



**CENTER FOR GLOBAL & STRATEGIC
STUDIES, ISLAMABAD**

**ROUNDTABLE SESSION REPORT
ECONOMIC RESILIENCE AND
NATIONAL CHARACTER:
HARNESSING THE HUMAN CAPITAL/SKILLED DIASPORA**
30th MAY 2019, ISLAMABAD



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Round Table Session Report

“Economic Resilience and National Character: Harnessing the Human Capital/Skilled Diaspora”



**Organized by
Center for Global & Strategic Studies, Islamabad at
Margala Hotel, Islamabad on
23rd May, 2019**

Brief of the Event

On 30th May 2019 Centre for Global and Strategic Studies (CGSS), Islamabad organized a Roundtable Discussion Session on “Economic Resilience and National Character: Harnessing the Human Capital/Skilled Diaspora”, at The Marriot Islamabad. The objective of the round table conference was to compile a suggestive policy paper for the government on the economic resilience and national character: harnessing the human capital/skilled Diasporas. The paper would be based on the valuable inputs from the participants of the conference and would be cross checked before forwarding it to the concerned official circles.

The panellists with valuable experience in diverse fields of national discourse shared their valuable opinions on various aspects of the economic resilience of Pakistan. The participants explained Pakistan’s post-independence economic transformation in a very lucid manner. The change in the National character and Resilience of the Pakistani nation was also deliberated upon by the speakers and it was pointed out that how various problems faced by Pakistan in the past was solved with a strong resolved and how the new problem evolved over time could be addressed. The current downward spiral of economy came under discussion, various issues in the financial, economic and social sector were highlighted and alternative solutions were prescribed. The contributions of Pakistani Diaspora to the national development were acknowledged and appreciated. Their problems and the role they can play in getting the country back on track also came under discussion. It was stressed upon the officials in the echelons of power that the problems faced by skilled labour and Pakistani Diaspora should be solved on priority bases and every possible support should be provided to them. The participants of the session also stressed upon the value of human capital/skilled labour and its importance in the national economic and social development of the country.

Around 90 people attended the Roundtable session including Economists, former bureaucrats, diplomats, Social, Economic and Security Policy Experts, Prominent journalists and members of the Centre for Global and Strategic Studies Advisory Board.

INTRODUCTION OF SPEAKERS



The session was presided by president CGSS-**Major General Syed Khalid Amir Jaffery, HI (M), (Retd)** and attended by the following dignitaries:

a. Mr. Ihsan Ghani: Ex-Coordinator, NACTA



Mr. Ghani is career police officer. He has expertise in building soft image of Pakistan, extremism and terrorism. He delivered many key notes on these subject. Previously, Mr.Ghani was serving as Director General National Police Bureau.

b. Dr. Zia Banday, President, PRIME Institute



Dr. Banday is currently working as the President, PRIME institute. He is working on economic and development issues for more one decade. He is working specially on role of local governments in economic development of country. He has good experience to work with Chinese local government.

c. Dr. Sajid Amin-Research Fellow, Economist, SDPI



Dr. Sajid is Research Fellow and heads Policy Solutions Lab at Sustainable Development Policy Institute [SDPI] Pakistan. Prior to joining to SPDI, he was Senior Research Fellow and Assistant Professor at Department of Economics, Pakistan Institute of

Development Economics (PIDE). He also teaches at NDU. He deeply understands the Monterey policy, skill development and macro-economic issues.

d. Dr Shazia Ghani- South Asia Strategic Stability Institute (SASSI),Banker,Economist



Dr. Shazia Ghani is currently working with South Asia Strategic Stability Institute (SASSI) University. Dr. Ghani has completed her PhD in Economics (2013) from France (with specialization in global financial crisis and system regulations) with distinction from jury. She is MS in International Political Economy & Globalization (2009) from France and Masters in Economics from University of the Punjab.. Her current research and policy work focus on studying the Shifts in the Global Financial Order, Rise of China and the Belt & Road Initiative..She had a long distinguish career at the Central Bank i.e. State Bank of Pakistan (SBP) from 2002-2014.Dr. Shazia is on advisory with various think tanks and member for boards/committees and has presented Pakistan on several national and international forums.

e. Dr. Farida- Professor, Head Department, Arid Agriculture University



Dr. Farida is working as Associate Professor, University Institute of Management Science (UIMS), PMAS- Arid Agriculture University Rawalpindi.She has good experience in economic and development issues. She specially focus on management and governance of economy.

f. **ZahidLatif, President, Islamabad Stock Exchange**



Mr. ZahidLatif Khan is the Chairman and non-executive Director of ISE Towers REIT Management Company Limited. Mr. Zahid also has the distinction of serving as Board member of other capital market institutions such as Islamabad Stock Exchange, Pakistan Mercantile Exchange Limited and NCEL Building Management Limited. He is a businessman and who has deep understanding of economic system and issues.

g. **Mr. AbdurRauf Chaudhry –Former Federal Tax Ombudsman**



Mr. AbdurRauf Chaudhry has over 36 years of experience in Public Administration, Public Sector Development, Public Policy formulation and Private Sector policy. Mr. Rauf has held distinguished positions with Government of Pakistan, most recently managing the portfolios for the Cabinet Division, Establishment Division, Ministry of Education, Textile and Housing & Works as Federal Secretary. He also remained as Federal Tax Omdurman for three years.

h. **Abdul Rauf- Former Advocate General, Islamabad High Court**



He is a widely acclaimed legal professional having profound knowledge and expertise in the legal issues involved. He has also served as Former Advocate General, Islamabad High Court. He is a famous corporate affairs lawyer and is also the member of Federal Law Commission.

i. **Ms. Mome Saleem, ED Institute of Urbanism, Member, Global Diplomacy Lab, Federal Foreign office Germany**



Ms. Mome Saleem has experience of 15 years in development sector and academically she has studied Peace, social cohesion, and anthropology. She can speak on character building for nation building.

j. **Mr. Ashfaq Ahmed Gondal – Former Federal Secretary of Information and Broadcasting**



Mr. Ashfaq Ahmed Gondal is a LLB graduate. He retired as the Federal Secretary to the Government of Pakistan. He served as Secretary in the Ministry of Information and Broadcasting. He remained Chairman Pakistan Television Cooperation / Pakistan Broadcasting Corporation and Director General Radio Pakistan.

k. **Mr. Jawad Majid – Director, Silk Bank Limited**



Mr. Jawad Majid Khan has an overall experience of 20 years. He started his banking career in 1997 with Askari Commercial Bank as a Management Trainee. After completion of comprehensive training program, he joined mainstream banking, and worked at various responsible positions; his last assignment at Askari was In charge Credit Cards till 2001. At present, he is the Director of Silk Bank Limited and also heading the Islamic Banking network of the Silk Bank.

l. Shakeel Ahmad Ramay, Executive Director, Zalmi Foundation



Shakeel Ahmad has a strong background in, global governance, diplomacy, political economy, development economic, CPEC, BRI, stakeholder engagement, climate change security and diplomacy, climate change, UNFCCC negotiation working with parliamentarian, environment, food security, carbon financing and economic studies, Disaster Risk Management. He remained associated with Sustainable Development Policy Institute for a long time

and currently he is the Executive Director of Zalmi Foundation. He contributes his influential expertise to regional connectivity in public forums around the globe; engaged in different activities, seminars, conferences in the region. Currently, he is working as Member Advisory Board CGSS.

m. Ms. Naheed Memon- Chairperson The Sindh Board of Investment (SBI)



Naheed Memon is currently the chairperson for Sindh Board of Investment where her primary responsibility is to facilitate and attract investment into the province. She is also a director at Kings Group and whenever she can find the time, she teaches economics, political economy and strategy at the Institute of

Business Administration.

n. Aamir Ghauri- Senior Journalist, Broadcaster, and Author



Aamir Ghauri is a London-based journalist of Pakistani origin. From April to August 2008, he was the Director News, Dunya TV, an embryonic news channel in Pakistan. Previously, he was the European Head of The News and Current Affairs for Geo TV. Before joining Geo in March 2005, he worked for both Pakistani and international news media including the BBC, CNN and Aljazeera English. Ghauri has an MSc in

International Politics near & Middle East and Modern South Asia from the London

University's School of Oriental and African Studies. Ghauri is also the author of “The Divine Destruction”, a pictorial commentary of the devastating 2005 south Asian earthquake.

o. Mr. Raza Khan - TV Host, Reporter, Media & Communication Professional



Mr. Raza started media journey by working as Reporter/Columnist for the only English Weekly Magazine in Maldives in 2001, The Monday Times. He is a well-rounded Media Professional with experience of both print & electronic media. In 2007 he was awarded Edward R. Murrow Fellowship for Journalists. He has been interviewed as a visiting journalist by the Voice of America Urdu Service during my visit to Washington DC April 2007 and also been interviewed by the Urdu Service of SBS (Special Broadcasting Service) in Melbourne, Australia 2009.

p. Ambassador Amjad Majid Abbasi



A third generation soldier turned diplomat, Ambassador Amjad Majid Abbasi graduated from the prestigious Pakistan Military Academy (PMA) Kakul in 1975 and joined his ancestral 2nd Punjab Regiment as a Second Lieutenant. He was inducted in the Civil Services in 1981, and sent to the Foreign Service of Pakistan. On completion of training in the Civil Service Academy Lahore and later in the Pakistan Foreign Service Academy Islamabad, he was deputed to the American University Cairo wherefrom he completed his language training. His first diplomatic assignment was at Tunis and later to Dubai, Brunei and Tajikistan. He served as the Minister in the years 2004-08 at the Embassy of Pakistan in Ankara. His last diplomatic assignment was at Yangon (Myanmar) where he was sent as the Ambassador extraordinary and plenipotentiary of Pakistan to the Union of the Republic of Myanmar. Ambassador Amjad Abbasi is settled in Islamabad ever since his retirement in 2015.

q. **Mr. Tauqir Ahmed – Senior Member Advisory Board CGSS**



Mr. Tauqir Ahmed is Consultant Security Management, Risk & Threat assessment. He is also currently serving as Senior Member advisory board and security consultant Centre for Global & Strategic Studies (CGSS) Islamabad based Think Tank which has published and held seminars on FATA reforms, Policy paper on Kashmir and India issues, Relations with Afghanistan and the way forward, Seminar on Saudi-Iran & Qatar issues, US President Trump's new AF-PAK policy.

