



# PIDE NEWS

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### **THE AGM and Conference of the PSDE held at the Marriot Hotel Islamabad from 13-15 December, 2016.**

The 32nd Annual General Meeting and Conference of the Pakistan Society of Development Economists (PSDE) held at Marriot, Islamabad from



December 13 to 2016. The theme of the PSDE's this year's Conference was "China-Pakistan Economic Corridor and Regional Integration". The Conference was inaugurated by Mr. Sartaj Aziz, Advisor to the Prime Minister on Foreign Affairs. The three-day long Conference was organized by the Pakistan Institute of Development Economics (PIDE), with the support of Ministry of Planning, Development and Reform. Other sponsors of the AGM/Conference included UNDP, FES, the World Bank, PPAF, OXFAM, IGC, ILO, IUCN, AKRSP, IFPRI, ADB, and ECO-SF.

In his keynote address, Mr. Aziz said that CPEC is indeed a landmark development and it is hoped that important insights and wisdom will come out of the three-day Conference. He said that the theme of this year's Conference is very conceptual and practical, which sends a message to a large number of audience including policymakers, investors, and the private sector. Mr. Aziz, while highlighting the success of the present Government, said that 4.5% GDP growth has been achieved in 2016, which can increase further by

overcoming energy shortages. In this regard, energy related projects in CPEC can prove to be very beneficial.

Mr. Aziz said that CPEC is a flagship project of the Chinese vision of “One-Belt-One-Road”. He said that the evolution of this project started many years ago when they realized that many parts of China, including Xinjiang, were far from ports. CPEC is a grand concept that would not only connect China but it would also connect the surrounding countries. He said that in the last twenty-five years, it was the South East Asia that contributed to the world growth. In the next twenty-five years, however, it is the West of China, Central Asia, and Pakistan that have the potential to lead the world development. China and Russia are developing Eurasia together but not just for the sake of trade but also to build institutions to aid in development of the entire region, he added.

Mr. Aziz said that CPEC has far-reaching consequences for the entire world. He said that China has allowed Pakistan to benefit from the CPEC according to its own priorities the most important of which is energy. Out of the total CPEC investment, dollar 33 billion is in the energy related projects. He stressed the fact that most of this outlay is in the form of investment. Contrasting the CPEC investment with loans from the World Bank, Mr. Aziz apprised that it takes many years to get a loan of one or two billion dollars from the World Bank. The CPEC loans for infrastructure are on soft-loan basis, at the rate of 2 percent and the payback time is twenty to twenty-five years. Highlighting the importance of the Gwadar Port, which is a part of the CPEC, Mr. Aziz said that developing Gwadar is not only important for Pakistan but also for the development and uplift of Baluchistan.

He lauded the organizers of the Conference for choosing issues that are going to be discussed in the Conference. These topics include regional integration; how to manage industrial parks because our experience with the industrial parks has not been very successful unfortunately; and the domestic reforms that need to be undertaken to make CPEC a success. He also said that labor market dynamics are very important because once the industries are set up, we cannot expect the Chinese labor force to work in those industries. All in all, he said, we are on the threshold of a significant phase of our development and need to take full advantage of it.

Earlier in his presidential address, Dr. Asad Zaman, President, PSDE and Vice-Chancellor, PIDE said that as a Chinese proverb goes, we are living in interesting times. The Holy Qur’an also says that Allah



circulates the kingdom among His people and this is exactly what is happening as the world is in the state of transition. The next hegemon of the world would be Asia, lead by China. In transitional times, he said, the power is up for grabs. The transition also creates opportunities to redefine the world and it is the scholars who carry the day by redefining the world. Dr. Zaman said that when the leadership changes hands, it is the leader who sets the terms and the followers do not have much choice but to look at the world the way the leaders wants them to see it. Dr. Zaman said that there also existed an ancient Silk Road which is being revived through CPEC. In the end, he expressed hope that the new civilization that is emerging would be the opposite of barbarism which is currently the order of the day and that it would promote harmony and peace.

In his Secretary’s report, Dr. Ejaz Ghani, who is the incumbent Secretary of the PSDE, highlighted the growing interest in the AGM and Conference of the PSDE. He said that this year, 140 papers were received, out of which 32 were selected after a careful screening process. Dr. Ghani apprised the audience that just as in the past, this year scholars from many countries including Canada, UK, USA, China, Singapore, Germany, and Tajikistan have come to participate in the AGM. He expressed hope that the deliberations at the Conference would prove very helpful in devising



strategies for making CPEC successful.

Vincent Palmade, Lead Economist, PFSG, African Region, the World Bank, made a presentation on the World Bank's book titled, "South Asia's Turn: Policies



to Boost Competitiveness and Create the Next Export Powerhouse". Presenting the salient features of the book, Palmade said that it discusses what the South Asian region needs to gain competitiveness. He said that South Asia has the potential to change and Pakistan can play a pivotal role in boosting growth as it has a large market and have immense potential. However, he said that the productivity of Pakistani firms is quite low, especially of the SMEs. The skill intensity of Pakistani exports is low and although the ICT and tourism sectors are doing well, much more needs to be done. Similarly, productivity of the Chinese firms is quite high as compared to that of the Pakistani firms.

