	50.2	48.9
Male		78.3	77.5	77.2
Female		21.9	22.7	20.9
Unemployment Rate				
Both Sex		5.3	5.8	5.7
Male		4.1	4.7	4.9
Female		9.2	9.2	8.5
Share of Industry in total Employment				
Both Sex		21.4	23.2	24
Male		24.1	25.7	26
Female		11.6	14.6	16.6
Share of Agriculture in total Employment				
Both Sex		43.4	41	37.4

¹⁰ Participation rate is defined as the currently active population expressed as a percentage of the population 15 years of age and above while employment to population ratio is the percentage of population 15 years of age and above who worked at least one hour and were either “paid employed” or “self-employed”. It also includes persons employed on permanent/regular basis who have not worked for any reason during the reference period.

¹¹ ILO Pakistan, “Pakistan Decent Work Country Profile 2019.”

Male	35.2	32	29.6
Female	73.9	71.8	66.1
Share of Services in total Employment			
Both Sex	35.2	35.8	38.6
Male	40.7	42.3	44.4
Female	14.5	13.6	17.3
Share of Wage and Salaried Workers in total Employment			
Both Sex	36.5	39.4	42.9
Male	40.7	43.5	46.8
Female	20.8	25.3	29
Share of own account workers in total employment			
Both Sex	35.6	37.2	35.7
Male	41.3	41.8	39.9
Female	14.5	21.5	20.6
Share of Employment in the informal economy			
Both Sex	72.9	72.3	71.4
Male	73	72.2	71.5
Female	72.7	72.9	70.7
Share of Employment working 50 hours or more			
Both Sex	39.5	39.1	37.8
Male	48	48.1	46
Female	7.8	8.1	7.4
Share of Employment in agriculture working 50 hours or more			
Both Sex	28.7	26.5	23.7
Male	41.3	40	34.3
Female	6.4	5.9	6.3
Share of Employment in trade working 50 hours or more			
Both Sex	70.1	69.8	68
Male	71.1	70.5	68.7
Female	35.7	39.2	3.9

Source: Labour Force Survey 2017-18

As far as decency in terms of combining work and family life is concerned; the share of Pakistan's married employed workforce (over the age of 15) remained at 72% in 2017-18. With respect to gender, majority of the employed women in Pakistan are married and, therefore, they face a dual burden of managing work and family responsibilities. Especially, the break-down of extended family system in urban areas has increased the risk of dual burden further. For men, the challenges of combining work, family and personal responsibilities are exacerbated by an increasing share of employment in the informal sector, characterized by longer working hours and difficult working conditions. Overall, the proportion of employed men who are also heads of household is 46% of total employed men, raising further pressure on combining family with work-related responsibilities. In contrast, very few employed women are heads of households.

With regard to child labour in Pakistan, we are constrained by sufficient data, specifically with respect to children between 5 and 14 years of age. The latest LFS only captures the labour market participation of persons of or over the age of 10. The available data on children aged 10 to 14 and

aged 10 to 17, reveals an incidence of child labour that ranged between 11 and 17 per cent in 2009–10, before declining throughout the 2009–2018 period. A higher share of boys than girls was involved in child labour, especially boys between 10 and 17 years old. Similar is the case with stability and security of work in Pakistan. The overall precarious employment rate in Pakistan remained at 20.5% in 2017-18. Within precarious employment, the share of casual workers also increased, posing challenges for decent work. One positive trend is increased real earnings of casual workers. However, the large and worsening gender gap in the real earnings of casual workers remains a cause for concern. Moreover, Termination of Employment Convention, 1982 and Pakistan's Industrial Relation Acts 2012 only apply to formal sector establishments, workers in Pakistan's large informal sector remain beyond the purview of legal protection. A lack of data prevents a complete assessment of occupational safety and health in Pakistan between 2009 and 2018. Figures of latest LFS 2017-18 show that the non-fatal injury frequency rate rose between 2009 and 2014, peaking at 4.3% of the employed workforce. This rate was much higher for the employed men than women and for rural workers than their urban counterparts. Although some legal provisions deal with issues related to work-life balance, there is a clear need to strengthen Pakistan's legal framework, especially in terms of regulating working hours and conditions in the large informal sector.

3. Issues and challenges in the way of SDG-8 in Pakistan

SDGs provide a way to understand challenges that might potentially affect inclusive and sustained economic growth. Especially, SDG-8 specifies how the human resources of a country could be transformed into economic prosperity by creating employment opportunities along with ensuring decency, stability and security at workplace and discouraging child labour, bonded labour, gender discrimination etc. In addition, it also stresses on how skills consistent with the requirements of a modern economy could be enhanced. In Pakistan, we have 59% of the population falling in the age-group of 15-59 years whereas 27% is between 15-29 years which implies that we have an extraordinary asset in the shape of youth bulge. Alternatively, SDG-8 is very crucial for Pakistan in order to accrue the benefits associated with such a demographic dividend by enhancing skills, innovations' capacity and productivity of the youth bulge. These potentials notwithstanding, we have a bunch of challenges that need to be resolved in order to transform the potentials into realities. First, Pakistan's performance on education and health aspects of human development is miserable. We have around 25% of children between 5 and 17 years who are not enrolled in schools. Likewise, Pakistan's adult literacy rate is only 60% compared to an average of around 74% for rest of the South Asia.¹² Also, there exists gender gap as we have only 48% of women who are literate, compared with over 70% of men. In a nutshell, with a net primary enrollment rate of 67%, Pakistan has a long way to go to achieve universal primary education. Similar is the case with the indicators of health. For instance, infant mortality rate in Pakistan is 55.7 per 1000 live births compared to an average of 26 for rest of the South Asia. Likewise, under 5 mortality rate is 67.2 per 1000 compared to around 32 for rest of the South Asia. Similar comparison prevails in terms of population growth rates, life expectancy at birth etc. All these have a negative bearing on the productivity, skills and innovative capacity of our work force. Also, these poor statistics contribute to Pakistan's low ranking on Human Development Index (HDI) which is 154th out of 189 countries, with HDI value of 0.557.

Second, we have deficient employment opportunities in Pakistan. As stated earlier, we have an unemployment rate of around 8.83% for 2020-21, with the number of unemployed reaches to 6.65

¹² Karim Khan, "Mantra of Inclusive Development," *The News*, July 07, 2021.

million. Likewise, youth unemployment rate of 11.56% (for age group of 20-24 years) is another challenge that we are currently facing with. Further, we lack structural transformation as still 37.4% of the employment is contributed by agriculture. In fact, we have a limited private sector which has not been able to adjust the domestic work force, especially the youth bulge and, consequently, we are highly dependent on international migration and remittances. The situation has been further worsened by Covid-19 pandemic and the consequent global slow-down which has resulted in job losses along with declining labour earnings. In particular, daily wagers and temporary workers are the most hard-hit class in this regard. Moreover, according to the ILO, the average monthly earnings of employees in Pakistan are only Rs. 19,269 which is less than the minimum wage of Rs. 20,000, designated in the budget 2021-22. This reflect how Pakistan is facing a deficit of productive employment in addition to having issues like bonded labour, child-labour, security, or decency at work etc.

Furthermore, we have lack of awareness at the grassroots level combined with lack of capacity of key stakeholders, especially local communities, to understand and implement the programmes which are envisaged in SDG-8. Likewise, we have significant amount of gender disparities in terms of participation rates as we have only 22.8% of female who participate in the labour market compared to around 81% male. Also, women are either under paid or are engaged in unpaid household work. Along with low earning rates, poor law and order combined with high prevalence rates of violence, homicides, sexual abuse etc. make people hesitant, especially the female, to participate in the market. These hardships are further aggravated by the financial constraints that we have in the allocation of resources as far as the mitigation of these hardships is concerned. For instance, we have persistent fiscal and current accounts deficits which make it difficult for the government to allocate significant amounts of money for education, health and employment opportunities. For instance, we are cumulatively spending less than 5% of GDP on health and education. In the budget 2021-22, combined allocations for health, higher education and SDGs are Rs. 142 billion which roughly constitutes only 1.67% of the total budget. Similarly informal cultural constraints restrict access to labour market, especially for vulnerable segment like women, minorities etc.

