

RASTA NOTES

Guidance on RASTA Initiative

Nadeem Ul Haque

THEMATIC AREAS OF INTEREST

One of the objectives of the RASTA program is to put the Pakistani researcher to serious work on the economy and key public policy issues to accelerate our economic growth and development, improve our society, and achieve the promise of Pakistan. For too long, the public policymaking in Pakistan has surrendered thought leadership to donors. It is high time to conduct some meaningful research, inform decision making, and help formulate indigenous policies instead of relying on sub-standard donor advice.

RASTA provides the opportunity to reduce the research-policy gap by providing answers and evidence that can contribute to improving policy and policy-making process in Pakistan. However, it is important to understand what type of research would be more meaningful. It has been observed that people are used to acquiring hard data, conducting regression analysis, and presenting some generic results, which are not always sufficient to inform public policy.

In RASTA, we want applicants to conduct policy-oriented research that should not only find solutions to policy problems but also help to improve better practices and interventions by informing organisations, policymakers and decision-makers with pragmatic, action-oriented recommendations. In this context, we want applicants to focus on real policy issues and questions, build their research argument keeping in view pressing challenges facing Pakistan, and use analyses as well as data to inform the people and policymakers of Pakistan. We would encourage applicants to study complex socio-economic dynamics, examine development interventions, explore the interplay of actors involved in managing policy decisions, and review institutional development and governance issues.

Keeping in view the five themes of RASTA's first call for research proposal, the following are some **SUB-THEMES/RESEARCH TOPICS** that may be considered:

I. Growth & Development

- Growth & Investment
- National & Sub-National Public Finance Management

- Critical/Analytical Review of Public Sector Development Programme (PSDP)/Annual Development Plan (ADP)
- Monetary Policy & Inflation
- Trade, Services & Industrial Development
- Efficient Markets & Competition
- Food Security & Agricultural Development
- Development Partners & Debt Management
- Housing, Transport & Communication
- China-Pakistan Economic Corridor (CPEC)
- Private Sector Development & Public-Private Partnership

PIDE's research and debate on similar topics:

- ✓ 'Public Policy & Economic Growth in Pakistan' | PIDE Blog (Faheem Jehangir Khan, 2020)
- ✓ 'Stabilisation and Growth' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Stabilisation and Growth II' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Stabilisation and Growth III' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Banking, Finance and Economic Growth' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Pakistan's Pharmaceutical Industry' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Pakistan's Pharmaceutical Industry: Growth Challenges & Issues II" | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Size & Age as Determinants of Employment Growth among Manufacturing Firms in Pakistan' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Export-Led Growth Channel of Development for Pakistan & Competitiveness of The Economy' | PIDE Webinar (<u>PIDE YouTube Channel</u>)

II. Market & Regulations

Markets and transactions are the two critical areas to understand if we want growth and investment. One way to measure GDP is to sum up all transactions in an economy, which implies that higher transactions translate to higher GDP. Thus, transactions must be speedy, secure, and frequent. But to increase the number of seamless transactions, titles and rights must be clearly defined by law. Transactions happen in markets that have clear rules for transparent disclosure of all information and speedy recording and settlement. Ideally, markets must have a large number of players, and entry into these markets must be accessible. Markets can be explored within this framework, focusing on issues such as the following:

- The state of markets and its participants. If the government is a participant and not a regulator, the market will not work.
- In agriculture, one may look at:
 - o Input market: players, fresh entry, availability, pricing, information
 - o Land market: can people assemble large parcels? If not, why?

- Output market: why can we not have a 'commodities market'. What is the law? Why do DCs still run market committees?
- Does the storage market exist in Pakistan? What are the impediments to the setting up and working of the storage market?
- Forward and spot markets
- Financial markets and industrial organisation. There is much information available that needs to be explored and analysed.
 - Stock market: why does it not grow?
 - o The state of liquidity in the stock market
 - New issues and impediments
- Government bond market. Again, there is much information available.
- The banking sector—its efficiency, profitability, dynamism, HR
- The foreign exchange market: it is said it is thin. Other issues include SBP interventions, capital controls, the real exchange rate evolution.