At the same time, he stressed, there is a great potential in Pakistan and the conditions are favorable. For example, Pakistan has excellence in the production of Basmati rice but market regulations are restrictive. Similarly, Pakistan's sporting goods, surgical instruments, and leather apparel industries have the potential but the business environment is not conducive. He said that there are four policy levers that should be taken into account. These are improvement in business environment, connecting global value chain, leveraging agglomeration economies, and strengthening firm capabilities. Palmade said that the services sector is expected to grow and boost productivity. He said that the World Bank is also trying to help Pakistan to boost trade and regional integration.

The presentation by Vincent Palmade of the World Bank showed an erroneous map of Pakistan. It must be reiterated that the map, however, was not part of the report that was submitted to the organizers by the World Bank. The map was strongly repudiated by the

Conference organizers, Pakistan Institute of Development Economics, Pakistan Society of Development Economists, and the Ministry of Planning, Development, and Reform.

Earlier, while delivering the Allama Iqbal lecture on "Role of Productivity, Quality, and Innovations in Making CPEC Work for Pakistan", Mark Goh of the National University of Singapore, said that to make CPEC successful, every province must have an industrial park for manufacturing and exporting products. He reiterated the fact that politics must be left behind to focus on the wellbeing of everyone. Discussing the role of connectivity, Prof Goh said that connectivity is of two kinds, which are hard connectivity and soft connectivity. Hard connectivity is infrastructure development, including roads, ports and ICT structures, whereas soft connectivity is knowledge sharing and institution building. He highlighted that CPEC aims to improve infrastructure as 46 billion dollars have been dedicated to build 2,442 kilometer long road to link Kashgar to Gwadar.

Prof. Goh stressed the need to keep five factors in consideration while selecting the corridors. These factors are current traffic volume of people and cargo; prospects of economic and traffic growth; capacity to increase



connectivity between countries and people; potential to mitigate delays and other hindrances; and economic and financial sustainability. The speaker stressed the need to create new processes that are time and cost effective and for that Pakistan need to create business houses that can deal directly with the already established Chinese business houses as this would reduce both cost and time. Thus, there is a need to develop business-to-business trade instead of business-to-consumer trade.

Another aim of CPEC is to transport oil and gas from the Persian Gulf to Xinjiang. The emphasis is on infrastructure to reduce the cost incurred by

transportation. CPEC would ensure that there is no congestion from Shanghai to Gwadar and the vehicles move at a minimum speed of 60 kilometer-per-hour. This would mean completing the distance in 41 hours, which is a reduction by 82 percent in the total time consumed. Prof Goh emphasized that by 2020 CPEC will reduce the trade cost to Central Asia by 11.5 percent and to Indonesia by 25.3 percent. A one-day loss in transportation decreases the value of exports by one percent. Similarly, trade-improving transparency can

of narratives in the war for oil and Israel, emergence of Sino-Russian relationship, in the form of Eurasian Economic Union (EAEU), and militant extremism in India. Brexit and the victory of Trump in the US elections are two examples of increasing nationalism in the West. Dr. Zaman believes that the reality of the US wars has nothing to do with Islam but it is about global oil transport having choke points in Middle-Eastern countries.

In the war of narratives, the selection of Michael



result in 7.5 percent increase in trade.

The proceedings of the second day included two panel discussions, the A. R. Kemal Memorial Lecture, and parallel technical sessions on different topics related to the theme of the Conference.

The highlight of the day was A. R. Kemal Memorial Lecture by Dr. Arshad Zaman, former Chief Economist, Government of Pakistan. The premise of Dr. Zaman's talk was, "we must all defend Pakistan, better", making a strategy of sovereign development that combines defense, diplomacy and economic restructuring. In his lecture, he talked about four major challenges facing Pakistan that need to be responded. These challenges are rebirth of nationalism in West, war

Flynn, retired lieutenant general, US Army, as the National Security Advisor in the Trump administration reflects the mindset of the coming US government. Flynn has a stated position of using the term 'radical Islamism' in the narrative propagated by the US. Quoting a recent study by McKinsey & Company he stated that the gravity of economic activity is shifting to a region which is in the north of Pakistan. The creation is linked to the One-Belt-One-Road strategy of China and its aim to build a global infrastructure network. The speaker also noted that recent years have shown a rising trend for the extremist BJP and the Modi Doctrine in India. India is stressing on five Ts, which are Trade, Tourism, Talent, Technology, and Tradition. These so-

called five Ts are forming the basis of India's relations with all countries except Pakistan.

In order to form a sovereign development strategy Pakistan needs to take a few important initiatives. The first step should be to reframe the "Muslim national narrative". This narrative should present an ideology of Muslim tolerance, justice, and charity. Dr. Zaman said that an urgent rebuttal of the organized propaganda by the West is needed that covers both civil and military aspects. This strategy should outline the lies behind the US-led wars and propagate Pakistan's vision of peace for everyone, everywhere, and not just for Pakistan and Pakistanis.