4. The Way Forward for SDG 8 in Pakistan

Amid the Covid-19, the global economy is under pressure, with 8.8% of global working hours were lost in 2020 which is equivalent to 255 million full-time jobs.¹³ It translated into both employment losses and a reduction in working hours for those who remain employed. Pakistan is no exception in this regard, with projected Covid-19-triggered job losses of around 20 million.¹⁴ In addition, there has been an increasing trend to employ informal or contract labour, both implying deteriorating quality of life of workers across the globe. As stated earlier, in Pakistan, the share of employment in informal economy is 71.4% of non-agriculture employment which has further been aggravated with lockdowns and the overall economic downward turn during the pandemic. Given this scenario, the following way-forward with regard to SDG-8 is essential in order to achieve decent work combined with sustained economic growth.

1. We must focus on sustained and inclusive economic growth which not only raise the pace of growth but also ensure poverty reduction, distributive justice and productive employment. In the budget 2021-22, the government offered a number of incentives like a

¹³ International Labour Organization, "ILO Monitor: COVID-19 and the world of work," January 25, 2021, https://www.ilo.org/wcmsp5/groups/public/-dgreports/-dcomm/documents/briefingnote/wcms_767028.pdf.

¹⁴ Pakistan Institute of Development Economics, "PIDe COVID-19 E-Book," 2020.

61% increase in Public Sector Development Programme (PSDP), around Rs. 119 billion of support to industries and individuals through relief in taxes, Rs. 12 billion allocations to SMEs, reduction in capital gain tax on stocks from 15% to 12.5%, removal of withholding taxes on about 8 types of services and support to low-income households etc.¹⁵ All of these are worth to appreciate and they are presumed to put the economy on a path of sustained and inclusive economic growth in two to three years.

2. Second, we have to create employment opportunities in the country, especially in the private sector. Recent performance of the large-scale manufacturing and wholesale and retail trade are encouraging in this regard. Likewise, incentives in the budget 2021-22, i.e., construction industry package, support to automobile industry, support to low-income households through Rs. 500,000 interest free business loans, Rs. 200,000 interest free loans for tractors and machineries and Rs. 2 million worth of low-interest loan for house building, focus on CPEC related projects, Special Economic Zones (SEZs) etc. would create employment opportunities in the country. Also, these opportunities should be inclusive in providing equal access to all genders, ethnicities and minorities.
3. Third, we must enhance the productivity of our work force. In this regard, we have to enhance spending on education, health, training and research. Skills need to be enhanced in order to facilitate technology transfer from developed countries. Also, collaboration with private sector and development partners is vital, alongside engaging with local communities to raise awareness, build capacities and pilot innovative initiatives.
4. Fourth, we have to resolve concerns with regard to child labour, forced labour or bonded labour. Pakistan, as a signatory of Minimum Age Convention, 1973 (No. 138), the Worst Forms of Child Labour Convention, 1999 (No. 182), Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No 105), has the responsibility to systematically collect and report data and implement international laws with respect to child labour, forced labour and bonded labour. Likewise, enforcement of compulsory school enrollment laws is essential as it would reduce child labour. Expanding the coverage of existing conditional cash transfer programmes could also help to boost enrollment and reduce dropout rates by increasing households' opportunity cost and dissuading them from sending their children to work.
5. Fifth, we have to ensure stability and security at workplace. In this regard, decreasing the share of informal employment, insurance policies for work-related fatal and non-fatal injuries and streamlining the labour inspection system would produce the desired results. Also, in order to maintain family-work balance, we have to discourage excessive working hours by formally legislating for it. Similarly, to enhance social dialogue at workplace, we have to increase the share of unionized workers by providing legal protection and digitalizing data in this regard.
6. Finally, we have to maintain mandatory social protection to workers. Prime Minister's Ehsaas Programme may be helpful in this regard. In the budget 2021-22, with a view to provide relief to the vulnerable segment, Rs. 260 billion has been allocated to the Ehsaas Programme, with focus on 14 different categories including widows, orphans, poor, unemployed, needy students and special citizens in society. In particular, 50% of this amount is proclaimed to be spent on women in order to enhance women empowerment in the country.

¹⁵ Karim Khan, "Budget: Growth-debt trade-off," *The Express Tribune*, June 22, 2021.

Table A1: SDG-8 Indicators in Pakistan: Baseline Targets and the Latest Status

Target to be achieved by 2030	2014-15	2017-18**
8.2.1: Increase annual growth rate of real GDP per employed person to 3%.	1.9%	1.8%
8.3.1: Reduce non-agriculture informal sector employment to 66% by 2010.	72.6% (72.5% for men, 73.5% for women)	72% (72% for men, 71.9% for women)
8.5.1: Baselines and targets have yet to be set on this indicator on the average hourly earnings of employees (disaggregated by gender).		
8.5.2: Reduce the unemployment rate to 4% overall (3.5% for men, 4% for women).	5.9% (5% for men, 9% for women)	5.8% (5.1% for men, 8.3% for women)
8.6.1: Reduce the proportion of youth (between the ages of 15 and 24) who are not in education, employment or training by 25%.	30.4% (7.4% for young men, 53.6% for young women)	31% (7.6% for young men, 54.9% for young women)
8.7.1: Reduce the proportion and number of children, aged 10 to 14, who are engaged in child labour by 25% by 2020.	8.6% (9.9% for boys, 7.3% for girls)	7.5% (8.6% for boys, 6.2% for girls)
8.8.1: Reduce the frequency rate of fatal and non-fatal occupational injuries by 25%, disaggregating data by sex and migrant status.*	Non-fatal injury at 4% (4.8% for men, 1.7% for women)	Non-fatal injury at 3.7% (4.4% for men, 1.5% for women)
8.8.2: Increase national compliance with labor rights (freedom of association and collective bargaining), based on ILO textual sources and national legislation, by sex and migrant status.		
8.b.1: Develop and operationalize a national strategy on youth employment as a distinct strategy or as part of a national employment strategy.		

Source: Labour Force Survey (LFS), 2017-18

Notes:

*The Labour Force Survey does not gather information on fatal injuries, there is a need to systematically gather administrative data to report progress on reducing the incidence of work-related fatalities.

**The data pertaining to 2018-19 round of the LFS has not been released yet. Moreover, LFS for 2019-20 did not take place due to preparations for an extensive survey in 2020-21, which will have a district level representative sample.

OPINION

**Agriculture and the Rural Economy in Pakistan:
Issues, outlooks and way forward****Dr. Amanat Ali,**

Assistant Professor, School of Economics, Quaid-i-Azam University, Islamabad

1. Introduction

Rural development focuses on promoting socio-economic progress and human development. Furthermore, it unfolds the rural capital available to be exploited in the local economy. Rural development aims to solve general issues of agricultural change, farmer economy and rural politics. Agriculture has always been imperative to Pakistan's economic growth and development and it continues to be so today. The industry employs about half of the country's workforce, provided valuable inputs to the manufacturing sector accounts for a large portion of export revenues and feeds a fast-rising population. Beyond agriculture, there is the broader rural economy, which includes non-farm economic activity such as small businesses, local schools, transportation, village retail shops and clinics, which account for 40 to 57% of total rural household income.¹

Pakistan is heavily dependent on agriculture and employs more than half of the population in the country. Pakistan's economy continued to have had an unstable growth pattern with regular boom and bust cycles, making long-term inclusive growth difficult to achieve. Long-standing structural difficulties such as loss-making state-owned enterprises (SOEs), a weak external position due to limited export capacity and low foreign direct investment, an inadequately reformed energy sector and low levels of savings and investment have all contributed to an unsustainable developing economy. Faced with these difficulties, the current government has focused on an economic vision to achieve long-term economic growth by increasing efficiency, reducing the cost of doing business, improving the regulatory environment, increasing productivity and investment expansion. Even before the COVID-19 pandemic wreaked havoc on Pakistan's economy, the then government began making bold and far-reaching adjustments across all sectors of the economy. The changes began to address economic imbalances and laid the foundation for better economic performance, such as B. Tighter household and external accounts, exchange rate stability and increased investor confidence. Furthermore, inflation has gradually moderated and market confidence is returning. These reforms paved the way for long-term growth and ended the previously unsustainable pattern of economic growth.

