

POLICY BRIEF

FIRST INTERNATIONAL CONFERENCE: ECONOMICS AND SUSTAINABLE DEVELOPMENT

The Center of Business and Economic Research (CBER) and the School for Economic and Social Sciences (SESS) at the IBA Karachi organized a three day conference on 2nd-4th April 2021 with an aim of creating a conversation around sustainable growth. The sub themes of the conference explored several topics including Public Finance, Fiscal Policy, Growth, Population Policy, Labor Policy, Poverty, Inequality, Intergenerational Mobility, Education, Health, Living Conditions, Governance, Industry, Trade, Globalization, Environment, Climate Change, Tourism Policy, Urban Development, Agriculture, Food Security and more. CBER received around 150 research submissions against its' call for

papers from around the world and hosted several prominent speakers including Governor Sindh, H.E Imran Ismail , Dr. Lant Pritchett from Oxford University, Dr. Sania Nishtar (Special Assistant to Prime Minister on Poverty Alleviation and Social Safety), Dr. Waqar Masood (Special Assistant to Prime Minister on Revenue and Minister of State), Dr. Miftah Ismail (Former Federal Minister for Finance, Revenue and Economic Affairs), Dr. Nadeem Ul Haque (Vice Chancellor, Pakistan Institute of Development Economics) and others. The program included a keynote lecture, panel discussions, parallel technical sessions, poster presentations and a doctoral symposium.

Keynote Speech
Building State
Capabilities:
Do, Don'ts and Donuts

DR. LANT PRITCHETT
Director at the Blavatnik School
of Government, University
of Oxford



Dr. Pritchett spoke at length about the major role that governments and policymakers play in the development process, constantly introducing reforms and policies to achieve developmental objectives. However, many of these interventions have limited impact, and reveal gaps in capabilities, and weaknesses in the process of building state capability. Dr. Pritchett pointed out

that state capability is central to achieving higher levels of human wellbeing outcomes, and in some ways, even more important than economic growth. "In a centralized system all the sub-units, whether political or administrative, are compliance driven, however, in highly regulated, weak capability states, making the law stronger reduces compliance." Dr. Pritchett presented a Problem Driven Iterative Adaptation process which empowers people working in governments to find and fit solutions to the problems they face and help the governments in building state capabilities. The key recommendations by Dr. Pritchett were :

Do: Pay attention to state capability as it is central to achieving higher levels of human

wellbeing outcomes with higher focus on policy and program design (Worry about “what” not “how”)

Do not: Do not seek to adopt “Best practice” - as it often destroys state capability.

Donuts: Many existing state organizations are “donuts” as they have lost the technical core and are shells and zombies.

Do Not: About Donut - Reforms on the periphery (eg HR, IT, MIS, Procurement etc). These drivers cannot fix the core.

Do: About Donut - (Problem Driven Iterative Adaptation) - Rebuilding the core requires a focus on priority problems within reach.

Panel Discussion I Growth and Economic Stability: Challenges and Prospects

Speakers:

**Dr. Nadeem Ul Haque, Dr. Miftah Ismail,
Mr. Sakib Sherani, Asim Bashir Khan**

The panelists recommended the following points while debating on issues of financial investment, economic growth and development:

1. Importance of the investment sector
2. Improving export revenues
3. Investing in research innovation
4. Raising farm productivity

Dr. Miftah Ismail stated that historically, Pakistan has had a fiscal deficit of 6% of the GDP across various governments for the last 30 years. The average saving rate is 12% of GDP as compared to the 30% GDP saving rate in Bangladesh

and India. Similarly, the investment GDP rate is 12%.

“Economic growth and stability is not a priority for the Pakistani nation
Dr. Miftah Ismail”

hence the investment sector is overlooked, and the financial environment is not conducive for savings.”

Mr. Sakib Sherani emphasized that all the Asian developing countries that have progressed economically in the last 40 years are due to focus on exports. Dr. Nadeem-ul-Haque also said that Pakistan has an inconsistent economic growth pattern and at present the economic growth had come to a grinding halt.

A Conversation with the ADB –

**CHIEF ECONOMIST,
DR. YASUYUKI
SAWADA**



Sustainable Economic Development in the Post-Covid Era in Asia and the Pacific

Speaking about the outbreak of the Covid-19 virus and how it has destabilized the economic outlook and widened existing social inequalities, Dr. Sawada shared data trends on economic indicators across countries in the Asia-Pacific region.

“Regional GDP contracted by 0.2% in 2020 with East Asia faring much better. After a sharp contraction last year, growth in South Asia will rebound in 2021. However, the recovery will be uneven”. **Dr. Yasuyuki Sawada**

1. Digitalization gives an important opportunity as it has the potential to transform work and can drive the region's recovery.
2. Governments must be pro-active in adapting Covid-19 responses to address longer-term challenges and build back better
3. ADB supports its members in various ways to build a more inclusive and sustainable future. inclusive, resilient and sustainable.