Dr. Zaman said that the US-India alliance is a game changer and our defense plans should adjust accordingly. Sino-Russian relations have made US anxious although at present U S remains preeminent but China is emerging fast as a global leader. Pakistan already has good relations with China but should also work on improving relations with Iran, Russia, and Germany because Iran is an important neighbor, Russia is reemerging, while Germany is the oldest European power. Pakistan, however, should be careful in its relation with China and not fall into a patron-client relationship, replacing the US with China. He further stressed that economy needs to be reimagined as the security-oriented quest for protection and capture of markets. Dr. Zaman argued that grand strategy needs grand strategists and bureaucracy should not be the source of it. What is needed is a body that enjoys the full confidence of both the civil and military establishment. He concluded his lecture by arguing that although the scope for sovereign action by the Government is limited, there is still space for recovery of lost sovereignty. People expect their leaders to claim this space and lead them to a life of freedom and dignity.



The first panel discussion of the day on "Mainstreaming Environment in CPEC" was chaired by Syed Abu Akif, Secretary, Ministry of Climate Change, Government of Pakistan, while the discussion was moderated by Mahmood Akhtar Cheema, Country Representative, IUCN, Pakistan. The panelists talked about different aspects of CPEC, development and their relationship with the environment. Expressing his views the panelist Naseer Memon, Chief Executive,

Strengthening Participatory Organization, said that development should not be at the cost of environment but at the same time it also does not mean that we should not grow. He was of the view that development is not only about who will benefit from it but it is also about

who will bear the costs. Shafqat Kakakhel, former Assistant Secretary General of the UN, said that the CPEC is skewed towards energy projects and energy projects, in turn, are skewed towards coal. Therefore, both the governments should work together to lessen the adverse impacts. Ashiq Hussain, Advisor Ev-K2-CNR, said that the projects like CPEC should not ignore the biodiversity aspects because biodiversity promotes ecotourism, which is an important industry. He stressed that biodiversity must be maintained as it is the main raw material for ecotourism. Expressing his views on the topic, Syed Mahmood Nasir, Inspector General Forest, Ministry of Climate Change, Pakistan, said that there should also be a biological corridor and there should also be a road-cross strategy for animals. He further said that fresh water conservation should also be assured through parks, lakes and wetlands. Taking the discussion further, Rehana Siddiqui, Head Department of Environmental Economics, PIDE, said that environmental regulations are more stringent in China but in Pakistan the devolution of the Ministry of Climate Change is creating

issues in the implementation of these regulations. Generating energy from coal is polluting the environment and the best feasible option is the transfer of clean technology from China. She said there is also a need to tackle the issues of future urbanization along CPEC. Local community will lose their livelihood; therefore the alternative sources of the livelihood should be sought, such as ecotourism.

Earlier, in a technical session, a study on the nexus between globalization and inequality argued that there is no clear cut relationship between globalization and inequality in developing countries. However, effective and average tariff rates affect income inequality negatively. Another paper talked about the potential of international trade. The presenters said that the researchers must take the institutional structures into account. According to another paper on the linkages of Pakistan's economy with the globe, the Pakistani investors are vulnerable to external financial shocks due to financial integration, whereas manufacturing and production is not affected by external factors. Analysis in the paper on the impact of technical barriers on trade between Pakistan showed that while China, India and Sri Lanka have more non-tariff barriers (NTBs) than Pakistan, China and India's NTBs are more sophisticated.

Talking about the experience of industrialization in Pakistan, a paper argued that although Pakistan has been promoting industrialization since independence, the progress has been slow due to poor governance and rent-seeking. In a paper on freight transport networks, the presenter said that freight sector inefficiencies in Pakistan prove to be very costly. It is important to integrate road and trade networks to reduce cost and enhance efficiency. Currently, 96 percent of the freight is transported through road and only 4 percent of the freight is carried through the train network. According to a paper on FDI and economic growth, FDI is significant contributor to overall growth in Pakistan but spillover effects of FDI across sectors.

## **Pakistan Looks at Chabahar as a Project Complementing CPEC**

*Professor Ahsan Iqbal*

The 32nd AGM and Conference of the PSDE, organized by PIDE, concluded on the third day with the prestigious Quaid-i-Azam Lecture, delivered by Professor Athar Hussain, Director Asia Research Center, London School of Economics, UK. The theme of his lecture was "Regional and Domestic Political Economy".



The session was chaired by Professor Ahsan Iqbal, Minister for Planning, Development, and Reforms. Professor Hussain's paper was discussed by Mr. Haroon Sharif, Advisor, Regional Economic Cooperation, South Asia, Professor Tariq Amin Khan, Ryerson University, Toronto, Canada, and Dr. Ashfaq Hasan Khan, Dean, NUST, Islamabad.

Professor Ahsan Iqbal, in his concluding remarks, said that he was delighted and honored to be the chief guest at the concluding session of the PSDE/PIDE.



else we would be left behind. Prof Iqbal said that CPEC is not just about transportation infrastructure and energy projects. It is a framework that is much broader, holistic, and looks at all the socioeconomic factors of development. Infrastructure and energy are important as they are the current bottlenecks for development. In the last sixty-six years, 16 to 17 thousand megawatts of energy was added to the system but the coming 3 years would see a record addition of 11,000 megawatt increase in power production. It is the biggest ever investment in the energy sector in Pakistan. He added that it was the SME sector that paid the price of energy shortages as the large sector had

Conference. On the occasion, he said that the policies should be research-based and should not be formed on the basis of gut feelings. He said that the solutions to the problems should be empirical and not on mere judgments. For this to happen, however, the ideas must be discussed in an open environment and the discourse must be free and frank, he added. Highlighting the importance of CPEC for Pakistan, the Minister said that the project is not only a game-changer but it could also be a fate-changer if implemented correctly. Furthermore, he highlighted the importance of the



alternatives. Through CPEC we are also removing transport and infrastructural bottlenecks.

