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## Editorial

### Honourable Members of Parliament and Dear Readers,

The month of June saw the annual budgets FY 2022-23 presented and approved in the National and Provincial Legislatures of the country. As per its tradition since 2012, the Pakistan Institute for Parliamentary Services continued to deliver technical assistance to MPs through its Economy and Budget Desk. Team PIPS held an absorbing Budget Orientation Seminars for Honourable Members of the National Assembly and Senate, followed by budget orientation in Quetta and Lahore for Honourable MPAs from the Provincial Assemblies of Balochistan and Punjab with the support of EU Mustehkam Parlamaan, an EU Project being implemented by GIZ and PIPS. PIPS also entered into an MoU with Ripah International University for promoting parliamentary studies in the country. PIPS also undertook orientation of interns working at the National Assembly of Pakistan

This July-August ECONOMY and BUDGET SPECIAL EDITION of the PIPS Parliamentary Research Digest includes summary of Grants approved by the National Assembly for the FY 2022-23, set of Senate recommendations on budget sent to the National Assembly; in addition to thematic IR article. We take the opportunity to express our gratitude to the Honourable Members of Parliament from all Houses for their immense appreciation of the research-based technical and knowledge-sharing initiatives undertaken by Team PIPS.

Happy reading and a blissful 75<sup>th</sup> Independence day celebrations on 14<sup>th</sup> August, 2022  
InshALLAH

Muhammad Rashid Mafzool Zaka  
Director General (Research)



Honorable Speaker of National Assembly/ President PIPS BoG, Raja Pervaiz Ashraf  
addressing the participants of National Meet on Sustainable Development Goals,  
Wednesday, July 27, 2022



Pakistan Institute for Parliamentary Services signed MoU with Riphah International University  
on Wednesday, July 20, 2022



Pakistan Institute for Parliamentary Services signed MoU with research centre MANTAQ  
on Thursday, July 05, 2022

## PARLIAMENTARY BUSINESS

## Federal Budget 2022-23 - Demands for Grants and Appropriations As Approved by National Assembly

Compiled by  
**Muhammad Adnan Azeem**  
Assistant Economic Advisor,  
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**1. Statistical Analysis of Charged Expenditure:**

S. No.	Ministries / Divisions	Budget Estimates Financial Year 2021-22 (in PKR Millions)	Budget Estimates Financial Year 2022-23 (in PKR Millions)	% Wise Increase / Decrease with Prev. FY Original Estimates	Vertical Allocation to each head as of Total Charged 2021-22	Vertical Allocation to each head as of Total Charged 2022-23
1	Pakistan Post Office Department	20	10	-50%	0.00008%	0.00004%
2	Superannuation Allowances and Pensions	3,480	3,458	-1%	0.01315%	0.01240%
3	Grants, Subsidies and Misc. Expenditure	19,250	22,000	14%	0.07275%	0.07889%
4	Foreign Missions	47	50	7%	0.00018%	0.00018%
5	Law and Justice Division	297	312	5%	0.00112%	0.00112%
6	National Assembly	2,386	2,708	13%	0.00902%	0.00971%
7	The Senate	2,199	2,349	7%	0.00831%	0.00842%
8	External Development Loans and Advances by the Federal Government	237,850	296,877	25%	0.89889%	1.06459%
9	Staff, Household and Allowances of the President (Personal)	405	411	1%	0.00153%	0.00147%
10	Staff, Household and Allowances of the President (Public)	615	645	5%	0.00232%	0.00231%
11	Servicing of Foreign Debt	302,506	510,972	69%	1.14324%	1.83234%
12	Foreign Loans Repayment	1,427,592	3,792,401	166%	5.39519%	13.59948%
13	Repayment of Short Term Foreign Credits	74,405	142,772	92%	0.28119%	0.51198%
14	Audit	5,953	6,096	2%	0.02250%	0.02186%
15	Servicing of Domestic Debt	2,757,176	3,439,090	25%	10.41999%	12.33251%
16	Repayment of Domestic Debt	21,617,347	19,654,368	-9%	81.69685%	70.48020%
17	Supreme Court	2,810	3,091	10%	0.01062%	0.01108%

18	Islamabad High Court	1,086	1,122	3%	0.00410%	0.00402%
19	Election	3,827	6,289	64%	0.01446%	0.02255%
20	Federal Ombudsman Secretariat for Protection against Harassment of Women at work place	77	100	30%	0.00029%	0.00036%
21	Wafaqi Mohtasib	837	943	13%	0.00316%	0.00338%
22	Federal Tax Ombudsman	279	306	10%	0.00105%	0.00110%
	<b>Total Charged</b>	<b>26,460,442</b>	<b>27,886,369</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

## 2. Statistical Analysis of Voted Expenditure:

S. No.	Ministries / Divisions	Budget Estimates Financial Year 2021-22 (in PKR Millions)	Budget Estimates Financial Year 2022-23 (in PKR Millions)	% Wise Increase/ Decrease with Prev. FY Original Estimates	Vertical Allocation to each head as of Total Voted 2021-22	Vertical Allocation to each head as of Total Voted 2022-23
1	Aviation Division	1,483	2,227	50.2%	0.0274%	0.0402%
2	Airports Security Force	8,078	10,196	26.2%	0.1491%	0.1842%
3	Cabinet	277	282	1.8%	0.0051%	0.0051%
4	Cabinet Division	2,048	2,563	25.1%	0.0378%	0.0463%
5	Emergency Relief and Repatriation	387	393	1.6%	0.0071%	0.0071%
6	Intelligence Bureau	8,034	10,313	28.4%	0.1483%	0.1863%
7	Atomic Energy	10,818	13,794	27.5%	0.1996%	0.2492%
8	Pakistan Nuclear Regulatory Authority	1,148	1,409	22.7%	0.0212%	0.0255%
9	Naya Pakistan Housing Development Authority	30,720	969	-96.8%	0.5669%	0.0175%
10	Prime Minister's office (Internal)	401	465	16.0%	0.0074%	0.0084%
11	Prime Minister's office (Public)	520	528	1.5%	0.0096%	0.0095%
12	National Disaster Management Authority	643	631	-1.9%	0.0119%	0.0114%
13	Board of Investment	367	378	2.9%	0.0068%	0.0068%
14	Prime Minister's Inspection Commission	60	61	1.7%	0.0011%	0.0011%
15	Special Technology Zone Authority	-	914			0.0165%



16	Establishment Division	5,500	6,203	12.8%	0.1015%	0.1120%
17	Federal Public Service Commission	884	1,085	22.8%	0.0163%	0.0196%
18	National School of Public Policy	1,168	2,409	106.3%	0.0216%	0.0435%
19	Civil Services Academy	635	949	49.4%	0.0117%	0.0171%
20	National Security Division	144	143	-0.7%	0.0027%	0.0026%
21	Council of Common Interest (Secreariat)	-	135			0.0024%
22	Climate Change Division	468	601	28.4%	0.0086%	0.0109%
23	Commerce Division	26,786	5,262	-80.4%	0.4943%	0.0950%
24	Communications Division	204	204	0.1%	0.0038%	0.0037%
25	Other Expenditure of Communications Division	20,096	22,392	11.4%	0.3708%	0.4045%
26	Pakistan Post office Department	14,980	15,709	4.9%	0.2764%	0.2838%
27	Defence Division	3,683	4,299	16.7%	0.0680%	0.0777%
28	Federal Government Educational Institutions In Cantonments and Garrisons	6,981	8,976	28.6%	0.1288%	0.1621%
29	Defence Services	1,370,000	1,563,000	14.1%	25.2804%	28.2328%
30	Defence Production Division	949	916	-3.5%	0.0175%	0.0165%
31	Economic Affairs Division	697	681	-2.3%	0.0129%	0.0123%
32	Miscellaneous Exp. of Economic Affairs Division	13,187	12,979	-1.6%	0.2433%	0.2344%
33	Power Division	330,460	355,368	7.5%	6.0979%	6.4191%
34	Petroleum Division	20,639	71,675	247.3%	0.3808%	1.2947%
35	Geological Survey of Pakistan	601	1,157	92.5%	0.0111%	0.0209%
36	Federal Education and Professional Training Division	19,005	20,747	9.2%	0.3507%	0.3748%
37	Higher Education Commission (HEC)	66,250	66,025	-0.3%	1.2225%	1.1926%
38	National Rehmatul-Lil-Alameen	-	140			0.0025%

