

Working Paper

**Economic Literacy & Budget
Analysis Group [ELBAG] Pakistan**

Prepared by



**Participatory
Development
Initiatives[PDI]**



Actionaid, Pakistan

Working Paper

Economic Literacy & Budget Analysis Group [ELBAG] Pakistan

Participatory Development Initiatives [PDI]

Flat: B-6, Second Floor
Baloch Center, Upper Gizri, Clifton
Karachi, Sindh, Pakistan
Ph. 92+21-5362353 Fax. 92+21-5362353
Email: pdi@cyber.net.pk
Website: www.pdi.org.pk

Actionaid Pakistan Karachi Office

D-36/1, Clifton Block-7
KDA Scheme # V,
Karachi, Sindh, Pakistan
Ph. # 92+21-5864806-
Fax. # 92+21-5361375
Email. Adam.malik@actionaid.org

Contents

1. Problem Statement
2. Why Peoples Participation in Economic Decision Making?
3. Economic Literacy & Budget Analysis [ELBAG]: A Conceptual Framework
4. Economic Literacy & Budget Analysis Group [ELBAG] Pakistan
5. Overall Goal
6. Objectives
7. Secretariat
8. Strategic Interventions
 - 8.1 Capacity building
 - 8.2 Action Research
 - 8.3 Policy Influencing
 - 8.4 Economic Literacy
 - 8.5 Networking
9. Expected Outcomes
10. Activities Suggested for the Year 2006
 - 10.1 Peoples Response on the Budget 2006-7
 - 10.2 Bringing Peoples Voice to the Parliaments
 - 10.3 Studies on Economic Resource Distribution Mechanisms & Specific Projects
 - 10.4 Community Training Budget Tracking

1. Problem Statement

In Pakistan the economic policy decisions are taken by the nexus of civil military bureaucracy, ruling clique and multilateral institutions in Pakistan with no participation of civil society, opposition political parties, academia and other important segments of the society. Mega projects under Public Sector Development Program are initiated under political considerations without properly looking into the merits and demerits of such projects. In many cases projects are initiated without preparation of their feasibility report and PC-1 especially in the case the project is initiated on the instructions of Prime Minister, president or other influential government leader.

In majority of cases the Cabinet takes important decisions in place of the Parliament. Such decisions include the decisions on trade policy, investment, industry agriculture etc. Parliament is the supreme body but the economic decisions made by the parliament are also modified by the Economic Coordination Committee of the cabinet. Similarly, the multilateral lending agencies have also greater influence on the decision making in Pakistan. Tying aid to specific projects by the lending adversely affects the economic situation of the country. For example equipments and materials are to be purchased from the lender and consultants are also hired from the donor country or institutions. Similarly Structural adjustment Programs, privatization and liberalization programs also affect the economy and hit the jobs and livelihoods of the common people. Projects and programs are not usually formulated in the national interest.

Similarly, there is no real civil society involvement and participation in the budget making process. So-called discussions are held with only Chamber of Industries and Chamber of Agriculture. Assembly Members are not involved as they are handed over the documents on the day when the budget is presented in the assembly. Only two days are given to go through these technical documents. When the opposition members raise their voice during the budget sessions ruling party members are compelled to oppose the suggestions and objections of the opposition members even if the suggestions are valuable.

2. Why Peoples Participation in Economic Decision Making?

Economic policies of any country directly or indirectly affect the common people of the country. However, in case the economic decisions are taken without participation of the common people then the changes are that the negative impacts of such decisions surpass the positive impacts.

People's participation in the economic decision making is important because being involved in different economic activities at the grassroots levels, the common people can have the realization of the benefits or losses of any economic decision. As a result, their input in the decision making authenticates the validity and effectiveness of any economic decision, program, or project.

Besides, people's participation in such decision making directly and indirectly also encourages the common people to monitor the implementation on such decisions when they have feeling of participation in such an important process. This reduces the chances of the mismanagement at the implementation level of any decision, project or program meant for the betterment of the common people.

3. Economic Literacy & Budget Analysis [ELBAG]: A Conceptual Framework

Action Aid International started the Economic Literacy and Budget Analysis Group (ELBAG) as a "learning process" with the purpose of creating an international community of learning, which can spearhead a learning movement around budgets and economic policies to break the barriers of knowledge and bring about changes in favor of the poor and the excluded groups across different parts of the globe. This learning and capacity-strengthening initiative shall impart perspectives to the participants and motivate them to integrate budget analysis and policy advocacy into their different areas of activities. The participants of the group are from Action Aid country offices spread across three different continents Asia, Africa and Latin America.