The Minister said that under CPEC, China does not look at Pakistan as a market but a country with shared destiny. By sharing their development experience, the Chinese are helping Pakistan to expedite its development process. Commenting on the development of the Chabahar by Iran and India, the Minister said that Pakistan is not looking at it as a competition but a development that complements CPEC. We are the poorest integrated region



#### PSDE/PIDE

Conferences and said that key messages from the last year's Conference were discussed, and benefited from, in the Planning Commission.

Professor Iqbal said that 10 years ago, the world was looking at us because of the security situation but now every government and think-tanks are looking for opportunities they can have through CPEC with everyone expressing the desire to join CPEC. Giving the examples of giants like Blackberry and Nokia who lost their places as global leaders, he said that we must adapt to the changing conditions around the world or



in

the world, he added. He said that CPEC is not just a project of Pakistan but something linking the whole region.

The Quaid-i-Azam lecture focused on what is the most striking feature of the geographical distribution of economic activities or entities. Professor Hussain stated that most of us are either unaware of how uneven many



of the geographical distributions are or regard the fact as of no particular significance, needing no explanation. Based on the New Economic Geography (NEG) framework, Professor Hussain said that uneven distributions arise from a variety of causes, some of which are obvious while others are



complex and made up of a number of separate but interacting factors. He argued that with some exceptions economic activities are mobile in principal and can be relocated at a number of alternative locations. The exceptions are those that are tied to some natural resource in which case they are determined by the availability of that particular resource. Professor Hussain believed that the main determinant of selecting a location

is the trade-off between the economies of scale, transport cost, and market size. He concluded his talk by giving implications of NEG for regional policy. He said that NEG points to strong trends towards concentration and agglomeration — a trend that seems contrary to reducing regional inequalities. The focus of regional policy, therefore, should be increasing the attraction of backward regions through investment in local



infrastructure and improving local human capital.

The first panel discussion of the day was on “Socio-Economic Impact of CPEC”, which was chaired by Dr. Arshad Zaman, former Chief Economist. Dr. Nadeem Javed, Chief Economist, Government of Pakistan, said that



CPEC is primarily an energy-driven connectivity project the aim of which is to reduce energy constraints and improve fuel mix. Post-July 2017 the gap between demand and supply of energy will end and by July 2018 generation of power is expected to be in surplus due to CPEC. The Chief Economist said that according to projections, CPEC would reduce the number of unemployed labor force by 2.32 million in 2017-18.

Expressing his views on the topic, Professor Tariq Amin Khan, Ryerson University, Canada, said that problems in existing social relations require alteration in structure of rural society. If the goal is to create less oppressive social relations then the Government needs to intervene. He said that it took many decades for the situation to change in Central Punjab but we cannot wait that long to bring social change in Southern Punjab. The situation demands land distribution, learning lessons from history, and imposition of agriculture tax and using the revenues for rural development. The last panelist of the session, Mr. Qazi Issa, Executive Director, PPAF, said that to uplift the neglected community, the need is to create dedicated community connectivity fund. For human development we require to build social capital and empower the communities, he further commented.

Continuing the discussion, Dr. Safdar A. Sohail, Executive Director, CPEC Center of Excellence, PIDE-Planning Commission, said that the socioeconomic impact of CPEC is the most widely and wildly discussed issue in recent days on all the platforms. He said that the CPEC in its current manifestation would go up till 2030 but it would continue after that as a part of the long term plan. Mr. Nasir Afghan, Director MBA Program IBA, who was the final speaker of the session, said that spatial framework of China involves national to city and district level planning and we also need to look into it. He said that existing industrial parks in Pakistan are not performing well. He said that all national sector plans are needed to be aligned to CPEC.

The second panel discussion was on the theme of “Challenges in the Agriculture Sector and Role of CPEC”. The session was chaired by Mr. Muhammad Abid Javed, Secretary Ministry of National Food Security and Research, Government of Pakistan. Commenting on the theme, Mr. Shujaat Ali, Additional Secretary Finance, Government of Pakistan, said that the interest in agriculture in policy and research has declined rapidly. The second speaker on the occasion was Professor Steve Davies of IFPRI. He said that fertilizers yield has gotten worse for cotton and wheat since 1980s and the fertilizer industry is highly subsidized. He said that the best agriculture policy would be to remove subsidies and increase R&D expenditures. It will increase government revenues and increase production. He further said that Bhasha Dam initiative is a positive step and the combination of Bhasha Dam and water course line will positively affect water supply in future.

