**Good Governance: A Miracle**

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The efficient allocation of resources to ensure wide spread and equitable economic and social development of a nation is the basic responsibility of any government and this can only be achieved through good governance. Unfortunately, this has been a dream for not only the policy makers of Pakistan, but also for its people.

With over a billion inhabitants, South Asia has become one of the most difficult regions to govern. Our main problem is not finance but governance. Governance means more than maintaining law and order. It involves financial discipline, consistency, credibility, ability to manage crises, integrity, transparency, effective delivery of services, protection of public interest and national sovereignty. All governments in South Asia are now confronted with serious governance issues. Today, there is an urgent need for “excellent” economic governance. The impact of Covid has impacted the economy’s underpinnings resulting in a massive rise in unemployment and poverty—the numerous relief packages announced were only able to partially alleviate and pressures.

The primary fiscal challenges for Pakistan in the future, include not only reviving the economy under the escalating human and financial toll of the Covid, but also managing the mounting debt burden and achieving revenue projections set for the current fiscal year. The World Bank has highlighted 21 areas in which economic governance should be improved. In one significant area, fiscal policy, the ratings are extremely poor. The high level of government debt illustrates how fiscal policy has been a failure. It is currently around 78 percent of GDP, whereas it should be below 60 percent of GDP, according to the Fiscal Responsibility and Debt Limitation Act of 2005. The fiscal deficit annually should be in the range of 3 percent to 4 percent of the GDP whereas in recent years it has hovered between 7 to 9 percent of the GDP.

Export-driven growth, drastic reduction of unproductive and wasteful expenditure, use of state lands for commercial purposes by leasing them through public auction, and fair and just tax collection without fear or favour are the keys to reducing our fiscal deficit and overcoming our debt burden. Simultaneously, we must reduce tax rates and make tax codes simple and easy to comply with.

It is high time for the federal and provincial governments to develop a national plan for Pakistan’s long-overdue second Green Revolution, which would increase productivity and quality, lower costs, and establish agro-based industries capable of meeting local demands while also producing value-added exportable surplus. Our focus should be on increasing growth, productivity, and diversifying and adding value to our exports.

For an employment-intensive and equitable economic growth, resource mobilization should be prioritized to aid the expansion of small and medium-sized businesses in the industrial sector and small farms in the agriculture sector. Public-private partnerships are needed to administer Pakistan State Owned Enterprises (PSEs) with equity participation for the underprivileged.

The developed nations are projected to continue to benefit from the international trade and financial environment. There is a need to ensure that only rank professionalism is utilized in dealings with the international community while obtaining concessions and access. On similar occasions in the past, the private sector has been conspicuously absent. Pakistan must embrace a strategy that has proven successful in newly emerging industrial states such as Malaysia, Singapore, Taiwan, Korea, and others, namely, the induction of the private sector from concept to implementation stages. In other words, Pakistan must involve the private sector in all facets of engaging with the foreign community, from preparing position papers and underpinning research to actually negotiating access and overseeing and managing the agreement.

Moreover, Pakistan aspires to attract significant international investment. Rapid policy changes that are inconsistent over time and appear uncoordinated across sectors have been one of the key hurdles to Pakistan attracting the levels of private foreign investment it requires. Policy announcements must last longer than the tenure of a government, and policies must be presented and altered only after a public debate before a select committee of Parliament. Consistency, coordination, transparency, and accountability need to be ensured.

To summarize, good governance is a continuous process and must be demanded by the citizens of Pakistan. Their ability to do so is only strengthened by increased awareness, education, and job prospects. Pakistan’s government must be responsive to these requests. Change must be rooted in the societies affected in order to be effective, and it cannot be forced from the outside.

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