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# MEDIA COVERAGE

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**PIDE Media Team**



# Daily Spokesman

Islamabad - Karachi - Lahore



March 28, 2022

## PIDE to hold RASTA Conference on March 28-29

 Staff Reporter

ISLAMABAD: Pakistan Institute of Development Economics (PIDE) is set to hold its first-ever RASTA Conference on 28th and 29th March 2022, at a local hotel in Bhurban.

The program includes 08 sessions, 18 research papers under the Competitive Grants Programme (CGP), 04 Demand Driven Research (DDR) projects' presentations, and 03 talks. The research moot comprises diverse research themes. These include energy issues, urban development, technology, and

public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge—the administrative burden.

Conference participants will be presenting their studies under these broad themes, probing the key issues while putting forward indigenous solutions for local problems.

The participants will be joining in from the University of Oxford-UK, New School-Moscow, Ryerson University-Canada, National University of Science and Tech-

nology (NUST), Lahore University of Management Sciences (LUMS), University of Peshawar, Quaid-e-Azam University, Applied Economics Research Center, Baluchistan Council for Peace and Policy (BCPP), University of Turbat, IBA Sukkur and BUITEMS Quetta.

Besides, PIDE will be showcasing its most recent research work a day earlier over welcome dinner – an icebreaking and networking session. Likewise, the Institute will also be formally unveiling its novel study on Pakistani cities—PIDE Citypedia.

PIDE's Research for Social Transformation and Advancement (RASTA) program is a multi-year competitive grants program for policy-oriented research in Pakistan, under the Public Sector Development Program (PSDP) of the Ministry of Planning, Development, and Special Initiatives, the Government of Pakistan. Its mission is to develop a high-quality research network of academia and think tanks across Pakistan producing high-quality, evidence-based policy research to inform Pakistan's public policy process.

## Moot on energy issues, development

NEWS DESK. The Pakistan Institute of Development Economics (PIDE) will organise its first-ever RASTA Conference on 28 March at a local hotel in Murree. The programme includes 08 sessions, 18 research papers under the Competitive Grants Programme, 04 Demand Driven Research, projects' presentations, and 03 talks. The research moot comprises diverse research themes. These include energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge - the administrative burden.

# Pakistan OBSERVER

March 28, 2022

Business

## PIDE to hold two-day RASTA Conference from today

By News desk - March 28, 2022

Pakistan  
OBSERVER



economy

## Economy Watch

The Pakistan Institute of Development Economics (PIDE) is set to hold its first-ever two-day RASTA Conference on Monday and Tuesday (March 28 and 29) at Bhurban.

The conference would include 8 sessions, presentation of 18 research papers under the Competitive Grants Programme (CGP), 04 Demand Driven Research (DDR) projects and 3 talks.

The statement added that the research moot comprises diverse research themes including energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge - the administrative burden, said a press statement issued here.—APP

March 29, 2022

# 'Faulty' donor-driven advice piling up debt, says PIDE head

Researcher says Pakistan faces inadequate housing, not a shortage

By Khaleeq Kiani

**BHURBAN:** The government-owned Pakistan Institute of Development Economics (PIDE) has criticised the government for blindly following donor-driven agenda unnecessarily burdening the country with debt without desired outcomes.

The continuously rising power sector problems including circular debt rising by Rs1 billion a day despite repeated loans and the recent housing subsidy scheme involving billions of rupees of taxpayers' money on false estimates were quoted as glaring examples of

hundreds of policy loans from international lenders.

The policy advisory loans by international creditors are pushing Pakistan further under the debt burden, which the government can avoid by relying on its researchers, says a former official of the International Monetary Fund Dr Nadeem Ul Haque - currently vice-chancellor of PIDE.

He said the advice by the foreign lenders also often lacked a base, resulting in faulty decision-making. "The government is piling the debt to do work that Pakistani researchers can do better," he said.

The statement came days after the ADB approved a second tranche of a \$300 million loan for capital market reforms. The World Bank and the Asian Development Bank have been pegging their loans with policy advisory to bring so-called reforms in areas of energy, revenue mobilisation, debt man-

agement, fiscal prudence and capital market reforms. But despite pumping in billions of dollars, the country's performance in these sectors has remained dismal.

Few post-programme evaluations reports by independent wings of the WB and the ADB also admit that these loans have failed to bring reforms in the targeted areas. The Pakistan Tehreek-e-Insaf government has obtained over \$53bn gross foreign loans after coming into power and around three-fourths of these were either policy loans or short-term commercial loans.

Dr Haq is the second senior government official who has publicly criticised the growing dependency on foreign policy loans. Earlier, Federal Board of Revenue chairman Mohammad Ashfaq said that the FBR was better off without a \$400m WB loan meant for increasing revenues. The loan had been signed by the PTI government despite

public opposition to it.

The donors are dumping their research in Pakistan with money on the table that Pakistan also has to return, said Dr Haq who is also a former deputy chairman of the Planning Commission.

Despite billions of dollars that the foreign lenders pumped into the energy sector, the sector sustained Rs8 trillion losses in the past 10 years, said Dr Haq.

Without having any check and care for the output, the government has given Rs2bn to the UNDP, which is more than the money given to any university in Pakistan for conducting research, said the PIDE VC.