Expressing his views on the topic, Dr. Paul Dorosh said that only large farmers, who sell wheat to the Government, benefit from current wheat policy. He said that the Government faces financial loss of Rs. 4.5 billion every year due to subsidy and wheat procurement. Dr. Dorosh said that per-unit subsidy could be reduced by raising the release price and reducing subsidy to flour mills. The amount saved could be used for irrigation and other purposes. At the end of the session, the book titled “Agriculture and Rural Economy in Pakistan: Issues, Outlooks, and Policy Priorities”, edited by David J. Spielman, Sohail J. Malik, Paul Dorosh, and Nuzhat Ahmad, was launched. The book is published for IFPRI, Washington, D.C., USA.

Earlier, some interesting papers were presented in technical sessions. In a paper on CPEC and Regional Integration, the author said that the analysis of Trans-Asian Pipeline Network shows the importance of CPEC. Afghanistan can be an effective connecting point but it does not have infrastructure and there is also a problem of security. Analyzing the use of renewable energy in China and its possible spillover effects for Pakistan, another paper showed that in China there has been a shift from hydro energy to wind and solar energy. Since FDI has spillover effects, investment in CPEC related projects in Pakistan will help it to adopt renewable energy. Therefore, policies should facilitate the transfer of tacit knowhow of renewable energy generation. Using transitional analysis, a paper showed that regional integration will increase 13 percent per year due to CPEC and related projects. As per statistics given in another paper on infrastructure development and regional integration, nearly 20 percent of GDP will be invested through FDI by China. The CPEC will also improve the integral physical infrastructure for the development of the whole region, the paper argued.

The three-day long Conference was attended by a large number of social scientists, researchers, faculty members from universities across Pakistan, students, policymakers and Government functionaries. The Conference was organized by the Pakistan Institute of Development Economics (PIDE), with the support of Ministry of Planning, Development and Reform. Other sponsors of the AGM/Conference include UNDP, FES, the World Bank, PPAF, OXFAM, IGC, ILO, IUCN, AKRSP, IFPRI, ADB, and ECO-SF.

## Newspaper Articles by PIDE Staff

The following articles of Dr. Asad Zaman, Vice-Chancellor, PIDE were published in the daily *Express Tribune*:

- **A Crisis-Prone and Fragile Financial System**  
(December 05, 2016)
- **Blind Spots of Modern Education**  
(December 26, 2016)

## APPLIED ECONOMETRICS DIVISION

### Report on Agent Based Modelling Course and Workshop in PIDE

Traditionally two types of modelling approaches are in practice to analyse economy as econometric and DSGE models. These models may successfully forecast if conditions remain the same. But fails to capture economy if some shocks occur. As model assumes rationality and perfect nature of the World so rules out all irregularities currently happening in the world. As Great Depression, Global Financial Crisis etc. would not have occurred if economic forecast could have been done properly.

Agent base modelling is better in dealing with economic analysis of the real world. An agent-based model is a computerized simulation of a number of autonomous interacting agents. The agents can be as heterogeneous as needed e.g. individuals, social groupings, institutions, biological entities, and physical entities. Models in ABM are not built with the assumption to reach on some equilibrium state; instead agents act and interact with their environment and other agents to make some emergent result. Moreover, ABM can handle a wide range of non-linear behaviours as compared to conventional equilibrium models.

Classical Economics failed to work in Great Depression and lead to the development of Keynesian Economics which tried hard to bring economy out of severe economic slump. In US, stagflation was resulted in 1970s due to implementation of Keynes policies for supply stimulation. It was considered as failure of Keynesian Economics to foresee economy. Hence, Robert Lucas deliberated inclusion of human learning and adaption in economic modelling to better predict the economy. This has led the development of 'rational expectation' phenomenon which far proofs as disease rather than cure. This approach assumes humans as perfect optimizer; having complete information to adapt instantly for maximization of long-run private benefits. But in reality, humans have incomplete information and bound to behave on the basis of overconfidence, fear and social-influence etc. Even if some models tried to include nonlinearity of human behaviours, they used mathematical equations which later drastically simplified to have tractable results which stripped away real complexities of economic system. Furthermore, some models have included too much non-linearity and predicted the non-existence and wrong results.

ABM presents potentially best solution for understanding of complex economic system with inclusion of human behaviour the way Keynes and Lucas did respectively. Economic model build through ABM can help us to have a useful forecast of real economy. ABM can help to build and test integrated theories which includes different aspects of social sciences. ABM for economics particular will help economists to address the issue of welfare, growth and its distribution by including socio-political and psychological factors to broaden the vision of economic analysis

In pursuit of importance of ABM for real economic understanding; PIDE has offered a course on Agent Based Modelling in Economics Department for spring 2016 Semester. Students from PhD Econometrics, PhD Economics, MPhil Econometric, and MPhil Economics registered themselves for the course. Course started building background of ABM with details on core concepts, methods, and applications of ABM. It was later complemented by examples and exercises using NetLogo. Students showed keen interest in learning and practicing ABM in NetLogo. Some of the students have started working on their PhD theses using ABM. This course will prove a path breaking guideline for students and researchers to analyse economy in far better way than traditional analysis. Eventually, it can help to build our understanding to meet the challenges of twenty first century.