The rural population is widely regarded to need migration towards cities for improved opportunities and living conditions. This does not only cause the problem of urban population to swell but also leaves the rural economy untouched and unexplored. This ultimately hampers rural development and causes unhindered urbanization in the country. Considering the myriad of rural population issues, it is necessarily an important focus of the policy and agenda to ameliorate the rural population and mainstream them so that they may have equal socio-economic and political opportunities and contribute equally to the national development. It is important to note that

¹ David J. Spielman, Sohail J. Malik, Paul Dorosh and Nuzhat Ahmad, eds. *Agriculture and the rural economy in Pakistan: Issues, outlooks and policy priorities*, (University of Pennsylvania Press, 2016).

rural development does not encompass agriculture only, but also social, economic and political empowerment as well. If we want to move towards a balanced and inclusive growth approach then definitely we cannot ignore rural areas, which are mainly the food baskets for the cities and one of the biggest contributors to raw materials for the industries. One cannot deny the fact that rural areas are heavily contributing to Pakistan's exports whether we take the examples of cereals or cotton and its allied products. But what is missing: they are mainly providing raw materials, not the finished product, lack of access to modern techniques and technologies, absence of efficient institutions for conflict resolution and mitigation, chronic neglect of land reforms, lack of specialization in land use, absence of earning opportunities in rural areas where jobs are mainly seasonal, lack of access to quality inputs at competitive prices, absence of a fairer system for rewards, etc.

A simple overview of Pakistan's economy is that it was one of the few developing economies to maintain an economic growth rate of more than 5% for four decades (1950 to 1980s). Poverty dropped from 40% to 18% during this time. Due to a variety of reasons, including political instability and deteriorating law and order conditions, the 1990s were not a productive decade for Pakistan's economy in terms of economic growth. In terms of economic growth, Pakistan did well in the 2000s until 2006-07, when the economy grew at a remarkable speed of 7.2 percent per year. However, due to insecurity and the global economic crisis, Pakistan has lost its growth impetus in recent years.²

Table 1: Composition of GDP by sector (Percent share)

Years	1969-70	1979-80	1989-90	1999-00	2009-10	2018-19
Agriculture	38.9	30.5	25.8	25.9	22.0	18.5
Manufacturing & Mining	16.5	17.6	17.6	17.0	16.8	15.7
Construction & electricity	4.2	5.1	7.4	6.4	4.2	4.5
Services	38.4	43.8	48.6	50.7	56.9	61.2

Source: Pakistan Economic Survey (various issues)

The development process can be described as one that results in a fundamental change in an economy's structure. During structural changes, the labor force is moved from agriculture, which has low productivity to the manufacturing sector, which has higher productivity. Agriculture accounted for more than 50% of total GDP in 1949-50, with the services sector accounting for 37.2 percent as against manufacturing accounting for only 8.0 percent. The shares of various sectors in the GDP composition of the economy have changed since then. The services sector now accounts for 61.2 percent of the country's GDP, with agriculture accounting for 18.5 percent and manufacturing and mining accounting for 15.7 percent (Table 1). The manufacturing sector had a remarkable decade in the 1960s with an average growth rate of 9.9%. During the 1980s, the government liberalized both its trade and financial sectors, shifting its policy from import substitution to outward-oriented export promotion.

² World Bank, *World Development Report 2009 : Reshaping Economic Geography* (Washington: World Bank, 2009). <https://openknowledge.worldbank.org/handle/10986/5991> License: CC BY 3.0 IGO."

Consequently, the economy expanded significantly, leading to significant GDP and manufacturing sector growth. Due to tremendous insecurity and the global economic crisis, the country was unable to maintain that growth speed in the last three financial years of the 2000s. Agriculture was the worst-performing sector, expanding by only 2.8 percent during that time period. The economy's growth capacity deteriorated even further in the first few years of the 2010s due to a variety of reasons, including the energy crisis and overall security situation. However, all sectors of the economy, except agriculture, had modest growth.

2. Value Addition Chains in Rural Areas

Agriculture, industry and services each contributed 2.77, 3.57, & 4.43% of GDP growth respectively in FY 2020-21. However, these contributions improved in FY 2021-22 showing growth of 4.40%, 7.19% and 6.19% respectively.³ The National Agriculture Emergency Program, which has a budget of Rs 277 billion, is already helping the agriculture sector. Thirteen (13) mega projects are currently being implemented as part of this program. During the fiscal year 2021, the government also declared the Rs 5.4 billion "Rabi Package" to cut farmers' input costs and increase wheat production in the country.⁴

A study provided the idea with specific evidence that those economies expand faster when their products are upgraded and as a result, they tend to create and export more in worldwide marketplaces.⁵ Technology, finance, institutions and skills required to create newer items are easier to adapt from some than others. The study claimed the following about the importance of product space in their study:

"Here, we study this network of relatedness between products, or product space, finding that more-sophisticated products are in a densely connected core whereas less sophisticated products occupy a less-connected periphery. Empirically, countries move through the product space by developing goods close to those they currently produce. Most countries can reach the core only by traversing empirically infrequent distances, which may help explain why poor countries trouble have developed more competitive exports and fail to converge to the income levels of rich countries."⁶

"Think of a product as a tree and the set of all products as a forest," (they said to demonstrate their point). "A country is composed of a collection of businesses or monkeys who reside on various trees and exploit various things. The process of growth entails migrating from a less productive area of the forest to a more productive part of the forest. This suggests that monkeys would have to jump long distances, or redeploy (human, physical, and institutional) capital to produce products that aren't already produced. The structure of this forest is unimportant since traditional growth theory assumes that there is always a tree within reach. If the forest is heterogeneous, with some dense areas and others that are more abandoned, and monkeys can only leap a short distance, monkeys may be unable to go through it. If this is the case, the structure of this space, as well as a country's orientation within it, becomes important to its development."⁷

Showing the detailed structure of the product together with the location of the countries and the characteristics of the diffusion process that these countries went through in their study, they

³ Mubarak Zeb Khan, "Pakistan exceeds expectations as growth rate nears 6pc," *Dawn*, May 19, 2022.

⁴ Finance Division Government of Pakistan, *Pakistan Economic Survey, 2020-21*, (Islamabad, Printing Corporation of Pakistan Press, 2021).

⁵ Cesar A. Hidalgo et al., "The product space conditions the development of nations," *Science* 317, no. 5837 (July 2007): 482, <http://doi.org/10.1126/science.114458>.

⁶ Hidalgo et al., "The Product Space."

⁷ Hidalgo et al., "The Product Space."

conclude and point out that not all countries have the same development possibilities. The poorest countries tend to be on the periphery, where it is more difficult to obtain new products. Interestingly, across countries with a similar level of development and apparently similar levels of production and exports, there is considerable variation in the stated choice implicit in their current production structure, with some on the path of continued structural change and growth and others stuck in the dark. These findings have important implications for economic policy, since the incentives to encourage structural change when opportunities present themselves are quite different from those needed when a country is at a dead end. It's a huge challenge for manufacturing industry to make quick transition to products far out in space, so policies to encourage big leaps are more of a challenge. Yet great leaps that generate successive structural changes give way to convergences and growth.

What can we learn from this study?

The answer is very simple and that is to create more product space and value addition chain based on agriculture in rural areas. This will not only provide jobs but also reduce pressure on cities that are already facing severe challenges because of the urban swell and migration to cities from the rural areas. But the question remains how it can be done? Again, the answer is that by creating the right institutions in rural areas and by following a balanced development strategy.

3. Products based on Forestry and Horticulture projects

Pakistan also produces millions of tons of waste each year in agriculture and forestry like many other countries in the world. This biomass contains much more than just rubbish. It will be good if something that can be realized and exploited to get economic gains besides largely mitigating adverse environmental effects of coal by replacing the use of coal in brick kilns and many other places where it is being used for heat and energy. People living in villages and near forest areas can earn by first collecting this waste and selling it to small or medium-size industries for further processing that wastes into briquettes from the biomass.⁸

4. Credit availability-a challenge

One of the major factors is the rural population's lack of access to financing. The development of credit for the farmers is insufficient, but quick access to funds and a straightforward credit process for them are essential. Dr. Muhammad Younis, a Nobel Laureate, was the first to perform this in Bangladesh. In rural Bangladesh, this approach was successful in reducing poverty. Furthermore, business skills and education are crucial to have the farmer's market understanding so that the third party does not profit from the unnecessary profit. Technological advancements, connectivity, rural electrification, communication and the availability of infrastructure are all essential factors that allow people in rural areas to have greater possibilities and avoid moving to cities.