Opening Remarks by Major General Syed Khalid Amir Jaffery, HI (M), (Retd) - President, Center for Global & Strategic Studies (CGSS)



Major General Syed Amir Khalid Jaffery HI (M), (Retd)– President CGSS hosted the session. On behalf of the Centre for Global & Strategic Studies, he inaugurated the session by extending a warm welcome to the honourable speakers and participants of the event. He thanked all the guests for their participation despite Ramzan and the heat.

Maj Gen Syed Amir Khalid Jaffery HI (M),(Retd) commenced his speech by saying that, although the title of the session “Economic resilience and National Character: Harnessing the Human Capital/skilled Diaspora” is complex, but when you connect all the fields in this caption, it becomes very relevant to the current economic situation of the country. The speakers could provide useful feedback to concerned circles.

He further said that the participants will explain the topic but there exists a connection between economic resilience and National Character. Gen Jaffery (Retd) quoted an example from the pages of history and informed the participants that there have been cases from the past where whole nations have stood up and fought, in spite of being in very poor economic conditions. He gave examples of Russia and Great Britain and elaborated that Russia after the Second World War bounced back, people were in very bad shape, but the national character of Russia was always to bounce back. Similarly the national character of Great Briton is also an example. Napoleon called them shop keepers, but they stood up and ruled the world. That was because they grew into an economic power. In his concluding remarks he said that as far as Pakistan is concerned the second part of the topic “Harnessing the human Capital/skilled Diaspora”, we have done a lot by single handedly providing skilled Diaspora in UK, US, Middle East and beyond.

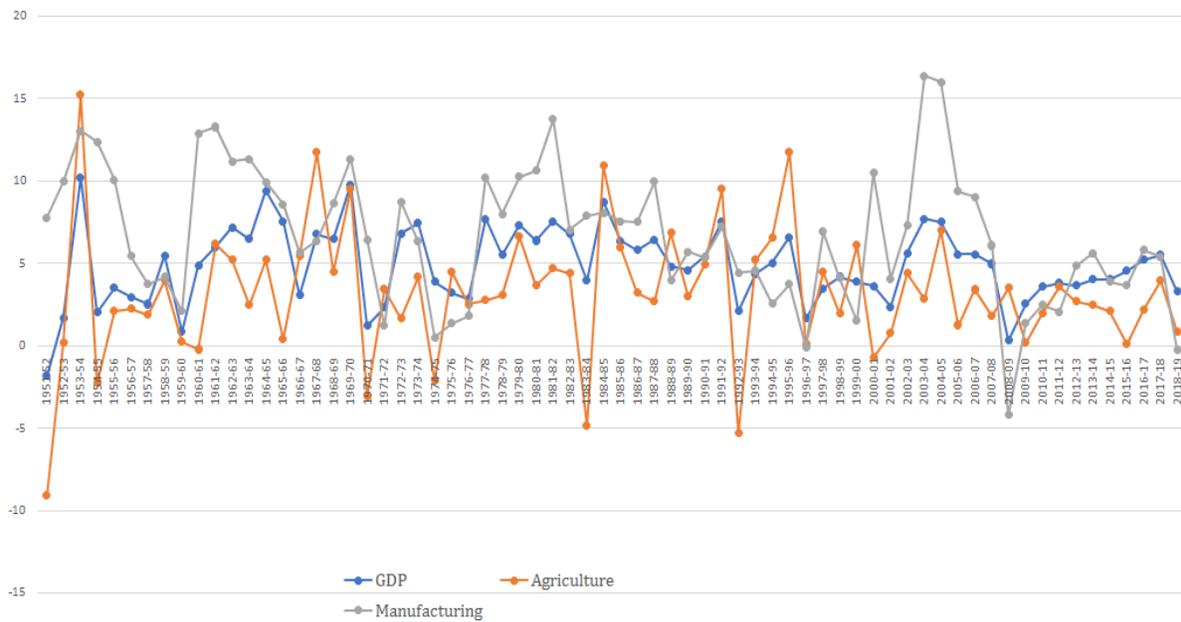
President CGSS concluded his speech with a hope that the inputs of the respectable participants will be very useful in giving new insights in highlighting economic resilience and national character and harnessing the human capital/skilled Diaspora.

Presentation by Mr. Shakeel Ahmad Ramay, Executive Director, Zalmi Foundation

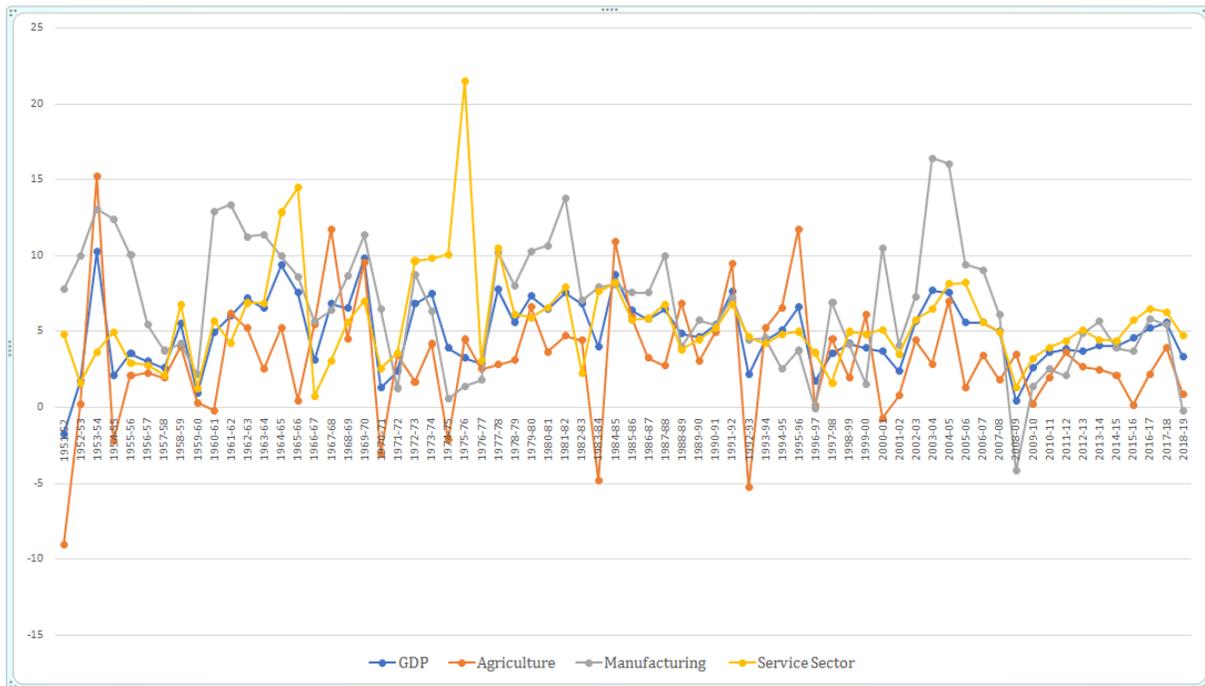


The session formally commenced with a presentation from Mr Shakeel Ahmad Ramay. In the start of his presentation he defined economic resilience as the policy-induced ability of an economy to withstand or recover from the effects of shocks or it can be defined as ability of people to withstand the shocks during social development. He characterized it into different levels as: micro-individual business, household, and macro-economy. Then he stated that Macroeconomic stability, Microeconomic market efficiency, Good governance and Social development are the different indicators to measure economic resilience. After that he remarked that national character is composed of: Habits and attitudes, Desires and inclinations, Views and opinions, Motives and standards, Beliefs and ideas ,Hopes and aspirations. Mr. Shakeel Ahmad Ramay called the attention to the past performance by sharing various graphs of three key sectors of our economy from 1951 to present day.