It is first of this kind course offered by any institute in Pakistan. There is hardly any expert available in the course. Initially, course was run by PhD scholar Mamona Sadaf from International Islamic University, Islamabad. To learn advanced topics in ABM, an expert in the course Mr. Tim Gooding was invited by PIDE from 02-01-2017 to 15-02-2017. Tim Gooding; graduated from York University, Toronto. He worked as Economy Development Officer in Canada. He has developed many ABM models on societal development. He published research on evolution of forces for societal development. His PhD thesis is near completion under supervision of Prof Steve Keen, a famous Economist from Kingston University, London. Besides regular class of 1 ½ hour students' discussion sessions with Tim on regular basis have been organized. This course and workshops have created interest among students to know economics from bottom-up using ABM.



Along with day to day academic engagements, Dr. Asad Zaman also participated in the following important forums and shared his views on various issues of national importance:

- (1) Attended the meeting of the member of Steering Committee for shortlisting of different post for University of Central Asia of Pakistan (UCAP) at Mural Hall, HEC, Islamabad on December 2, 2016.
- (2) Attended the National Conference on "Elements of National Power" organized jointly by HEC and Ministry of Planning, Development and Reform at Pak-China Friendship Center, Islamabad on December 8, 2016.

- (3) Media briefing about the 32<sup>nd</sup> Annual General Meeting/Conference of Pakistan Society of Development Economists, PIDE at 'P' Block Auditorium, Ministry of Planning, Development and Reform, Islamabad on December 9, 2016.
- (4) Organized the 32<sup>nd</sup> Annual General Meeting/Conference of Pakistan Society of Development Economists, PIDE at Marriott from December 13-15, 2016.
- (5) Chaired the opening session of the National EoT meeting organized by FES at Avari Hotel, Lahore on December 17, 2016.
- (6) Attended the meeting of the member of Steering Committee to get interviews of shortlisted candidates of different post for University of Central Asia of Pakistan (UCAP) at Mural Hall, HEC, Islamabad on December 20, 2016.
- (7) Attended the Innovation Steering Committee meeting with Vice Chancellor at Lecture hall, HEC, Islamabad on December 22, 2016.
- (8) Attend the 31<sup>st</sup> meeting of the NIBAF Board of Directors at NIBAF, Islamabad on December 30, 2016.

### PIDE SCHOOL OF PUBLIC POLICY

- (1) The PIDE School of Public Policy organised a students' visit to Institute of Policy Studies, Islamabad (IPS) on September 21, 2016. The IPS LEAD program (the Learning, Excellence and Development Program of Institute of Policy Studies (IPS)) was designed for young social scientists enrolled in MPhil,LLM or PhD programs in various disciplines including public policy to provide them an a place where they could brainstormfor ideas for their research topics with senior researchers, policyanalysts and practitioners. The occasion took place at Institute of Policy Studies, Nasr Chambers, 1, MPCHS CommercialCentre, E-11/3, Islamabad. The students appreciated the activity.
- (2) To acquaint the M Phil students with the latest issue and challenges related to fiscal policy, the PIDE School of Public Policy organised an invited lecture on the topic "Fiscal Policy in Pakistan; Issues and Challenges" at PIDE on Monday, September 26, 2016. The lecture was delivered by Dr Mahmood Khalid, Senior Research Economist, PIDE.

### DEPARTMENT OF ENVIRONMENTAL ECONOMICS

#### A. Research Studies (Faculty)

- **Research Published (Journal articles, Research Reports, Working Paper setc)**

S. No	List of Studies with Complete Reference
1	<b>JunaidAlamMemon, GulalaiJogezai, Anwar Hussain and Others.</b> Farmers' enthusiasm for revival of tradition karez systems in Balochistan. <i>Human Ecology</i>

- **Research Submitted for Publication**

S. No	List of Studies with Complete Reference
1.	<b>Anwar Hussain and Jaffar Hussain.</b> "Trends in Domestic Terms of Trade of Agricultural sector of Pakistan" <i>German Journal of Agricultural Economics.</i>
2.	<b>Anwar Hussain and Muhammad Rahman.</b> "The Future of Gas Consumption in Pakistan: Evidences from Time Series Econometric models" <i>FWU Journal of Social Sciences.</i>
3.	<b>Naveed Hayat, Anwar Hussain and Hazrat Yousuf.</b> "Food demand pattern of households across income groups in Pakistan" <i>Amfiteatru Economic</i>
4.	<b>Anwar Hussain and Tayyeba Gul.</b> Is Manufacturing sector the Economic Growth Trajectory In Pakistan? <i>Asian Journal of Social Science</i>
5.	<b>Anwar Hussain and Tariq Gul.</b> Fiscal marksmanship in Khyber Pakhtunkhwa. <i>Asian Journal of Social Science</i>

- **Research Studies in Progress**

S. No	Title	Intended Research Product (journal articles, research reports, working papers)	Name of Faculty
1	Demand and Supply Projections of Major Food Grain Crops in Pakistan	The Pakistan Development Review	Dr Anwar Hussain
2	Social and Biophysical factors influencing mangrove cover change in the Indus Delta of Pakistan	The Journal of Environmental Management/Applied Geography	JunaidAlamMemon Dr. Asmatullah
3	Updating the State of Environment, Pakistan	Ministry of Climate Change	DrRehana Siddiqui