The circular debt of power, petroleum and LNG sectors has jumped to over Rs3.9tr, said Dr Naveed Arshad - a researcher from Lahore University of Management Sciences who has researched on reduction of the cost of electricity generation. His findings showed that the

country can reduce the cost of generation by shifting demand from peak to off-peak hours. He estimated Rs6.5bn savings by shifting only 5pc peak period demand.

However, despite billions of rupees of foreign loans for the energy sector, the cost of generation and end-consumer prices have been constantly on the rise. Pakistani researchers can do much better than a white man who does not have local experience but gives advice on Pakistan through policy loans, said Dr Haq. "We still have not been able to free ourselves from the colonial clutches," he said while inaugurating the conference.

He said the onus was on Pakistani researchers and asked why they are being silent spectators? Why don't they question things around us?

He said PIDE's RASTA was one such platform where it has provided the space for our local researchers to come up with

innovative ideas and local solutions. Through RASTA, we have also proved that we can do better than those who steer local research from outside.

The government made a policy to provide 10 million homes, apparently on the advice from the WB that claimed a shortage of 10 million homes in Pakistan, said Durr-e-Nayab, Director Research and Pro-Vice-Chancellor of PIDE.

Presenting her study titled 'The Assumed Shortage of Housing in Pakistan', she said the WB based its claim on SBP research and the SBP was referring to the WB in its papers. "A whole policy was made on a figure that didn't have a verified base," said Dr Nayab.

"We are short of 10 million housing units" has been a buzzword in politics, media, and donor-driven research for the last 10 years, she stated. Given an average household size of well over six persons, this

means that nearly one-third of the population is without housing. Do we see such a huge number of people living on footpaths, on the sides of roads, under bridges, or in any open area? Thankfully, NO.

It is not clear from where did this number come from, she added. Worryingly, the government also uses this estimate without ever questioning its validity. Sadly we have based policy on this assumption and initiated a large public housing effort at considerable cost. Not to mention the negative spillover effects on the other sector in the context of tight fiscal space. So, PIDE after digging out the reality concludes that there is certainly not a "deficit of 10 million housing units" in Pakistan. There may be "inadequate housing" in the country, but not a "housing shortage". The deficit is in the quality of life in the houses, not the absence of housing units.

March 29, 2022

# Policy loans adding to country's debt

Experts say billions of dollars linked with lenders' policy advice going down the drain

SHAHBAZ RANA  
 BHURBAN

The policy advisory loans given by international creditors are pushing Pakistan further deep into the debt burden, which the government can avoid by relying on its researchers, says a former official of the International Monetary Fund (IMF).

Government-owned Pakistan Institute of Development Economics (PIDE) Vice Chancellor Dr Nadeemul Haque said that the advice given by foreign lenders often lacked a base, resulting in faulty decision-making.

PIDE, under its Research for Social Transformation and Advancement (RASTA) programme, kicked off its first RASTA conference to discuss the research papers written by local researchers.

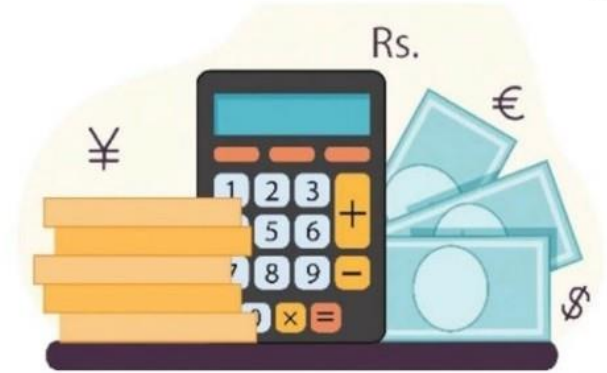
"The government is accumulating debt to do work that Pakistani researchers can do," said Haque, also a former IMF official.

The statement came days after the Asian Development Bank (ADB) approved a second tranche of \$300 million loan for capital market reforms.

The World Bank and the ADB have been pegging their loans with policy advisory to bring so-called reforms to the areas of energy, revenue mobilisation, debt management, fiscal prudence and capital market reforms.

But despite getting billions of dollars, the country's performance in these sectors has remained dismal.

A few post-programme evaluation reports of independent wings



TRIBUNE CREATIVE

of the World Bank and the ADB also admit that the loans failed to bring reforms in the targeted areas.

The Pakistan Tehreek-e-Insaf (PTI) government has taken more than \$53 billion in gross foreign loans after coming to power and around three-fourths of these were either policy loans or short-term commercial loans.

However, the Ministry of Finance is keen to get the money pegged with the advice aimed at increasing the foreign exchange reserves that are largely the product of such loans.

Haque is the second senior government official who has publicly criticised the growing dependency on foreign policy loans, which hardly achieved their intended objectives.

Earlier, Federal Board of Revenue

(FBR) Chairman Mohammad Ashfaq said that the FBR was better off without a \$400 million World Bank loan meant for increasing revenues.

The loan had been signed by the PTI government despite public opposition.

The donors are dumping their research in Pakistan with money on the table that Pakistan eventually has to return, said Haque.

The government made a policy to provide 10 million homes, apparently on the basis of advice from the World Bank that claimed a shortage of 10 million homes in Pakistan, said PIDE Pro-Vice-Chancellor Durr-e-Nayab.

She said that on research it was found that the World Bank based its claim on the State Bank of Pakistan (SBP)'s research and the SBP was

referring to the World Bank in its papers.