	Authority					
39	National Vocational & Technical Training Commission (NAVTTTC)	399	469	17.6%	0.0074%	0.0085%
40	National Heritage & Culture Division	1,738	2,438	40.3%	0.0321%	0.0440%
41	Finance Division	1,980	2,610	31.8%	0.0365%	0.0471%
42	Other Expenditure of Finance Division	4,834	5,468	13.1%	0.0892%	0.0988%
43	Controller General of Accounts	7,720	9,497	23.0%	0.1425%	0.1715%
44	Superannuation Allowances and Pensions	476,520	605,542	27.1%	8.7932%	10.9380%
45	Grants Subsidies & Miscellaneous Expenditure	1,159,643	1,057,430	-8.8%	21.3987%	19.1006%
46	Revenue Division	77	57	-25.4%	0.0014%	0.0010%
47	Federal Board of Revenue	28,800	34,398	19.4%	0.5314%	0.6213%
48	Foreign Affairs Division	1,970	2,284	15.9%	0.0364%	0.0413%
49	Foreign Missions	21,120	25,007	18.4%	0.3897%	0.4517%
50	Housing and Works Division	5,051	5,916	17.1%	0.0932%	0.1069%
51	Human Rights Division	1,185	1,658	39.9%	0.0219%	0.0299%
52	Industries and Production Division	13,631	33,631	146.7%	0.2515%	0.6075%
53	Financial Action Task Force (FATF) Secretariat	85	80	-6.2%	0.0016%	0.0014%
54	Information and Broadcasting Division	2,755	2,822	2.4%	0.0508%	0.0510%
55	Miscellaneous Exp. of Information & Broadcasting Division	6,417	6,674	4.0%	0.1184%	0.1206%
56	Information Technology and Telecommunication Division	5,872	8,048	37.1%	0.1084%	0.1454%
57	Interior Division	8,642	12,041	39.3%	0.1595%	0.2175%
58	Other Expenditure of	6,147	6,614	7.6%	0.1134%	0.1195%

	Interior Division					
59	Islamabad Capital Territory (ICT)	11,430	13,979	22.3%	0.2109%	0.2525%
60	Combined Civil Armed Forces	136,827	162,670	18.9%	2.5249%	2.9383%
61	National Counter Terrorism Authority	-	269			0.0049%
62	Inter-Provincial Coordination Division	1,661	2,099	26.3%	0.0307%	0.0379%
63	Kashmir Affairs and Gilgit Baltistan Division	891	1,142	28.2%	0.0164%	0.0206%
64	Law and Justice Division	5,225	5,774	10.5%	0.0964%	0.1043%
65	Federal Judicial Academy	210	221	5.2%	0.0039%	0.0040%
66	Federal Shariat Court	494	521	5.5%	0.0091%	0.0094%
67	Council of Islamic Ideology	140	196	40.2%	0.0026%	0.0035%
68	National Accountability Bureau	5,137	5,233	1.9%	0.0948%	0.0945%
69	District Judiciary, Islamabad Capital Territory	645	774	20.0%	0.0119%	0.0140%
70	Maritime Affairs Division	1,190	1,178	-1.0%	0.0220%	0.0213%
71	Narcotics Control Division	3,534	3,635	2.9%	0.0652%	0.0657%
72	National Assembly	3,195	3,453	8.1%	0.0590%	0.0624%
73	The Senate	1,548	1,397	-9.8%	0.0286%	0.0252%
74	National Food Security and Research Division	13,118	9,303	-29.1%	0.2421%	0.1680%
75	Pakistan Agriculture Research Council	-	5,738			0.1036%
76	National Health Services, Regulations and Coordination Division	28,074	19,304	-31.2%	0.5180%	0.3487%
77	Overseas Pakistanis and Human Resource Development Division	1,626	1,880	15.6%	0.0300%	0.0340%
78	Parliamentary Affairs Division	482	482	-0.1%	0.0089%	0.0087%
79	Planning, Development And Special	5,620	6,159	9.6%	0.1037%	0.1112%

	Initiatives Division					
80	CPEC Authority	313	131	-58.1%	0.0058%	0.0024%
81	Poverty Alleviation and Social Safety Division	2,155	2,202	2.2%	0.0398%	0.0398%
82	Benazir Income Support Programme	250,000	364,078	45.6%	4.6132%	6.5764%
83	Pakistan Bait-Ul- Mal	6,505	6,040	-7.1%	0.1200%	0.1091%
84	Privatisation Division	215	237	10.2%	0.0040%	0.0043%
85	Railways Division	42,300	45,315	7.1%	0.7806%	0.8185%
86	Religious Affairs and Inter-Faith Harmony Division	1,231	1,285	4.4%	0.0227%	0.0232%
87	Science and Technology Division	10,201	11,612	13.8%	0.1882%	0.2097%
88	States and Frontier Regions Division	2,621	787	-70.0%	0.0484%	0.0142%
89	Water Resources Division	523	2,064	294.6%	0.0097%	0.0373%
90	Federal Miscellaneous Investments & Other Loans and Advances	99,214	101,101	1.9%	1.8308%	1.8262%
91	Development Expenditure of Aviation Division	3,558	2,485	-30.2%	0.0657%	0.0449%
92	Development Expenditure of Cabinet Division	46,235	71,366	54.4%	0.8532%	1.2891%
93	Development Expenditure of Establishment Division	349	425	21.8%	0.0064%	0.0077%
94	Development Expenditure of SUPARCO	7,369	7,395	0.4%	0.1360%	0.1336%
95	Development Expenditure of Climate Change Division	14,327	9,600	-33.0%	0.2644%	0.1734%
96	Development Expenditure of Commerce Division	1,614	1,174	-27.2%	0.0298%	0.0212%
97	Development Expenditure of Communications Division	451	9,250	1949.5%	0.0083%	0.1671%



98	Development Expenditure of Defence Division	1,978	2,232	12.9%	0.0365%	0.0403%
99	Development Expenditure of Survey of Pakistan	1,502	500	-66.7%	0.0277%	0.0090%
100	Development Expenditure of Defence Production Division	1,745	2,200	26.1%	0.0322%	0.0397%
101	Development Expenditure of Power Division	19,362	7,953	-58.9%	0.3573%	0.1437%
102	Development Expenditure of Federal Education & Professional Training Division	4,485	3,140	-30.0%	0.0828%	0.0567%
103	Development Expenditure of Higher Education Education Commission	42,450	44,179	4.1%	0.7833%	0.7980%
104	Development Expenditure of National Vocational & Technical Training Commission (NAVITC)	5,215	4,100	-21.4%	0.0962%	0.0741%
105	Development Expenditure of National Heritage & Culture Division	126	550	336.8%	0.0023%	0.0099%
106	Development Expenditure of Finance Division	836	1,660	98.6%	0.0154%	0.0300%
107	Other Development Expenditure	122,295	134,806	10.2%	2.2567%	2.4350%
108	Development Expenditure of Revenue Division	4,025	3,189	-20.8%	0.0743%	0.0576%
109	Development Expenditure of Human Rights Division	279	185	-33.9%	0.0052%	0.0033%
110	Development Expenditure of Information & Broadcasting Division	902	1,333	47.7%	0.0166%	0.0241%

111	Development Expenditure of Information Technology and Telecommunication Division	9,361	6,331	-32.4%	0.1727%	0.1144%
112	Development Expenditure of Interior Division	21,049	9,093	-56.8%	0.3884%	0.1642%
113	Development Expenditure of Inter Provincial Coordination Division	3,735	3,472	-7.0%	0.0689%	0.0627%
114	Development Expenditure of Kashmir Affairs and Gilgit Baltistan Division	37,920	-		0.6997%	
115	Development Expenditure of Law and Justice Division	6,027	1,814	-69.9%	0.1112%	0.0328%
116	Development Expenditure of Narcotics Control Division	489	208	-57.5%	0.0090%	0.0038%
117	Development Expenditure of National Food Security and Research Division	12,017	10,129	-15.7%	0.2218%	0.1830%
118	Development Expenditure of National Health Services, Regulation & Coord. Division	21,723	12,651	-41.8%	0.4008%	0.2285%
119	Development Expenditure of Planning, Development and Special Initiatives Division	106,244	41,677	-60.8%	1.9605%	0.7528%
120	Dev Exp of Poverty Alleviation & Social Safety Division	599	500	-16.5%	0.0111%	0.0090%
121	Development Exp of Science & Technology Division	8,341	5,716	-31.5%	0.1539%	0.1033%
122	Development Expenditure of Water Resources Division	92,473	91,878	-0.6%	1.7064%	1.6596%

