

# PAKISTAN

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# Country Analysis Report

Accountability Lab Pakistan is actively involved in examining various indicators of social, political, and economic development in Pakistan to analyze the impact of policy actions and highlight challenges concerning each sector. The Country Report for the month of June 2022 gives an overview of the developments in different sectors like security, governance and the rule of law amid current political uncertainty and economic crisis. The document also focuses on the progress in terms of human rights including the rights of minorities, women, and children in Pakistan. The report examines the existing progress across a range of development indicators to promote citizen awareness for a socially connected, economically stable, and politically accountable Pakistan.



## **Political Section**

Over the past couple of months, Pakistan has experienced increasing <u>political uncertainty</u> after ousting former Prime Minister Imran Khan through a no-confidence motion with allegations of foreign intervention.

This has positioned the economy of the country in a perpetual state of crisis, the <u>double-digit inflation</u>, the ceaseless deprecation of Pakistan rupee in the interbank market, tightened monetary policy and the resultant hike in taxes and interest rates are the economic fallout of the political crisis.

Although <u>timely elections are the need of the hour</u> for democracy to flourish, the unfinished agenda of electoral reform always remains the bone of contention in terms of elections in Pakistan. Pakistan Tehreek-e-Insaf (PTI) which introduced <u>electoral reforms</u> wants the elections to happen through the Electronic Voting Machines (EVMs), in addition to giving the overseas Pakistanis the right to vote from abroad. The incumbent coalition government under Pakistan Muslim League – Nawaz (PML-N) has <u>objected to both the use of EVMs</u> as well as to the overseas Pakistanis right to vote. In fact, the current government has recently passed amendments to the electoral reforms introduced by the PTI, which now <u>became a law</u> despite President Arif Alvi's refusal to sign the bill.The disagreement between Pakistan Tehreek-e-Insaf and the coalition government led by PML-N stems specifically on how each side defines the 'electoral reforms' and using them to their own political advantage.

For instance, PTI's overseas support base is overwhelming and giving them the right to vote from abroad could help it in the next general elections. Therefore, the overseas Pakistanis vote in general elections could have been a game-changer in the politics of Pakistan; hence, the incumbent has reversed the right for the overseas Pakistanis to vote from their country of residence.

Over nine million potential Pakistani overseas voters from around the world could possibly entirely swing general elections in Pakistan. <u>As per estimates</u>, overseas vote can potentially change the outcomes <u>in upto 186 constituencies out of a total of 272 in the National Assembly</u>.

This move also suits the international trend of giving fundamental rights to overseas citizens of countries like the way it has been done in developed countries such as the UK and New Zealand.

Chief Justice Islamabad High Court (IHC) Athar Minallah in his remarks said that the amendments to the election act made by the coalition government of PMLN had not deprived <u>overseas Pakistanis</u> of their right to vote in general elections.

"It is also equally important to have faith in the parliament as it is the supreme legislative institution of the country that should be respected", Chief Justice added. Article 17 of the constitution grants fundamental rights to all adult citizens in the country. The real challenge for the country is not to provide the fundamental right of voting to its overseas citizens but it lies in its implementation.

PM Shahbaz's cabinet after reversing legislation directed the Election Commission of Pakistan (ECP) to first launch a pilot project for the overseas Pakistanis to vote in the by-elections. A report will be tabled in the parliament on the result of the pilot project. After which a decision will be taken on whether the voting procedure works for over nine million overseas Pakistanis voting or not. In another major twist, the Lahore High Court annulled the election of Hamza Shehbaz Sharif, the son of PM Shehbaz Sharif, as the Chief Minister of the Punjab province which is a set-back for the ruling coalition in the largest province of the country.

While these assessments are being made, the political temperature is rising in the country. PTI Chairman Imran Khan has given a <u>fresh call for protests</u> against the incumbent government in the first week of July.



#### Economic Updates and Developments

On June 10th, Finance minister Miftah Ismail unveiled the budget of Rs 9.5 trillion (\$47 billion) for the fiscal year 2022-23 setting a target of 5 percent of economic growth, lower than the 5.97 per cent of the foregoing year. With this, the government has removed subsidies on fuel and energy products to settle the condition of the International Monetary Fund (IMF) and receive a bailout package of \$6 billion, a 39-month program which has stalled for months over the lender's concerns, especially about fiscal consolidation.