PIDE's research and debate on similar topics:

- ✓ The Economic Analysis of Law in Pakistan | PIDE Knowledge Brief (Omer Siddique, 2020)
- ✓ 'Agriculture in Pakistan: Opportunities & Challenges' | PIDE Panel Discussion (<u>PIDE YouTube Channel</u>)
- ✓ 'Competition and Markets I' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Competition and Markets II' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Will Financial Markets in Pakistan Ever Develop?' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Financial Markets in 21st Century' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Why is Pakistan's Capital Market, If We Can Call It That, Stunted?' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Export-Led Growth Channel of Development for Pakistan & Competitiveness of The Economy' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'The Poor State of Financial Markets in Pakistan' | PIDE Policy Viewpoint (PIDE YouTube Channel)
- ✓ 'Assessing the Fallout from the Coronavirus Pandemic on the Banking Sector of Pakistan' | PIDE COVID Blog (Abdul Jalil, 2020)
- ✓ 'Reaching Out to Markets for Pakistani Goods in Central Asia, South Caucuses and Beyond: Making Transit through Afghanistan Work' | PIDE Seminar (Amer Zafar Durrani, 2020)
- ✓ 'Introduction of Legislative Bill for the Protection of Street Vendor's Rights' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Entrepreneurship and Innovation in Pakistan' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Markets and Society' | PIDE VC Lecture (<u>Asad Zaman, 2015</u>)

III. City Governance & Development

City development and governance is an important area that economic development research seldom touches. The global experience and literature tell us that geography and cities are important for economic growth. Some broad areas to consider in this them are:

- Urban Planning & Development
- Urban Economy
- Urban Culture & Communities
- Urban Transport & Communication
- Impediments to decentralisation
- At a more micro level, one may look at the economy of their city:
 - o How is it run?
 - O What is its estimated GDP?
 - o What is its comparative advantage?
 - Estimate its current investment rate, potential investment sectors or areas, and constraints to investment.
 - o The wealth of the city.
 - o What are the constraints to the development?
 - o Does the city meet the needs of its citizens?
 - The government controls a large part of the valuable city land for housing and unnecessary old colonial offices. Can we estimate the value of that and methods to unlock dead capital?
- Real estate is an important part of wealth creation. Is it happening in your city?
 - Evaluate the construction industry. What are they building? Is the construction activity meeting city needs?
 - o Develop real estate data: real estate values and its growth.
 - o Is the real estate a rewarding investment, or it is just a myth?
 - Land development is a growth industry creating sprawl in most cities. Evaluate the land development industry.
 - o Examine the real estate market. Titles? Permissions? Transactions costs? Time to transact.
 - Why is DHA value more than neighbouring areas?
 - o Information and transactions technology in real estate.

PIDE's research and debate on similar topics:

- ✓ Contextualising Pakistan's Cities | PIDE Book (Zoya Ali, 2020)
- ✓ 'Cities for Humanity and Development' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Cities for Humanity and Development II' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Cities for Humanity and Development III' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'What is Smart about Smart Cities' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'COVID-19 and the Future of Cities' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'COVID-19 and Challenges for South Asian Economies' | PIDE Webinar (PIDE YouTube Channel)

- ✓ 'Lahore's Urban Dilemma' | PIDE Policy Viewpoint (<u>PIDE Website</u>)
- ✓ 'The Islamabad Master Plan' | PIDE Policy Viewpoint (PIDE Website)
- ✓ 'Islam and the Politics of Development: How Pakistan's Historically-Embedded Elites Undermine Long-run Development' | PIDE Seminar (<u>PIDE YouTube Channel</u>)
- ✓ 'Aid, Development and the Lessons of History: Urban Reconstruction under Ayub Khan' | PIDE Webinar (<u>PIDE YouTube Channel</u>)

IV. Persisting Energy Problems of Pakistan

Energy is the biggest issue facing the country. The PIDE paper by <u>Afia Malik</u> estimates that five trillion-rupees losses have been incurred by the country. And this is not counting the output loss from an energy shortage and excessively expensive energy. Several issues can be examined here.