123	Capital Outlay on Development of Atomic Energy	27,000	25,991	-3.7%	0.4982%	0.4695%
124	Capital Outlay on Development of Pakistan Nuclear Regulatory Authority	200	290	44.9%	0.0037%	0.0052%
125	Capital Outlay on Petroleum Division	3,250	1,481	-54.4%	0.0600%	0.0267%
126	Capital Outlay on Federal Investments	699	205	-70.7%	0.0129%	0.0037%
127	Development Loans and Advances By the Federal Government	131,346	104,103	-20.7%	2.4237%	1.8804%
128	External Development Loans and Advances by the Federal Government	75,866	49,717	-34.5%	1.3999%	0.8981%
129	Capital Outlay of Civil Works	25,157	15,060	-40.1%	0.4642%	0.2720%
130	Capital Outlay on Industrial Development	2,916	2,850	-2.3%	0.0538%	0.0515%
131	Capital Outlay on Maritime Affairs Division	4,462	3,465	-22.3%	0.0823%	0.0626%
132	Capital Outlay on Railways Division	30,026	32,648	8.7%	0.5541%	0.5897%
133	Provision for Pay & Pension Increase	160,000	-		2.9525%	
	<b>Total Voted</b>	5,419,213	5,536,119	2.2%	<b>100%</b>	<b>100%</b>
	<b>Total Charged and Voted</b>	5,419,239	5,536,147	2.2%		

**Source:** Website of Finance Division - Federal Budget 2022-23

## PARLIAMENTARY BUSINESS

**Recommendations of the Senate of Pakistan in the Finance Bill, 2022**  
**Budget Proposals 2022-23**  
**Proposed Amendments in the Finance Bill 2022**

**Compiled by**  
**Jimshaid Asghar,**  
 Assistant Director (Research), PIPS

1	<p style="text-align: center;"><b><u>THE CUSTOMS ACT, 1969 (IV OF 1969)</u></b></p> <p><b>Amendments of Customs Act, 1969 (IV of 1969).</b>- In the Finance Bill, 2022, hereinafter referred to as the said Bill, in Customs Act, 1969, in Clause 2,-</p> <p>(a) In sub-clause (1), paragraph (a), for the proposed clause (bbc), following new clause shall be substituted, namely:-</p> <p style="padding-left: 40px;"><b>“(bbc) “bordering and coastal areas” means areas along international borders as notified by the board.”</b></p> <p>(b) In sub-clause (8), in paragraph (b), in the table;</p> <ol style="list-style-type: none"> <li>i. For serial number 105 (i), in the corresponding entry in 2<sup>nd</sup> column, before the word “unauthorized”, the words <b>“if any person makes or attempts to make”</b>, shall be inserted;</li> <li>ii. For serial number 105 (ii), in the corresponding entry in 2<sup>nd</sup> column before the word “unauthorized”, the words <b>“if any person makes or attempts to make”</b>, shall be inserted;</li> <li>iii. For serial number 105 (iii), in the corresponding entry in 2<sup>nd</sup> column before the word “unauthorized”, the words <b>“if any person makes an”</b>, shall be inserted;</li> <li>iv. For serial number 105 (iv), in the corresponding entry in 2<sup>nd</sup> column before the word “use”, the words <b>“if any person makes or attempts to make”</b>, shall be inserted;</li> <li>v. For serial number 105 (v), in the corresponding entry in 2<sup>nd</sup> column, for the expression “use, make, supply, retain, obtain”, the expression <b>“if any person uses, makes, supplies, retains, obtains”</b>, shall be substituted.</li> <li>vi. For serial number 105 (vi), in the corresponding entry in 2<sup>nd</sup> column, for the expression “obtain, sell, process, use or transmit”, the expression <b>“if any person obtains, sells, processes, uses or transmits”</b>, shall be substituted;</li> <li>vii. For serial number 105 (vii), in the corresponding entry in 2<sup>nd</sup> column, for the expression “temper with or attempt to temper with, alter, reprogram”, the expression <b>“if any person tempers with or attempts to temper with, alters, reprograms”</b>, shall be substituted;</li> <li>viii. For serial number 105 (viii), in the corresponding entry in 2<sup>nd</sup> column, for the expression “write, offer, make available, distribute or transmit a malicious code or abet”, the expression <b>“if any person writes, offers, makes available, distributes or transmits a malicious code or abets”</b>, shall be substituted;</li> </ol> <p>(c) Sub-clause (14), shall be omitted; and</p> <p>(d) Sub-clause (15), shall be omitted.</p>
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2	<p style="text-align: center;"><b><u>SALES ACT, 1990</u></b></p> <p><b>Amendments in Sales Act, 1990.-</b> in the said bill, in the Sales Tax Act, 1990, in Clause (3),-</p> <p>a) In sub-clause (1),-</p> <ol style="list-style-type: none"> <li>i. paragraph (a), shall be omitted; and</li> <li>ii. paragraph (c), shall be omitted.</li> </ol> <p>b) In sub-clause (2), in paragraph (d), the words “any person or”, shall be omitted.</p> <p>c) for sub-clause (7), <b>(Senator Zeeshan Khanzada and Senator Shaukat Fayaz Ahmed Tarin registered their dissent);</b></p> <p>d) In sub-clause (12), in paragraph (A), in sub-paragraph (g), in the table;</p> <ol style="list-style-type: none"> <li>i. For entries at serial Nos. 168 &amp; 169, <b>(Senator Farooq Hamid Naek and Senator Syed Faisal Ali Sabzwari registered their dissent);</b> and</li> <li>ii. For entries at serial Nos. 170 &amp; 171, <b>(Senator Farooq Hamid Naek, Senator Zeeshan Khanzada registered their dissent).</b></li> </ol> <p>e) In sub-clause (13);</p> <ol style="list-style-type: none"> <li>i. In paragraph (a), in the table; <ol style="list-style-type: none"> <li>(a) for entry at serial No 25, <b>(Senator Farooq Hamid Naek, Senator Zeeshan Khanzada registered their dissent);</b> and</li> <li>(b) for entry at serial No. 75, for corresponding entry in column 4, for the expression “12.5%”, the expression <b>“for electric vehicle of 50KW or less 12.5% and for vehicle above 50KW 17%”</b>, shall be substituted;</li> </ol> </li> <li>ii. In paragraph (g), in the table; <ol style="list-style-type: none"> <li>(a) entries at serial Nos. 78 and 79, are recommended for insertion; and</li> <li>(b) entries at serial No 80, shall be omitted <b>(Senator Muhammad Talha Mahmood provided a recommendation as attached General Recommendation No. 22)</b></li> </ol> </li> </ol>
3	<p style="text-align: center;"><b>INCOME TAX ORDINANCE, 2001 (XLIX of 2001)</b></p> <p><b>Amendments in Income tax ordinance, 2001 (XLIX of 2001) .-</b> in the said bill, in the Income tax ordinance, 2001, in Clause (5),-</p> <ol style="list-style-type: none"> <li>a) In sub-clause (1), in paragraph (a), for the word “ten”, the words <b>“twenty five”</b>, shall be substituted;</li> <li>b) In Sub-clause (3), for the new insertion “4C”, in corresponding sub-clause (53), in paragraph (A), in sub-paragraph (e), in Division HB, in the table, in the 2<sup>nd</sup> row, in the 1<sup>st</sup> column, for the words “where income exceeds Rs. 300 million”, the words <b>“on additional income over and above Rs. 300 million”</b>, shall be substituted and thereafter, in the 2<sup>nd</sup> column, for the words “2% of the income”, the words <b>“normal rate plus 2% of the additional income”</b>, shall be substituted;</li> <li>c) Sub-clause (5), shall be omitted;</li> <li>d) In sub-clause (7), paragraph (a), (b), (c) and (d), shall be omitted.</li> <li>e) In sub-clause (8), in paragraph (c), for the word “five”, the expression <b>“7.5”</b>,</li> </ol>