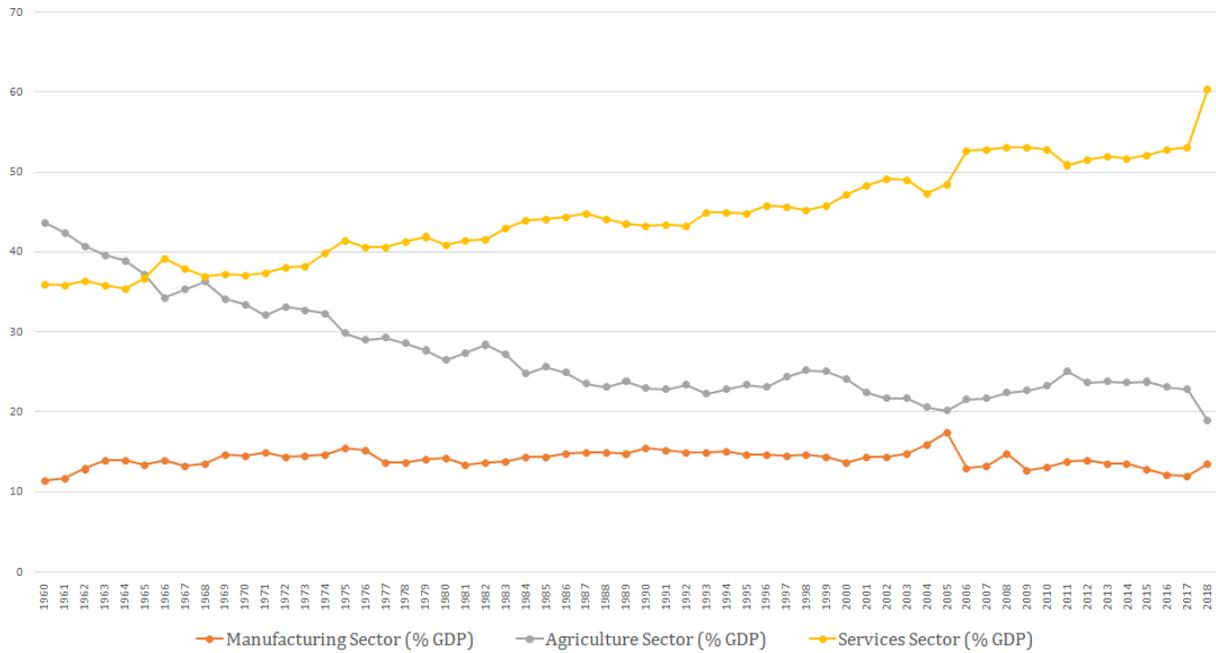




The above graph shows that whenever there is a higher growth rate in agriculture (the red line in the graph), there is a good growth in the GDP (the blue line) too. It also shows the jumps and the periods in the manufacturing sector. He then displayed another graph with the services sector include in it.



The above graph shows a sudden spike during the seventies. The reason for this was that there was nationalization going on at that time. Mr Ramay then diverted attention to another graph.



This graph depicts that the manufacturing sector has almost remained stable all these years which is unfortunate, because the transformation of the economy also required the manufacturing sector transformation. It should take a lead and should not remain stable. The grey line in the graph shows that the rate of the agriculture sector has decreased over the years. Only the share of the services sector has increased, but this sector employ the less number of people.

Mr. Shakeel Ramay then presented another graph that showed the investment and saving growth rate.

Investment and Saving Growth Rate



The graph shows that investment increased from 2005-06 to 2007-08 but they are not increasing now. Mr Ramay pointed out that it actually display the behaviour of the government or the structure of our governance.

He then reminded that although there is a lot of hopelessness and despair, but the statistics shows that not everything is that down. The following social development graph was displayed.

Social Development

Year	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1990	60.1	4.6	2.3	3,195	0.404
1995	61.4	5	2.8	3,387	0.428
2000	62.7	5.4	3.3	3,451	0.45
2005	63.8	6.5	4.5	4,101	0.5
2010	65.1	7.5	4.7	4,447	0.526
2015	66.3	8.2	5.1	4,978	0.551
2016	66.5	8.6	5.2	5,155	0.56
2017	66.6	8.6	5.2	5,311	0.562

The graph shows improvements from 1990 to 2017 in life expectancy at birth, expected years of schooling, GNI per Capita and the Human development index.

Mr. Ramay then unveiled the future and reformation agenda and said that there are two ‘Ws’ that we should address. The first is what is required and what resources Pakistan has in its kitty. He then suggested the following interventions and sector wise phasing of the economy in the following manner:

- Low Hanging Fruits (2 Years), i.e. - Agriculture and Tourism
- Short Term (5 Years) i.e. Revival of Industry
- Medium Term (15 Years) i.e. efficiency of industry, services sector and agriculture
- Long Term (28 Years) i.e. transformation of economy

Reform Agenda

While finishing his speech he presented an agenda for reformation by providing the following points

- Ministries or departments or institutions should be Reformed
- Industry, Trade, and economy policies develop in consultation with business community.
- Board of Investment must be capable to devise policies and implement
- The process of registration of business must be fast and easy. There must be a cap on registration time, like 30 days, 40 days from the day of application.
- Tax system must not be extractive.
- System of formulation of policy and implementation must be refined.
- Joint committee for M&E, comprised of politician (party heads of three major parties), Services chiefs, Chief Justice of Pakistan, headed by Prime Minister .
- “Interest System” must be eliminated, as it is only area where God challenge human for war.

Ms. Naheed Memon- Chairperson the Sindh Board of Investment (SBI)



Ms. Naheed Memon began her speech by expressing her gratitude to CGSS for the invitation and considered it as a privilege and honour.

In her opinion political and financial leadership in Pakistan has at best adopted a narrow view. That’s why we have these predisposed conceptions; we believe that it is the way it is. She said that the first thing is the health of the economy and people do understand that frugal and fiscal management of the economy is very important and this whole fiscal debt remission act that is passed in 2005 places a requirement that the country should not have debt more than 60pc of our GDP.

She gave an example from the past and said that in July 1957, Harold McMillan, PM of Great Britain told the British people that you never had it so good; their debt to GDP ratio was 120pc. Even today if we visit England, the welfare state system they have created, the great NHS. It is a dream for many economies for the contemporary economies. Even China cannot come close to it. India cannot touch it. Even Singapore does not have the ability to build a welfare state like that.

Shedding some light on the current Government's performance, she reminded that it came to power with a promise to deliver a welfare state like that one discussed above. Also it talked about social justice, social protection and intervention to provide greater and bigger social welfare system. It is indeed need of the hour especially for a country like Pakistan. We really need to build that and that's not possible when you talk about austerity. She was of the opinion that austerity is the bigger anti-growth doctrine, nowhere in history do you see austerity has ever delivered. Austerity is actually a politically popular mantra than economical popular mantra.

Again citing an example from the past she said that in 2010 when Gordon Brown was Prime Minister of England, their debt to GDP ratio was 70pc and he was told that he had actually mortgaged the British economy. It was not acceptable at all. It was 2010 as compared to 1957 when the welfare state system was setup and they were borrowing to ensure that all that delivery was ensured. But never the less borrowing and public debt was not a taboo. She said she would raise another point is that there is a difference between personal indebtedness and public indebtedness. Personal debt is a bad thing, it is a problem, but public indebtedness and especially if it is internal is one leading to the other internally. That's not as bad as it is portrayed to be.

She clarified that by having said all that she is not dismissing frugal management nor she is dismissing the fact that you need to ensure that you are not in control of your fiscal accounts. In the same manner you cannot restrict spending. So if you don't restrict spending, what would you do pay this debt.

Ms. Memon posed a question; how to pay back the debt? It is only through economic growth increase and an increase in income. Austerity is clearly going to deter that. While giving her point of view on exports she said that she wants to point out that we always talk about exports, what do we export? Look at our competitiveness! Look at the complete ineffective structure and form of all the FTAs and PTAs that we have collectively entered. When entered into an FTA with China our deficit was about 1.4 billion, now it stands at 20 billion. That how those FTAs has affected our

growth. She further highlighted that there is a huge domestic market in Pakistan. About 200 million people live here, who are not even connected.

She informed the participants of the about the disconnection within the domestic market and said that the different products produced in one part of the country didn't reach other parts of the country. While talking about agriculture, she said what we are going to export in agriculture. The only way agriculture industry can be build is by value addition and food processing. All of this is domestic. India is the glaring example of domestic led growth. She said we are really under estimating the size and value of our domestic economy.

Ms. Memon while describing the importance of roads quoted a Chinese saying: "If you want to be rich, built a road". Without roads, without connectivity, there is no wealth and you cannot grow. She said that Anwar Pervez said in one of his interview: "You can never be truly rich if you only think of yourself". She said there is no harm in being rich or wealthy, but this richness has to be shared wealth and that can only happen if you are connected. After that she gave her point of view on CPEC.

About CPEC she was of the view that it has developed the missing infrastructure. According to her decisions in the realm of public policy are not just right or wrong, they just have to be prioritized. The predominant objective leads. Roads and hospitals are both important. Deliberating upon the connectivity provided by CPEC, she asked what would be done with all this connectivity now. Trade? According to her trade is the key. The country has to compete. India again is an example. They have identified high impact industry. Pakistan, unfortunately has not been able to identify even a single high impact industry. It has to identify high growth industry.

While sharing her experience of working with the World Bank on ease of doing business in Pakistan, she said doing business in Pakistan is not easy. She informed that last year Pakistan's ranking in ease of doing business increased after about 15 years going up by 11 points. After that she said we have to go for aggressive growth policy and that is not going to be bothered by the whole paranoia of debt. It is not going to kill you. If you grow, you will be able to pay the debt. Where to grow and what should grow should be identified by the Government.

In the opinion of Ms. Memon Legacy is always a bad thing as it always retard innovation, so we have to move on.

She concluded her speech by saying that today if our external debt is \$90 billion, so the upper evaluation is being done at \$ 90 billion. She apprised that equality in this system could only be brought through growth and wealth creation. A social system cannot be prescribed in a manner like it was prescribed 40 years ago. According to her if we want to prescribe a social system, its pilot will be an informed and advance agent and that will only be possible if we abandon conventional thinking and think out of the box.