Hyper Villages may keep the land alive by opening up opportunities for young people who don't work in agriculture and creating a better balance that would prevent rural villages from becoming

⁸ For more details on the process that how agricultural and forest waste can be converted into useful material for burning as a replacement for coal, anyone interested can follow for the "youtube.com" (Link: <https://www.youtube.com/watch?v=SoTbxcybWMc>)

idle recreation centers. Additionally, Hyper Villages could help support rural lifestyles by promoting local produce and encouraging more people to buy locally produced food, potentially creating a virtuous circle. They could remove the sense of exclusion from the outside world that many villages experience while maintaining their traditional values. This will require improvements to current infrastructure, for example, an increased access to ultra-fast broadband, but the good news is that many of the changes could be driven by residents themselves.

5. Conflict as one of major constraints on Rural Development

Conflict is one of the chief reasons for suffering and poverty in rural regions and there is an urgent need for competent and efficient institutions capable of dispensing justice fairly at the grassroots level. Protection of property and life, as guaranteed by the Constitution of the Islamic Republic of Pakistan, should be ensured through effective and efficient institutions, with a special emphasis on Alternative Dispute Resolution (ADR) mechanisms, in addition to existing intuitions that are overburdened and, in many cases, fail to deliver. This will free up time, money and human resources to be put to better use.

6. Land Reforms and Zoning

Land reforms are overdue for long period in Pakistan as they should have been done much earlier. These include a pattern of land ownership, especially after distribution and redistribution among generations over the last seven decades. Additionally, private housing societies have made the issue of land ownership further complicated where they are crowding out genuine productive projects in the industrial and agricultural sectors and almost everybody start parking their surplus funds in either speculative purchase of plots or files of those private housing societies. Consequently, funds are not available for much-needed production sectors of the economy. These problems become further complex when housing societies are spreading with almost no check on mainly the fertile agricultural lands across the country. Another important thing that needs to be done is the zoning of areas for specialization depending upon the suitability of land and climate for different crops with special emphasis on value addition chains in rural areas. Farmers are also facing many constraints in the form of access to credit and availability of quality inputs and they are having difficulties with indirect access to markets for the sale of their outputs and quite heavily relying on rent-seeking middlemen. It means they are getting low-quality inputs at higher prices and do not get fair value for their products. The system is designed in such a way that the farmers who are facing all challenges and bearing all types of risks are being exploited in the hands of a few rent-seeking middlemen.

7. Way forward

How can we turn these challenges into opportunities and how can we create more and more earning opportunities in rural areas? There are a few examples to get started, but the possibilities are endless if appropriate institutions are established in rural areas. The primary emphasis on the establishment of appropriate institutions in rural areas is due to financial and human resource constraints in rural areas, which are causing brain drain. This brain drain is not only at the international level but also very acute at local levels that is everyone who affords has already migrated or planning to migrate to cities in search of opportunities and in this way not many human and financial resources are left in rural areas to efficiently utilize natural resources located

in rural areas. Health and educational institutions are mainly concentrated in cities and rural areas are simply ignored. Indeed, it is a big challenge, but every challenge provides an opportunity.

Pakistan has a huge untapped potential to reap benefits from using resources in rural areas productively. The China Pakistan Economic Corridor (CPEC) is expected to boost the rural economy, particularly through advances in agriculture and related industries, providing livelihoods and income-generating opportunities to rural residents.⁹We can turn these challenges into opportunities by first creating a space for knowledge dissemination, sharing and idea exchange at the union council level, if not at the village level. This space or new institution can be a specialized space with at least the following facilities: education, both traditional and skilled, with a special emphasis on entrepreneurial skills, health and fitness centers, financial and credit services, community center equipped with information technology where educated youth can be trained to earn online and meeting places or seminar halls for discussions and discourse. This place will serve the purpose of awareness of modern techniques and ideas, as well as the exchange of indigenous ideas for problem solving and a way forward for progress and development. However, this opportunity should be in the collective ownership of communities and government support should be linked to the community's cooperation and innovation score, so that the opportunity cost of indulging in conflict be raised. Formal legislative support for this space is required, but only after further refining the concept of this space for opportunities.

Furthermore, there is lack of rural community institutions, instead, almost non-existent due to the poor infrastructure in some areas. This factor hampered the growth of rural civil society. Therefore, effective government intervention is needed to encourage the growth of rural institutions such as water user associations, dairy cooperative networks, farmer cooperatives and producer associations, as these community organizations can become powerful engines for inclusive development countryside.

In short, concrete steps are needed for the provision of financial services in rural areas, as better access to credit, deposit and insurance services will boost broad-based rural development and lessen income inequality. Such actions will go a long way in producing opportunities for the rural poor to gain profitable remuneration and improve their standard of living. Therefore, instead of exporting primary raw materials, Pakistan must add value to its export items. Its resources must shift from the export of primary products to the export of value-added goods. Agriculture, which is at the heart of rural development, receives insufficient resources and attention. Modernization of agriculture in impoverished areas could have significant benefits, increasing productivity and providing the impetus needed to keep young people in the countryside rather than migrating to big cities.

⁹ Inam Ullah Khalil et al., "Development and Sustainability of Rural Economy of Pakistan through Local Community Support for CPEC," *Sustainability* 13, no. 2 (2021), <https://doi.org/10.3390/su13020686>.

INFORMATION

Comparison of Sectoral Budgetary Allocations in last seven Federal Budgets: Statistics and info-graphics

Muhammad Rizwan Manzoor

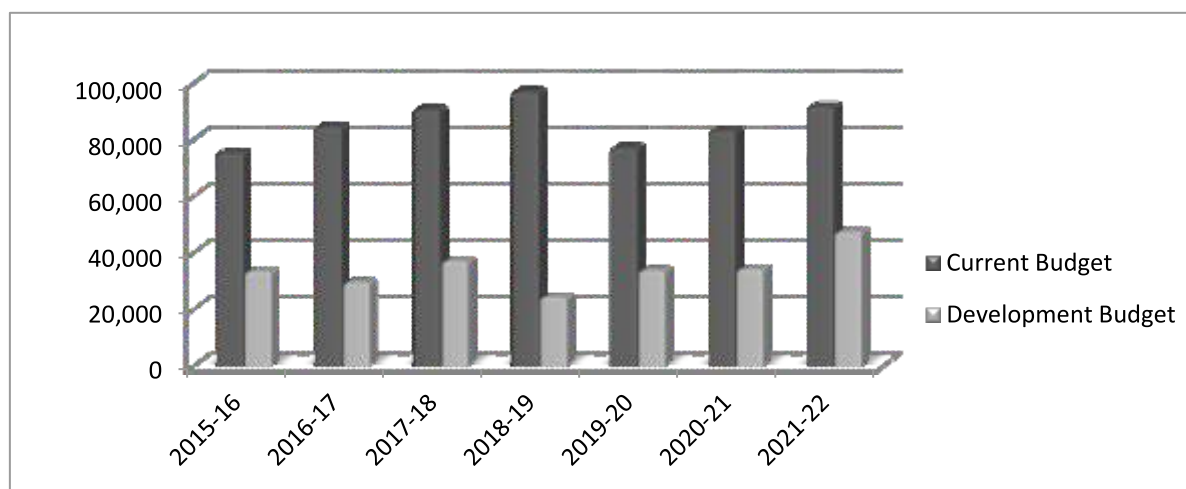
PIPS Budget and Economy Desk

The info graphics below give the budgetary allocations for important sectors such as Education, Health, Social Protection, Agriculture, Food, Irrigation, Forestry & Fisheries, Environment Protection, Law & Order, Defense Affairs & Services across current and development budgets for these sectors. To explain these two budget categories, current budgetary allocation caters expenditure for routine matters and affairs such as staff salaries, premises rents and utility bills etc. whereas the development budget of a given sector are allocated for new initiatives in upcoming fiscal year, i.e. development budget in education sector may be allocated for new universities, colleges, scholarship programs etc. An increased development budget predicts an enhanced economic growth, employments and business opportunities in the economy. The graphs below present a self-explanatory picture of said areas for last seven years.