	<p>shall be substituted;</p> <p>f) For sub-clause (10), in paragraph (A), in sub-paragraph (h), and corresponding sub-clause (53), FBR is directed to reconsider the amendment to limit it to 5 years;</p> <p>g) In sub-clause (11), in the existing section 44 of the income tax ordinance, 2001, in sub-section (3), in paragraph (b), the words “or a resident person” shall be omitted;</p> <p>h) In sub-clause (12), the words “or the Board”, shall be omitted;</p> <p>i) In sub-clause (20), for the number “2024”, the number “2023”, shall be substituted;</p> <p>j) In sub-clause (24), in the existing section 113 of the Income tax ordinance, 2001, in sub-section (2), in paragraph (c), in the proviso, for the word “five”, the word <b>“three”</b>, shall be substituted;</p> <p>k) In sub-clause (39), in the existing section 182 of the income tax ordinance, 2001, in sub-section (1), in the table, in column (2), for the corresponding entry at serial No. 1, after the word “person”, the words <b>“without reasonable cause”</b>, shall be inserted <b>(Senator Zeeshan Khanzada registered his dissent upon majority opinion);</b></p> <p>l) In sub-clause (40), in the existing section 191 of the income tax ordinance, 2001, in sub-section (2), for the full-stop “.” in the end, a colon “:” shall be substituted and thereafter the following proviso shall be inserted, namely: - <b>“Provided that prosecution shall take place on a failure to pay fine within the timeline prescribed.”</b></p> <p>m) In sub-clause (43), in paragraph (a), for the words “no court or other authority shall”, the words <b>“no court or any other authority shall”</b>, shall be substituted;</p> <p>n) Sub-clause (48), shall be omitted;</p> <p>o) For sub-clause (50), it is recommended that SBP should limit and reduce the charges on credit card;</p> <p>p) In sub-clause (53), in paragraph (A), sub-paragraphs (g) &amp; (i), shall be omitted;</p> <p>q) In sub-clause (53), in paragraph (A), for sub-paragraph (h), the committee recommended to reduce the years from 7 to 5.</p> <p>r) In sub-clause (53), in paragraph (D), sub-paragraphs (d), (g) and (i) shall be omitted;</p> <p>s) In sub-clause (54), in paragraph (A), sub-paragraphs (a) and (b), shall be omitted;</p> <p>t) For sub-clause (54), in paragraph (A), in sub-paragraphs (i), <b>(Senator Muhammad Talha Mahmood registered his dissent);</b></p> <p>u) In sub-clause (54), in paragraph (C), sub-paragraph (a) shall be omitted; and</p> <p>v) In sub-clause (54), in paragraph (C), sub-paragraph (c), for entry “20”, <b>(Senator Zeeshan Khanzada registered his dissent).</b></p>
	<b>GENERAL CONSENSUS RECOMMENDATION</b>
	The Senate of Pakistan recommends to the National Assembly that:-
4	This act is against the principle of Sales Tax and Value added tax and as such sales tax should be collected from all the sales points. However, exemption on the real small retailer i-e with shop size of 6’x6’ or 6’x8’ non air condition retailer should be based on their electricity bill.
5	Retrospective exemption of Federal Excise Duty to Newly Merged Districts should be provided and in order to promote economic prosperity and implement the true spirit of the exemptions promised, all previously uncollected taxes on sales including electricity bills to be also exempted for the year 2019 to 2021. With the passage of 25 <sup>th</sup> Constitutional Amendment, Federally Administered Tribal Area

	(FATA) and Provincially Administrated Tribal Area (PATA) stood merged in the Provinces of Khyber Paktunkhwa and Baluchistan. A phased approach was needed for the full application of fiscal law to erstwhile Tribal Area/Newly Merged Districts (NMDs), therefore, a decision was made to exempt all taxes which would have not applied had Article 247 of the Constitution not been omitted under the Constitution (Twenty-fifth Amendment) Act, 2018. However, against the spirit of this decision, Federal Excise Duty was imposed in NMDs bringing the excisable goods produced in these areas under the ambit of taxation, Furthermore; FED was also imposed on steel sector and ghee sector.
6	Government should ensure the reduction of sugar content in sodas, juices, energy drinks and iced teas for better human health.
7	In <b>Annex-VI (chapter 99 of Pakistan custom tariff against pct code 9942)</b> for the words “special area government”, the words <b>“such states and territories as are or may be included in Pakistan”</b> shall be substituted.
8	Exemptions of fifth Schedule to the Custom Act, 1969 should be provided on the import of Railways items, from all duties and taxes.
9	In sub-clause (59), in paragraph (a) of Finance Bill, 2022, in the twelfth Schedule, all prices sensitive items should be added along with the entry related to coal in the table.
10	To give full effect to the amendments made in clause 3 (12)(B) of the Bill, 2022, it is proposed that tariff headings 9801.2000, 9801.5000 and 9805.8000 may be restored in the First Schedule to the Customs Act, 1969 as were existing before its withdrawal vide Finance Act, 2018.
11	The provisions of clause 3(1)(c) (ii) of the Bill should either be omitted or its scope should be restricted to production and supply of electricity (PCT Code 2716.0000).
12	The word “Hospitals run by Federal Govt/Provincial Govt” may be added in the said Sr. Nos. 165 and 166 of the Table to Clause 3(12)(A)(g) of the bill.
13	The provision of section 37 of the Income Tax Ordinance, 2001 omit Capital Gain Tax on immovable property or the amendment proposed in section 37 of the Income Tax Ordinance, 2001 vide clause 5(10)(a) of the bill, 2022 may be withdrawn as it amounts to encroachment upon the Provincial domain contrary to the provisions of the Constitution.
14	The proposed provisions of section 7E, as added vide Clause 5(5) of the Finance Bill, 2022, may be omitted being unjustified and ultra-vires the Constitution.
15	The aforesaid provisos to section 60A and 60B may be omitted in line with the Sindh High Court judgment dated 12.02.2018 in CP No. 1313 of 2018.
16	The rate of AIT on cellular services be reduced to 8% as per the commitment made by the Government while introducing Federal Budget, 2021.
17	FED rate on natural gas (PCT heading 2711.2000) be enhanced from Rs. 10/- per MMBTU to Rs. 20/- per MMBTU in view of the increase in the prices of Natural Gas since 2010.
18	FED at 5% ad valorem be levied on Crude Petroleum Oils (PCT heading 2709.0000) and, with a view to avoiding any possible effect on the retail price of POL products, this FED may be collected in sales tax mode by adding Crude Petroleum Oils (PCT heading 2709.0000) in the Table of the Second Schedule to the Federal Excise Act, 2005.
19	In the Sales Tax Act 1990, in Section 3(7), after the word “services”, the commas and words ““, other than the services liable to pay sales tax under a Provincial enactment”, may be added.
20	Sr. Nos. 14 and 15 may also be added in the Note appended to the said Table-II of the First Schedule to the Federal Excise Act, 2005.
21	17% Sales tax on purchase of pharmaceutical raw material (APIs and Excipients) should be immediately withdrawn or zero rated, and a negative list should also be provided for pharmaceutical sector to FBR to eliminate misuse of such raw materials.

22	Sales tax deposited by Pharmaceutical Manufacturers since 15-January, 2022 amounting to over 40 Billion should be immediately refunded without any conditions.
23	Goods imported by non-profit making institutions, and imported by or donated to hospitals run by the non-profit making institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969, (IV of 1969).
24	For raw hides and skins either FBR issue clarification that the same definition will apply in sales tax as per clause 46AA i-e income tax or it is included in 6 <sup>th</sup> schedule of sales tax.
25	In clause (3), in sub clause (13), in paragraph (g), in the table, the entries at serial No. 80 shall be omitted and FBR should not hold the manufacturer accountable for any lapse of tax liability in supply chain of all types of lead and its scrap, when the manufacturer has duly made his payments through banding channel.
26	Import of aircrafts and its parts should be exempted from sales as neither this sales tax is recoverable or adjustable.
27	Senator Muhammad Talha Mahmood Foundation should be added in the 2 <sup>nd</sup> Schedule for exemption of income tax like other non-profit organizations have been given.
28	Credits be allowed to businesses and taxpayers engaged in IT sector.
29	<p>The following matters faced by different sectors concerning the Finance Bill, 2022 has been referred to the Anomaly Committee of FBR for their just and equitable redressal and FBR is also directed to report back to the committee regarding the resolution of all these referred matters.</p> <ul style="list-style-type: none"> <li>• The imposition of tax upon sale of furniture based upon the covered area in tier 1.</li> <li>• Grievance raised by the citizen's developers association.</li> <li>• Restoration of import tariff of fabric from 13% to 24% to prevent unnecessary import of fabric as highlighted by Pakistan Weaving Mills Association.</li> <li>• Tariff rationalization of PET Plastic Value Chain as raised by BoPT Film products by NOVATEX Limited.</li> <li>• Re-evaluation of the assessment and revision of the tax imposed on bread from 17% to 7.5% raised by Bakers Association.</li> <li>• Taxes imposed on jewelry raised by Jewelers Association.</li> </ul>
30	Percentage salary increase from grade 1 to 16 should be greater than the percentage salary increase for grade 17 to 22.