A whole policy was made on a figure that did not have a verified base, said Nayab.

Given an average household size of well over six persons, this means that nearly one-third of the population is without a house.

"Do we see such a huge number of people living on pavements, at roadsides, under bridges, or in any open area? Thankfully, No," she said.

PIDE after digging out the reality concludes that there is certainly not a "deficit of 10 million housing units" in Pakistan. There may be "inadequate housing" in the country, but not "housing shortage", she added.

Despite the billions of dollars pumped into the energy sector by the foreign lenders, the sector sustained losses of Rs8 trillion in the past 10 years, said Haque.

Without having any check and care for the output, the government has given Rs2 billion to the UNDP, which is more than the money given to any university in Pakistan for conducting research, said Nayab.

The circular debt of power, petroleum and LNG (liquefied natural gas) sectors has jumped to over Rs3.9 trillion, said Dr Naveed Arshad, a researcher from LUMS (Lahore University of Management Sciences), who has done research on the reduction of cost of electricity generation.

His findings showed that the country can reduce the cost of generation by shifting demand from peak to off-peak hours. He estimated Rs6.5 billion in savings by shifting only 5% of peak period demand.

"Pakistani researchers can do much better than a foreigner, who does not have local experience but gives advice on Pakistan through policy loans

PIDE Vice Chancellor  
**Dr Nadeemul Haque**

However, despite billions of rupees worth of foreign policy loans for the energy sector, the cost of generation and end-consumer prices have been constantly on the rise in Pakistan.

"Pakistani researchers can do much better than a foreigner who does not have local experience but gives advice on Pakistan through policy loans," said Haque.

"Our research is primarily driven by actors that are alien to our situation and they are driving Pakistani research, with perhaps the vested agenda," he said.

PIDE's RASTA is a multi-year competitive grants programme for policy-oriented research in Pakistan, under the Public Sector Development Programme (PSDP).

March 29, 2022

# Two Days PIDE's RASTA Conference Kicked Off

## TIMES REPORT

ISLAMABAD: Pakistan Institute of Development Economics (PIDE), under its Research for Social Transformation and Advancement (RASTA) program, kicked off its first-ever RASTA conference at PC Bhurban. The research moot comprised diverse research themes, including energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge - the administrative burden. While inaugurating the conference, in his inaugural address, Dr. Nadeem ul Haque, Vice-Chancellor PIDE and Chairman RAC referred to one of his papers "Developing Research and a Research Culture: Results from a Pilot Project in Pakistan" as the genesis for the RASTA program. He said that the 'enlightenment movement' was nothing but the exchange of ideas among the great intellectuals of the time. Even Marx wrote that ideas bring change. However, ideas must be indigenous. Without exchange, ideas don't refine, and without refinement reaching a conclusive solution becomes exceedingly difficult. The Vice-

Chancellor apprised the participants that we still have not been able to free ourselves from the colonial clutches. Our research is primarily driven by actors that are alien to our situation. Outsiders are driving our research, with perhaps the vested agendas. Though, the onus is on Pakistani researchers. Why they are being silent spectators? Why don't they question things around us? PIDE's RASTA is one such platform where it has provided the space for our local researchers to come up with innovative ideas and local solutions. Through RASTA, we have also proved that we can do better than those who steer local research from outside. Dr. Durre Nayab Pro-Vice-Chancellor, PIDE, presented her study titled 'The Assumed Shortage of Housing in Pakistan' with some interesting results. "We are short of 10 million housing units" has been a buzzword in politics, media, and donor-driven research for the last 10 years, she stated. Given an average household size of well over six persons, this means that nearly one-third of the population is without housing. Do we see such a huge number of people living on footpaths, on the sides of roads, under bridges, or in any open area? Thankfully, NO. It is not clear from where did this number

come from, she added. Worryingly, the government also uses this estimate without ever questioning its validity. Sadly we have based policy on this assumption and initiated a large public housing effort at considerable cost. Not to mention the negative spillover effects on the other sector in the context of tight fiscal space. So, PIDE after digging out the reality concludes that there is certainly not a "deficit of 10 million housing units" in Pakistan. There may be "inadequate housing" in the country, but not "housing shortage". The deficit is in the quality of life in the houses, not the absence of housing units. Earlier, Dr. Faheem Jehangir Khan, Project Director RASTA, presented highlights of the RASTA journey comprising over one and a half years. PIDE's RASTA is a multi-year competitive grants program for policy-oriented research in Pakistan, under the Public Sector Development Program (PSDP) of the Ministry of Planning, Development and Special Initiatives, the Government of Pakistan. The mission is to develop an extensive research network of academia and think tanks across Pakistan producing high-quality, evidence-based policy research to inform Pakistan's public policy

process, he stated. Moreover, the program seeks to develop local thought communities and generate contextualized knowledge. Substantial outputs are to be completed in important areas of public policy that would produce insightful research and facilitate goals that the Government wants to achieve according to its vision. So far, there have been three rounds of the Competitive Grants Programme (CGP), where 443 applications were received and after the competitive review process, 32 applicants won the awards, amounting to PKR 91 million. Besides, in the second stream of Demand Driven Research (DDR), 18/49 types of research were initiated, adding up to another PKR 254 million, Dr. Khan added. Dr. Khan also gave the good news that RASTA is going to circle Pakistan, arrange conferences in every major city of Pakistan and remote universities. He seconded Dr. Nadeem ul Haque that research cannot be done in silos. It's a collective action to build a rich social capital leading towards reform and self-correction. Conference participants presented their studies under these broad themes, probing the key issues while putting forward indigenous solutions for local problems.