Note: The information is derived from Budget books for the relevant fiscal years available on the Ministry of Finance's official website.

1. Education Affairs and Services:

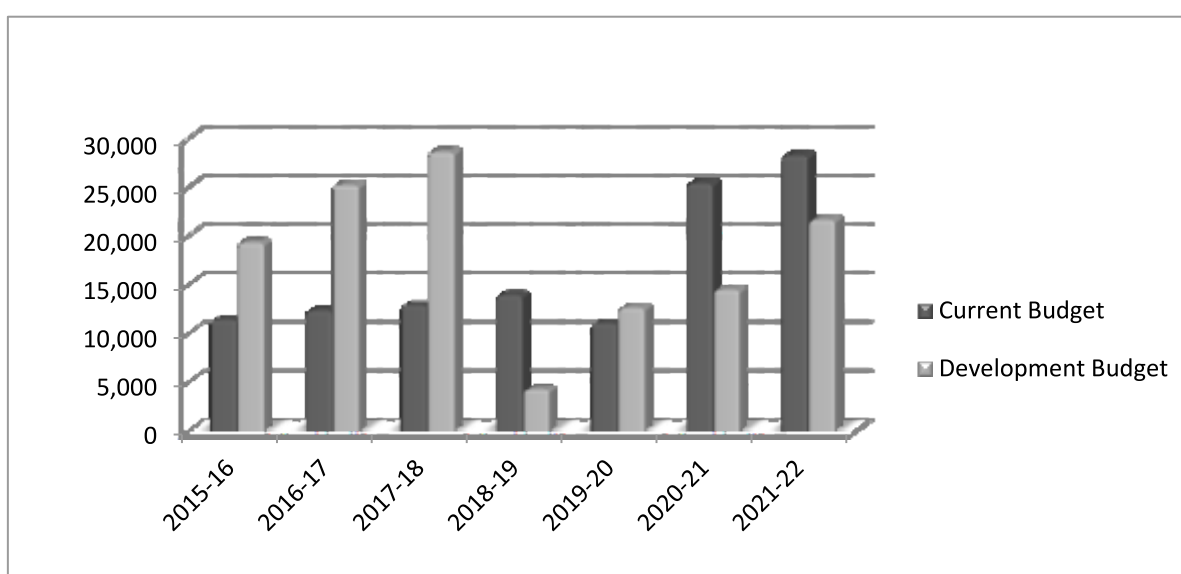
Table 1: Education Affairs and Services Comparison of budgetary allocations - Last 7 years (in Rs. Million)		
Year	Current Budget	Development Budget
2015-16	75,568	33,479
2016-17	84,707	29,550
2017-18	90,819	37,149
2018-19	97,154	24,291
2019-20	77,262	33,780
2020-21	83,363	34,235
2021-22	91,970	47,570



Graph 1: Education Affairs and Services - Comparison of budgetary allocations - Last 7 years (in Million Rs.)

2. Health Sector:

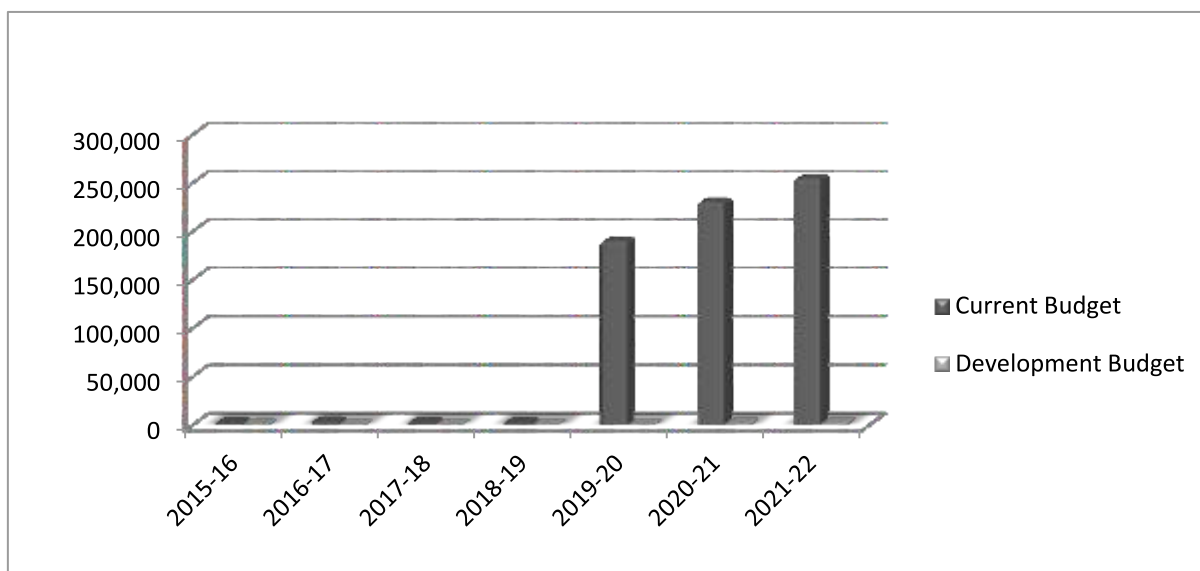
Table 2: Health Sector Comparison of budgetary allocations: Last 7 years (in Rs. Million)		
Year	Current Budget	Development Budget
2015-16	11,412	19,400
2016-17	12,379	25,323
2017-18	12,944	28,728
2018-19	13,991	4,258
2019-20	11,058	12,670
2020-21	25,494	14,533
2021-22	28,352	21,748



Graph 2: Health Sector - Comparison of budgetary allocations - Last 7 years (in Million Rs.)

3. Social Securities & Welfare (Social Protection):

Table 3: Social Securities & Welfare (Social Protection) Comparison of budgetary allocations - Last 7 years (in Rs. Million)		
Year	Current Budget	Development Budget
2015-16	2,280	992
2016-17	4,097	510
2017-18	2,302	509
2018-19	2,672	555
2019-20	190,594	756
2020-21	230,907	1,722
2021-22	255,292	2,252

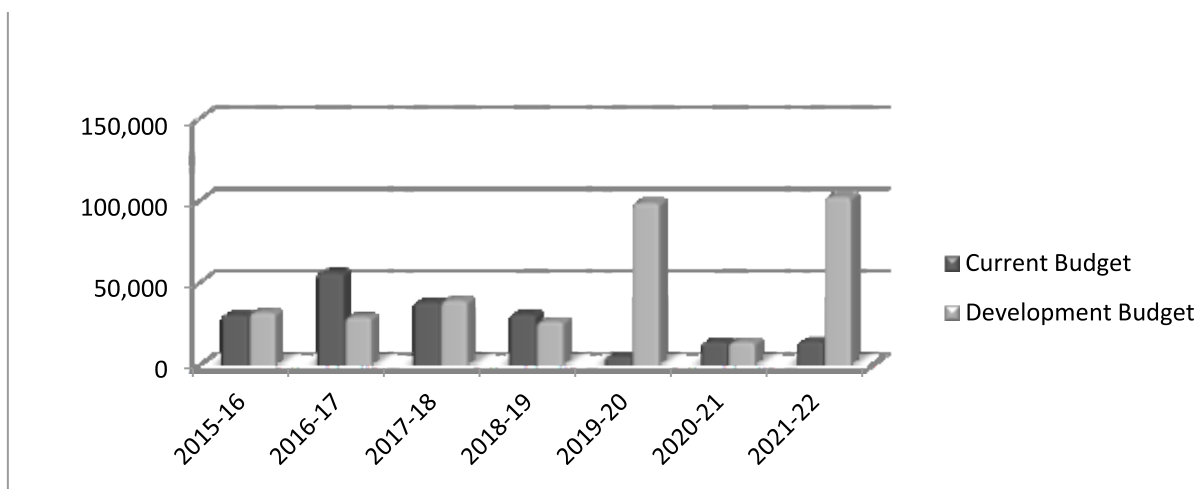


Graph 3: Social Protection - Comparison of budgetary allocations - Last 7 years (in Million Rs.)