- Energy Dynamics & Renewable Energy
- The sources of the circular debt. Why does it recur?
- The price/subsidy system and its imperfections.
- The role of the regulator and its functioning
- The IPP issues and analyses of IPP losses and their contracts
- The energy market and what it should be; the role of government and regulator in the market.
- DISCOs and GENCOs governance and economics in your area

PIDE's research and policy debate on similar topics:

- ✓ Circular Debt—an Unfortunate Misnomer | PIDE Working Paper (Afia Malik, 2020)
- ✓ Welfare Analysis of Electricity Subsidies in Pakistan | PIDE Working Paper (<u>Haroon S. Awan et al.</u>, 2019)
- ✓ 'Energy Innovations' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Fixing Power Sector Issues' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'The Gas System in Pakistan' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Energy Investment and Planning' | PIDE Roundtable (<u>PIDE YouTube Channel</u>)
- ✓ 'Electricity Pricing and Regulation' | PIDE Roundtable (PIDE YouTube Channel)
- ✓ 'Developing Electricity Market for Future' | PIDE Roundtable (PIDE YouTube Channel)
- ✓ 'Reforming Electricity Distribution Companies' | PIDE Roundtable (PIDE YouTube Channel)

V. Governance, Public Policy & Aid Dependence

<u>Acemoglu and Robinson</u> in their famous book conclude after a masterful historical overview that key institutions listed in the headline here matter. Researchers should be able to get deep into these issues and provide us with key insights. A lot of information and data are available if anyone wants to dig it.

Public Administration

- Civil Service Reform
- Institutional Development & Organizational Performance
- Leadership & Public Sector Management
- Municipality & Local Government
- The role of the government in the economy
- Examine the democratic process.
- Does the election market work well? How can it be improved?
- The debate on local government and experience.
- The debate on civil service reform
- Strategies for moving on from the colonial legal system
- The speed and efficiency of the judiciary and our legal system
- The regulatory system and its independence.

Understand local issues, community and social capital

- Understand and measure community infrastructure (public playgrounds, libraries, community centres, public places etc). Is it adequate? Why not?
- Examine local organisations and national organisations (professional, civil, interest groups) and score their efficiency and community welfare.
- Voice in issues.

Foreign aid is a much-ignored subject that researchers must look at. Examination of donors' Pakistan-specific development agenda, exploration of their involvement in public policy-making, assessment of donor-led development interventions, and evaluation of projects and programs led by development partners are some important areas for research. You may like to consider conducting case studies, impact evaluations and/or explore processes involved in development cooperation. Some topics/questions may include:

- A case study of certain donor-led intervention in health/education/agriculture/ water/energy/transport sector etc.
- Aid institutions, project designs, and delivery system.
- How was the project conceived? Was the cost-benefit adequately done?
- What was the impact of a certain intervention on the local community?
- What were the shortcomings when a certain intervention was executed?
- Evaluation of PSDP portfolio and/or schemes.

PIDE's research and debate on similar topics:

✓ 'Doing Development Better' | PIDE Book (Nadeem Ul Haque et al., 2020)