Mr. Ihsan Ghani: Former Police Officer, Ex-Coordinator, NACTA



Mr. Ihsan Ghani shared his views on the National Character building and soft image of Pakistan to mitigate Extremism. He started his speech by thanking CGSS for inviting him. He said that national character building is definitely urgent and a multidimensional issue. According to him it is the very loss of national character that will lead us to the loss of next generation. National character serves as a ladder or strength of the nation. To express his views on the topic, and emphasize the importance of our past situation, Mr. Ghani painted a picture of the past. He said that imagine as we are in the 50s and the independence euphoria has not evaporated. We are accommodative and selfless; we are honest and still tell the truth. We are tolerant and inclusive and we can still discuss topics, issues which we now consider a taboo or controversial. By describing the situation of the past of Pakistan he quoted a changed version of a statement from Churchill and said we still have courage to stand up and speak and still have the courage to sit down and listen. Our daughters and sisters still go to the schools, colleges riding bicycles without raising eye brows. There is a heaven and hell, but we are not killing or dying for it and living as one. He asked the participants, why am I talking or taking you all to the 50s, it is because we must learn from the past, without dwelling in past.

He defined national character as life in a common territory subject the same influences of history and legal system produces certain common attitudes and traits. While commenting on national character of Pakistan he said our national character has been transformed from an inclusive to an exclusive, from a tolerant to an intolerant and extremist, from a progressive to a regressive form. He said that extremism is broadly identified as having an absolute belief in one's truth, an ingrain

sense of self rightness. The intense sense of self rightness enables the holder of belief to grow judgemental about other people's beliefs followed by intolerance. According to him extreme polarization divided society into us and them. Such extreme behaviour is then likely to be accompanied with violence, symbolizing of diversity and an urge based on conviction of justice, and need of imposition of one's beliefs system to the exclusion of others. Such violence is also motivated to further social, political and economic objectives.

Mr. Ghani asked participants of the session that do we need a soft image or do we need a balanced image? He then answered and said that soft image could be through make up, denial with acknowledging our fault lines and Sticking to the fractured society without going for solutions. Balanced image is exactly what you are without negativities. According to Mr Ghani Authoritarianism has damaged the institutions of Pakistan, be it was political, financial or administrative.

He further explained the given topic and said that between then: the 50s and now, what happened? He quoted a line from Quaid e Azam Muhammad Ali Jinnah's interview in 1948 to the Life magazine "Pakistanis the pivot to the world, placed on the frontier on which the future position of the world revolves". Prophetic! .However we converted our geostrategic asset into a geostrategic curse. Over six decades as a willing rather keen retainer and front line state in cold war, Afghan and global war against terrorism. Fighting first the Soviet expansionist alliance and then extremist ideology. The country got embroiled in perennial conflicts, resulting in society becoming intolerant, exclusive and extremist. Precious and sacred resources were diverted from education, health and development to the strengthening of security infrastructure. As a result unemployment shot up, economic disparity widened; further polarizing the society and terrorism not just ravaged Pakistan, but the entire region. The state response become reactive, meagre, sporadic and inconsistent.

Mr Ghani told the participants that living in the past is the easy part, what is to be done, one must look at, we need to start national character building yesterday, what we could do is nothing. We tried down believing and hoping that God will sort everything out for us, or we could start the process of national character building. While shedding some light on extremism he said that it is one of the many causes of individual or a society becoming intolerant. Extremism is the loss of

self-esteem, when stop caring of about who you are, and how would you influence people around you and even your country one could stoop down to any level.

The honourable speaker divided character building into three major levels as ; to foster and strengthen national identity, to maintain the integrity of the country, and to adopt the whole of the government and society approach for a noble and dignified nation. He further said that what should ideally be done to bring that sense of belonging to Pakistan where you could proudly claim to be a Pakistani: first, the acknowledgement of the sins of past and second we must have clear policy objectives and our actions must be according to that policy. But, this is not feasible and possible because it's too radical and quick a policy shift. There would also be resistance from within because as a nation we continue to believe in our own propaganda. So, we stick to the policy we have right now, and do not do what can reasonably be done i.e. A gradual with drawl from the past policies.

Suggestions:

Mr. Ghani was of the view that the vibes do not appear to be very encouraging and the road to perdition may not be over yet. He stressed that we need to be on the road to salvation and must emphasize the importance of humanities at our homes, campuses and in our society. He emphasized that more religion is not an antidote to religious violence and asked how can this be one then? Led by civil society and think tank? Academia? . The former police officer then suggested that state must inculcate positive behaviours in citizens, defining a national narrative: the stories of our past, our present state and hopes, and inspirations for the future.

He requested that the traitor vs the patriot business should be stopped and said that lets assume that we are all innocents until proven guilty. If there are traitors among us, take them to task and let the allegation of being a traitor become a curse and not a title of pride, which right now is. He prescribed that a trust should be built between the state and the citizens, where citizens feel more relevant to the state. The state policies must be citizen centric. Not only the educated youth, who have a social security net available to them must be engaged, but more importantly, the illiterate, marginalized and vulnerable youth. According to him, it is important because that segment of youth population have no problem in burning few cars, breaking a few window pans and spending a few nights at a police stations rather than on a footpath.

Mr Ihsan Ghani in the last part of his speech also suggested that we need a national action plan for integrated education reforms, both contemporary and religious. He was of the view that we keep saying that Madrassahs are the hot bed of terrorism, but our contemporary education system is not any better, as the recent terrorist incidents also involved individuals from wealthy families and famous educational institutes. He told the participants to remember that kinetic measures to counter terrorism, like only killing terrorist is not enough. Although the terrorist attacks have taken a nose dive in recent years, but if counter extremism measures are not taken viz. a viz. radicalization, there is strong possibility of terrorism coming back. He urged that creating an environment for promoting pluralistic values and culture is indeed the need of the hour.

Mr. Raza Khan - TV Host, Reporter, Media & Communication Professional



Mr. Raza Khan commenced his speech by focusing on harnessing the human capital section of the topic under discussion. He said he want to ask the entire retired senior military and civil official who are attending the session what will happen to the millions and millions of unemployed youth which is roaming in the streets of Pakistan The unemployed youth with tattered clothes and skinny bones that we see on our television screens. What future do they have? What future do Pakistan has by considering the fact that this youth represent the majority of Pakistan at the moment. He said he is worried how this nation will move forward?

He continued his speech by comparing the youth of Pakistan with the youth of China and Turkey. He said that even the youth of Palestine looks healthier and they seem to have more education and direction. He further said that an idle mind is devil workshop. That's is the main reason this youth of ours trapped by the likes of PTM or the Mullahs or other .He was of the view that things will not going to happen in our current federal structure as it has not delivered up to the mark.

He expressed his support to the point made by Mr Ihsan Ghani that yes we were the best nation in the 50s. The country was very tolerant then. According to him unless the millions of unemployed youth is given a sense of direction, nothing is going to happen.

He further added that officially our army is six hundred thousand with the reserves and all we can add and make it 1.5 million. How can a nation of 200 million can be controlled and handled with such a small force. You got to have a backbone and that backbone in case of China is the communist party. It has a million members. He suggested that, we need to have at least the similar number of youth and we need to direct them by having mass teaching sessions for them with providing them all of their needs. We need to give them a sense of purpose and direction. This educated and groomed youth will then fight against the TTP, the Baloch Terrorists who are creating havoc in Baluchistan, the PTM and our hostile neighbour too. We just cannot rely on nuclear option while dealing with India.

He pointed out that when we such a huge population of uneducated youth, we are also badly losing our image in outside world too. In countries like UAE, KSA etc. the Indians are much better expats, they are more skilled and they are better in English as compared with ours. He advised that if we can teach English to our youth, they might be able to read books by themselves and go ahead in life.

Mr. Raza highlighted that while it has been observed that Chinese working with us on CPEC are facing problems due to our multi-centric federal and provincial power system. He proposed that the same Chinese model of Power for Pakistan and asked that we also should have a centralized power centre like China. He said China has one Power centre and the communist party of China.

While concluding his arguments he cautioned that unless the unemployed and uneducated youth, unless this capital is harnessed, we cannot make any progress. We have to stop our population growth. He suggested that it too could happen through force, as China did. Also force should be used in directing and educating our youth, otherwise the negative elements of the society will hijack them. It is a time bomb. The choice is ours.

Mr. Abdur Rauf Chaudhry –Former Federal Tax Ombudsman



Mr. Abdur Rauf Chaudhry acknowledged CGSS for arranging such an important session and said that while the topic under discussion is too complex, but he will limit himself to two areas or gaps : revenues and expenditure, and second is the exports and imports that is the foreign trade gap and the income-expenditure gap.

He enlightened the participants about the economic situation of the last ten months to one year and told that the data do not present not much satisfactory situation of the economy. Our growth rate is expected to be 3.2 pc which will be nullified by the same growth rate of the population. We claimed that it is 2pc, but it is actually 3pc. He said we can only develop if our growth rate is around 7 pc and it is consistent for may be least a decade or a number of years. Then only we can have some progress. The debt to GDP ratio is over 70pc and as per the fiscal responsibility law, it has to be less than 60pc. We are already having foreign debt of almost 100 billion and we are having a creeping default. We are borrowing at heavy price to repay our earlier cheap debts that we unimaginatively spent.