4. Agriculture, Food, Irrigation, Forestry & Fisheries:

**Table 4: Agri., Food, Irrigation, Forestry & Fisherie
Comparison of budgetary allocations - Last 7 years (in Million Rs.)**

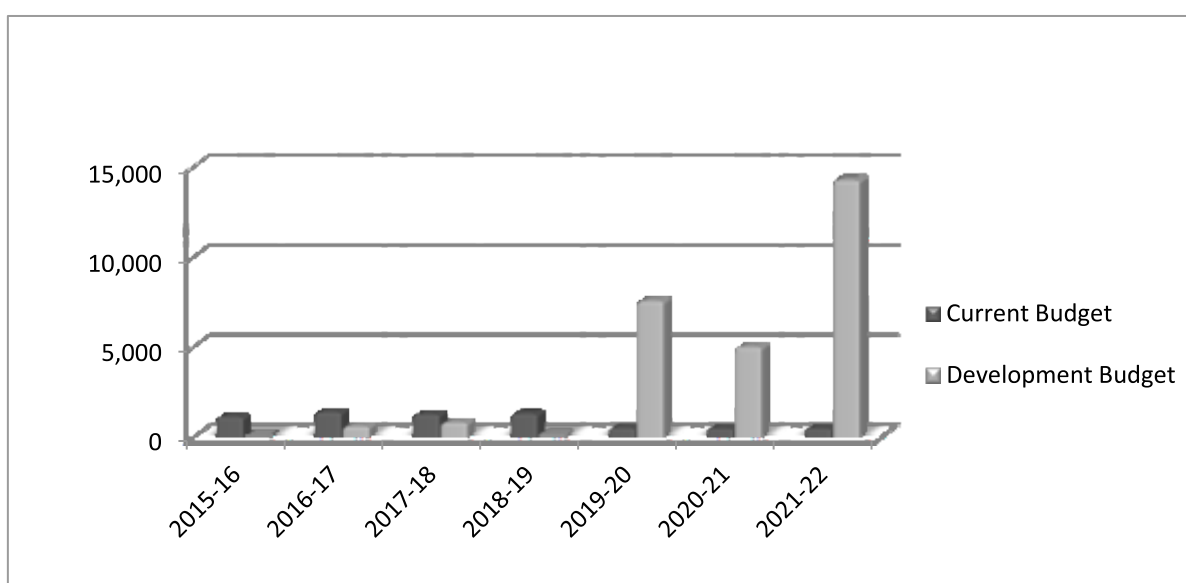
Year	Current Budget	Development Budget
2015-16	30,197	31,750
2016-17	56,101	29,007
2017-18	37,935	39,196
2018-19	30,476	26,354
2019-20	4,917	99,081
2020-21	13,696	13,696
2021-22	14,098	102,742



Graph 4: Agriculture, Food, Irrigation, Forestry & Fisheries - Comparison of budgetary allocations - Last 7 years (in Million Rs.)

5. Environment Protection:

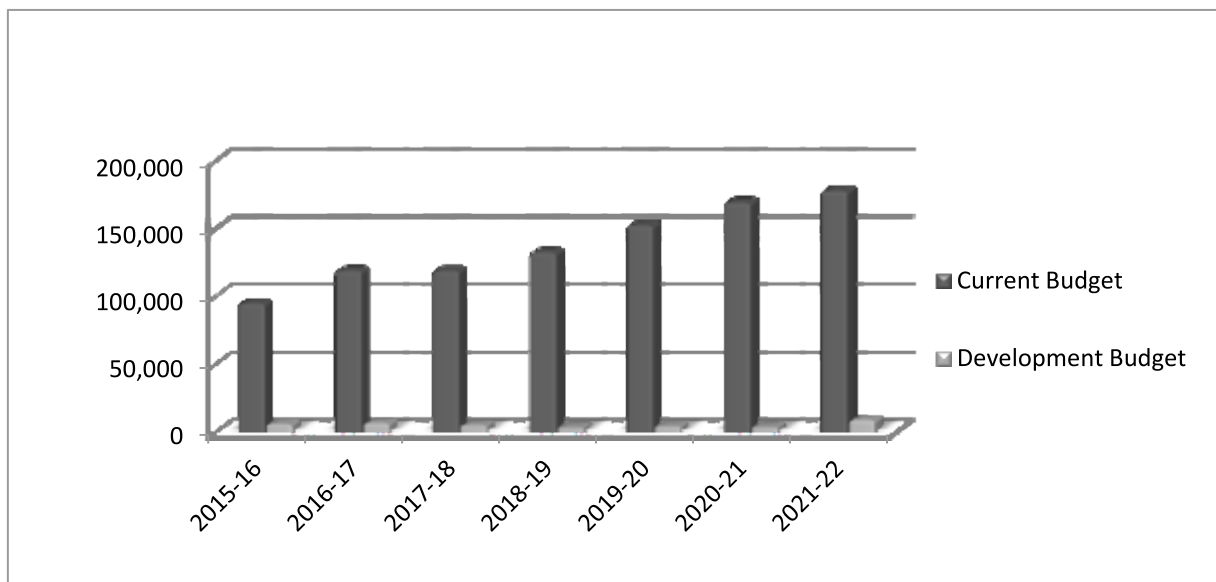
Year	Current Budget	Development Budget
2015-16	1,090	12
2016-17	1,358	573
2017-18	1,228	785
2018-19	1,271	71
2019-20	470	7,579
2020-21	431	5,000
2021-22	436	14,327



Graph 5: Environment Protection - Comparison of budgetary allocations - Last 7 years (in Million Rs.)

6. Law & Order:

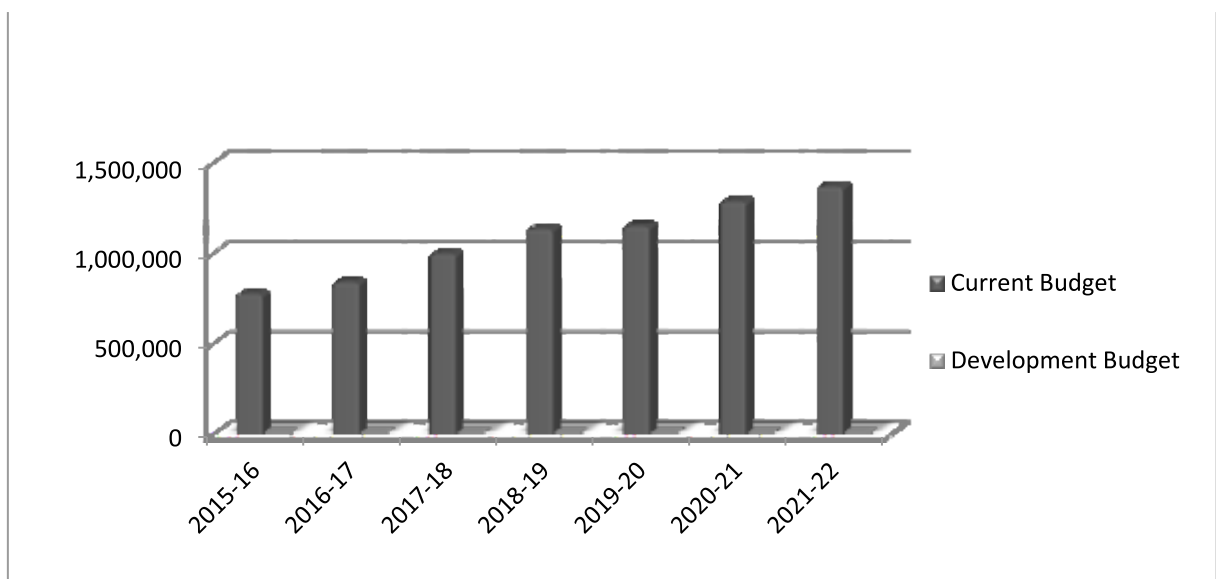
Year	Current Budget	Development Budget
2015-16	95,160	5,600
2016-17	119,491	6,425
2017-18	119,417	4,850
2018-19	133,021	3,047
2019-20	152,919	4,050
2020-21	169,961	3,329
2021-22	178,511	8,720



Graph 6: Law & Order - Comparison of budgetary allocations - Last 7 years (in Million Rs.)