Apart from the IMF, China has also extended <u>\$2.3 billion of the loan facility</u> that is expected to help Pakistan's dwindling economy. A bailout package from the IMF and support from China are essential for Pakistan as the country continues to face a balance of payment crisis in the month of June and is <u>speculated to default</u> otherwise.

In the Budget for 2022-2023, around 40 per cent of the funds are reserved for debt servicing which is expected to climb to <u>\$23 billion</u> in the current fiscal year. In the first week of June, the State Bank of Pakistan (SBP) held foreign exchange reserves of <u>\$9.2 billion</u> which is enough to secure imports for only 45 days.., The defense budget has seen an <u>increase</u> from Rs 1200 billion to 1500 billion. On the other hand, development and social sectors like education and health are adversly affected. The government has scaled back<u>on the health budget</u> and allocated only Rs 24 billion for health and Rs 64 billion for the higher education programs, which lowers prospects for an already malnourished society like Pakistan with a poor literacy rate.

The Punjab government has allocated <u>Rs 485 billion</u>, Sindh <u>Rs 326.86 billion</u>, Khyber Pakhtunkhwa (KP) <u>Rs 261 billion</u>, and Baluchistan <u>Rs 83 billion</u> for education fiscal year 2022/23.

Prime Minister Shahbaz Sharif has announced a new <u>'super tax'</u> on large-scale manufacturers including oil, fertilizers, steel, sugar, automobile, and textile. This will further cause inflation and reduce people's purchasing power for these commodities.

The budget, however, was a difficult decision for the government. Whenever a new government comes into power; it takes stringent fiscal measures in its first two to three years before giving an 'election budget' to secure its vote bank, as should have been the case with the incumbent coalition government. That's the reason besides being predatory for the people's socio-economic needs, the budget will negatively impact the performance of the coalition political parties especially the Pakistan Muslim League – Nawaz (PML-N) in the elections which are scheduled in early next year.

In a nutshell, the month of June was dominated by two major events about the health of Pakistan's economy i.e. <u>announcement of the federal budget</u> and talks with the IMF. While talks with the IMF continue, <u>news reports</u> suggest that the government has reached a deal for the release of a \$1 billion tranche in return for the budgetary adjustments. These adjustments include a tax collection target of an additional Rs 436 billion and raising prices of fuel which have soared by more than <u>29 percent</u> only in the initial two weeks of June and are continuing to rise. This means higher inflation and greater difficulties for the common Pakistanis whose socioeconomic development has already been impeded due to bad governance in various sectors. While Pakistan has yet to <u>'do more'</u> for securing full extended payment from the IMF, experts advise that the government should take stringent <u>measures</u> to support the industry, support the stock market, restore investors' confidence, and attract foreign direct investment in the country.

#### Security and Rule of Law

Rule of law is a <u>cardinal principle</u> of the constitution and the major constituent of governance; it plays a vital role in the stability and prosperity of the country.



It is worth mentioning here that in the current coalition government of PML-N, dozens of ministers, including the Prime Minister Shahbaz Sharif himself, have ariminal allogations on them and they are an bail from the courts. Similarly, the I

criminal allegations on them and they are on bail from the courts. Similarly, the PM's son and Chief minister of Punjab is also on bail for his reported involvement in several money laundering cases. Prime Minister, Chief Minister Punjab, and all the cabinet members remain accused in the eye of the law regardless of the nature of the cases.

A million dollar question remains unaddressed that can any accused in criminal cases hold positions in the highest echelon of the government and that too with minority positions in the national and provincial assemblies It is a common feeling that power circles are supportive of this for their own inherent interests.

Since security is one of the defining aspects of any rule of law and a fundamental function of the state. National Security Policy (NSP) in Pakistan has taken a comprehensive approach to security anchoring its drift in human security to achieve economic security. Keeping in view that economy and security are directly proportional to each other and to prioritize human security, the NSP makes specific references to the rule of law to be upheld for all citizens.