Giving statistics about the economic situation he informed that the imports in the last ten months were about \$40 billion and the exports were less than \$20 billion. So, the gap has slightly narrowed from the last year. The Current account deficit is still \$10 billion which we to arrange and make payments for it. While giving data about the different sectors of the economy he said that the growth of the agriculture sector is not even 1pc. Although we have a bumper wheat crops, but it was slightly damaged due to untimely rains and hail storms. The crop is still good and we too have reserves from the last year. The overall growth in agriculture sector is 1pc although the target was 4pc.

While predicting the growth rate of the industrial sector Mr. Chaudhry told that the expected growth of the industrial sector up to 30th June 2019 is going to be 1.4pc whereas the target was more than 7pc. Talking about rupee devaluation he said that it stands at 34pc and it has not help

us at all in our exports. Foreign exchange reserves too are not at the satisfactory level and are at \$8.5 billion at the moment. Comparing performance of the current fiscal year with the previous year he shared that if we analyse the trade data there has been a decrease of 8pc in the imports and that is mainly in the machinery. Our major imports of oil and petroleum products have remained almost at the same level. So, with the devaluation and the dollar getting expensive and costlier, the imports are taxing us and the prices have to be increased. After that he apprised the participants about the situation of the various ingredients of Pakistan's economy, they are given as:

Exports

From the data from the period of the last ten months, Mr. Chaudhry updated the audience by saying that exports are almost at the same level of \$17 billion; rather there has been a little bit decrease in it. He observed that one wonders that with so much devaluation of 34pc why the exports are not increasing. He pointed out the two reasons for this.

According to him the first is that Devaluation alone cannot guarantee that the exports will increase, there has to be exportable surplus. The honourable speaker said that the advisor to Prime Minister on commerce and industry mentioned a day earlier that all our factories which export garments are fully booked, but there is not capacity. They are now planning to increase the capacity, but it will take time. Highlighting the second issue he said that when the importers know that your currency has devalued then they bargain and want to reduce the prices. They don't want to pass on the entire advantage of devaluation to you.

Trade Gap

Talking about the trade gap he said that it is almost at the same level as the last year. He was of the view that in the near future this gap is not going to decrease unless we increase our capacity and competitiveness and we become productive in the market. Expressing his observation about the free trade agreements (FTAs), Mr. Abdur Rauf said we have entered into free trade agreements with number of countries but we haven't realized what kind of exports we can make to those countries.

He elaborated his statement by giving two examples as: First is China .We entered with this FTA with China and the export to China from Pakistan are less than \$2 billion, whereas the imports from China are about \$15 billion. So the gap is about \$13billion alone with China. India is another case in point. It gave us the status of MFN (Most Favourite Nation) some ten years ago, we have not given them the status, but still the trade is five to one. They export five times more to Pakistan than we export to them. Most the trade is taking place through Dubai which is a third country. In his opinion there is a need to review these FTAs or PTAs with different countries. We have to see our exportable surplus and the needs which we can export to these countries. After then we should rationalize our agreements with them. He informed the session's participants that Pakistan has renegotiated its agreements with China, they have not agreed to change the FTA but they have allowed us to send them some 350 items from next year onwards.

GSP Plus

About GSP plus status he told that there we got GSP plus status two years ago. There was a lot fan fair that we will be exporting too much into European markets, but there has been very nominal increase of \$500 million over these two years. Since we cannot compete in garments with our competitors from Bangladesh, China, Taiwan and Turkey. All these countries export to EU, we are not that competitive. So, we could not take advantage of that GSP plus status with the EU.

CPEC

Mr. Rauf was hopeful that despite all these difficulties there are certain silver linings also. He briefed the participants that CPEC is a great advantage for Pakistan. The road projects for instance. The link it has provided is of great help for Pakistan. Gawadar port when it is fully functional will be of great help too. But along with the road network we need to develop the industrial estates along these routes. Some areas has been identified. There are actually eight such estates will be developed. So the need is that as early as possible we should try and develop these estates. He further explained that in china as their labour cost and other costs are increasing, so they are relocation their industries. There is a great opportunity for Pakistan in it. If we developed those estates in time, the Chinese relocated industries could be setup here. They are currently relocating those industries to Taiwan and Vietnam etc. According to the honourable speaker Pakistan should

take full advantage of this relocation, it will increase our revenues, our imports and they will create more jobs too.

FATF and IMF

While expressing his point of view about the FATF (financial assistance task force), he wished that the actions taken on the legal and the financial side and the successful meeting held in china we will be removed from that grey list. About IMF agreement he points out that as all the details are not available as yet because the board of directors haven't approved it yet. He cautioned that whatever little information is available this new IMF programme will be a difficult and different one this time for Pakistan. It should be utilized with utmost care. It will help in raising the foreign exchange from the open market also.

Foreign Assistance

He then present his argument on the Saudi oil facility and said that it will again help, for the next three years we will be getting \$3 billion worth of oil and petroleum products on deferred payments. This will help in balance of payments and other economic problems. Mr. Abdur Rauf was of the opinion that the cash facilities provided by Saudi Arabia, China and UAE have also helped in our foreign exchange immediate needs.

Revenue Generation

Mr. Rauf diverted the attention of the participants to another important issue that is the revenue generation. He said that that the previous year revenue target was 5550 billion rupees which is a big jump from the current year's revenue collection which already we are 500 billion short in the current year estimated target. With this 20pc increase, which is phenomenal. Not in a single year earlier we have been able to 20pc increase in revenue. He told that there would be strict measures there due to this increase.

On 18th Amendment

The honourable speaker then specified some economic aspects related to the contemporary debate on the 18th amendment. He said that with the 18th amendment and the last NFC award, 57pc of the revenue is going to the provinces. As a result of this measure the central government is left with lesser resources. The ministries that were going to be abolished because of this amendment were restructured like ministry of agriculture in the name of food security ministry. In his expert opinion those ministries whose subjects are transferred to the provinces should be wound up. There should be some rationalization and some of the ministries have to go. Similarly many departments who have outlived their utility over time should be either merged or totally abolished. He hoped that the task force of Dr Ishrat Hussain will do this work.

He further continued his speech by saying that some of our demands on expenditures like interest payments, we cannot default. Then the defence expenditure, in view of our geopolitical conditions in the region, it is not possible to reduce or review those rather there is a need to slightly increase it. In his view we have to take some drastic measures in some areas to reduce our expenditures. One area for that purpose is the public sector establishment enterprises (PSEEs). They are draining our resources, for example, the steel mills. It has been closed for the last few years. The employees are there, after every two months the ECC has to approve billion of rupees for the salaries and allowances for them. PIA is another example in that case.

Circular Debt

Mr. Chaudhary then diverted the attention of the participant to another major issue of circular debt. He said that the circular debt of the IPPs and DESCOS. Last year it accumulated to almost 1.5 trillion and this year alone it is already 700 billion. There has been an increase in the electricity rates, which is affecting the population. According to his statistics the theft and transmission losses in one or two DESCOS is almost 40pc. So he said if we disinvest our better DESCOS like IESCO and LESCO, then the government will be left with the loss making DESCOS. He stressed that there is a need that it should be rationalize and the DESCOS should also be privatized, so that this circular debt is not created. He differed with government optimism that things in this sector will be good by 2020. He expressed that with all those losses, theft and line losses it is difficult to

eliminate this entire circular debt. Then he highlighted the circular debt in the Sui gas sector as well and suggested that it should be controlled in time.

Indirect Taxes

He analysed that the taxation side major revenue is from the indirect taxes. Those taxes are harsh on the population rather we should have more direct taxes, but government is finding it difficult. The direct tax collected from the services sector is very nominal. About agriculture tax he said that as per the constitution, agriculture income tax is with the province. Since they get their large share from the NFC, so they are not taking measures to increase the agriculture income tax. He advised that there is a need that concerted effort should be made to increase this tax. Though it is contributing 25pc in our GDP as Mr. Ramay said but it only collected a few billion in tax from this sector. It is less than 1pc into our total tax receipts.

Real Estate Sector

Mr. Abdur Rauf then addressed the condition of real estate sector and apprised the participants that it is also a big sector, but is facing few problems or filer and non-filers classification. He informed that sector also too is not paying its due share. He suggested that this sector also should be fully taxed and government should try to recover full tax from it. Moreover he said unless we increase our revenue and decrease our expenditure this gap we are either to bridge through borrowing from State Bank or from external borrowing. Then it is going to increase our reliability in the future also for next generations.

He concluded added that as Ms Naheed Memon mentioned that wealth accumulation is not a bad thing. He agreed and said, yes, it is not a bad thing our growth rate should be 6pc to 7pc, but without the social sector we should not only put emphasis on the growth. Growth is a good thing. He quoted from Dr Mehboob ul Haq article: "First we should increase the size of the cake, and then we should think of distributing it". He pointed out that if we have no growth and start disputing the benefits we will be distributing poverty. Mr. Rauf said this then proved wrong as Dr Mehboob ul Haq then wrote another article after ten years and said that his previous thesis was not as per the conditions of the country. He said There should be growth but with social justice.

Dr. Sajid Amin, Research Fellow, Economist, SDPI



Dr Sajid Amin started his speech by focusing on the economic resilience and macroeconomic stability. He said he will then link it to the economic growth. According to him macroeconomic stability and growth are very fascinating, but we can have two questions on the discussion of the session that is going around is why could not we sustain growth.? This is the actual question that we have been discussing so far. He said it is fundamentally a reverse question actually of the problem that Pakistan faces actually .The problem of Pakistan is, Was the growth sustainable or not itself? He was of the view that the biggest shock to Pakistan is its growth itself and particularly the higher growth.

