



# **Sustainable Economic Empowerment Dialogue (SEED)**

*A Concept Note*



## Sustainable Economic Empowerment Dialogue

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### Sustainable Economic Empowerment Dialogue

Sustainable Economic Empowerment Dialogue (SEED) is a Manzil Pakistan initiative to provide a platform to all the stakeholders of Pakistani economy to voice their valuable opinions and assist the government in developing the policies that are in the best interest of country' image building and the growth of the economy. SEED is an initiative taken with non-partisan approach with an objective to bring out the ideas that are optimal for the betterment of the country and are not bound by any political interest or narrative. Manzil Pakistan expects that any fruitful idea originated in the dialogue that is implemented in the country, will be upheld no matter the comings and goings of governments.

Just as the vastest of forests once birthed from nothing more than a mere seed, similarly, Manzil Pakistan foresees a rich forest of sustainable ideas sprouting from the series of dialogues under the SEED sown by the organization. The dialogue will assist in identifying the root causes of the issues that are faced by the country and arrive at sustainable solutions to the said issues. The ideas would eradicate the hardships faced by Pakistan and put the economy of the country on the right track for the future in a sustainable way.

Through SEED, Manzil Pakistan expects to bring out an assortment of ideas and thoughts from the patriotic stakeholders of Pakistan for the sustainable empowerment of the country. The platform will offer a stage for the stakeholders to voice their opinions for the prolonged improvement of the country.

### Why SEED

Pakistan's economy has been plagued by monotonous issues for a long time. Governments change yet these problems persist. Whatever government comes into power, it is forced to face these challenges that are too severe to be tackled through a partisan approach. Ever rising poverty, inflation, unemployment and energy crisis are among the few localized issues that are faced by the country on account of hampered economy. These issues are direct causes of decline of public faith in the government and hence, the rise in social evils.

Many a times, strategies and policies have been formulated by the governments to tackle these problems but even when those strategies have proven to be helpful, the inevitable change in power causes those measures to be reversed or hampered. The country needs a prolonged planning to stably develop the economy that spans through multiple governments. And for that, the political and sectoral stakeholders need to come to a consensus on prioritizing the sectors and their issues. The stakeholders need to be brought to the dialogue table and their inputs need to be heard. The stakeholders need to plan for the coming decades and come to an agreement that no matter who comes in power, the decisions shall remain upheld. Such a consensus can bring the long-desired stability in domestic business environment and many other aspects that directly influence the economy of a country.

Manzil Pakistan believes that in the current scenario Pakistan requires a strong Policy roadmap for the revival of the economy of Pakistan. To enable the required eco-system, it is highly important to provide a platform to policy makers and stakeholders to sit and initiate a dialogue. And for that end Manzil Pakistan proposes to conduct a conference named Sustainable Economic Empowerment Dialogue (SEED).

### About Manzil Pakistan

Manzil Pakistan conducts research in all critical areas as well as reviews existing policy research. Our research process is strictly non-partisan, and the organization holds no political affiliations. We provide a platform for debate and advocacy on public policies that is inclusive of stakeholders, civil society, academia, and the public.



### SEED 2023: The First Seed

The first SEED is set to be sown on 03<sup>rd</sup> May 2023 in Islamabad (tentative) while the fruits shall be harvested for the next five years or so onwards. The core focus of the inaugural series of dialogue is to ascertain the pathway to achieve the sustainable growth of Pakistan's GDP. Manzil Pakistan believes that Pakistan needs to set the target for a growth of consistent annual growth in the GDP. Pakistan has reached phenomenal numbers every once in a while, but GDP growth takes time to have trickle-down effect on other dependent factors. Inconsistent performance of the country's economy prevents the GDP to grow unswervingly after an encouraging year of GDP growth and hence, the compound effects of the GDP growth are never experienced. In essence, the mission must be to achieve sustainable GDP growth consistently. It is no secret that the country's peers are reaping the fruits of the sustainable GDP growth. If achieved consistently, the compound effects will be witnessed by the related factors over time. The reason for specifically aiming for a high sustainable growth mark is because Pakistan's peers have been touching it consistently. One or two bad years that can be a result of any exceptional circumstances, drags their average growth down to below their highest achieved number. If Pakistan, aims for a consistent high mark of GDP growth and achieves it sustainably then an odd year of bad economic performance would not retard the economic progress very badly.

Many a times, strategies have been formulated by the governments to achieve the goal of consistent high GDP growth, but even when those strategies have proven to be helpful, the inevitable change in power causes those measures to be reversed. The country needs a prolonged planning to stably develop the economy that spans through multiple governments. And for that, the political and sectoral stakeholders need to arrive at a consensus on prioritizing the sectors and their issues. The SEED will provide a platform for such consensus and assist the stakeholders in voicing their valuable thoughts on the state of Pakistan's economy and the ways to better it. Manzil Pakistan believes that the solutions to the everlasting issues of Pakistan will sprout out in the cognizance of the stakeholders and authorities.



### SEED 2023: The First Seed

#### **Themes:**

#### **Sustainable GDP Growth: How to Achieve Consistent Sustainable GDP Growth**

The SEED starts off its first session focusing on strategies for achieving consistent sustainable economic growth in Pakistan. The idea behind what needs to be done to achieve and sustain a high target of GDP growth for the next five years. The panelists are the experts from the background of Foreign Trade (Imports and Exports), Foreign Debt, Foreign Direct Investment (human capital investment, promotion of entrepreneurship and innovation) and Development (Ease of Doing Business, infrastructure development, and addressing social and environmental challenges). Led by experts, the session will provide an in-depth analysis of these topics and include a Q&A and discussion on how to achieve sustainable economic growth in the country.