March 29, 2022

# Researchers urged to come up with innovative ideas

Speakers say collective action needed to build rich social capital

OUR CORRESPONDENT  
ISLAMABAD

Speakers have urged researchers to come up with innovative and indigenous ideas to find solution to the issues confronting the country.

They were speaking at the inaugural conference of the Pakistan Institute of Development Economics (PIDE), under its Research for Social Transformation and Advancement (RASTA) programme held at Bhurban.

The research moot comprised diverse research themes, including energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge - the administrative burden.

In his inaugural address, PIDE Vice-Chancellor and Chairman RAC Dr Nadeem ul Haque referred to one of

his papers as the genesis for the RASTA programme. He said that the 'enlightenment movement' was nothing but the exchange of ideas among the great intellectuals of the time. Even Marx wrote that ideas bring change. However, ideas must be indigenous. Without exchange, ideas don't refine, and without refinement reaching a conclusive solution becomes exceedingly difficult.

The PIDE vice-chancellor apprised the participants that we still have not been able to free ourselves from the colonial clutches. "Our research is primarily driven by actors that are alien to our situation. Outsiders are driving our research, with perhaps the vested agendas.

Though, the onus is on Pakistani researchers. Why they are being silent spectators? Why don't they question things around us? PIDE's RASTA is one such platform where it has provided the space for our local researchers to come up with innovative ideas and local solutions. Through RASTA, we have also

proved that we can do better than those who steer local research from outside," he said.

Moot participants presented studies putting forward indigenous solutions for local problems

PIDE Pro-Vice-Chancellor Dr Durre Nayab presented her study titled 'The Assumed Shortage of Housing in Pakistan' with some interesting results. "We are short of 10 million housing units" has been a buzzword in politics, media, and donor-driven research for the last 10 years, she stated.

"Given an average household size of well over six persons, this means that nearly one-third of the population is without housing. Do we see such a huge number of people living on footpaths, on the sides of roads, under bridges, or in any open area? Thankfully, no. It is not clear from where did this number come from, she

added. Worryingly, she said "the government also uses this estimate without ever questioning its validity".

"Sadly, we have based policy on this assumption and initiated a large public housing effort at considerable cost. Not to mention the negative spillover effects on other sectors in the context of tight fiscal space. So, PIDE after digging out the reality concludes that there is certainly not a "deficit of 10 million housing units" in Pakistan, she said. There may be "inadequate housing" in the country, but not "housing shortage". The deficit is in the quality of life in the houses, not the absence of housing units, she said.

Earlier, RASTA Project Director Dr Faheem Jehangir Khan, presented highlights of the RASTA journey comprising over one and a half years.

PIDE's RASTA is a multi-year competitive grants programme for policy-oriented research in Pakistan, under the Public Sector Development Programme of the Ministry of Planning, Development and Special Initiatives.



March 29, 2022

## Two days PIDE's RASTA conference kicked off

### T M Report

**I S L A M A B A D :** Pakistan Institute of Development Economics (PIDE), under its Research for Social Transformation and Advancement' (RASTA) program, kicked off its first-ever RASTA conference at PC Bhurban.

The research moot comprised diverse research themes, including energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge - the administrative burden.

While inaugurating the conference, in his inaugu-

ral address, Dr. Nadeem ul Haque, Vice-Chancellor PIDE and Chairman RAC referred to one of his papers "Developing Research and a Research Culture: Results from a Pilot Project in Pakistan" as the genesis for the RASTA program.

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March 29, 2022

## Two-day PIDE's RASTA first-ever conference starts

PESHAWAR: Pakistan Institute of Development Economics (PIDE), under its Research for Social Transformation and Advancement (RASTA) program, kicked off its first-ever RASTA conference at PC Bhurban.

The research moot comprised diverse research themes, including energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and

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While inaugurating the conference, in his inaugural address, Vice-Chancellor PIDE and Chairman RAC Dr. Nadeem ul Haque referred to one of his papers "Developing Research and a Research Culture: Results from a Pilot Project in Pakistan" as the genesis for the RASTA program.

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Earlier, Project Director RASTA Dr. Fabehem Jehangir Khan presented highlights of the RASTA journey comprising over one and a half years.

PIDE's RASTA is a multi-year competitive grants program for policy-oriented research in Pakistan, under the Public Sector Development Program (PSDP) of the

Ministry of Planning, Development and Special Initiatives, the Government of Pakistan.

The mission is to develop an extensive research network of academia and think tanks across Pakistan producing high-quality, evidence-based policy research to inform Pakistan's public policy process, he stated.

Moreover, the program seeks to develop local thought communities and generate contextualized knowledge. - APP

## ‘Sludge costing Pakistan 39pc of GDP’

IBA academics say inequality in resource distribution giving rise to inter-regional economic disparities

By Khaleeq Kiani

BHURBAN: Pakistan Institute of Development Economics (PIDE) — a public sector think tank — has concluded that the country’s institutional processes and frictions cost Pakistan almost 40 per cent of its gross domestic product (GDP) and the exercise of political power by public representatives exacerbate inequalities across the country.