He informed that if you can look into the data, whenever Pakistan touches on the economic growth rate of 5pc, 6pc or beyond, it is followed by macro economic crisis actually. From 1948 onwards whenever you have a higher growth, it is followed by a shock. So the biggest shock to Pakistan itself is growth structure. He remarked that it is good to suggest that we should have a higher growth and have an aggressive growth. But according to him it is the quantity of the growth rather than the quality. He said he will give importance to the growth structure and then will link it to the skills development and the human capital accumulation in Pakistan. He said that we can have three lenses on growth structure, when we call it the quality of our structure rather than quantity. And this question is very important in a sense that the discussion is also on current account deficit and the balance of payment deficit. It totally changes on the circular debt or on the public debt. It is actually reversed if you reverse the question.

In the first question when we say why we couldn't sustain the growth? Balance of payment, public debt becomes a cause actually that we were having a higher public debt, so we couldn't sustain the growth. He said, but when you reverse the question, was the growth sustainable or not.? This becomes the outcome of the growth. It is not a cause of un-sustainability. It is an outcome of unsustainable mix of the growth that we have. He further explained his argument by an example as: consumption vs. investment, 92pc of Pakistan growth is financed by the consumption. The margin of our investment is only 8pc . He said this is written in many newspapers and many books,

but the fundamental question that is missed in this growth -investment consumption pattern. Where is that consumption coming from that 92pc? In Pakistan 86pc of that consumption is coming from the household. While the ratio is just 56pc in Bangladesh. This is where austerity begins. It is very hammering earlier to go. It is roughly 68pc. The rest is coming from the government. In Pakistan it is 86pc from the house holder and just one example it has direct to be exactly two implications that is linked to skill development and human capital.

He further elaborated that the higher the household consumption, the lower will be the saving rates. And this is where Pakistan has always a low saving because whenever there is a high growth period, consumption increases exponentially. He said now we will link it with the import vs. export. We have roughly the share of exports in our GDP is less than 8pc. So whenever there is a high growth period, consumption increases on imports. And this actually widens your deficit. Whenever there is a high growth period in Pakistan the trade deficit jumps exponentially. The second part of the current account deficit is financial flows, financial account, that is the FDI. He added that to sustain the consumption led economy which is import base, we need to fuel more consumption, but one element is the exchange rate over valuation. He further explained and told that when you keep the rupee overvalued you are actually fuelling an artificial consumption. But that overvalued exchange rate discourages the FDI inflows to Pakistan. He asked the participant that when you go through data, you will see that whenever there is a high growth period, our FDI declines. According to him this is how our structure of growth is fundamentally flawed.

Dr Sajid Ameen highlighted that if you want a resilient economy, you have to shift the structure of growth from consumption to investment gradually. And within consumption, government does not need to actually practice austerity. Because we are already so low on the government consumption, 86pc is coming from the household, linking it to his arguments on skills development he went on saying that what happened actually on agriculture. According to him indigenous growth, agriculture led growth is fundamentally un-sustainable. Dr Sajid you can take it as an off shoot or a starting point but agriculture is very vulnerable to climate shocks and many other issues. If your economy is totally relying on agriculture for its growth. One climate shock and it will dip down.

The honourable speaker then diverted the attention to his second point and explained that the second point is on the industrial growth. Now what happened in Pakistan is from agriculture sector we transformed to services sector without consolidating manufacturing sector.

He told that he will make two points in term of skill development. The number one, services sector actually derives its productivity from manufacturing sector, so if you transform from agriculture sector to services sector it mean your services sector has a low productivity itself. Not only that it creates is lower jobs. It a low productive sector itself as well. Because your manufacturing sector was not consolidated.

Dr Sajid was of the view that Skill development in Pakistan is mainly guided by demand side of the skill development. Skill development essentially has two sides; demand side and supply side. He then said that the Pakistani growth structure has not been creating demand for middle or higher skills. According to him it is interesting to note that unemployment rate in Pakistan increases as your education level increases. The lowest unemployment rate is for the uneducated and illiterate. He further said that the second is primary the middle and it goes more than 40pc.when you go on the master degree and higher ,he informed that his argument is based on 30,000 household data .

Dr Sajid inquired that the reason behind this strange relation between unemployment and education is that the growth structure is consumption led and the services sector is again consumption led because you don't have manufacturing sector. He was of the view that the education system is totally bifurcated from the skill development system because two are producing far too different segments of economy. He further maintained that the education system is producing unemployables for the services sector and that services sector which is not investment led, it is consumption based itself i'e low productivity. So it is not creating any demand for high skills or the middle skills..

He then discussed the relation between the education system and the skill development in Pakistan. In his view there are two kinds of graduates in this country: those who have an education but they do not have any skill, and those who have skills but they do not education. In his opinion these graduates are totally unfit from each sector to the other sector. When the transformation happens from agriculture to services sector. The services sector could not absorb those who are having elementary skills which were are suitable for agriculture sector. He deduced from this that skill supply is only for the elementary skills.

Dr Sajid continued his speech by saying that what actually happened that our services sector is not productivity led nor investment based, it is consumption based. He observed that we do not have a manufacturing base and the skill supply system is actually creating skills neither for employability nor for productivity. This system is only giving us skills for only to earn for a two times food. He further noticed that skills for competitiveness, innovation and sustainability are totally missing from our skills development pattern. In his opinion it is not the fault of those who are supplying; it is the fault on the demand side. He then emphasized that our growth structure has to changed if we want the things have to change, skill supply or the skill demand side.

The esteemed speaker then explained the skill supply process in Pakistan and noted that we do not have any skill development strategy. The supply of skills, when it is only for the living earning it went down under the umbrella of social policy. He suggested that Pakistan should create the capacity for primary surplus only then we could increase our export. Pakistan needs to shift on skills for competitiveness and sustainability. He remarked that within our growth structure, it cannot do that without changing our growth structure. he recommended that Pakistan need to gradually shift from elementary skills to middle skills. We cannot jump on higher skills because we do not have any demand actually. Middle skills are those skills which are a mix of education and skills.

He concluded his speech with the observation that presently the debate on skill development is only on the nominal skills. He observed that there can be two kind of bifurcation: the effective skills and nominal skills. Having an education degree is a nominal skill; the real question is where will that education be applied and how well it can be applied. That is where the effective skills come in. In the end, he prescribed that Pakistan need to have a very coherent skill development policy, under social protection scheme, skills cannot be provided for productivity it needed to be linked with trade and other policies. Also Pakistan's skill shortage/ skill deficit / skill mismatch (skills required are not supply in the number it is required/ the quality that is required of) should resolved as soon as possible.

Zahid Latif, President, Islamabad Stock Exchange



Mr. Zahid Latif said he is grateful to the CGSS for giving him the opportunity to speak and share his thoughts on the highly critical issues.

He stated that as all of us know that the economy of Pakistan is facing several challenges; the widening fiscal deficit and current account deficit, rising expenditure on security due to external as well internal threats, mounting energy circular debt, rising trade deficit on account of low export base, limited export destinations, and surge of imports, highly vulnerable currency exchange rate. According to him these are the critical factors that mar the economic growth of the country. Meagre public spending also contributes in dreary economic growth of the country. Besides, the country also has some serious long term challenges which could not have been tackled in a decisive manner as a result Pakistan could not take a sustained growth climb.

He was of the view that despite all these challenges, the economy of Pakistan has proved resilient. The primary factor that support the economy of Pakistan is the foreign remittances by overseas Pakistanis, which fill up the gap between balances of payment to a significant extent. These overseas Pakistanis have proved to be a major economic resource for Pakistan, who provide substantial foreign exchange to the country. The Diaspora in search of livelihood has been the cause of millions of Pakistanis in foreign countries who are not only contributing in the economic development of such countries, but they are also an important economic resource for Pakistan. He said as everyone amongst us knows that economic growth has a direct correlation with employment opportunities in the country. The subdued economic growth seriously impacts the employment opportunities. In the boom era, the employment opportunities expand and in contraction period such opportunities reduce. Therefore, such economic conditions have been a major root cause for this Diaspora. Moreover, over population viz. a viz. economic resources of the country has also been a factor for this huge migration of Pakistanis abroad achieving better standards of living and supporting their families back home.

Mr. Zahid latif told the panellists that the prime focus of his speech is to improve the understanding of the individual and structural factors that influence the aspirations of skilled Pakistani Diasporas.

The major component of overseas human capital belonging to Pakistan comprise unskilled force and labour class. Due to low remuneration and over competition, their propensity to save and remit foreign exchange to their homeland is also below potential. However, due to the economic crunch and law and order situation in Pakistan, skilled and professional human capital has also migrated abroad during the last five decades. Such migration that commonly known as brain drain also impacts the economic development of the country. International migration has intensified and become more complex within the current globalized setting of which skilled migration has become a significant component. However, this Diaspora is increasingly seen as possessing the potential to provide benefits to the developing countries of origin. The foreign countries due to this brain gain: the contribution that skilled migrants make, get immense benefits economically. Pakistan is a good case in point because of significant number of Pakistanis in the Middle East as well as in western countries, which often feeds into a national pride.

According to Mr. Zahid Latif, comparative studies have shown that foreign exchange remittances of overseas Pakistanis are significantly lower as compared to other nationals residing in such countries. He said the various studies conducted in this regard suggest that skilled human capital can contribute manifold as compared to unskilled labour class. In order to achieve this objective multidirectional programme have been initiated to produce skilful resources for export to the Middle East and western countries. The programmes initiated by TAVETA, NVTTC (National Vocational and Technical Training Commission) have proven to be helpful in this context.