Freedom of speech is under threat and those who ask such questions are facing the consequences. Numerous FIRs are being registered against journalists and social media activists for raising their concerns over current political turmoil in the country.

Discrepancies in the social justice system are another factor that promotes social injustice and contradicts the principle of equality before the law. Such a type of justice paves the way for powerful and influential people to <u>get away with crimes</u> they commit. Yasir Kureshi, Post-Doctoral Research Fellow at the University of Oxford, in his <u>latest report for the Carnegie Endowment</u> highlighted how the emergence of a superior judiciary has been central to political manifestation. It seemed prominent during the accountability drive of former Prime Minister Imran Khan (the PPP in Sindh, and the current regime, etc.). The majority of the people from the opposition at that time were put on trial. It was believed to have been motivated by <u>political victimization</u> and have often overridden the principles of equality before the law in the country.

Similarly, US new envoy Donald Blome appointed in Islamabad signaled <u>Washington's intention</u> to engage Pakistan with the new approach. Counter-terrorism cooperation remains defined as a feature of the ties between both countries. <u>Peace talks</u> between outlawed Tehrik-e-Taliban Pakistan (TTP) and state-backed Jirga have started; the news was confirmed by Pakistan's information minister Maryum Aurangzeb. The group was involved in one of the <u>deadliest APS attacks</u> in the history of Pakistan in which 141 people were martyred including 132 school children. In a debate organized by the Islamabad-based <u>Pak Institute for Peace Studies</u>, Former Defense Secretary Lt Gen (R) Naeem Khalid Lodhi was confident on using Jirga system for negotiating with the militants as the process is supported by the Pakistani government and the military with mediation efforts by the Afghan Taliban and stated that <u>"there are chances of some breakthrough."</u>

On the contrary, Former National Coordinator of the National Counter Terrorism Authority (NACTA) <u>Ihsan Ghani stated</u> that he is not hopeful of any peace agreement with the group as that even "if this happened, any such agreement would be an eye-wash and short-lived."

The influence of the Afghan Taliban in the peace talks also seems not so promising, as according to <u>Siraj-uddin Haqqani</u>, Afghan Taliban interior Minister and head of the Haqqani Network, <u>"we [Afghan Taliban] can ask the Pakistani Taliban for talks, but we cannot force them to negotiate."</u> Overall, however, political commentators are not confident over prospects for a major breakthrough given the failure of similar peace talks with the TTP in the past.

# Social Sector indicators and developments

The education and health sectors remain at the forefront of the underdeveloped sectors in Pakistan. One reason for this is the inadequate allocation of resources and funds. Before the recent budget announcement on June, speculations suggested that the government was planning a serious cut in the education budget.

After the vice-chancellors and the HEC <u>denounced</u> and expressed serious concerns over the Indicative Budget Ceiling (IBCs), the rumors were <u>rejected</u> by the Federal Minister for Planning and Development Ahsan Iqbal and Federal Education and Professional Teaching Minister Rana Tanvir. This has been happening amidst a situation where many universities have <u>fallen short of funds</u> to pay even for the salaries of their employees and teachers. Dr Shaista Sohail, the HEC Executive Director, stated that the Higher Education Commission <u>presented</u> a rationalized demand of Rs 104.983 billion which was 45 per cent higher than the current Rs 66.25 billion allocations.

The health sector is also the victim of this year's budgetary allocation, the already inaccessible healthcare facilities to the commoners will elevate the sufferings in terms of affordability and quality of care. For the fiscal year 2022-23, the budgetary allocation for the Ministry of National Health Services (NHS) has been reduced by eight times from <u>154 billion rupees</u> to 19 billion rupees. This is concerning for a country whose <u>per capita expenditure</u> on health is only \$37, much lower than the \$44 <u>prescribed</u> as the minimum spending package required for essential health services by the World Health Organization (WHO).