On the conclusion of the two-day conference ‘Research for Social Transformation and Advancement’ (Rasta), economist and PIDE Vice-Chancellor Dr

Nadeem Ul Haque said fresh findings, ideas and things have come to light at the event that required policymakers to take note of.

Dr Ahmed Waqar Qasim, Senior Research Economist at PIDE, in his study ‘Sludge: The Administrative Burden’ found that “in various sectors sludge at the national level costs Pakistan 39pc of its GDP”.

PIDE defines the term sludge as excessive and unjustified frictions that make it difficult for the people to get things done or achieve what they want as such frictions make processes unnecessary difficult and lead to unwarranted interaction between citizens and the public institutions.

This involves excessive paperwork, unnecessary NOCs to be obtained, excessive hierarchy involved in approvals, centralised decision-making and rent-seeking attempts, which cost time and money and frustrates people by depriving them of access to goods,

opportunities, and services. This imposes costs upon the economy in terms of waste of resources and the opportunity costs incurred. This discourages investments, lowers productivity and therefore constrains GDP growth while imposing psychological costs as well frustration, humiliation and stigma.

Dr Faiz Ur Rehman of IBA Karachi in a joint study ‘Political Dynasties and Local Economic Development in Pakistan’ noted that despite considerable attention paid by previous governments to the underdeveloped regions, intra-regional economic disparities were on the rise in Pakistan. “While there can be several reasons for exasperating inter-regional inequality across regions, political institutions and politicians may explain a significant size of this inequality,” he noted, adding that politicians exercise considerable de facto political power to redirect resources towards their regions which had a

substantial cost for least developed regions.

Pakistan is among those countries where the share of elected political dynasties in parliament is one of the highest in the world. It represents more than 50pc of the elected legislature since 1970, he said adding that since 2008 the debate on the subject intensified at many levels, but little evidence or research was ever presented.

The study finds that constituencies with non-dynast winners perform better than the dynast winners in terms of local economic development. The reason for the worse performance of dynasts could be associated with lower political participation, besides other factors. The report recommended, “abolishing discretionary funds and minimising the influence of legislators over PSDP spending can be an effective deterrent to cut down the divergence between the performance of dynasts and non-dynasts”.

Professor Adeel Malik of Oxford University in his study ‘The Political Economy of Non-Tariff Protection in Pakistan’ examined the impact of political influence on trade protection in the country and noted that the GSP engagement with European Union entailed a major harmonisation of regulatory standards and led to a dramatic increase in the application of non-tariff measures (NTMs) across the entire manufacturing space.

He found that most-favoured nation (MFN) tariffs were consistently higher for politically organised sectors. However, a clear divergence emerged between politically organised and unorganised sectors from 2008 onwards when regulatory duties were introduced. In a crux, regardless of how the sectors are defined, politically influenced sectors have higher levels of trade protection in the guise of import duties, particularly after 2013.

■ **INFORMAL MICRO-ECONOMY**

# Street vendor earns average Rs114,708/month: study

By our correspondent

ISLAMABAD: The average revenue of street vendor in Pakistan is Rs114,708 and 29 percent of which is profit, researchers revealed on Tuesday, arguing that formal markets also get a positive spillover effect from the traffic attracted by the street vendors and stressed that strong linkages are necessary for substantial gains.

The study titled "Revitalization of Street economy in Pakistan: The Case of Islamabad" was presented by Dr Nasir Iqbal and co-authors during Pakistan Institute of Development Economics' (PIDE) first ever Research for Social Transformation and Advancement (RASTA) conference at a local hotel.

The study explores the legal and economic dynamics of Street Economy (SE) in Islamabad Capital Territory (ICT).

According to the study, Pakistan has a large street economy operated by individuals and micro-enterprises across the country, mostly in urban areas. "There are no precise estimates on the quantum of SE due to the informal nature in Pakistan," the Dr Iqbal said while presenting the study.

He said it was vital to gauge the contribution of SE in the overall economic landscape of the country due to the overwhelming involvement of individuals and micro-enterprises.

"This analysis helps to bring hidden employment and economic contribution to the national statistics," he added.

Earlier during the session, Dr Anwar Shah, Associate Professor at Quaid-i-Azam University, Islamabad presented his paper titled 'In-

formal Markets and Competition: An Analysis of Barriers to Entry of Legal Framework and Behavioral Attitude towards Khokha Markets in Pakistan'.

"Khokas (small vendor shops) are one of the key segments of the informal economy in Pakistan as they provide jobs to many people and facilitate consumers in doing various types of transactions," Dr Shah said.

However, he said, barriers to entry put a bar on such access, leading to inefficiencies.

"The elimination of barriers to entry is important for promoting competition in the market and enhancing the welfare of people," he added.

Dr Ahmed Waqar Qasim presented the findings of his unique study, titled 'Sludge: The Administrative Burden'.

He defines sludge as unjustified frictions that make it difficult for the people to achieve what they want, frictions that make processes unnecessary difficult, and unwarranted interaction between citizens and public institutions all comes under the definition of sludge.

Dr Qasim cited examples of complicated application processes, duplicative paper work, and various attestations and so on.