#### **Thematic Session: Export, Import Substitution & Investment Led Growth Strategy**

#### **Sub Themes:**

*Medium to High Tech Exports (transition towards technology)*

*Agricultural Growth and Technological Innovation (export, import substitution and food security),*

*Agriculture Import Substitution,*

*Role of Development Financial Institutions*

The proposed thematic Session will focus on the potential of an export and investment led growth strategy for Pakistan's economy. The session will explore the benefits of increasing exports and attracting foreign investment, as well as the policies and initiatives that can be implemented to support these goals. The session will be led by experts in the field and will provide an overview of the export and investment potential of Pakistan, including the opportunities and challenges that need to be addressed to achieve sustainable growth through these means.

An in-depth research of the global trade reveals that a large percentage of Pakistan's exports, as lagging as they are, belong in the raw materials resource based and low technology exports while the rest of the world has minimized its share in the low technology exports over the years. The percentage of medium and high technology in Pakistan's exports is minimal which is a troubling sign. The reason for the world's shift towards the medium and high technology exports is simply because the said technologies pay better than the low technology exports. There is a need to ascertain the reason behind Pakistan's trailing progress in the medium and high technology exports and to identify the sectors that can be targeted to enhance Pakistan's performance in medium and high technology exports.

Production and export of electric vehicles is also one of the impactful aspects of technological advancement in exports. The world is shifting from fossil fuels to green energy and one of the biggest steps being taken in this regard is the transition toward electric vehicles. There are several reasons for the shift including global warming, carbon waste, depletion of fossil fuel reserves and global incentives. The potential of Pakistan's entry in the electric vehicle market as a producer needs to be explored. Local production of electric vehicles will also ultimately affect the foreign currency reserves and current account deficit as it will reduce the local demand and import of oil which is the highest imported commodity by Pakistan.

A vital aspect of technological advancement in terms of exports is innovation in agricultural technology. Countries across the globe are reaping the fruits of technological advancements in agriculture sector. Advancement in agricultural technology results in better machinery and techniques being utilized in the agricultural activities and the subsequent export of the same. The machinery from the said sector is always



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in high global demand and investing in the technology of the sector has potential of giving a much needed boost to Pakistan's exports.

Pakistan's agricultural imports hovers between USD 5.0 billion to USD 7.0 billion in the recent past and has recorded USD 4.611 billion in FY 2022. Technological advancement in the sector also results in a better yield of crops locally as the improved machinery, seeds and techniques are also utilized in the country of origin, thus improving the state of food security and minimizing the imports of locally consumed agricultural items. Pakistan is in need of both the improvement of the state of food security and reduction of imports. Potential of Pakistan's advancement of agricultural technology and entry in the relevant global market needs to be explored.

In many of the global case studies of economic growth and poverty alleviation, it is witnessed that the Development Financial Institutions (DFIs) have played a vital role in achieving the feat. Pakistan also has its share of DFIs but they fail to realize their full potential. There is a dire need to identify the bottlenecks in the performance of the existing DFIs, ways to eradicate those bottlenecks, and prospects of introducing new DFIs through PPP or solely at government's initiative.

### **Thematic Session: Debt Management Strategy: Pay, Reschedule, Swap or New Debt?**

One of the biggest problems faced by Pakistan is its mountain of unpaid loans. Over the years, Pakistan has borrowed from several foreign and domestic institutions. The outlook of Pakistan's foreign reserves greatly depends on the borrowed capital. As soon as the issue of Foreign debt settles, Pakistan will be able to fight inflation, poverty and unemployment in a better manner. The proposed thematic Session will focus on the options available to Pakistan for managing its debt obligations, including paying off debt, debt swapping, rescheduling debt, and taking on new loans. The session will explore the pros and cons of each option, and their potential impact on the economy. Experts will provide an overview of the current state of Pakistan's debt and the challenges it faces, and discuss the policies and initiatives that can be implemented to improve debt management and achieve sustainable economic growth. The session will also provide an opportunity for attendees to ask questions and participate in a discussion on the best approach to debt management for Pakistan.

### **Conclusion**

The proposed concluding session will be a moderated panel discussion where the moderators of all previous sessions will present their key takeaways and recommendations from their respective sessions. The panel will include moderators from the sessions on Export Led Growth Strategy, Debt Management Strategy, Energy and Food Security. They will present their findings and provide insights on how to achieve sustainable economic growth in Pakistan by addressing the key challenges and opportunities in these areas. The panel participate in a discussion on the best approach to implement these recommendations in order to achieve sustainable economic growth for Pakistan.

#### **Thematic Session Conclusion: Moderators**

Export Led Growth Strategy  
Debt Management Strategy  
State Owned Enterprises

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\*\*\*\*\* END OF SOWING SEASON \*\*\*\*\*



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## Sustainable Economic Empowerment Dialogue

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\*\*\*\*\* MANZIL PAKISTAN IS HOPEFUL FOR A FRUITFUL HARVEST \*\*\*\*\*