Moreover, a large number of Pakistani doctors, Engineers, IT experts and Accounting Professionals based are now contributing in the development of economy with their foreign exchange remittances. As such over recent years, the migration and development nexus has acquired relevance in policy debates, with discussions showing that skilled human resource export should be given prime focus.

While commenting on the experience gained by migrants he said that at a personal level, experience gained abroad is linked to self-improvement in terms of the circumstances prior to emigrating, and this may be revealed in better living standards, a higher educational level, and an

upgraded professional position, all of which can be expected to impact on migrant's social position and provide them with a prominent role within their families and the surrounding community. He further elaborated that the migration also brings changes in attitudes and skills that are conducive to positive changes in the society. The Diaspora networks have often contributed to the innovative and entrepreneurial capacity of Pakistan with contributions in the form of business and investment leads and financing Pakistani professionals have gained as a transnational class of professional involved in growth of national economy.

While concluding his remarks he said that we understand development as the expansion of the realm of human capacities through improvements in people's quality of life through imparting various skills. We have a firm belief that the knowledge and skills, skilled migrants earn abroad can help to expand the activity of individuals, and accordingly they can also contribute to the home country development through their earnings.



Mr. Jawad Majid – Director, Silk Bank Limited



Mr. Jawad Majid commenced his speech by saying that he didn't agree with Ms. Naheed Memon as we are already in a debt trap. So debt is not the right thing for us right now. He concurred with growth pattern and saving rate increase portrayed by Dr. Sajid Ameen. According to him Pakistan needs to fix its revenues, as there is little room on the expense

side, so it can fix its revenues a lot.

While giving his opinion on the topic of the session he apprised the participants that human capital these days in modern economies as per the global economic pundits and social scientists is as necessary for a country or a region or for the world as the overall resources of the world are, because economies are eventually created and managed by people. It is a fundamental source of economic growth and a major difference between the developed and the developing world. It is the source of both increase productivity and technological advance.

He identified the main problems of the developing countries and said they are universal for the less developed countries. The problems are: the faster increase and huge population, perfective pattern of investment in education and health, more stress on developing buildings and equipment rather than improving the quality of education and teachers and in health sector they lack behind in nutritional facilities.

Mr. Majid again quoted Dr Sajid Ameen and point out that there is a paradox; we are educating our people for more job creation or for the growth of economy. There has to be a balance and priorities need to be set right. He said non-consistent government policies in less develop countries and half-hearted measures on promotion of employment and education and the neglect of agriculture in education are also creating problems.

While focusing on Pakistan he shared some statistics and said we have very dismal performance on Human Development Index. We are at number 134 out of 157 countries. Since 1990 to 2016 we have just improved two places. The main reason for this is that we have been crippled and we have never been able to have enough resources for decades to invest on education and health. On

average we never have had a budget allocation for more than 3.5pc or 4pc for education, general welfare and health. And it hardly sustain our existing salaries and infrastructure, forget about development and innovation.

While comparing Pakistan human development index with the neighbour countries he said that Afghanistan is at 132, Nepal at 104, Egypt at 101, Iran at 71 with all the sanctions on it, Sri Lanka at 77 and Bangladesh at 105. It shows that we are doing very bad and lacking behind in this region in HDI. He further explained and said that making it more technical as per the global indicators of human development index, the global average is about 11.2 years for a person in the first 18 years of the education, we in Pakistan according to him are at about 8.8 years comparing it with India which is 10.4 years. According to UNDP we have 76pc of our youth out of schools.

While giving his perspective on the youth bulge he said we have over 20 million youth entering the job market. There are no jobs, no other businesses nor any other opportunity available to them, so it is like a time bomb. There could be different facets to it. If we look at the cross section of our educated or over all youth, either we have highly educated youth or we just have the primary side. In between we have the skill education which is the main area where we need to concentrate. There are some global leaders like Turkey who has done very well in the last couple of decades in its human capital.

Mr. Jawed said we can follow the example of other countries, but we will also to have look within ourselves and see what is happening here? As we are talking about the expats. Yes, the 21 or 22 billion dollars, if they are not there or they are reduced what will happened to us then?

He underscored that skill development or the mid -tier is the name of the game. He differed with the few speakers and said that Madrassahs are not a threat, but a major opportunity. He gave his own example and said that he has been running 100 Madrassahs in northern Pakistan for the last 30 years with a different model. It has been a major success so far. On average 6500 to 7000 boys and girls are studying there and. These Madrassahs are English medium schools till Asar prayers and after that they do their Dars-e-Nizami. About 22 thousands boys and girls have learned from there and entered job market and became successful bankers, engineers, doctors and social workers. And they are more productive in this economy.

He underlined the importance of CPEC and gave some suggestions for improvement. He said that it could be a major thing. In CPEC phase two where we will have to develop nine economic zones. Those will primarily be industrial zones. So, we can synchronize our agriculture and industrial sector, which we missed out in 30 or 40 years of development. Agriculture is the sector that can still transform Pakistan, although it is contributing about 20 pc to the GDP, it has the potential to grow, if we go for value addition. In the next five years we have to increase our exports by 20 to 23 billion. We have that potential, like also in dairy and livestock. And service sector which is about 55pc to 56pc of the economy would be a major opportunity for growth and development and see what skills these services sectors need.

In the end he informed the speakers about a fact that although Government intervention is more important, but as a society we have also a role to play. As individuals with all our experiences, our strategic thinking, with everything we have our own Diaspora, we Pakistanis can do a lot.

Shazia Ghani- Banker, Economist



Ms Shazia ghani started up her speech by analyzing concept of economic resilience. She proceed and commented that she had learned from her professional experience that the significance of state intervention cannot be substituted by crowd funding, money stashed outside the economy or by individual effort.

In her elucidation of the concept of economic resilience she stated that economic resilience came to lime light after 2009, soon after the global financial crisis of 2007/08, before that it was present in the finance and economics in the form financial stability of the financial market. She continued and remarked that finance being the blood line of economy, financial stability, and financial resilience leads to have a more sustainable and more resilient economy. According to her financial markets are the sources of growth as well as the sources of shocks.

Ms Ghani while reminding the audience about the past informed that we as a nation have learnt from 1997 financial crisis that the financial inflows that came into economics make their growth rates jumped, but in a second wave they got that shock too due to incomplete financial liberalization. She elaborated that after that many economies start building foreign exchange reserves, so that they can survive any future shocks. She said it was proved then that those who had good reserves and those who had developed early warning system, were not that much affected by severe economic conditions.

Ms Ghani in while concluding her speech suggested some measures which are given below as:

- Pakistan should correct its investments and put emphasis on the manufacturing sector.
- African market should be tapped as early as possible. For that purposes a dedicated batch of officers of the foreign services should be created just like India did.
- Identify what kind of industrial relocation the country needs and a framework for this relocation should be developed as soon as possible.
- The policy under which the incentive package in export processing zone would be given should be announced as soon as possible.
- There is a need to prioritize where the export processing zones should be set up. They should be near to the ports and Global Value Chains.
- There is a dire need to work on the economic diplomacy front as our performance there is fading away with the passage of time.



Ms. Mome Saleem, ED Institute of Urbanism, Member, Global Diplomacy Lab, Federal Foreign office Germany



Mome Saleem gave her point of view on Character building and quoted that character building is important because if a nation loses character it loses a whole generation. She said if investment should be made on youth as the window of opportunity is very small, if not availed it will become a burden. She informed about the initiative of the current government related to youth in which it will try to achieve goals related to youth in a project called “Javaan”.

Mome Saleem also advised few initiatives, which are given as under:

- There is a lack of role models for our youth. Role models portrayed through social and electronic media are not inspirational, there a dire need to make new role models for our youth.
- All those good things that are being preached for the public from the top level of government should be first practiced at the top too. There has to be top-down approach rather than a bottom-up.
- Complete overhaul of both the formal and informal education system.
- What is needed for character building should be portrayed through Media.
- The urgent need of our society is to start a dialogue about the intolerance and impatience.

Dr. Farida, Professor, Head Department, Arid Agriculture University



Dr Fareeda began her speech by focusing on the Pakistani Diaspora i.e. overseas Pakistanis. She told that when something is discussed about the overseas Pakistanis, the first thing that comes to mind is their remittances. The real potential those Pakistani expats is often ignored. According to her these individuals left this country because here they could not find the opportunity where they could have applied there skills. This brain drain started in 1980s,

this was the great loss of human asset for Pakistan.

She suggested some remedial measures which are describe as follow:

- **Reverse brain Drain**: This phenomenon can be explained as efforts must be made create such conditions where the overseas Pakistanis who are trained abroad in various fields could be brought back again.
- A strategy for this reverse brain drain should be developed as soon as possible, how that human capital will be attracted and retained.
- The stream of reverse brain drain has to be captured, encouraged, retained and sustained.

Aamir Ghauri- Senior Journalist, Broadcaster, and Author



Aamir ghauri commenced his speech by commenting on Pakistan Diaspora. He informed that the Pakistani Diaspora living in the west is comfortable there, while the one living in Middle East wishes to come back, but the conditions here are not favourable. While giving a description of the

contemporary society of this country he said that our nation needs to change its social behaviours and attitudes in various fields of life to stop the social break down of Pakistani society. Giving the West as a case study he told that people there still care of each other's opinions, choices, values

and inclinations. He urged that this country need to be more tolerant and accommodating and need to be at peace with each other.