7. Defence Affairs and Services:

Table 7: Defence Affairs and Services Comparison of budgetary allocations - Last 7 years		
Year	Current Budget	Development Budget
2015-16	775,861	1,914
2016-17	841,442	2,499
2017-18	999,237	3,237
2018-19	1,137,710	1,645
2019-20	1,152,535	1,771
2020-21	1,289,134	1,579
2021-22	1,373,275	3,192



Graph 7: Defence Affairs and Services - Comparison of budgetary allocations - Last 7 years (in Million Rs.)

PIPS signs MoU with Institute for Parliamentarianism, Kazakhstan (IPK)
REPORT & WAY FORWARD – Intl. Researchers' Virtual Roundtable on 30th Anniversary of
Pakistan-Kazakhstan Relations

PIPS International Relations and Strategic Studies Desk

Islamabad-Nursultan (Live)- 10 am-01 pm: The Pakistan Institute for Parliamentary Services (PIPS) was invited by the Embassy of Republic of Kazakhstan and CGSS who held an Intl. Online Researchers Roundtable to commemorate the 30th Anniversary of Diplomatic Relations between Republic of Kazakhstan and Islamic Republic of Pakistan. No less than 30 academic researchers and experts from reputed think tanks of both countries participated in four online panel discussions. H.E Yerzhan Kistafin, Ambassador of Kazakhstan to Pakistan, inaugurated the event. He highlighted the commencement of Pakistan-Kazakhstan diplomatic ties in 1992 as a historic start to a promising relationship that need to be enhanced through initiatives like direct regular flights and a simpler visa regime to consolidate the people to people contacts in addition to establishing of three working groups in 2020 – Trade, Transport and Energy, whereby both nations must progress. He informed at the meeting that a parliamentary delegation will visit for political dialogue later in 2022, which will further enhance mutual cooperation between the two countries. He thanked the Pakistan Institute for Parliamentary Services (PIPS) and Centre for Global Strategic Studies (CGSS) for making the Roundtable possible. Ms. Laraib Fatima Hassan from CGSS moderated the sessions.

Session One: Bilateral Cooperation and Future Prospects: Dr. Shabbir. A. Khan, Director Area Study Centre, University of Peshawar, Pakistan, highlighted need for regional security through regional cooperation. Dr. Zarmina Baloch, Professor at SBBWU, Peshawar, deliberated how Pakistan and Kazakhstan have helped and supported each other in having membership in new regional organizations. She reiterated need for enhancing trade between two nations. **Session Two: Trade and Economic Cooperation:** Ms. Lidiya Parkhomchik, Chief Researcher, Institute for World Economics and Politics (IWEPI) Nazarbayev, Kazakhstan; Ms. Ume Farwa, Research Associate ISS, Islamabad; Mr. Abylay Asylkhan, Lead Expert, Economic Research Institute, Kazakhstan spoke on the topic and discussed the trade and economic cooperation efforts by their respective country. **Session Three: People to People Diplomacy in strengthening bilateral relations:** Mr. Ashfaq. A. Gondal, Vice President CGSS expressed his desire that cultural troupes exchange and sports competition amongst teams of Pakistan and Kazakhstan can bring the people together. He said that signing of MoUs isn't enough unless countries and their institutions implement them to bring fruits of cooperation. Ms. Gauhar Khaliyova Beiseeva, Head IR Dept., Foreign Policy Research Institute (FPRI), Kazakhstan, expressed the need for holding regular biannual exhibitions in both countries so that people tend to know each other. **Session Four: Regional Context in relations between Pakistan and Kazakhstan:** Mr. Usama Nizamani, R.A, IPRI, Islamabad gave a presentation on regional situation. He mentioned challenges of fluid and pessimistic situation in Afghanistan as big challenge to relations among the two countries. Mr. Usama said China and Kazakhstan improved relations is a welcome development which includes different power plants and road network so connectivity is increasing. At the regional level Uzbekistan also demonstrates to be part of railway link between Mazar-e-Sharif, Kabul, Jalalabad and Peshawar as a great opportunity. He said Pakistan has lately stressed on large scale manufacturing, which if continued can provide diversification of exports in the region. Mr. Murat Laumulin, Chief Research Fellow, Kazakhstan Institute for Strategic Studies under President of Republic emphasized on the need for continued cooperation among Russia and Central Asian countries for maintenance of peace. **Session Five: Parliamentary Diplomacy in bilateral and multilateral cooperation:** Ms. Kaliyeva Elmira Abdykovna, Director, Institute of Parliamentarianism (IPK) Kazakhstan informed that the Institute offers technical help to Parliamentarians in drafting bills and post-legislative assessments through feedback of public by conducting surveys on behalf of the Parliament. She looked forward to work in cooperation and learn from the expertise of the Pakistan Institute for Parliamentary Services (PIPS) as a centre of excellence in research and legislative services. Mr. Muhammad Rashid Mafzool Zaka, Director General (Research) of the Pakistan Institute for Parliamentary Services (PIPS) recognized the keen efforts of H.E. Yerzhan Kistafin, Ambassador of Kazakhstan to Pakistan, in making the signing of MoU between PIPS and IPK possible in such a short time. He said that PIPS can assist Pakistani and Kazakh MPs by holding thematic roundtables and international parliamentarians' workshops on parliamentary topics as it has developed relations with the Arab Parliament, the Parliament of Djibouti, the KPI Thailand in addition to

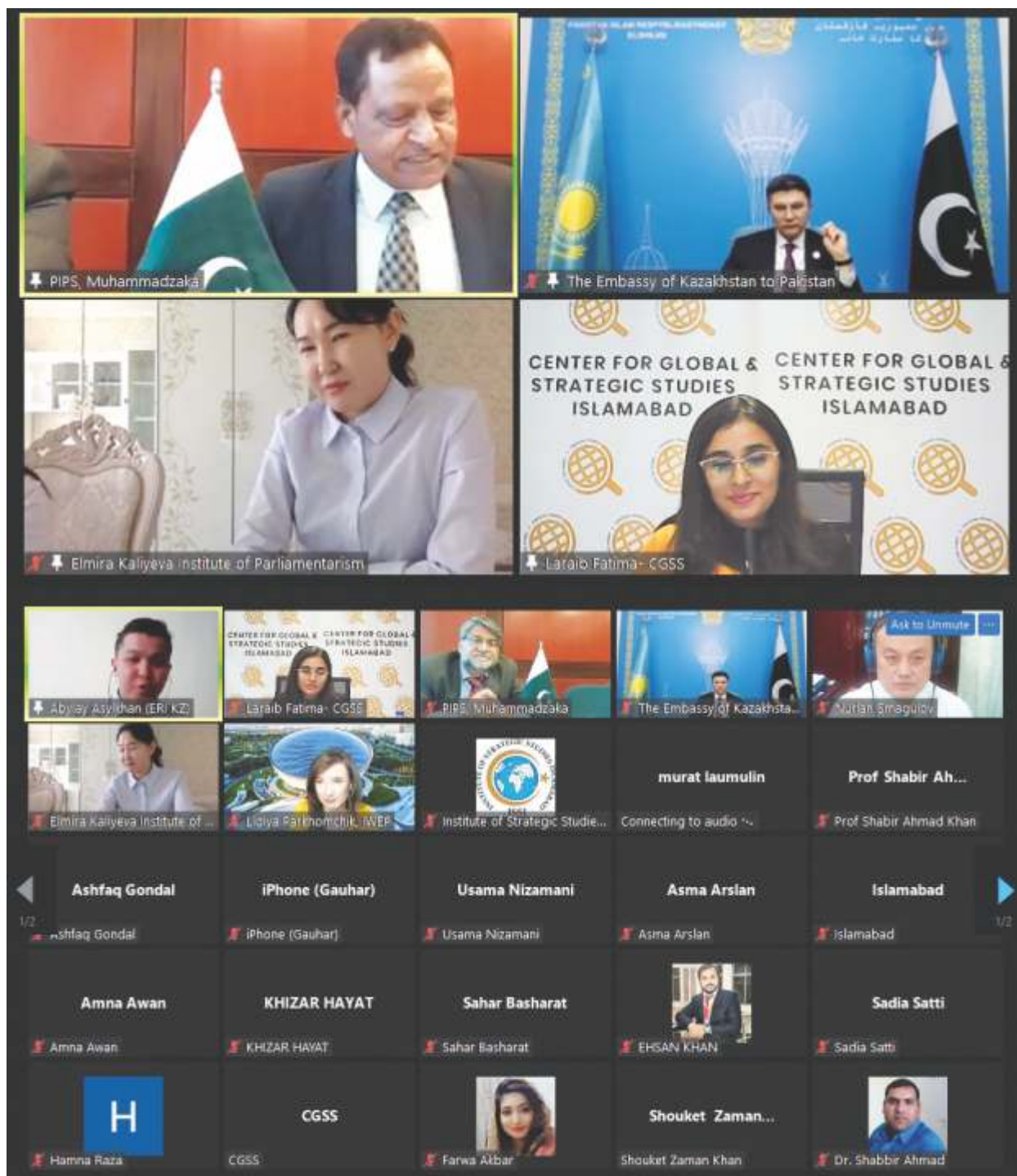
holding its first international capacity building events for MPs and their staffers from Turkey, Cambodia, Thailand and Pakistan in 2019-20.