According to the Economic Survey of Pakistan, regional countries are <u>far ahead</u> of Pakistan in terms of health indicators. In fact, even the war-torn <u>Afghanistan</u> which is under severe sanctions with unprecedented political uncertainty and economic turmoil is ahead of Pakistan. The global pandemic has practically uncovered the deficiency of health facilities in almost every country. In fact, this should have ended up with some hard lessons learned about the need to invest in healthcare facilities. In the month of June, the COVID-19 pandemic has <u>resurged</u> in many parts of the country, although around <u>70</u> <u>percent</u> of the population has been fully vaccinated against COVID-19, the rise of <u>new COVID-19 cases</u> has spread alarms about <u>possibly a sixth wave</u> of the deadly pandemic. The National Command and Operation Center (NCOC) have <u>reissued directives</u> for implementing the standard operating procedures (SOPs).

With signs of the COVID-19 pandemic rising on the horizon, the government needs a careful review of its priorities and should allocate more funds for the health sector to ensure the health and safety of its citizens



## Human Rights

On June 21st, Pakistan commemorated former Prime Minister Benazir Bhutto's decorated career for struggle towards <u>women rights</u> and emancipation on her <u>birthday</u>.

However, despite cherishing Benazir's achievements as an iconic woman, the Pakistani society is still fraught with challenges to fundamental rights of women. <u>Cases</u> of domestic violence and abuse of women have been reported in the month of June. In the past few weeks, a number of rape cases have been <u>reported</u> including the gang rape of a 25-year-old mother of two on a moving train, the <u>rape of a pregnant woman</u> in Punjab, and a <u>police officer</u> who was charged with raping his colleague in Dadu district, Sindh. In response to the rise in rape cases, the Punjab government has <u>declared 'emergency'</u> to counter sexual abuse of women and children.

In a case of domestic violence, a father-in-law was arrested for <u>allegedly killing</u> his Australian-Pakistani daughter-in-law in Sargodha. The incident has renewed the discussion on the issues where Pakistani women with foreign nationalities are <u>forced to live in Pakistan</u> by their families.

Given the growing trend of depriving women of their share in property in the KP province, the Community <u>Appraisal and Motivation Program (CAMP)</u> in collaboration with the Provincial Ombudsperson for Anti-Harassment organized a one-day conference on June 10, in Peshawar. The speakers stressed on implementing the Women Property Rights 2019 which ensures women's share in inheritance of all types of property. However, this transgression over women rights is more general in Pakistan where <u>numerous cases</u> of women's murders have been reported over property dispute.

However, this transgression over women rights is more general in Pakistan where <u>numerous cases</u> of women's murders have been reported over property dispute. Debates were also observed around the <u>Documentaries on Women's Inheritance Rights to Address Gender Imbalance in Pakistan</u>, an effort by The Legal Aid Society, which will bring awareness among the masses and help towards women's empowerment.

On June 27th, Jamat-e-Islami (JI) Chief Hafiz Naeem-ur- Rehman stated in his address to a <u>women's</u> <u>convention</u> in Karachi that around 4 million women working in factories are deprived of their due rights. These deprivations are the result of deep-seated inequalities which are more generally seen in inequality in pay and other amenities.

Like the rest of the world, Pakistan also observed June 12th as anti-Child Labor Day which is meant to build resilience against child abuse to protect their childhood. In Pakistan alone, over 12 million children are involved in child labor. In a report by the Human Rights Watch titled "No Room to Bargain: Unfair and Abuses Labor Practices in Pakistan", the ratio of children involved in the formal and informal labor market is unprecedented and is mostly thrown in hazardous brick-kiln, carpet-weaving industry, auto workshops, and other domestic activities. This coincides with the fact that Pakistan stands second in the highest number of out-of-school children with more than 20 million children out of school.

The Khyber Pakhtunkhwa (KP) Assembly passed a landmark bill that enshrines severe punishment for child sexual abuse and child pornography. This will deter the perpetrators of this heinous crime and should be replicated in other provinces, specifically Punjab which has seen mass cases in the <u>Kasur</u> <u>district</u> over the last few years. Therefore, the government should take legal measures in deterring these heinous crimes and protect our children to advance in education and be able to afford tomorrow's social responsibilities.

Although Pakistan is struggling to improve minorities' rights which make up around <u>4 percent of its</u> total population, yet, the feature prominently remains in news reports.

