

NATIONAL CONFERENCE

**Building Knowledge-Based
Economy in Pakistan:
Learning from Best Practices**

Organized by



Islamabad Policy Research Institute (IPRI)

in Collaboration with

**Hanns Seidel Foundation (HSF), Germany
(Pakistan Office)**



**Shamadan Hall,
Serena Hotel, Islamabad
September 9-10, 2015**

Concept Note

Since the middle of the second half of the 20th century the world has witnessed a knowledge revolution where seeking, dissemination and use of knowledge, especially higher and technical education, industrial technology, innovations, Information and Communication Technologies (ICT) have gained prominence that is impacting all spheres of human activity including the socioeconomic development of countries. Knowledge has, therefore, become the key driver of economic growth taking precedence over traditional drivers of growth, such as physical capital and low skill labour. In this context, countries that had taken the lead in using the knowledge for their economic development have progressed rapidly leaving behind others. Thus, this trend of seeking, dissemination and use of knowledge in economic development by some countries gave rise to the concept of a Knowledge-Based Economy (KBE).

Although a number of general definitions of KBE are available, in the descriptions of the World Bank and the Organization for Economic Cooperation and Development (OECD), the US and Canada, the term KBE is defined as an economic structure that has the ability to create, store, share and analyze knowledge through networks and communities making predominant use of ICT. The Economic and Social Research Council (ESCR), UK has defined the KBE as the economy where economic success is increasingly based on the effective utilization of intangible assets, such as knowledge, skills and innovative potential, as the key resource for competitive advantage. Therefore, in the modern age, in knowledge-based economies, human skills, innovation and ICT are acknowledged as key drivers of growth and economic development.

Recent developments put Pakistan in a favourable position to build up structures pertaining to knowledge economies. Its economic development should be based on the four pillars of a knowledge economy, which are:

- Economic incentives and an institutional regime to provide incentives
- An educated and skilled population
- An efficient innovation and technology adoption system
- ICT infrastructure

Presently the Government of Pakistan has reduced the budgetary deficit from 8 percent of GDP to 5 percent, inflation rate from 10 percent

a year to 5 percent and enhanced the foreign exchange reserves from \$11 billion to over \$17 billion. The IMF has projected real GDP growth of Pakistan to rise from current 4.24 percent to 4.7 percent in 2016. In future, Pakistan's growth rate is likely to further rise due to the expected rise in investors' confidence because of Pakistan Army's recent successes in the war on terror and Chinese investment in China-Pakistan Economic Corridor (CPEC). A recent US Government report prepared by its National Intelligence Council has also included Pakistan in the "Next Eleven Economies," which will collectively overtake EU-27 in global power by 2030. These favourable economic developments go hand in hand with one of the youngest populations in the world, which commands an increasing degree of education.

In this context, it is a good sign that the successive Governments in Pakistan during the last ten years have realized the significance of making Pakistan's economy as knowledge-based. For instance, in 2005 and 2007, the Government had charted a roadmap of making its economy knowledge-based for which Medium Term Development Framework (MTDF) 2005-10 and IT Policy were prepared and approved. Similarly, the present Government has also geared up and approved the Pakistan Vision 2025 which outlines the vision and strategy to transform Pakistan's economy as a knowledge-based economic system. To implement Pakistan Vision 2025, Pakistan government and relevant public and private sectors and institutions require to devise and implement a comprehensive and time bound action plan. To succeed in developing Pakistan's economy as knowledge based, the Ministry of Science and Technology and Higher Education Commission have to play a critically important role. After the devolution of subjects to provinces vide 18th amendment, there is a need to make the economic growth all inclusive and to preserve a sense of ownership throughout the society.

Best practices from other countries should complement Pakistan's aspirations in becoming a KBE. To achieve the objective of transforming Pakistan's economy into knowledge-based economy, the Government and private enterprises will certainly appreciate policy inputs from the country's think tanks. With this aim in mind, the Islamabad Policy Research Institute (IPRI), together with the Hanns Seidel Foundation (HSF), Germany (Pakistan Office) is organizing a two day national conference on "Building Knowledge-Based Economy in Pakistan: Learning from Best Practices" on 9-10 September 2015 at Serena Hotel, Islamabad. The objective of the conference is to debate the subject and suggest plausible recommendations to the Government to facilitate transformation of Pakistan's economy into KBE. Renowned economists, technical experts and policy makers of Pakistan are likely to participate in this conference.

Inaugural Session

Wednesday, September 9, 2015

0915-1000 hrs **Registration**

1000-1005 hrs **Recitation from the *Holy Quran***

1005-1010 hrs **Welcome Address**

*Ambassador Sohail Amin,
President, Islamabad Policy Research Institute (IPRI),
Islamabad*

1010-1015 hrs **Opening Remarks**

*Mr. Kristof Duwaerts, Resident Representative,
Hanns Seidel Foundation (HSF), Pakistan Office,
Islamabad*

1015-1035 hrs **Inaugural Address by the Chief Guest**

Presentation of Mementos

1035-1040 hrs **Group Photo**

1040-1100 hrs **Refreshments**

Session I: Building Knowledge-Based Economy in Pakistan: Potential and Prospects

Chairperson Prof. Dr. Javed Ashraf, Vice Chancellor, Quaid-i-Azam University (QAU), Islamabad

Paper I **An Overview of Pakistan's Economy: Current use of Four Pillars of Knowledge Economy and its Further Promotion**