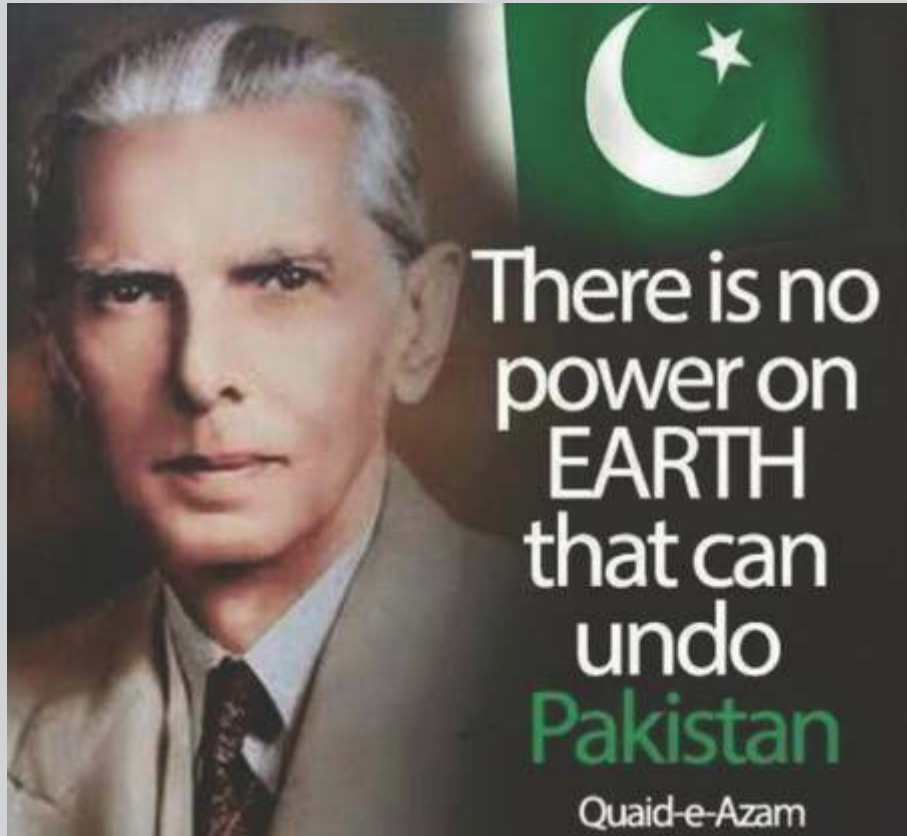
Key Recommendations: The following suggestions came as key recommendations:

- i. i. As a priority following the signing of the MoU, a meeting of teams PIPS and IPK is required to devise an annual work plan of activities for the two institutions, which will not only bring the two institutions together but will also help to practically implement the vision to technically support respective Parliaments of both countries. The cooperation can help hold following set of initiatives:
 - a. Thematic Roundtables by PIPS and IPK on imperative regional challenges such as regional connectivity and trade, tourism and people to people relations, peace and security, development and poverty alleviation, global and regional cooperation, etc.
 - b. PIPS can hold parliamentary dialogues in close cooperation of parliamentary caucuses such as SDG taskforce, Women Parliamentary Caucus and the Young Parliamentarians Forum in the National Parliament of Pakistan.
 - c. Exchange Attachment of Researchers in PIPS and IPK for 45 days fellowships to produce research papers.
 - d. Academic sessions on Working of Parliamentary Institutions through virtual seminars with Pakistani youth and vice versa.
 - e. PIPS can train professional staff from the Institute for Parliamentarianism, (IPK) Kazakhstan in various fields of expertise viz-a-viz parliamentary processes, research and legislative scrutiny/assessment as well as committee work.
 - f. Joint International Parliamentary Workshops may be held by PIPS and IPK in Pakistan and Kazakhstan.
- ii. Parliamentary exchanges between two countries with cooperation of friendship groups can be facilitated by PIPS and IPK.
- iii. Both the countries - Kazakhstan and Pakistan have been actively cooperating through multilateral diplomacy at organizations such as SCO, OIC and ECO. Therefore, they need to work together more by closer bilateral ties to formulate joint working groups by respective foreign offices on imperative matter of global and regional context. This will help better coordination at multilateral diplomatic forums and parliamentary bodies such as the Inter Parliamentary Union, Parliamentary Association for ECO states (PAECO), Parliamentary Union of Islamic Countries (PUIC), Commonwealth Parliamentary Association (CPA), Asian Parliamentary Association (APA) and the International Parliamentarians Congress (IPC), with its Secretariat in Islamabad.
- iv. Tourism is one of the core areas of cooperation that is also means of development and poverty alleviation; The Governments of Pakistan and Kazakhstan must keep no stone unturned in promotion of tourism that includes easy visa policy and regular direct flights from and to both countries' major cities/destinations. Both governments must, as a priority, implement all agreements to facilitate tourism in general as well as religious, cultural, health and sports tourism.
- v. Turkestan-Multan-Lahore can be termed as Sister Cities due to shrines of sufi saints where they can regularly hold exhibitions, cultural and folk music as well as hosting of arts troupes and concerts to enhance people to people contacts.
- vi. Pakistan and Kazakhstan can cooperate in building and training each-others sports teams in boxing, athletics, basketball, volleyball, hockey, wrestling, etc. In future bilateral and multilateral sports fixtures and the ECO Games can also be regular feature to bring youth, women and sportsmen of both countries and the region together.

The concluding ceremony involved signing of MoU between the Pakistan Institute for Parliamentary Services (PIPS) and Institute for Parliamentarianism Kazakhstan by Ms. Kaliyeva Elmira Abdykovna, Director, Institute of Parliamentarianism (IPK) Kazakhstan and Mr. Muhammad Anwar, Executive Director PIPS. The session concluded with vote of thanks for worthy panelists, institutions and researchers from both countries and Mr. Zaka also thanked the Kazakh Ambassador and Ms. Laraib Fatima from the Centre for Global Strategic Studies CGSS for professional and candid moderation. H.E. Yerzhan Kistafin, Ambassador of Kazakhstan to Pakistan, thanked team and friends at CGSS and PIPS and all learned panelists/ participants researchers for a historic event. To listen to the full Roundtable, go to: https://www.youtube.com/watch?v=vw_i74SFNWc

**Glimpses of Virtual Round table of Researchers and Experts to commemorate
the 30th Anniversary of the establishment of diplomatic relations between the
Islamic Republic of Pakistan and the Republic of Kazakhstan
May 09, 2022**





PAKISTAN INSTITUTE FOR PARLIAMENTARY SERVICES

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