ELBAG is basically a learning movement. But a lot of energy is required at the core of this process, i.e., within the group which has started within Actionaid and partners and to extended by inviting other concerned movements, organizations and individuals. In this context, as determined by John Samuel Regional Director Asia that ELBAG would give shape to the vision of AAI, which is to inform, inspire and initiate change for achieving a life of dignity for all people.

4. Economic Literacy & Budget Analysis Group [ELBAG] Pakistan

In Pakistan, despite the fact that the economic polices including budgets largely affect the common people; they have been completely excluded from the policy and budget making process. This situation is having negative impact on the lives and livelihoods of the common people. To discuss such a situation Actionaid Pakistan Karachi Office in collaboration with Participatory Development Initiatives [PDI] organized **National Consultative Workshop** on September 29, 2005 in Karachi.

The purpose of the workshop was to discuss the scale and consequences of lack of peoples participation in the economic policy making in the country and collectively think on the possibilities of " Economic Literacy and Budget Analysis Group [ELBAG] in Pakistan with the objective of ensuring involvement of the common people in the economic policy making and budget analysis processes through action research, capacity building, awareness, publications, advocacy seminars, conferences, workshops and other policy interventions.

More than 30 participants belonging to different civil society organizations including research and advocacy organizations as well as academic institutions after a detailed discussion strongly felt the need of forming such economic literacy and budget analysis group on the national level in Pakistan. After taking the decision to form such a group in principle, the responsibility of preparation of a working paper on the basic concept, aim, objectives and strategies of this national group.

5. Overall Goal

Creating a situation where ordinary citizens' participation in national resources allocation is institutionalized and inequality reduced through redistributive policy for the growth and equality

6. Objectives

- To spread literacy about budgets and economic policies adopted by the federal, provincial and local governments in Pakistan.
- To enable the poor and excluded communities to understand the significance of public policies and budgets for their life and ask questions to the people who govern them
- To democratize knowledge about budgets and economic policies
- To empower people to seek a better deal for themselves at various levels of governance

7. Secretariat

The secretariat of this national group is suggested to be at Actionaid Karachi Office. Group activities would take place in all the parts of the country and in this regard Actionaid would engage ELBAG Pakistan group member local partner organizations and individuals in different tasks.

8. Strategic Interventions

8.1 Capacity building:

To enable the partner organizations, poor & excluded communities as well as concerned individual, organizations and movements, to understand the budget processes in the political, economic and social context of the country in global scenario.

8.2 Action Research:

To initiate the research process to support the movements such as the movements against privatization etc. This research process while ensuring actual data on the different economic policies, projects and programs would not only support the cause of the local movements but would also be used as effective advocacy tool for the Group.

8.3 Policy Influencing:

Dialogue, conferences, lobbying meetings, developing material through research for policy makers and for campaigners on various economic issues of people's concern

8.4 Economic Literacy:

Training sessions and orientation meetings as well as simplifying the relevant material already existing and to develop the material in simple forms for poor and excluded people and their movements

8.5 Networking:

Develop and strengthening the networking among concerned individual, organizations and movements

9. Expected Outcomes

- Budget and other economic decision making information readily available and understood by majority of the citizen
- Participation, consultation and inclusion of citizenry in the budget making/ economic decision making process
- Increased monetary allocations in priority areas for poverty reduction
- Improved efficiency and effectiveness in the use of public resources
- Empowered citizens involved in monitoring and evaluation of government actions – through budget tracking,

10. Activities Suggested for the Year 2006

10.1 Peoples Response on the Budget 2006-7

Under this theme it is proposed that Peoples Consultative Workshops would be organized soon after the announcement of Budget in the Provincial Capital Cities of all the four provinces of Pakistan. The response of the common people collected through these workshops would be documented and forwarded to the federal government and other concerned authorities as Peoples Recommendations on the budget.

10.2 Bringing Peoples Voice to the Parliaments

Under this theme a Cell would be established which would collect questions on different Peoples Problems from common people of through [in collaboration with their representative civil society organizations] from different areas of Pakistan. After necessary basic fact finding/ translation /editing etc those questions would be forwarded to the elected representatives including MPAs, MNAs and Senators to raise those questions on the floor of Provincial and National Assembly and the Senate of Pakistan.