"Why does it matter? It matters because it limits the growth. It is distributive and reinforces inequality and sludge can also be employed for rent seeking," he said. According to PIDE findings, in various sectors, sludge at the national level costs Pakistan 39 percent of its GDP.

During third and last session on the second day of RASTA Conference, four papers were presented under the theme – Political Econ-

omy of Development and Reform. The details are as below:

Presenting his paper titled "Political Dynasties and Local Economic Development in Pakistan", co-authored by Noman Ahmad and Muhammad Nasir, Dr Faiz Ur Rehman said despite the considerable attention paid by previous governments to the underdeveloped regions, intra-regional economic disparities were on the rise in Pakistan.

"While there can be several reasons for exacerbating inter-regional inequality across regions, political institutions and politicians may explain a significant size of this inequality. Politicians exercise considerable de facto political power to redirect resources towards their regions which has a substantial cost for least developed region," the researcher said.

The study's findings suggest that constituencies with non-dynasts winners perform better than the dynast winners in terms of local economic development.

In his concluding remarks, Dr Nadeem ul Haque, Vice-Chancellor PIDE and Chairman RASTA Research Advisory Committee (RAC), said RASTA was an evolutionary process.

"We can follow global research but it has to be adopted as per our local needs and requirements," Dr Haque said adding, "There is no looking back; we must only look forward to progress. We have already put enough ideas on the table for policymakers".

Hope the policy corridors would take notice of it, the VC added.

He further said that local flavor to the research is all that we need. RASTA has researchers from across the country.

# Experts for gauging street economy contribution

Pakistan has large street economy run by individuals, micro-enterprises

OUR CORRESPONDENT  
 ISLAMABAD

Local researchers and academics must conduct research and find solutions to Pakistan's problems, said Pakistan Institute of Development Economics (PIDE) Vice Chancellor Dr Nadeemul Haque.

Speaking at the Research for Social Transformation and Advancement (RASTA) conference in Bhurban on Tuesday, he added that the country could follow global research but it had to be adopted as per local needs and requirements.

"There is no looking back and we must only look forward to progress," he stressed. "We have already placed enough ideas on the table for policymakers and now we hope that policy corridors will take notice of it."

According to him, Pakistan needs a local angle to global research. On the occasion, Quaid-e-Azam University Associate Professor Dr Anwar Shah presented his research and stated that Khokas (small vendor shops) were one of the key segments of the informal economy in Pakistan.

They provide jobs to many people and facilitate con-



**CONCERN:** Rehman regretted that despite considerable attention paid by previous govts to underdeveloped regions, intra-regional economic disparities were on rise. PHOTO: FILE

sumers in performing various types of transactions.

"However, barriers to entry place a bar on entrepreneurs' access to them, leading to inefficiencies," he said. "The elimination of barriers is important for promoting competition in the market and enhancing the welfare of people."

Dr Nasir Iqbal presented his

research that explored legal and economic dynamics of street economy in Islamabad Capital Territory (ICT).

Pakistan has a large street economy operated by individuals and micro-enterprises across the country, mostly in urban areas, he said.

He lamented the lack of precise estimates on the quantum of street economy

due to the informal nature in Pakistan.

"It is vital to gauge the contribution of street economy in the overall economic landscape of the country due to the overwhelming involvement of individuals and micro-enterprises," he noted.

Talking about his research, Dr Faizur Rehman regretted that despite considerable

attention paid by previous governments to the underdeveloped regions, intra-regional economic disparities were on the rise in Pakistan.

While there could be several reasons for exasperating inter-regional inequality across regions, political institutions and politicians may explain a significant size of this inequality.

Politicians exercise considerable de facto political power to redirect resources towards their regions, which has a substantial cost for the least developed regions.

Professor Adeel Malik recalled that in 2012 Pakistan signed a five-year engagement plan with the European Union that paved the way for its inclusion in EU's Generalised System of Preferences (GSP) to allow duty-free access to Pakistan's exports.

"The GSP entailed major harmonisation of regulatory standards and led to a dramatic increase in the application of non-tariff measures across the entire manufacturing space," he said.

"Some sectors experienced higher non-tariff measures' introduction than others."

March 30, 2022

## Speakers at moot speak about criticality of research

ISLAMABAD: Scholars and academicians at a conference have underlined the need for Pakistani researchers and academics that they must conduct local research and find local solutions to deal with local problems.

Speaking at the Pakistan Institute of Development Economics (PIDE) organised Research for Social Transformation and Advancement (RASTA) programme, they said that Pakistani scholars and academicians can follow global research but it has to be adapted as per local needs and requirements.

The research moot comprised diverse research themes, including energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge administrative burden.

Dr Nadem ul Haque, Vice-Chancellor (VC) PIDE said that the RASTA is an evolutionary process.

Dr Haque said that there is no looking back; "We must only look forward to progress. We have already put enough ideas on the table for policymakers".

"Hope the policy corridors would take notice of it", he added.

RASTA has provided a platform to all the researchers from across the country.

Dr Anwar Shah, Associate Professor at Quaid-e-Azam University, Islamabad presented his paper on "Informal Markets and Competition: An Analysis of Barriers to Entry of Legal Framework and Behavioral Attitude towards Khokhs Markets in Pakistan".

Dr Shah opened his talk by saying that Khokhs (small vendor shops) is one of the key segments of the informal economy in Pakistan. Khokhs provide jobs to many people and facilitate consumers in doing various types of transactions. However, entry to barriers put a bar on such access, leading to inefficiencies. The elimination of barriers to entry is important for promoting competition in the market and enhancing the welfare of people.