- ✓ 'Doing Development Better: Analysing the PSDP' | PIDE Conference (PIDE Website)
- ✓ 'Doing Development Better: Analysing the PSDP' | PIDE Policy Viewpoint (<u>PIDE Website</u>)
- ✓ 'Getting More Out of the PSDP through Results-based Management' | PIDE Policy Viewpoint (<u>PIDE Website</u>)
- ✓ 'Foreign Aid to Pakistan I' | PIDE Roundtable (<u>PIDE YouTube Channel</u>)
- ✓ 'Foreign Aid to Pakistan II' | PIDE Roundtable (<u>PIDE YouTube Channel</u>)
- ✓ 'Foreign Aid to Pakistan III' | PIDE Roundtable (PIDE YouTube Channel)
- ✓ 'Foreign Aid to Pakistan IV' | PIDE Roundtable (<u>PIDE YouTube Channel</u>)
- ✓ 'Foreign Aid to Pakistan' | PIDE Webinar Brief (PIDE Website)
- ✓ 'The Aid Policy Network in Pakistan: An Actor-Network Analysis' | PIDE Working Paper (<u>Faheem Jehangir Khan</u>, 2017)
- ✓ 'Opening the Black Box: Managing the Aid Policy Process in Pakistan' | PIDE Working Paper (Faheem Jehangir Khan, 2018)
- ✓ 'Foreign Aid and Growth Nexus in Pakistan: The Role of Macroeconomic Policies' | PIDE Working Paper (Javid & Qayyum, 2011)
- ✓ 'So Much Aid, So Little Development' | PIDE Book Launch Event (PIDE YouTube Channel)
- √ 'Foreign Aid or Export-Led Growth?' | PIDE Blog (Gohar Ejaz)
- ✓ 'Civil Service Reform' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Structure of the Civil Services' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Civil Service Training' | PIDE Webinar (<u>PIDE YouTube Channel</u>)
- ✓ 'Civil Service Reform with APPCSA' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'The State of Civil Service Reforms' | PIDE Webinar Brief (PIDE Website)
- ✓ 'Foreign Training of Government Officers and Public Sector Capacity in Pakistan' | PIDE Working Paper (Faheem Jehangir Khan, 2020)
- ✓ 'Judging the Judges: Dynamics of the Pakistani System of Justice Delivery' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Judging the Judges: Dynamics of the Pakistani System of Justice Delivery' | PIDE Webinar Brief (PIDE Website)
- √ 'Public Procurement Regimes in Pakistan' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Voices of the Poor: How we exclude them from life in Cities' | PIDE Webinar (PIDE YouTube Channel)
- ✓ 'Do We Need Metro Bus System for Improving Female Mobility?' | PIDE Blog (<u>Faheem Jehangir Khan & Tayyeba Khalil</u>, 2020)
- ✓ 'Rethinking Mobility (Urban Transport Policy) in Pakistan' | PIDE Urban Monographs (<u>PIDE YouTube Channel</u>)

To formulate research proposals, the following are some **TIPS FOR POTENTIAL APPLICANTS**:

- 1. The research question is key! While formulating your research question, figure out how to get relevant information and data.
- 2. Do your desk research well. Do your document analysis and literature review properly. Get your questions framed into research issues and questions.

- 3. Dig out available data and use updated information to build your case.
- 4. It is always useful to interact with relevant/knowledgeable people and discuss your research idea. It would help you to refine your research scope.
- 5. Research design choice of research methods, sampling technique, data collection and analysis mainly depends on the research question you would pose. You may like to conduct a desk study, a literature survey, or a case study on a single case with a clear objective is quite useful to explore and understand complex problems. To answer your research question, you may like to conduct perception surveys to explore a particular issue. Internet survey tools can also be used to collect data easily. It is comparatively convenient, and cost-effective.

All these research tools are available to you. Use them well and honestly. The object of all research is to illuminate an area. If you do it well, you make a name for yourself.

Last but not least, remember to be sharp in your analysis; go deep into issues beyond generalities; get into laws, regulations, and dig for data that is available in documents; talk to relevant people and extract informal knowledge they carry; be specific in analysis and recommendations; identify the practices and rules that need changing and how.

Please note that this is by no means an exhaustive list, and is merely indicative.

Use your imagination along these lines and surprise us - pleasantly!

RASTA Project Management Unit

Pakistan Institute of Development Economics Quaid i Azam University Campus, P.O. Box 1091, Islamabad 44000, PAKISTAN. Email: rasta@pide.org.pk

URL: <u>www.pide.org.pk/rasta</u>
Twitter: @RASTA_PIDE