**B. Other Activities****A. Thesis Defense Held**

S.No	Name of student	Title of Thesis	Name of supervisor
1	Ms. Asma Javed	“Hotel Industry and Environmental Laws: A Case Study of Selected Restaurants in Islamabad.”	Dr. Anwar Hussain
2	Mr. Sanaulah	“Recreational Value and Willingness to Pay for Tourists site: Evidence from Kalam, District Swat.”	Dr. Aneel Salman
3	Ms. Sundus Ashfaq	“On Measuring Household’s Adaptive Capacity to Changing Climate: A case Study of Swat District.”	Dr. Aneel Salman

**B. Thesis Supervision in Progress**

S.No	Name of Student	Title of Thesis	Name of Supervisor
1.	Hina Bukhari	Impact of Energy Consumption on environment, Environmental Kuznets Curve Hypothesis: Disaggregated Analysis a Case Study of Pakistan.	Dr. Usman Mustafa
2.	Sehrish Almas	Impact of Climate Change on Health.	Dr. Mahmood khalid
3.	Shazia Khan	Environmental Impact of Zoning in Islamabad.	Dr. Anwar Hussain
4.	Muhammad Imran Khan	Does Income Growth Reallocate Ecological Footprints of Pakistan.	Dr. Rehana Siddiqui
5.	Fatima Athar	Role and Loss of Biodiversity: Implications for Local Community of Hangu District, Khyber Pakhtunkha.	Dr. Anwar Hussain
6.	Sehresh Almas	Impact of Climate Change on Health	Dr. Mahmood Khalid
7.	Naureen Fatima	Calculation of carbon emissions from CPEC Cool Power plants and its policy implications	Dr. Aneel Salman
8.	Mir Jahan Shah	Mapping Local Disputer over Natural Resources in Hunza and Nagar: A Formal and Informal Perspective.	Dr. Aneel Salman
9.	Attiqullah	Health Cost of Farmers from pesticides use in Apple Zone: A Case study of Ziarat District (Balochistan)	Dr. Iftikhar Ahmad
10.	Naeem Bahadur	Economic and Environmental Implications of Livestock manure in Islamabad	Dr. Anwar Hussain
11.	Amna Haleem	Energy Poverty and its Impact on Environment	Dr. Rehana Siddiqui
12.			

**C. Research Proposals Defence Held**

S.No	Name of Student	Title of Thesis	Name of Supervisor
1		“No Research Proposal in This Month”	

**D. Research Projects of the faculty members**

S.No	Name of Faculty (PI & CO-PI)	Title of the Research Project	Funding Agency	Status
1	Sara Jabeen and Anwar Hussain	Pakistan with and without SAFTA	South Asia Network of Economic Research Institute (SANEI)	completed
2	JunaidAlamMemon and Anwar Hussain	Groundwater Water Sustainability in Baluchistan	IFPRI	Completed
3	Syed Abdul Majid and Anwar Hussain	Migration survey of Pakistan (2016)	International Organization for Migration	Completed

## DEPARTMENT OF ECONOMICS

### Thesis Final Defended

Title of Dissertations	Name of Candidates	Supervisor
“Institutions, Innovation and Economics Growth”	Mr. Zafir Ullah Khan	Dr. Anwar Hussain Dr. Nasir Iqbal
“Climate Change, Farm Efficiency and Food Security in Punjab Pakistan: Evidence from Household-Level Panel Data”	Ms. Khush Bukhat Zahid	Dr. Munir Ahmad Dr. Muhammad Iqbal
“Impact of Macroeconomic Conditions on Interest Rate Pass-Through A Case Study of Pakistan”	Syeda Sehar Kazmi	Dr. Wasim Shahid Malik
“Infrastructure and Economic Growth in Pakistan: A Panel Data Analysis”	Sarnaila Sharif	Dr. Wasim Shahid Malik
“Impact of Globalization on Fiscal Instability in South Asian Developing Countries”	Romina Maryum	Dr. Usman Mustafa
“Monetary Policy Effects: Evidence from Provincial Data	M. Mujahid Iqbal	Dr. Wasim Shahid Malik
“Response of Monetary Policy to Big and Small shocks of inflation and output”	Muhammad Abdullah	Dr. Wasim Shahid Malik
“Impact of Institutional Quality on Inflation Growth Nexus”	Muhammad Ali	Dr. Wasim Shahid Malik
“Impact of Terrorism on FDI Inflows; A Case Study of OIC Member States (1985-2014)”	Saba Jawaid	Dr. Usman Mustafa
Proposal Defense		
“Inclusive Development in Pakistan: A Household Based Diagnostic Analysis”	Tahira Tauheed	Dr. Muhammad Nasir Dr. Rehana Siddiqui
“Eco-labeling, Sustainability and Trade: Evidence from Pakistan”	Naveed Hayat	Dr. Anwar Hussain Dr. Heman Das Lohano
“Performance Evaluation and Quality/Efficiency Trade-off of Health Care Facilities in Pakistan”	Saima Bashir	Dr. Wasim Shahid Malik Dr. Muhammad Nasir
“Role of Institutions in Growth Convergence: A Cross-Country Analysis”	Muhammad Safdar	Dr. Wasim Shahid Malik
“Export Diversifying Effect of FDI and Foreign Aid in Developing Countries”	Afshan Ijaz Awan	Dr. Attiya Y. Javid
“Demand for Foreign Exchange Reserves in Pakistan: Finding the Optimal Level”	Zulakha Kaleem	Dr. Attiya Y. Javid
“IMF Program and conditionalities: Evidence from selected developing countries”	Farheen Afzal	Dr. Karim Khan
“Effect of Foreign Aid Uncertainty on Government Fiscal Behavior in Pakistan”	Amina Wali	Dr. Attiya Y. Javid
“Remittances and Output Volatility: Evidence from Developing Economics”	Khawar Shehzad	Dr. Karim Khan