Usair Ijaz Gillani, while presenting his research on

"Regulatory Environment of the Professions in Pakistan: An Outline," said that it means fixing lawyers, doctors, town planners and so on.

As these all together make up systems; rather broken ones at present and need to be fixed. All these groups have different environments but the essence of all is same, he added. All have self-regulation bodies and each group also conduct elections to constitute governing bodies etc amongst themselves.

Dr Nasir Iqbal and co-authors presenting his study titled as "Revitalization of Street economy in Pakistan: The Case of Islamabad". The study explores the legal and economic dynamics of Street Economy (SE) in Islamabad Capital Territory (ICT). Pakistan has a large SE operated by individuals and micro-enterprises across the country, mostly in urban areas. There are no precise estimates on the quantum of SE due to the informal nature in Pakistan. It is vital to gauge the contribution of SE in the overall economic landscape of the country due to the overwhelming involvement of individuals and micro-enterprises. This analysis helps to bring hidden employment and economic contribution to the national statistics.

The study reveals that average revenue of street vendor is Rs 114,708, of which, 29 percent is profit. Formal market also gets a positive spillover effect from the traffic attracted by the street vendors. The study recommends that strong linkages are necessary for substantial gains.

Dr Ahmed Waqar Qasim presented the findings of his study, titled "Sludge: The Administrative Burden."

First of all, he defined the term sludge. Unquantified frictions that make it difficult for the people to achieve what they want, frictions that make processes unnecessary difficult, and unwarranted interaction between citizens and public institutions all comes under the definition of sludge. The examples may include complicated application processes, duplicative paper work, and various attestations and so on. It matters because it limits the growth, it is distributive and reinforces inequality and sludge can also be employed

for rent seeking. PIDE, for the first time in Pakistan attempted to quantify sludge through time consumed, cost involved and psychological cost. PIDE's sludge report says that in various sectors, sludge at the national level costs Pakistan 39 percent of its GDP.

On the occasion, four papers were presented under the theme - "Political Economy of Development and Reform".

In his paper, Dr Faiz ur Rehman titled, "Political Dynasties and Local Economic Development in Pakistan", co-authored by Noman Ahmad and Muhammad Nasir, said that despite the considerable attention paid by the past governments to the underdeveloped regions, intra-regional economic disparities are on the rise in Pakistan. While there can be several reasons for exacerbating inter-regional inequality across regions, political institutions and politicians may explain a significant size of this inequality. Politicians exercise considerable de facto political power to redirect resources towards their regions, which has a substantial cost for least developed region.

Pakistan is among those countries where share of elected political dynasties in parliament is one of the highest in the world. It represents more than 50 percent of elected legislators since 1970, his study revealed. He further said from 2008 onwards, the debate on the subject intensified and many levels, but little evidence or research was ever presented. The findings suggest that constituencies with non-dynasts winners perform better than the dynast winners in terms of local economic development. The potential reason for the worse performance of dynasts could be associated with lower political participation, besides other factors. He suggested abolishing discretionary funds and minimizing the influence of legislators over PSDP spending can be an effective deterrent to cut down the divergence between the performance of dynasts and non-dynasts.

Professor Adeel Malik, while presenting his paper titled, "The Political Economy

of Non-Tariff Protection in Pakistan" examining the impact of political influence on trade protection in the country, he stated that in 2012, Pakistan signed a five-year engagement plan with the European Union that paved the way for its inclusion in EU's Generalized System of Preferences (GSP) to allow duty free access to Pakistan's exports. The GSP entailed a major harmonization of regulatory standards and led to a dramatic increase in the application of non-tariff measures across the entire manufacturing space. Some sectors experienced higher NTM introductions than others.

The findings show that MFN tariffs are consistently higher for political organized sectors. However, a clear divergence emerges between politically organized and unorganized sectors from 2008 onwards when regulatory duties are introduced.

In the year 2013, a wave of new NTMs and introduction of customs duties, complicating the trade policy further. In a crux, regardless of how the sectors defined, politically influenced sectors have higher levels of trade protection in guise of import duties, particularly after 2013.

Zahid Ali, a PhD scholar from University of Peshawar and Noor Sarwadin presented their paper on "The Perspective of Native People Regarding Developmental Projects of China Pakistan Economic Corridor (CPEC) in Gwadar, Balochistan".

He was of the view that Gwadar's economic potential has become a center of debate in national and international media.

The study recommends employment opportunities to the natives, development of fishing and marine life policy, special developmental package for the fishing community, provision of drinking water and electricity supply, skill training and promotion of SME, awareness programs around CPEC projects and encouraging CSR could be few of the measures that can diminish the friction between the local community and CPEC authorities' government. —ABDUL HASHEED AZAD

# PIDE's RASTA conference concluded

*PIDE reveals that average revenue of street vendor is PKR 114,708, 29% of which is profit*

## Spokesman Report

ISLAMABAD: Pakistan Institute of Development Economics (PIDE), under its Research for Social Transformation and Advancement (RASTA) program, concluded its first-ever RASTA conference at PC Bhurban. The research moot comprised diverse research themes, including energy issues, urban development, technology, and public service delivery, social sector development, markets and regulation, the political economy of development and reform, and sludge—the administrative burden.