1100-1115 hrs *Dr Usman Mustafa, Head Department of Economics & Chief, Training and Project Evaluation Division, Pakistan Institute of Development Economics (PIDE), Quaid-i-Azam University Campus, Islamabad,*

Paper II **Significance of using Knowledge in the Economy: Current State and Future Strategy of Knowledge Management and Dissemination**

1115-1130 hrs *Dr. Asad Zaman, Vice Chancellor, Pakistan Institute of Development Economics (PIDE), Quaid-e-Azam University Campus, Islamabad*

Paper III **Transforming Pakistan's Economy as Knowledge-Based: Existing State and Promotion of Role of Research and Development (R&D) in Science and Technology and ICT**

1130-1145 hrs *Dr. Sohail Naqvi, Vice Chancellor, Lahore University of Management Sciences (LUMS), Lahore*

Paper IV **Considering Local Dimensions in Building National Knowledge-Based Economy in Pakistan**

1145-1200 hrs *Dr. Tariq Bashir, Head of the Science Section, Pakistan Council for Science and Technology (PCST), Islamabad*

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1200-1240 hrs **Discussion and Remarks by the Chair**
Presentation of Mementos

Session II: Imperatives of Building Knowledge-Based Economy in Pakistan

Chairperson **Dr. Fazli Hakim Khattak**
Director General, Social Sector, Planning Commission,
Ministry of Planning, Development and Reform,
Islamabad.

Paper I **Enhancing the Role of Higher Education, Science and Technology and Innovation**

1240-1255 hrs *Mr. Amer Hashmi, Advisor NUST, President/ Senior Fellow – NUST Global Think Tank Network (GTTN); Secretary General – NUST Corporate Advisory Council (CAC) & Chairman Executive Committee – NUST National Science and Technology Park (NSTP), Islamabad*

Paper II **Boosting Growth Rate and Export Earnings: Application of Information, Computer and Communication Technologies (ICT)**

1255-1310 hrs *A speaker from the Department of Economics, NUST Business School, Islamabad*

Paper III **Capacity Building of Human Resource and Services Sector: Improving Education and Technical Skills, using Innovations and ICT**

1310-1325 hrs *Dr. Vaqar Ahmed, Deputy Executive Director, SDPI, Islamabad*

1325-1400 hrs **Discussion and Remarks by the Chair**

Presentation of Mementos

1400 hrs **Lunch**

Session III: Building Knowledge-Based Economy in Pakistan: Modernizing Important Sectors

Thursday, September 10, 2015

0915-1000 hrs **Registration**

Chairperson Dr. Ashfaqe Hasan Khan, Principal and Dean,
School of Social Sciences & Humanities, National
University of Sciences & Technology (NUST),
Islamabad

Paper I **Revolutionizing Agriculture: Increasing use of Knowledge, Science and Technology and ICT**

1000-1015 hrs *Dr. Umar Farooq, DG (SSRIs)/CSO, Social Sciences Division (SSD), Pakistan Agricultural Research Council (PARC), Islamabad*

Paper II **Modernizing Industry and Trade Regime: Using Modern Technologies, Innovations and ICT through Public and Private Partnership**

1015-1030 hrs *A speaker from Federation of Pakistan Chamber of Commerce and Industry (FPCCI), Lahore*

Paper III **Reforming Energy Sector: Exploring Fresh Sources of Energy Production using Modern Technologies and Innovations**

1030-1045 hrs *Dr. Gulfaraz Ahmed, former Federal Secretary, Ministry of Petroleum and Natural Reserves, Islamabad*

1045-1125 hrs **Discussion and Remarks by the Chair**

Presentation of Mementos

1125-1145 hrs **Refreshments**

Session IV: Building Knowledge-Based Economy: A Way Forward

Chairperson Prof. Dr. Mukhtar Ahmad, Chairperson, Higher Education Commission, Islamabad

Paper I Use of Foresight in Formulating and Implementing a National Policy

1145-1200 hrs *Mr. Umar Sheraz, Senior Policy Analyst at COMSTECH Secretariat, Organization of Islamic Conference (OIC), Islamabad*

Paper II Turning Pakistan into a Competitive Knowledge-Based Economy: Suggested Strategy and National Action Plan including Building an Institutional Regime to Provide Technical Advice and Incentives

1200-1215 hrs *Dr. Muhammad Nadeem Javaid, Chief Economist, Ministry of Planning, Development and Reform, Islamabad.*

Paper III Learning from Best Practices: German Economy

1215-1230 hrs *H.E. Ina Lepel, Ambassador of Germany to Pakistan*

Paper IV Learning from Best Practices: Chinese Economy

1230-1245 hrs *H.E. Sun Weidong, Ambassador of China to Pakistan*

1245-1315 hrs **Discussion and Remarks by the Chair**

Presentation of Mementos

Concluding Session

1315-1325 hrs **Presentation of Recommendations
by IPRI Scholar**

1325-1345 hrs **Concluding Address by the Chief Guest**

1345-1350 hrs **Concluding Remarks**
Mr. Kristof Duwaerts
Resident Representative, Hanns Seidel Foundation
(HSF), Pakistan Office, Islamabad

1350-1355 hrs **Vote of Thanks**
Ambassador Sohail Amin
President, Islamabad Policy Research Institute (IPRI),
Islamabad

Presentation of Mementos

1355-1400 hrs **Group Photo**

1400 hrs **Lunch**

Note



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