**OPINION****State of Minorities in India: case study of Sikhs' Khalistan Movement****Fakiha Mahmood**

Deputy Director (Research), PIPS

**1. Introduction**

Seeking to turn India into a Hindu state far away from its secular credentials espoused by the founding fathers of modern India, BJP has been shrinking space for its minority communities through various means including violence and extremism. A popular Punjabi singer, rapper and supporter of Khalistan movement was shot dead on May 29, 2022. The deceased had played active role in the farmers protest held in India over the enactment of controversial legislation, and had contested Punjab Assembly elections on Congress ticket. He had sparked outrage over the glorification of Sikh warriors through his songs. Soon after his assassination, a Canada-based gangster Satinder Singh aka Goldy Brar confessed that, together with Sachin Bishnoi and the Lawrence Bishnoi group, he had killed the Moosewala.<sup>1</sup> The killing of singer from Indian Punjab marks the fresh incident of violence which remained an essential element of Sikhs demand for an independent state during the decade of 1982-1992 in the aftermath of the attack on Golden Temple, the holiest shrine of Sikhs in the world.

The Sikh activism, which declined significantly with the near elimination of militancy in 1992, has reawakened in a peaceful tone. The participation of significant number of Sikhs in the Khalistan referendum, which began on 31 October 2021 in London has raised alarm bells in the Indian capital. The roadmap identified by the organizers of the referendum including taking the matter to the United Nations and other relevant international forums speaks for an innovative project being carried out by the Sikh diaspora community. Beginning with a brief note on the status of minorities in India, this paper seeks to analyze the recent currents in the movement for an independent state of Khalistan for Sikhs in areas of India where Sikhs are in a majority.

**2. State of minorities in India**

According to the United Nations Office of the High Commissioner for Human Rights:

“An ethnic, religious or linguistic minority is any group of persons which constitutes less than half of the population in the entire territory of a State whose members share common characteristics of culture, religion or language, or a combination of any of these.”<sup>2</sup>

India is a multiethnic society which hosts a large number of citizens professing religions other than Hinduism including Muslims, Christians, Sikhs, Parsis, Jews etc. Out of the more than 1.3 billion people, Hindus comprise nearly 80% of the Indian population, followed by Muslims – 14.2%, Christians 2.3%, Sikhs 1.7%, and Buddhists 0.7% etc.<sup>3</sup> Secularism is one of the key fundamentals of Indian constitution which has been manifested in various articles like article 14 – equality before law, articles 15 and 16 – prohibition against discrimination on the basis of any social characteristic such as religion, article 19 and 21 – freedom of speech and expression, and

<sup>1</sup> “Khalistan supporter, Punjabi singer Sidhu Moose Wala shot dead in Indian Punjab,” 29 May 2022, <https://www.kmsnews.org/kms/2022/05/29/khalistan-supporter-punjabi-singer-sidhu-moose-wala-shot-dead.html>; “SFJ threatens Punjabi singers after Sidhu Moosewala’s murder; asks for support for Khalistan,” 30 May 2022, <https://www.republicworld.com/india-news/law-and-order/sfj-threatens-punjabi-singers-after-sidhu-moosewalas-murder-asks-support-for-khalistan-articleshow.html>.

<sup>2</sup> <https://www.ohchr.org/en/special-procedures/sr-minority-issues/concept-minority-mandate-definition>.

<sup>3</sup> USCIRF Annual Report, 2022.

articles 25 to 28 – right to practice religion. Moreover, article 29 pertains to the protection of interests of minorities and article 30 establishes the right of minorities to establish and administer educational institutions.<sup>4</sup> However, more than seven decades history of India in the post-independence period is replete with major as well as minor incidents of communal violence in which minority communities witnessed violent attacks from Hindu mobs. For example, the attack on Sikhs' Golden Temple in 1984, demolition of Muslims' Babri Mosque in 1992, the unfortunate incident of 1999 whereby the followers of Bajrang Dal and Vishwa Hindu Parishad burned alive an Australian missionary Graham Stewart Stains and his two minor sons, are some of the dark chapters in the status of minorities in India.<sup>5</sup>

While the country has witnessed various incidents of communal violence especially during 1980s and 1990s, which culminated into death of thousands of people and left scores of people severely injured, the state of minorities in India has been at its lowest ever since the BJP led government came into power in 2014. With violent attacks on peaceful protestors and demolishing their homes ruling party has sunk even lower in its track record pertaining to minority rights in India. Adding insult to injury, the Supreme Court of India declined to provide relief for the victims suffering the brunt of authorities in the shape of demolished homes.

While hate speech targeting minority groups has been a hallmark of the BJP leaders, the Hindutva inspired political party has introduced various legislative instruments and policies specifically targeting minority communities especially Muslims. The promulgation of the Citizenship Amendment Act (CAA) and the National Register of Citizens (NRC) as well as banning hijab from educational institutions are some of the examples of this dangerous trend in a country whose constitution rests on the fundamental principle of secularism. The UNCIRF Annual Report 2022 states that the Indian authorities use laws such as the Unlawful Activities Prevention Act (UAPA) and the Sedition Law to suppress those raising voice for minorities rights protection. Father Stan Swamy was apprehended under UAPA in October 2020 without trial. The 84 years old priest, who worked as human rights defender for communities like Dalits and Adivasis, died in custody due to deteriorating health conditions. The report highlights that BJP led Indian government has been encouraging Hindu-nationalists to establish India as a Hindu state by suppressing minority communities in sheer contradiction with the secularist ideology espoused in the Indian constitution.

### 3. Sikhs: origins and background

Sikhs are the followers of Sikhism also termed as Sikhi, which finds its roots in the teachings of Guru Nanak (1469-1539) born in Talvandi renamed as Nankana Sahib situated in modern day Pakistan. The population of the followers of the fifth largest world religion is around 25 million across the world, majority of them concentrated in Indian state of Punjab which hosts 22 million followers of Sikh religion. Within India, Sikhs constitute 1.7 percent of the total population. A large section of Sikh population resides in Canada (650,000), US (500,000), UK (450,000), South East Asia (175,000), and East Africa (50,000 to 100,000).

Asserting their identity independent from Hindus, Sikhs continued to grow during the Mughal era as a minority community. Their relationship with the Mughal rulers varied from cordial during the Akbar reign (he provided Sikhs non-taxable land in Amritsar), to bitter during Jahangir era (he ordered the killing of Sikh religious leader Guru Arjan in May 1606). Sikhs gained political strength during the times of Maharaja Ranjit Singh (1780-1839). He established a Sikh state in 1799 in Punjab. However, the Sikh state withered away soon after the death of Maharaja Ranjit Singh when British took control of Punjab after subsequent Anglo-Sikh wars in

<sup>4</sup> P. M. Bakshi, *The Constitution of India*, (New Delhi: Universal Law Publishing Co. Pvt. Ltd., 2013): 1-5, 80-81.

<sup>5</sup> Mahwish Hafeez, "Status of Minorities in India," *Islamabad Paper*, No. 50, (2021).



1845 and 1849. The colonists immediately disarmed the Sikhs Khalsa who had fought against the British during the Anglo-Sikh wars.

During the British rule, Sikhs formed a large chunk of the army; however their animosity towards the British grew out of the interference in the affairs of the Golden Temple.<sup>6</sup> Moreover, the Rowlatt Act of 1919, which was criticized for providing the colonial government the powers to detain people without trial dented Sikh loyalty to the British which was further compounded by the Jallianwala massacre of 13 April 1919. The Government of India Act 1919 deprived them of their expected 33 percent share in the Punjab Legislative Council when they received only 15 out of the total 93 seats. During the run up to the independence of the sub-continent some Sikhs had demanded a separate state for Sikhs like Muslims won the state of Pakistan. The demand for a state of “Khalistan” emerged in April 1940 in an article by Vir Singh Bhatti as a countermeasure to the Pakistan Resolution of Muslim League, proposing the establishment of a buffer state between Pakistan and India. This proposal was rejected by the Sikh leaders themselves on the grounds that this is a theocratic idea. Even the subsequent secular demands for an independent state for Sikhs did not materialize due to several reasons. For example, their share in the overall population was small as compared to Muslims, i.e. 5,500,000 Sikhs and 90,000,000 Muslims. There was no specific territorial area where Sikhs existed in absolute majority. Above all, the Sikh leadership seemed content with the pledges of India National Congress who had promised them political sovereignty in 1947 within the Indian Union.<sup>7</sup>

#### 4. Post-independence calls for Sikhs’ right of self-determination

The partition of subcontinent in 1947 split the Punjab province into two entities one of them making part of Pakistan and the other left in India. According to estimates, 2.5 million Sikhs migrated to India from Pakistan. Majority of them settled in the Indian side of Punjab, some of them settled in other parts of India, thereby changing the demographic composition of India. Soon after independence, Sikhs began asserting their independent identity. The Sikh members of the Indian Constituent Assembly rejected the draft constitution presented on 26 January 1950 on the grounds that the document is devoid of independent identity as well as separate personal law for Sikhs. They also demanded a Punjabi ‘suba’ (province) drawn on the basis of mother tongue in lieu of the fact that except with this province all provincial boundaries were redrawn on linguistic patterns soon after independence. They succeeded in their efforts in the aftermath of their support for the Indian government in 1965 war with Pakistan.