Mr. Aamir Ghauri then highlighted some suggestions as follows:

- Selling of fake and irrelevant dreams to the population by various segments of society should be stopped and the youth should be directed in a more rational direction.
- The irrelevant things taught in schools across the country needs immediate attention. For that purpose a more relevant and an effective syllabus according to the present age must to be introduced.
- The government schools gave this country professionals in every field of government, its high time to rejuvenate those schools for the greater good of this country.
- In 1978 there were 900 maddrassahs in Pakistan, now this figure has reached to about 35,000. The youth reading there need immediate attention. Investment should be made on them to make them more effective individuals in their future.
- The rate at which population is increasing must be addressed on urgent basis.
- The people sitting at the top of the pyramid of power should abandoned the disconnect they have with the people at the bottom.
- CPEC deals should be rationalized on the basis of greater interests of Pakistan. Compromise should be not be made on the vertical route only, the horizontal route should be developed too.
- Pakistan should make its routes always open to the neighbors for their trading purposes as it could earn it huge revenues.
- Solemnly depending on trade with the United States of America (52.8pc) and on foreign remittances from Middle East is not a wise policy. Alternative venues for inflows into the national exchequer should be identified and developed.
- Trade with the African countries should be increased and its huge market must be targeted.
- Coherency of policies on the government level is very important. National interests must be prioritized.
- To bring back the skilled Diaspora, first workable and favorable conditions must be created for them

Ambassador Amjad Majid Abbasi – Member Advisory Board CGSS



Ambassador Amjad highlighted major aspects where there are problems and then he outlined solution to those problems.

In his opinion ineligible, ineffective and wrong appointments in government services and the recurring appearance of the same people in politics have created a void. These factors have also stopped the deserving citizens of this country to fill in that void. He remarked that there has been an absolute chaos for fixing the national priorities which all the speakers of this session have pointed out. He said no institution thought about fixing the priorities of Pakistan. The honorable former ambassador then made a reference to the flaws in the judicial system and said that it has not ensured system of merit in the governance.

While commenting on the economic situation and the uproar over the government decision to take a bail out package from IMF, Mr Amjad was of the opinion that the \$6 billion package is not that massive and dangerous enough to bankrupt Pakistan. He gave few examples: Thailand which got \$55 billion bail out package in the 90s, \$50 billion was given to Italy and \$55 to \$60 billion given to Greece did not ruin or destroy it as a country and similarly EU gave \$500 billion package to Spain and Greece. Dr Amjad said this loan is not going to create a dooms day scenario for us.

He asked the participant that if the yearly \$25 to \$30 billion that was being siphoned out from Pakistan every year for the last decade did not made this country bankrupted who will \$6 billion bankrupt it in an year. He then informed that the donors to the economy imposed system of economic on this country to ensure that economy never picks up in the real sense.

According to him there are some success ; The nuclear and missile programme, the restoring of the profit generation of PIA by a team of retired officers of Pakistan Air force and the saving of 81 billion rupees by WAPDA in the current year shows the real character and resilience of this nation. He then suggested some corrective measures for Pakistan, which are given below.

- Transparent and ruthless accountability against all the economic terrorists unleashed by the foreign masters and their local touts.
- Corruption should be made a crime punishable by death and implement it across the board.

- If the nation want to live the way Muhammad Ali Jinnah and Allama Muhammad Iqbal wished for it then it must start practicing Truth, Justice and System of Merit. Only then everything can fall back in place.

Dr. Zia Banday, President, PRIME Institute



Dr Zia Banday initiated his speech by putting up a question to all the participants that is it possible to run this country of 200 million people, the sixth most populous nation on earth while sitting here in Islamabad. He asked that is it possible to sit so far away in Islamabad and decide the fate of people in Bahawalpur, Sukkar or in Multan.

He argued that when he will talk about the Diasporas on the comparative level that where our Diasporas was and the comparative countries what they have done for their Diaspora. He told that, let's talk about Pakistan. It has about 7 to 8 million people who can qualify as expats, India has about 31 million, China has about 50 million, Philippines has about 10 million and Indonesia has 8 million. Then look at the structure of these countries' economies. He said that it does not include WEST. Its about these countries only and how their economy and the space they have created for their Diaspora which is living in developed nations. All these countries, wether they are working in GCC or working in western countries. They are much more developed, and much more dynamic. He advised that what it means is to converge it. Converge your skills, your environment to the level where any expat want to come and live here.

Dr. Zia then highlighted the unfavorable conditions that the expats experience in Pakistan. He gave India as a case study, Bangalore a city of 12 million is generating in IT and its IT enable exports of \$30 billion and over. He told that why an Indian sitting in Silicon Valley want to come back and work in Bangalore. In his point of view it is very simple to understand the Indian is returning because he will get the same quality of life, which would enjoy in Silicon valley. All those things are available.

He informed the participants that one of the main reason for our lack in export is that foreigners cannot travel here to do business. He then gave the example of Bangladesh and said that in five years Bangladesh has doubled its exports , and the main reason is a foreigner can go and roam around in Dhaka and Chittagong . He then suggested that while doing business with the Chinese, we need to study their import structure, their demographics ,what they are importing.He explained it with an example China is short of beef and is importing it. It has become the biggest importer of beef .For the last three years, Pakistan is unable to get permission from AQICQ from China because of the foot and mouth disease that our animals have and from which they are not free. He then turned towards the way forward and asked what should be the way forward and how we are going to work around and make this country go forward.

Dr Zia. affirmed that he is a complete believer of plurality. This country has its own fault lines. We don't have to be afraid. There cannot be one of way looking at things, there could be several ways. He made it clear that we all are the citizens of this country. Nobody has a monopoly on patriotism, because if you have one discourse it basically creates stale in critical thinking. He stressed that one cannot move forward then and this is very important for us to understand.

He then told that what is important could be understand form very simple concept of political science: the concept of subsidiary . He established that the central government is only supposed to do those things which cannot be done at the local level, this is the part and this is the system of EU. EU is basically working on that concept. He then divert the thoughts again to Pakistan and said there is a hope and there is some silver lining which we look around . He ascertained that the first thing which he appreciated of the current government is the local government system it has introduced. The local government act have some weakness, But still it is good.

According to Dr Zia this system is going to create space and will give us the opportunity to directly elect mayors for our cities. If we have a directly elected mayor sitting in Islamabad, he can take care of a lot of things. He shared a story with the participants of his visit to china and the different important works the mayors of different cities were doing there. He said he remained in china for a year. It was basically a municipality where he registered his company. He emphasized that we need to understand that in China from 2006 they are not having five year plans, they are having five year guidelines. The city where he was staying in was having population of seven million people and in that city the municipality has 54 departments working under it.

He suggested that you have to perform on the city level so that you can go up and told the guests that in a city of China in the municipality there they have an office of the overseas Chinese. He inquired how much connection the ministries in Islamabad have with the provincial local

He informed that if we are talking about numbers. Look at the numbers in these five countries their investment into fix capital, Pakistan is at 14pc and all these India China, Philippines and Indonesia have over 30 oc average investment in fixed capital. He said the numbers doesn't tell lies. The bottom line is these numbers are basically accelerating and we are becoming irrelevant into the whole scheme of things. We are unable to do at the top down approach. He urged that lets work out of the box and take it down to the people who are at the grass root level. He again presented china as an example. China is 1.3 billion people, it cannot be micromanaged from Beijing. The communist party has the total membership of 90 million people. There is a whole hierarchy.

In the end of his speech He stressed that we should learn from China. According to him we are not learning from China how there mechanics are working. He accepted that we as a nation are not learning, because these mechanics will hit the rent seekers structures in Pakistan. It will destroy the political economy, which is existing now, but according to him he is very hopeful and optimistic about Pakistan and not pessimistic. His concluding remarks were that the wheel of the history will move forward. It will not go in reverse. We as a nation had made mistakes, but it is our country. We have to correct our mistakes, no Americans, no Chinese and no Europeans are coming to tell us. We have to learn it and we have to grow it and I believe that devolve structure is the panacea for this country

Concluding Remarks by Mr Ashfaq Ahmed Gondal- Former Federal Secretary of Information and Broadcasting, senior member advisory board, CGSS



While concluding the session honorable member CGSS advisory board Mr. Ashfaq Gonadal suggested that there is a dire need to restore the confidence of the investors and business community. He further said that presently there exists a disconnect and mistrust between the Government, institutions and business class. The investors are reluctant to invest because of the lack of trust in government policies and NAB witch hunting. Efforts need to be made to remove this disconnect. There is a need to adopt long term

consistent economic policies, which could be made in consultation with investors, manufacturers and businessmen.

While talking about the austerity policy of the current Government, Mr. Ashfaq Gondal said that Austerity is, off course good, but no recipe to development. There is a need to generate economic activity, deliberate efforts needed to be made to increase productions. He further suggested that infrastructure facilities be provided like uninterrupted supply of water, gas and electricity to increase production and productivity.

The esteemed former secretary stated that Agriculture sector need special attention. Irrigation systembe replaced with sprinkle irrigation. Special varieties of high yielding seeds are introduced. While talking about the importance of the Private sector, he said that private sector could also play a vital role not only in making PM housing Project a success, but would also generate economic activity in the country and create more jobs. He said Tax payers' friendly taxation policy could also improve the collection. Skill development programmes in collaboration with relevant industries could prove more effective and useful.