## DEPARTMENT OF BUSINESS STUDIES

Dates	Events	Venues	Speakers	Supervised
19 <sup>th</sup> Oct, 2016	How leader’s mind can be developed?	A R Kamal Room PIDE	Tahir Masood Chaudhary, Lead Trainer and consultant	Dr. Hasssan Rasool
5 <sup>th</sup> December 2016	Seminar on Leadership	A R Kamal Room PIDE	Dr. Muhammad Amjad Saqib, Chairmain and Founder o Aukhwat Foundation	Dr. Hassan Rasool
22 <sup>nd</sup> December 2016	Seminar on Leadership Effectiveness	PhD Seminar Room PIDE	Ali Raza, Head of Islamic Banking and learning core developing division HR	Dr. Hassan Rasool
20 <sup>th</sup> December 2016	Quaid’s Day	President House	President of the Islamic Republic of Pakistan, Mr Mamnoon Hussain	Mr. Khurram Ellahi
5 <sup>th</sup> January 2017	International parliamentary Seminar on Kashmir	Serena Hotel Islamabad and ISIS Islamabad	Prime Minister of the Islamic Republic of Pakistan, Mr Mian Muhammad Nawaz Shareef	Mr. Khuram Ellahi

## DEPARTMENT OF DEVELOPMENT STUDIES

### Thesis Defense

Title of Dissertations	Name of Candidates	Supervisor
Determinants of Child Labor: A Case Study of Children Working at Automobiles Workshop at Tehkal Payan of Peshawar City, Khyber Pakhtunkhwa, Pakistan	Mubasher Rehman Khattak (M.Phil Batch 2013)	Dr. Muhammad Jehangir Khan

### Research Proposal

S.No	Name of Student	Title of Thesis	Name of Supervisor
1	Sahibzadi Faiza Noor (M.Phil Batch 2013)	Interaction between Male doctors and Female Patients: Culture as a Barrier in Access to Health Care	Dr. Mina Zulfikar Ali
2	Talha Saeed Satti (M.Phil Batch 2014)	Zia's State Policies and their Impact on the lives of Pakistani women: A Contestation Between Enlightenment and Anti-Enlightenment Values	Dr. Huma Haque

### Development Studies Discussion Paper

Title	Name of Author
The Economics of Souvenir Sales and their Role in Tourism: A Case Study of Bari Imam	Reena Ibadat (M.Phil Batch 2015)

### Development Studies Policy Brief

Title	Name of Author
Invisible Labour: A Study of Socio-economic Empowerment of Home Based Women Workers	Shafaq Mumtaz (M.Phil Batch 2013-2015).

### Development Studies View

Title	Name of Author
Gender and the British Raj	Ramsha Masood Ahmad (M.Sc Batch 2016)

## DEPARTMENT OF ECONOMICS AND FINANCE

### Thesis Defense

Sr. No	Title of Thesis	Name of Student	Name of Supervisor
1.	"Asymmetric Impact of Monetary Policy on Stock Market Volatility over Bull and Bear Market Period: A case study of Pakistan"	Ms. Rahila Islam	Dr Ahsan ul Haq Satti
2.	"The Effect of Financial Development on Economic Growth the Evidence from Panel Data"	Mr. Tanveer Hussain	Dr Ahsan ul Haq Satti

## DEPARTMENT OF HEALTH ECONOMICS

### Teaching

Teacher Name	Course Teach
Dr. Jalil Ahmad	HE-603 Economic Theory
Dr. Ahsan ul Haq	HE-610 Statistics and Econometrics
Dr. Fazle Hakeem	HE-625 Issues in Public Health
Dr. Nisar Ahmad	HE-650 Healthcare Organization, Analysis and Management
Dr. Nadeem Ahmad Khan/ Zeeshan Abbasi	HE-775 Ethics in Healthcare
Dr. Nisar Ahmad	HE-704 Health and Epidemiology

### Defense

Sr. No	Title	Name of Students	Supervisor	External Examiner
1	Patient Satisfaction outcomes: A Comparison Between Public and Private Health Care Services in Islamabad.	Ms. Abida Bano	Dr. Mahmood Khalid	Dr. Tayyeb Masood
2	Willingness to Buy Supplementary Health Insurance Under Employer Based Health Insurance System in Pakistan.	Ms. Faiza Malik	Dr. Shahzad Ali Khan	Dr. Wasim Shahid Malik

### Seminars Organized by PIDE

The following Four Seminars were organized in the month of August, 2016.

S. No.	Topic	Speaker	Designation and Organization	Date
1.	Investment Options and Career Prospects in Capital Market	Mr. Muhammad Ali Khan	CEO of Institute of Financial Market of Pakistan (IFMP)	December 28, 2016

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