The representatives of <u>Rwadari</u> Tehreek, a social movement, met Prime Minister Shahbaz Sharif and demanded to safeguard their rights. They also requested the premier to abate religious hate with sustainable mechanisms. The new government should take immediate steps to stop violence against women and children, they added. While in meeting with Prime Minister Shahbaz Sharif, they also requested to enable minorities to elect their own representatives.

A little bit of <u>improvement</u> was made in this regard by the previous government of Imran Khan including his strict stance against the minority rights violators. Major development included the opening of the <u>Kartarpur Corridor</u> which allowed the Sikh pilgrims from around the world to visit Gurdwara Sahib.

Human rights experts <u>suggest</u> that "financial support for the minorities to cope with the extreme poverty and rising inflation" should be done at war footing. Similarly keeping in view long-term strategy steps should be taken to minimize discrimination, kidnapping, forced conversations and forced marriages.

The constitutional reforms are the need of the hour to stop violence against the weakest groups of society, notably women, children, and religious minorities. The representatives of the Rwadari tribe in meeting with PM Shehbaz expressed serious concerns by saying that every new episode of violence gives us a reminder of how much remains to be done for human rights to be fully respected in Pakistan.

In a bid to safeguard minority rights, Premier Shahbaz Sharif ordered the formation of the <u>task force</u> on minority rights. Prime Minister <u>said</u> that "Our non-Muslim citizens are part & parcel of our national fabric". The body will oversee the measures taken regarding the rights of minorities and will present quarterly reports to him. The development came in context of the growing violence against minorities, especially the <u>killing of Sikhs</u> last month in Peshawar and cases of forced <u>religious conversions</u> in Sindh province.



## **Foreign Relations**

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Together with an uncertain political situation and impending economic crisis at home, the new coalition government led by PM Shehbaz Sharif <u>inherited a challenging</u> international environment including a down-sliding in relations with the United States. Visits have been observed since the last month including Foreign Minister Bilawal Zardari's visits to <u>five different countries</u> since last month. Qamar Javed Bajwa, Pakistan's Chief of Army Staff, also recently visited Saudi Arabia on June 26th, where he was <u>awarded King Abdul Aziz Medal</u>, the highest Saudi honor of merit.

The visit coincided with General Nadeem Raza, Joint Chief of Staff, <u>visit to Tehran</u> where he discussed defense and security cooperation with the Iranian counterpart. This highlights Pakistan's efforts of striking a balance in its relations with the two arch-rivals, Saudi Arabia and Iran.

Pakistan's relations with its neighbor have remained mixed. Pakistan has denounced <u>India's plan</u> to host the next G-20 Summit in the Indian Occupied Kashmir (IoK), and will reach out to its friends in the group to stop this provocative Indian endeavor. In a similar provocative move, India also <u>blocked</u> <u>twitter accounts of Pakistani missions</u> abroad, which was condemned by Islamabad.

Recently, Pakistan announced its plan to buy <u>coal from Afghanistan</u> which is cheaper than importing coal from South Africa, however, following Pakistan's intention to buy coal, the Afghan government announced an increase in levy on coal from USD 90 to USD 200 per ton.

According to the Taliban's spokesperson, Afghanistan does not have any coal export agreement with Pakistan and <u>said</u>, "we do not expect any gain from Pakistan because we are aware of the taste of the dollar and the euro and the poor condition of the Pakistani currency".

On June 20th, during a visit of Pakistan's defense minister Khurram Dastageer to Tehran; both countries agreed to enhance <u>energy cooperation</u> including the supply of electricity from Pollan in Iran to Gwadar in Balochistan province.

Pakistan expressed <u>disappointment</u> over not being invited to a recently concluded High-Level Dialogue on Global Development under the rubric of BRICS (Brazil, Russia, India, China, South Africa) as a 'member' possibly India <u>blocked Pakistan's participation</u>; reflecting upon India's frustration towards a working relationship with Pakistan. This also highlights the limitations of how much can China offer in its relations with its <u>'iron brother'</u>.

However, Pakistan's progress on <u>delisting from the Financial Action Task Force (FATF) Grey-List</u> this month has been the most remarkable diplomatic development. While the country stays on the list, experts suggest that it will be delisted by October as Islamabad has fulfilled all the conditions of the FATF.