On 01 November 1966, the Indian government divided the Punjab province on linguist basis by carving out the Haryana province which inhabited Hindu majority, and Chandigarh was made a joint capital of both provinces with the status of Union Territory. Resultantly, the Indian Punjab province which emerged from this bifurcation had nearly 60 percent of Sikhs which earlier comprised of only 35% of the provincial population. In the post provincial partition scenario, the mainstream Sikh political party, the Akali Dal, voiced its concerns over greater central control over the provincial affairs. The process of redrawing of provincial boundaries was carried out in a manner that Punjab was deprived of many of its villages and the central government kept full control of river-waters, irrigation projects and power in Punjab province. Moreover, the sharing of capital city Chandigarh by both Punjab and Haryana under the jurisdiction of the union government further reduced the authority of Sikh rulers of Punjab. This power sharing formula culminated into the Anandpur Sahib Resolution in 1973 by the Akali Dal. The resolution demanded reduced central control over provincial affairs, return of Punjab villages

<sup>6</sup> Pashaura Singh, “How avoiding the religion-politics divide plays out in Sikh politics,” *Religions* 10, no.5 (2019), doi:10.3390/rel10050296.

<sup>7</sup> Rajshree Jetley, “The Khalistan movement in India: the interplay of politics and state power,” *International Review of Modern Sociology* 44, no. 1-2, (2018): 85-99.

into its fold as well as the transfer of capital city to the provincial government. The Resolution became an irritant between the Sikhs and the central government.<sup>8</sup>

## 5. The causes and consequences of Operation Blue Star

The power tussle between the Congress and Akali Party in Punjab culminated into the rise of Sikh religious leader Jarnail Singh Bhindranwale which added the religious and later the militant factor into the politics of Punjab in late 1970s. As a Sikh preacher, he advocated the purification of Sikh religion by removing impurities from the religious practices which had crept into ordinary Sikh life. The establishment of killer squads at village level resulted into subsequent violent incidents during early 1980s. In order to ensure law and order in the province India's central government imposed President's rule on 06 October 1983. Fleeing persecution from government, Bhindranwale along with leaders/members of militant Sikh organizations like All India Sikh Student Federation and the Babbar Khalsa retreated to the Golden Temple. In her dealing with the problem brewing in Punjab, the then Prime Minister of India, Indira Gandhi projected the image of Bhindranwale as a Sikh terrorist trying to destabilize India. On the pretext of removing militants from the Sikhs holiest shrine, Indira Gandhi ordered the Indian army to attack the Golden Temple on 03 June 1984. It was a Sikh holiday when a large number of devotees were present in the complex in order to observe the martyrdom of Guru Arjan.<sup>9</sup>

The so called Operation Blue Star continued for three days in which more than 4000 people, including Bhindranwale were killed besides the damage done to the Akal Takhat as well as the Golden Temple. The outrage of the Sikh community became apparent on 31 October 1984 when Indira Gandhi was killed by his Sikh bodyguards. The assassination of the Indian Prime Minister triggered violent attacks on Sikhs across India especially in Delhi resulting in killing of 17,000 and displacement of 50,000 Sikhs. Operation Blue Star rekindled the flames of separate Sikh identity which continued to challenge the law enforcement agencies in India for more than a decade to come. According to some estimates, the violent clashes occurred in Punjab during the decade following the Operation Blue Star took 80,000 lives including primarily Sikhs. The authorities in India did manage to control the element of militancy by 1992, through various means including reconciliation, intelligence based operations, and the use of force. However, the idea of separate Sikh identity and the push to realize it through political means continued to rise again and again.<sup>10</sup>

## 6. Sikh diaspora activism

Sikhs began migrating out of the Punjab during the British era soon after the annexation of Maharaja Ranjit Singh's empire. The first and foremost destination was the commonwealth territories. More recently, the instability in Punjab in the aftermath of the Operation Blue Star compelled a large number of Sikhs to seek refuge out of the Indian Union. As of now, millions of Sikhs have been settled in Canada, US, UK, South East Asia, and East Africa. The Sikh diaspora had close links with their fellow brothers and sisters in Punjab due to familial roots. However, Operation Blue Star generated a sense of insecurity for their religious symbols as well as the larger Sikh community in India. This insecurity motivated henceforth the largely apolitical diaspora to become politically more conscious about the politics of the Punjab in India. Therefore, the calls for an independent Sikh state began emerging again, for which the diaspora played instrumental role in providing economic, diplomatic, social as well as humanitarian

<sup>8</sup> Shyamal Kataria, "The rise and fall of the Khalistan movement: a chronology of events," *Advances in Social Sciences Research Journal* 7, no. 6, (June 2020): 548-556.

<sup>9</sup> Singh, "How avoiding the religion-politics divide plays out in Sikh politics;" Jetley, "The Khalistan movement in India," 90-91.

<sup>10</sup> Singh, "How avoiding the religion-politics divide plays out in Sikh politics;" Jetley, "The Khalistan movement in India," 90-91.

support. The Sikh temples termed as ‘Gurdwaras’ acted as platforms to establish contacts and share ideas. All this culminated into international organizations like the Khalistan Concil, Dal Khalsa, Babbar Khalsa, International Sikh Youth Federation, World Sikh Organization, and the Sikhs For Justice etc.

Soon after the Operation Blue Star, in July 1984 the Sikh community in the US held an important conference in Madison Square Garden under the leadership of Major General (retd) Jaswant Singh and Didar Singh Bains. The crux of the conference was that only an independent state can ensure the safety and security of Sikh heritage and community. The participants of the conference identified various pathways to this end including awareness campaigns and media outreach. The head of the UK-based Khalistan Council and a former finance minister of Punjab, Dr. Jagjit Singh Chauhan, had articulated the demand for an independent state of Khalistan as early as 1971 in an article published in the New York Times. The India’s central government had barred his entry into India in 1980s. A self-proclaimed President of the proposed country, Chauhan had even issued Khalistani passports, bank notes and stamps. Dr. Gurmit Singh Aulakh is another leading figure among the Sikh diaspora actively advocating the cause of Khalistan. Chief of the Council of Khalistan, Dr. Aulakh has focused more on highlighting the human rights violations in Punjab and the wider India.<sup>11</sup>

## 7. Referendum - “Should Indian-governed Punjab be an Independent Country?”

According to a definition:

“‘Referendum’ is the term given to a direct vote of the electorate required by the legal framework or requested by the Executive or Legislative on an issue of public policy, in contrast with votes cast at elections, which are made in relation to parties or individual candidates and generally reflect voters’ preferences over a range of different issues. Referendums may be held in relation to particular circumstances (e.g. to amend a country’s constitution) or in relation to particular political issues (e.g. whether or not to join an international organization) but are in general held in relation to issues of major political significance. The terms used to define referendums may differ in different countries.”<sup>12</sup>

As the definition quoted above suggests, referendum is usually a business of an established state structures like executives or legislatures. On 31 October 2021, Canada-based Sikhs For Justice (SFJ) organization began the Referendum seeking answer to the question “Should Indian-governed Punjab be an Independent Country?” This a non-governmental and non-binding activity which was earlier carried out by the Canada’s Sri Lankan Tamil community under the rubric of Coalition for Tamil Elections Canada in 2009.<sup>13</sup> The aim of such non-governmental referendums is to provide foundation for generating international support for the right of self-determination of a particular community.

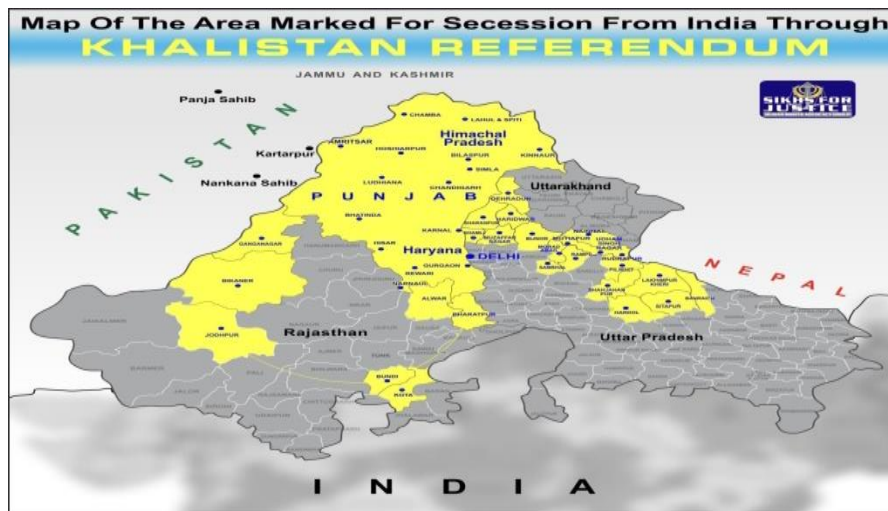
The first exercise for the Khalistan referendum was carried out near the British Parliament at the Queen Elizabeth Centre. Seeking the right of self-determination for Sikhs, the organization plans to organize such activity in various other countries in order to make a support base for taking up the issue at the United Nations and other relevant international organizations. In order to look into the matters of the referendum the SFJ has established a Punjab Referendum Commission.