In his concluding remarks, Dr. Nadeem ul Haque, Vice-Chancellor PIDE and Chairman RASTA Research Advisory Committee (RAC), said that the RASTA is an evolutionary process. Our local researchers and academics must conduct local research and find local solutions to our local problems. He said that we can follow global research but it has to be adopted as



per our local needs and requirements. Dr. Haque said that there is no looking back; we must only look forward to progress. We have already put enough ideas on the table for policymakers. Hope the policy corridors would take notice of it, the VC added.

He further said that local flavor to the research is all that we need. RASTA has researchers from across the country. At the first PIDE-RASTA Conference, we heard things we had never heard before. What does it tell? It implies that research has to be inclu-

sive; to make a real impact.

Earlier during the session, Dr. Anwar Shah, Associate Professor at Quaid-i-Azam University, Islamabad presented his paper on 'Informal Markets and Competition: An Analysis of Barriers to Entry of Legal Framework and Behavioral Attitude towards Khokha Markets in Pakistan'. Dr. Shah opened his talk by saying that Khokas (small vendor shops) is one of the key segments of the informal economy in Pakistan. Khokas provide jobs to many people and facilitate consumers in doing various

types of transactions. However, entry to barriers put a bar on such access, leading to inefficiencies. The elimination of barriers to entry is important for promoting competition in the market and enhancing the welfare of people.

Umar Ijaz Gillani presented his research on 'Regulatory Environment of the Professions in Pakistan: An Outline'. What does it mean? He would tell you that it means fixing lawyers, doctors, town planners and so on. As these all together make up systems; rather broken ones at present and need to be fixed. All these groups have different environments but the essence of all is same. All have self-regulation bodies. Each group also have conduct elections to constitute governing bodies etc. amongst themselves.

Dr. Nasir Iqbal and co-authors presented pretty much similar case as of Dr. Shah but they took only Islamabad as a case study. It is titled as "Revitalization of Street economy in Pakistan: The Case of Islamabad".

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March 30, 2022

THE PRESS AND THE NATION ROSE AND FALL TOGETHER  
Every Morning From Pakistan  
PIDE - RASTA CONFERENCE, MARCH 29, 2022  
Islamabad  
**Muslim**  
Today's



March 30, 2022

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## TIMES REPORT

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# Daily The Spokesman

RAWALPINDI

A Leading National Daily



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 رسول خدا ﷺ کے فرمایا کہ تم میں سے  
 کوئی شخص سب سے سادہ و سادہ  
 (سختی) کو چاہئے کہ اسے  
 ایک کام جو کہ تم میں سے  
 سے کہہ سکتے ہو کہ اس میں  
 ہوئی ہے اور یہ کام جو کہ تم میں سے  
 ہی کام ہے (بنا کر اس سے کہہ سکتے ہو کہ  
 ) کہہ سکتے ہو کہ  
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## China to open Khunjrab Border from April 01: Razak

Advisor on Commerce, Abdul Razak Dawood Tuesday says China would open the Khunjrab Border on April 01, 2022 to boost bilateral trade volume. The opening of the border will not only help in utilization of the second phase of Pakistan-China Free Trade Agreement (FTA) but it would also support the local commerce on both sides of the border. Especially the fruit and vegetable exporters from north side of Pakistan would benefit from this development.



## Pakistan top beneficiary of Educate a Child initiative: Amb Sheikh Saoud Al Thani

Ambassador of Qatar Sheikh Saoud bin Abdulrahman Al Thani, says Pakistan has become one of the largest beneficiaries of the Educate a Child initiative of Her Highness Sheikhia Mozah Bint Al Nahyan after the Educate a Child (EAC) Foundation partnered with the Asian Development Bank to enroll 950,000 poorest 'Out Of School Children' (OOSC) into primary education over the next five years.

News on page 3

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# WEB-Edition

## LINKS

### **1<sup>st</sup> Day of RASTA Conference**

<https://www.dawn.com/news/1682345>

<https://tribune.com.pk/story/2350093/researchers-urged-to-come-up-with-innovative-ideas>

<https://dailymailnews.pk/pide-to-hold-first-rasta-moot-on-28th/>

<https://epaper.brecorder.com/2022/03/29/4-page/923818-news.html>

<https://www.urdupoint.com/en/pakistan/two-day-pides-rasta-first-ever-conference-st-1488906.html>

<https://pakistan-sports.com/researchers-urged-to-come-up-with-innovative-ideas/>

<https://pakistan-sports.com/researchers-urged-to-come-up-with-innovative-ideas/>

### **2<sup>nd</sup> Day of RASTA Conference**

<https://www.dawn.com/news/1682517>

<https://www.dawn.com/news/1682517/sludge-costing-pakistan-39pc-of-gdp>

<https://www.thenews.com.pk/print/945722-street-vendor-earns-average-rs114-708-month-study>

<https://epaper.brecorder.com/2022/03/30/7-page/924150-news.html>

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<https://islamabadpost.com.pk/pides-rasta-conference-concludes/>

<https://zizzmedia.com/pide-reveal-average-revenue-of-street-vendor-rs-114708/>

<https://indiaexpressonline.in/pide-reveal-average-revenue-of-street-vendor-rs-114708/>

<https://dailythepatriot.com/experts-for-gauging-street-economy-contribution/>