10.3 Studies on Economic Resource Distribution Mechanisms & Specific Projects

- The governments and their related agencies always show rosy picture of their economic decisions and economic projects and plans launched in the country. However, whenever those decisions and plans are examined by the independent experts through their research process the realities on the surface look different. During the year 2006, at least two studies would be conducted in this regard, one on the national level economic decision making processes and another on one of the mega projects being executed in Pakistan.

10.4 Community Training Budget Tracking

The budgets which directly and largely affect the common people are usually considered as highly technical work of the economic experts and the communities usually refrain to go into the details and the mechanism of those budgets. However, if proper training is provided at the local levels to the communities they can be enabled to keep a vigil eye on the budgets of different departments, programs and projects at least at the local level.

With the purpose of training the local communities in budget tracking and monitoring processes at the local levels, three two day workshops are suggested in three provinces of Pakistan during the year 2006.

Annex

List of the Participants of the National Consultative Workshop on Economic Literacy and Budget Making in Pakistan Organized on September 29, 2005 in Karachi

S#	Name	Organization	Phone	Email Address
1	Qamar Siddique	A.P.N.A	0304-2280818	QamarSiddique@gawab.com
2	Ellahi Bakash Baloch	SPO Karachi	5873405	ellahibaksh@spoph.org
3	Mustaque Mirani	Mehran University Jamshoro	021- 277175	Mirani55@yahoo.com
4	Majid Siddique	CNBC Pakistan	0300-5085870	Majid.siddiqui@cnbcpakistan.com siddiquimajid@yahoo.com
5	Arif Hussain	Daily Qaumi Akhbaar	0300-9252053	
6	Tasleem Mazhar	Actionaid Pakistan		
7	Nasir Mansoor	Labor Education Foundation LEF	0300-3587211 4854643	nasirazz@super.net.pk
8	Zulfiqar Ali	KTN TV	0301-2156292 0304-2286141	
9	Ashfaque Qureshi	Sindh Development Society [SDS]	022-2616789 0300-3143211	sdshyd@hotmail.com ashfaque_q@yahoo.com
10	Sartaj Abbasi	Root Work	081-2832082	rootwork@ultra.net.pk
11	Peter Cosgrove	AKU CUS Karachi	021- 4930051 ext 4826	Peter.cosgrove@aku.edu
12	Habib Ullah	DevCon- Association for Rural Development	0235- 842060	habibullahkhaskheli@yahoo.com
13	M. Haider Hussain	Social Policy & Development Center [SPDC]	111-113-113	haider@spdc-pak.com
14	Zahid Ahmed Mengal	AZAT FOUNDATION Quetta Balochistan	0333-7803209	azatfoundation@yahoo.co.in
15	Gul Khan Naseer Baloch	ActionAid Noshki Balochistan	0825-872479 0300-3823218	Gulnasir2002@yahoo.com
16	Moeed Yousif	SDPI, Islamabad	0300-5222111	moeed@sdpi.org
17	Dr. Ahmed Nawaz Hakro	Department of Economics QAU Islamabad	0300-5345799	hakro@qau.edu.pk
18	Muhammad Ishaque	Devcon	0300-2061679	Ishaq_socio@hotmail.com
19	Zia Qureshi	Daily Ibrat Hyderabad	0320-4302732	Ziaqureshi123@yahoo.com
20	Tahira Khan	Actionaid Karachi	021-5864806	
21	Hafeez Ahmed	Daily Awami Awaz	0300-3348649	
22	Akbar Baloch	Daily Saach Karachi	0301-2289172	akbarphoto@yahoo.com
23	Azam Zuhrani	Daily Kawish Hyderabad	0333-3383577 021-26334923	
24	Mumtaz Shah	Daily Shaam Hyderabad	021- 2637698	
25	Prof. Ghafoor Ahmed	Jamait-e-Islami [JI]	021-6361415	
26	Muhammad Hussain Mehanti MNA		021-2256278	
27	Taj Hyder	Pakistan Peoples Party	0303-7247552	
28	Dr. Ali Akber M. Dhakan	Sindh Development Foundation	021-4980110	
29	G. M Abro	Finance Department Sindh Government	0300- 2989256	

30	Sikander Brohi	PDI	021-5362353	pdi@cyber.net.pk
31	Ali Ahmed	PDI	021-5362353	pdi@cyber.net.pk
32	Khalida Brohi	PDI	021-5362353	pdi@cyber.net.pk
33	Adam Malik	Actionaid Karachi	021-5864806	Adam.malik@actionaid.org