<sup>11</sup> Simrat Dhillon, “The Sikh diaspora and the quest for Khalistan: a search for statehood or for self-preservation?” *IPCS Research Papers*, no. 12 (December 2007).

<sup>12</sup> Ace Project, “Electoral Systems,” <https://aceproject.org/ace-en/topics/es/ese/ese08/ese08a/default>.

<sup>13</sup> Emily Mathieu, “Referendum calls for independent Tamil state in Sri Lanka,” 20 December 2009, [https://www.thestar.com/news/gta/2009/12/20/referendum\\_calls\\_for\\_independent\\_tamil\\_state\\_in\\_sri\\_lanka.html](https://www.thestar.com/news/gta/2009/12/20/referendum_calls_for_independent_tamil_state_in_sri_lanka.html).

The referendum is non-governmental and non-binding in legal sense. However, the organizers of the referendum seek to gain political mileage from the activity. According to some reports almost 200,000 people voted in favor of the referendum over the course of two months since its beginning on 31 October 2021. The Indian government has banned the SFJ since 2019 under the notorious Unlawful Activities Prevention Act (UAPA), and its General Secretary Gurpatwant Singh Pannun declared terrorist. The SFJ also released a new expanded map of Khalistan including Indian Punjab, Haryana, Himachal Pradesh, as well as various districts of Rajasthan and Uttar Pradesh, a week before the referendum held in UK.<sup>14</sup> Italy became the second stop for the Khalistan referendum where 40,000 Sikhs voted on 08 May 2022 in favor of the independent state for Sikhs.<sup>15</sup>



The Indian government has raised serious concerns over the Khalistan referendum with the UK government requesting the authorities in London to block the activity, though the request has been rejected. The holding of the referendum on the day Indira Gandhi was assassinated by his Sikh guards has further perturbed authorities in New Delhi. Moreover, Indian government has accused Pakistan of supporting the proponents of Khalistan in the same manner India has been accused of supporting the Tamil terrorists to destabilize Sri Lanka. Meanwhile the efforts for generating international support through the symbolic referendum have already begun to produce results. A Member of Green Party of England, Caroline Lucas, and a former Member of the British Parliament, George Galloway, have expressed their overt support for the idea of Khalistan.<sup>16</sup>

## 8. Conclusion

The BJP, through its repressive policies targeting the minority communities, has turned India into a hub of Hindu extremism where the living space for minorities has shrunk to a dangerous level. Primarily due to the Kashmir issue, a long standing issue between Pakistan and India as the Illegally Occupied Jammu and Kashmir (IOJK) by India has seen oppression of majority Kashmiri Muslims during clashes by 06 lac Indian troops. While no minority community has

<sup>14</sup> "India worried as UK allows Sikhs to vote on 'Khalistan' Referendum," 20 November 2021, <https://www.globalvillagespace.com/uk-allows-sikhs-to-vote-on-secession-of-punjab-from-india/>; Murtaza Ali Shah, "Votes in Khalistan referendum cross 200,000 mark in two months," 03 January 2022, <https://www.colombotimes.net/votes-in-khalistan-referendum-cross-200000-mark-in-two-months/>.

<sup>15</sup> Murtaza Ali Shah, "Record-breaking over 40,000 Sikhs vote in Khalistan referendum in Italy," 09 May 2022, <https://www.thenews.com.pk/print/956318-record-breaking-over-40-000-sikhs-vote-in-khalistan-referendum-in-italy>.

<sup>16</sup> "Sikhs vote in London for a separate Khalistan in India," 01 November 2022, <https://thetruthinternational.com/international/sikhs-vote-in-london-for-a-separate-khalistan-in-india/>.

been left unhurt, Muslims are especially targeted for many reasons. For authorities in India, this is certainly a time for serious reflection as to the pathway the biggest democracy of the world has adopted in its dealing with those professing a religion other than Hinduism.

The successful organization of the referendum despite Indian efforts to block the activity, as well as the participation of significantly large Sikh population in the so-called referendum for an independent Khalistan in and around Indian Punjab has raised alarm bells in the Indian capital over an issue which was considered dead earlier. Moreover, the recent assassination of the Sikh singer has once again highlighted the violent currents in the issue at hand. While Indian authorities have so far remained successful in denying the Sikhs an independent state, the community has presented a formidable challenge for authorities over the course of decades.

The mixing of Sikh identity with the Hinduism in the very Constitution of India in article 25 (2)(b) which states that the “reference to Hindus shall be construed as including a reference to persons professing the Sikh, Jaina or Buddhist religion, and the reference to Hindu institutions shall be construed accordingly,” is in fact the beginning of the identity crisis for Sikhs in the modern India. While the outcome of the referendum remains to be seen, the idea of Khalistan is certainly a great challenge for the Indian union as a region with over 20 million Sikhs in Indian Punjab are deepening consensus towards carving of a separate state of Khalistan on the basis of what Sikhs claim as separate nation.



## INFORMATION

## PAECO and Regional Cooperation

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## Executive Summary

*Parliamentary diplomacy is a dialogue for concurrence, a desired objective of interstate relations and a conceivable state of affairs. It is a track 1.5 or track 2 formal and informal dialogue mechanism. It is the role played by parliamentarians to promote relations with counterpart parliaments. Parliamentary diplomacy is not restricted to limitations as in formal diplomacy. There are a number of regional, global, political and religious parliamentary forums based on their charters and rules. Parliamentary forums hold great importance in regional cooperation. Central Asian Republics (CARs), Afghanistan, Iran, Pakistan and Turkey may achieve regional cooperation through Parliamentary Assembly of Economic Cooperation Organization (PAECO). People to people contacts through PAECO are essential for ensuring durable peace, collective security, stability and prosperity in this region. PAECO through economic diplomacy can be helpful in trade expansion including Tajikistan, Afghanistan, Pakistan and India (TAPI) gas pipeline, CASA 1000 and ECOTTA. PAECO may complement Economic Cooperation Organization's (ECO) Memorandum of Understandings (MoUs) and agreements. How effectively may PAECO oversight these agreements? This depends on the will of the presiding officers, legislative staff and its Parliaments.*

## 1. The role of Pakistan in the evolution of PAECO

The Parliamentary Assembly of Economic Cooperation Organization (PAECO) represents over 490 million people and 2508 legislators of Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan. PAECO was proposed by Hon'ble Dr. Fehmida Mirza, Speaker of Pakistan's 13<sup>th</sup> National Assembly. PAECO is an amalgamation of equal unicameral and bicameral parliaments. It was launched formally in 2013 in Islamabad which is also the permanent secretariat. The forum was given observer status in Inter-Parliamentary Union (IPU) in 2014. The forum had been given this status within one year of its formal launching. This was testimony of its active role in parliamentary diplomacy in ECO region.

The former Speaker of the National Assembly of Pakistan, Dr. Fehmida Mirza chaired the first meeting of Executive Council of PAECO.<sup>17</sup> According to article 5 (b) of PAECO's charter, Pakistan's then-Speaker was elected as the organization's first-ever chairperson of its Executive Council. The chairperson of the council suggested the formation of a committee of Secretaries General of PAECO Parliaments to fix rules of the forum. She stressed the need for obtaining observer status for PAECO in Parliamentary Union of the OIC Member Countries (PUIC)<sup>18</sup> and other established parliamentary organizations. On February 11, 2012, the Executive Council of the Parliamentary Assembly of the Economic Cooperation Organization met for the first time in Islamabad. After ten years, the second meeting was held in 2021. The reason of this delay was security situation in Afghanistan.