Panel Discussion II with UNDP Pakistan Human Development and Inequality

Speakers:

**Mr. Knut Ostby, Dr. S Akbar Zaidi,
Dr. Waqar Masood, Dr. Sania Nishtar,
Ms. Ayesha Khan, Aasim Sajjad Akhter**

A panel discussion on "Sustainable Development: Inequality and Inclusive Growth" was arranged in collaboration with UNDP Pakistan. The discussion revolved around inclusive development and addressing inequality. The following points were made:

1. Countries need to address multidimensional poverty
2. Economic growth may not necessarily reduce inequality
3. Inequality cannot be addressed without taking marginalized communities into account
4. Women are particularly vulnerable in the post COVID-19 economy and should be included when designing recovery plans

Panel Discussion III with K-Electric Urban Resilience and Impact on Utility Services

Speakers:

**Dr. Noman Ahmed, Sadia Dada and
Javed Younas**

A panel discussion on 'Urban Resilience and Impact on Utility Services' was held jointly with K-Electric. The following points were made by the panelists:

1. Service provision in Karachi, especially the dysfunction in the event of natural disasters is a major concern for all stakeholders
2. Utility corridors in a more friendly ecosystem may allow companies to improve their performance
3. Service delivery corridors may be shared with the public to create awareness about the rights of the consumers and utilities service providers.

PARALLEL TECHNICAL SESSIONS

Nine parallel technical sessions were held on various themes including Firms, Trade and Globalization, Economic Uncertainty and Financial Inclusion, Governance, Finance and Fiscal Policy, Labour Market and Career Choices, Tourism, Culture and Economic Growth, Socio-economic Impact of Covid-19, Sustainable Energy and Urbanization, Poverty, Nutrition and Inequality and Youth Development and Society. Three prizes were awarded to cutting edge work.

• Dr. Waqar Masood said, "Inclusive growth is mainly about reducing poverty. However, growth should also be focused on women, youth and rural populations so that they can join the race and benefit from the growth."

1ST PRIZE

Paper Title: Do Reward and Reprimand Policies Work in Reducing Electricity Distribution Losses?



Javed Younas

Authors: Ayesha Ali, Khusrav Gaibulloev and Javed Younas

Affiliation: American University of Sharjah

About: Using monthly electricity feeder level data, the paper studies the effect of a unique reward and reprimand policy in curbing losses, implemented by the utility serving the city of Karachi in Pakistan.

2ND PRIZE

Paper Title: Raising capital under economic uncertainty: an empirical investigation



Authors: Mohsin Khuwaja

Affiliation: La Trobe University, Australia

About: The study addresses a timely question, 'how does economic uncertainty affect the decisions of firms to raise capital?'

3RD PRIZE

Paper Title: How Public Transport Modes Availability Affects the Commuting Cost and House Rent of Tenant's Households in Rawalpindi and Islamabad?



Abid Rehman

Authors: Abid Rehman, Faisal Jamil, Elisabete A. Silva

Affiliation: NUST Islamabad

About: this study analyses the influence of availability of several public transport modes on commuting cost and house rent for tenant's households in Rawalpindi and Islamabad.

3RD PRIZE

Paper Title: Political Economy of Resources Distribution: Theory and Evidence from Balochistan, Pakistan



Author: Dr. Manzoor Ahmed

Affiliation: Lasbela University, Balochistan

About: The paper aims to critically evaluate the political economy of resources (public sector budgetary resources) distribution in Balochistan province, Pakistan.

DOCTORAL SYMPOSIUM

The conference concluded with a doctoral symposium. Discussants gave detailed feedback on papers to help graduate students publish their research. The most promising research ideas were awarded prizes.

1ST PRIZE

**Paper Title: Road Traffic Injuries in Karachi:
In search of important lessons and
feasible solution**



Author: Lucky Bizenjo

Affiliation: Applied Economics Research Centre,
University of Karachi

About: This study uses systematic review in order to illuminate the major causes behind Road Traffic Injuries (RTI) and deaths in Karachi

2ND PRIZE

**Paper Title: Regression Based Decomposition
of Income Inequality in Sindh**



Author: Shujaat Hussain

Affiliation: Institute of Business Administration
Karachi

About: The study has estimated the regression-based inequality decomposition methodology developed by Field (2003) to determine factors driving income inequality at household level in Sindh

3RD PRIZE

Paper Title: The Impact of Remittances on Total Factor Productivity in Pakistan



Author: Muhammad Shafiq ur Rehman

Affiliation: Applied Economics Research Centre,
University of Karachi

About: The paper examines the impact of remittances on total factor productivity (TFP) in Pakistan.

AWARD WINNING POSTERS

The conference included a Poster Session where students of IBA presented their research work. The award-winning posters are discussed below.

1ST PRIZE

**Title: An Economical Profile
Study of Machar Colony**



Author: Mahnoor Atif

Affiliation: Institute of Business Administration
Karachi

About: The focus of the research was to study the economic profile of Machar Colony – a 'katchi abadi' famous for fishing and shrimp peeling activities along with having mangroves plantations within its ecosystem.

2ND PRIZE

**Title: Pakistan's Ordeal Against
Climate Change**



Author: Fasih Zulfiqar

Affiliation: Institute of Business Administration
Karachi

About: This poster takes a detour through the main contributors to anthropogenic climate change in Pakistan, namely vehicle emissions, coal, and agriculture, and the progress so far, or lack thereof, in mitigating these anthropogenic sources.

3RD PRIZE

Title: Impact of Celebrity-Endorsed Products on Consumer's Purchase Intention



Author: Hiba Badar

Affiliation: Institute of Business Administration Karachi

About: The study aims to gauge the impact of celebrity endorsement on the Consumer Buying Behaviour to determine Brand Credibility.