<sup>17</sup> National Assembly of Pakistan, "PAECO daily Bulletin-first PAECO Conference" [https://na.gov.pk/en/pressrelease\\_detail.php?id=4354na.gov.pk/uploads/PAECO-2013/PAECO-Bulletin-3.pdf](https://na.gov.pk/en/pressrelease_detail.php?id=4354na.gov.pk/uploads/PAECO-2013/PAECO-Bulletin-3.pdf)

<sup>18</sup> National Assembly of Pakistan "PAECO Conference" Accessed April 15, 2022 [https://na.gov.pk/en/pressrelease\\_detail.php?id=4355](https://na.gov.pk/en/pressrelease_detail.php?id=4355)

In a bid to review PAECO after 9 years, Pakistan hosted its 2<sup>nd</sup> General Conference. The then Hon'ble Speaker of National Assembly Mr. Asad Qaiser presided over meeting of Executive Council and General conference. The agenda of the PAECO Conference aimed at enhancing cooperation and understanding between and among its member countries. Pakistan so far has spent around one million dollars on the establishment of PAECO and organization of its conferences.

## 2. Charter and Composition of PAECO

The Charter of PAECO comprises of a preamble and 11 articles. The charter was drafted in line with charter of Association of South Asian Association for Regional Cooperation (SAARC) Speakers and Parliamentarians (ASSP). PAECO rests on seven objectives as per Article 1 of its charter.<sup>19</sup> These key objectives identified include promotion of regional cooperation and people to people contacts through Parliamentary Friendship Groups (PFGs). It also stresses the need for sustainable regional cooperation, socio-economic developments, collective security and global partnerships.

PAECO is a regional parliamentary forum. All ECO parliaments are entitled to its membership. Article 2 of the Charter provides detail explanation on the composition of its Assembly. Sub-sections of the Article 2 set parameters for formation of PAECO's member branches and observer status to other parliaments. As per Article 2 (c) every member parliament shall form a branch in their country. Article 2 (f) requires them to adhere to objectives of the PAECO Assembly. Requests for observer status to PAECO shall come only with the approval of the General conference.

Structure of ECO Member Parliaments				
S.No	Country	Lower House (LH) UPPER House (UH)	Parliament Structure	Composition
1	Afghanistan	Wolesi Jirga	Bicameral,	249 L H 102 U H
2	Azerbaijan	Milli Mejlis	Unicameral	125
3	Iran	Majles Shoraye Eslami	Unicameral	290
4	Kazakhstan	Mazhilis	Bicameral	107 L H 47 U H
5	Kyrgyzstan	Jogorku Kenesh	Unicameral	120
6	Pakistan	National Assembly	Bicameral	342 L H 104 U H
7	Tajikistan	Majlisi Namoyandogon	Bicameral,	63 L H 34 U H
8	Turkey	Türkiye Büyük Millet Meclisi	Unicameral	550
9	Turkmenistan	Mejlis	Unicameral	125
10	Uzbekistan	Qonunchilik palatasi	Bicameral,	150 L H 100 U H

<sup>19</sup>“Charter of the Parliamentary Assembly of the Economic Cooperation Organization (PAECO)” Dated February 11, 2013, Accessed April 15, 2022, <https://na.gov.pk/uploads/PAECO-2013/Signed-Charter.pdf>

PAECO's operational module is much like ASSP. Powers to General Conference and Executive Council have been conferred through Article 3 and its subsections. PAECO's implementation organ is the Secretariat. The member countries decided Secretariat to be in Islamabad in 2010/11 when deliberations were in progress for drafting its charter. Article 4 of the charter contains sub-sections that explain the General Conference, its proceedings, composition, deliberations, limitations, and authority. The General Conference invites 5 members of parliament including Speaker, Secretary of the branch and a lady legislator to be part of each delegation.

According to the PAECO Charter, Article 4 (d) the women delegates shall hold a separate meeting. According to Honorable Ms. Huda Naeem "any structure without women is incomplete".<sup>20</sup> Parliamentary diplomacy is only useful when it speaks up for women in the region. Parliaments are taking steps to reach out to women. PAECO is no exception. According to Article 5 of the Charter, the Executive Council is PAECO's highest decision-making body. It is so because Speakers and Presiding Officers are Council members. The Assembly's programme, agenda, budget, and what the GC will do are all approved by the Executive Council. During both conferences of PAECO held in (2013 & 2021) respectively PAECO discussed terrorism, economic cooperation and drugs smugglings on its agenda.<sup>21</sup> In order to peruse common objective of enhanced trade and connectivity, a special session of PAECO was held in during its second conference on June 02, 2021.

Besides deliberative agenda, the Speakers of ECO Parliaments ratified the Charter formalizing its launching during the second conference held on June 1, 2021. Article 7 of the establishment of general fund was also approved. In order to continue the operations of PAECO all parliaments were requested to step in and play their bit in the operations of PAECO. The council deliberated for over an hour and agreed that the President of the Conference should organize a preliminary meeting before the next Conference. The Parliaments should work on research studies for making effective trade policies for PAECO. Speakers and Parliamentarians from ECO member countries had a thought provoking discussion on "Parliament's oversight role in promoting intra-regional trade and investments to ensure sustainable socio-economic development in the ECO Region."

### **3. PAECO's role in regional cooperation**

Revival of the PAECO is expected to open new ways of progress for the people of ECO region. PAECO's role in regional cooperation can be enhanced in a number of ways. Parliamentary Assembly sessions need to be held regularly. Launching of PAECO was a result of extensive negotiations and communication between and among parliaments. It was envisioned to form an alliance which could vigilantly oversight ECO processes. It was based on the belief that Parliamentarians, can play a pivotal role in encouraging commonality of views on matters of common interests and concerns.

From TREATY of Izmir to ECO and now PAECO, the members had a history of putting shared efforts aiming peace and prosperity in the region. Unfortunately, security situation in Afghanistan back in 2014 could not allow 2<sup>nd</sup> PAECO Conference in Kabul. Nonetheless, the working on PAECO institutionalization remained active through its Secretariat. The Secretariat drafted the Rules of Procedures for PAECO which would enable the organization to work more efficiently. Several decisions were made during the 2nd Executive Council (June 2021) to help PAECO play a leading role in the promotion of regional cooperation. Promoting parliamentary role and partnership in advancing shared ideals is the way forward to face the challenges of the 21<sup>st</sup> Century.

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<sup>20</sup> Honorable Ms. Huda Naeem is the Member of the Palestinian Legislative Council.

<sup>21</sup> Charter of PAECO

Members of PAECO are also members of PUIC and CPA. These multilateral parliamentary bodies and PAECO provide readily valuable venues to share priorities on regular basis. During the second general conference member parliaments discussed the evolving dimensions of mutual corporations. COVID-19 has compelled PAECO parliaments to rethink priorities in the regional context.

There is a need to prepare alternative models of cooperation to address health care challenges and support economies at the same time. One such affirmative action would be to enhance parliamentary interactions. They must interact so that impediments in political, socio and economic relations are addressed timely.

The ECO member states face huge challenges such as terrorism, poverty, health-care, illiteracy and environmental degradation. There are extreme hard ships in Indian Occupied Jammu & Kashmir (IIOJK), Palestine, Nogorno and Karabakh. Despite all potential resources in 55 Muslim countries, overall communal progress is not satisfactory. PAECO can advocate with respective executive to increase intraregional trade, investment and exchange energy resources. Foremost task of the PAECO can be to stress upon the governments through legislative and oversight role to fully activate ECOTA and ECO Trade and Investment.

In order to peruse common objective of enhanced trade and connectivity, a special session of PAECO was held during its second conference on June 02, 2021. Active participation was made by member states for achieving the goals of crucial ECO Trade Agreement (ECOTA). It is important that Conference of PAECO is held on annual basis. It is important to provide an institutional structure to PAECO. Make special committees that may work on the issues of Palestine and Kashmir. The Secretariat should be in continues liaison with member parliaments. Collective parliamentary narrative on issues pertaining to ECO region is imperative. Parliaments can mull over the encumbering issues and make collective efforts for their resolution. There is a need to work out on projects such as roads, railways and similarly links among the ECO countries to increase the intra-ECO trade and energy sectors. Energy abundance countries can help resource deficient members.

PAECO can guide respective executives in the implementation of people's friendly policies for enhanced regional cooperation. The PAECO's GC can examine important issues as per its charter by setting up committees. Committees are always the heart and brain of any parliamentary forum. Terrorism, Drugs Smuggling, Economic, Social, political and cultural cooperation will always remain important for PAECO owing to the geo-political satiation of the region. There is a need to form a team of technical experts to consider regional issues. There should also be a contact group which should consult on matters of serious concerns and report back to the respective Parliaments. A collective stance on issue of terrorism is required. Condemning terrorism through the Parliaments and enhancing religious, cultural and technological cooperation can help overcome this menace once and for all.





Panoramic View of Moonsoon Rain at PIPS Skyline



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