

Development and disorder

Law & Order

By Sultan Ahmed

Dawley
13-1-05

"THIS is the high growth year", declared Prime Minister Shaukat Aziz as 2005 dawned. Buoyed up by the various indices of economic progress, he is confident of Pakistan achieving seven per cent economic growth this year exceeding the original target of 6.6 per cent which was later revised to 6.4 per cent because of the record rise in world oil prices with all their unsettling impact. Having passed on the burden of the additional prices to the people in two instalments so far, the government feels greatly relieved, though that is contrary to its earlier promises.

He is confident of achieving seven per cent growth this year and eight per cent next year and eventually 10 per cent, reasons being the record output of cotton of 14 to 15 million bales against the target of 10.1 million bales and the anticipated wheat output of 20.1 million tonnes against the target of 20.2 million tonnes, and the double digit rise in manufacturing output as it was last year.

All that encourages him to visualise the per capita income of the country rising to 1,500 dollars by the year 2015 from the current 600 dollars plus. Of course our per capita income can be a misleading index of our prosperity in a country with extremes of riches and excessive poverty or where a third of the people live below the poverty line of a dollar a day.

Shaukat Aziz himself has said the biggest challenge is to take the benefit of all this growth down to the people at the lowest level. For that, specific and special measures have to be devised and their implementation monitored diligently. Conventional systems will not do as has been shown in the case of enhanced agricultural credit from Zarai Taraqqiati Bank and commercial banks ending up with the feudal lords or big farmers in 90 per cent of the cases. They have a way of grabbing everything offered to the small farmers, in addition to what is meant for them.

ing in the US-led war against terrorism the aid will be resumed after six years.

Japan will also assist the small and medium enterprises in which it has a great deal of expertise and experience. That can be very valuable assistance if we make use of that well.

Mr Shaukat Aziz wants far larger cooperation with Japan and has suggested setting up of a joint study group for devising measures to enlarge trade between the two countries, reduce Pakistan's trade imbalance with Japan and to increase Japanese investment in Pakistan. The group will also explore preferential trade arrangements between the two countries as well as free trade areas. But the Japanese with their collective deliberations take a long time to come to such decisions.

The offer of Japanese assistance follows a year after the US committed itself to provide an aid package of three billion dollars spread over five years, equally divided between military assistance and economic aid.

The government pins great hopes on Gwadar which it expects to become a gateway to Central Asia and serve Afghanistan as well. But if the rocket attacks continued even after the port comes into operation this year the foreigners would be reluctant to visit and invest there. So it may be advisable if more of civilians than military personnel deal with Baloch leaders.

And now Canada and Germany have offered to turn their loans into grants. The Canadian debt is 447 million dollars and the German debt is 50 million euros. The Canadian assistance will be spent on training school teachers and the German aid on primary schools in Punjab and the NWFP. That means while the country's debt and debt servicing cost goes down the two provinces will have far more funds for education.

In addition, a billion dollars on an average are available from the World Bank for various projects and another billion dollars from the Asian Development Bank to help Pakistan in areas where it is doing the right thing. Even the IMF is ready to give more funds with its heavy riders.

Pakistan. All this happened when the Japanese trade minister was in the country and we were urging him to help in promoting larger Japanese investment in Pakistan.

Despite a stronger law made to prevent karo-kari killings, murder of several persons in each incident continues. The law does not seem to have put fear into the hearts of the would-be killers. Such killings and the adverse publicity that comes with them does not do any good to promote tourism or foreign investment in Pakistan. There are no reports of adequate police action following each incident. In fact, there is a popular uproar in each locality in the wake of each ghastly incident.

The prime minister, while addressing the civil servants in Sindh, has spoken of speedy justice, better governance and improved service deliveries. He talked about the economic diplomacy the government is pursuing now instead of geo-political ends. He called for transparency in public administration. There can be transparency if the officials

are honest and fair in their dealings with the public, and diligent in the performance of their duties, and not otherwise. He spoke of the need for values vision and conviction among the civil servants. He called on the senior officials to provide leadership to their juniors and said that 50 officials were being sent abroad for study in top universities.

Senior officials have been going to foreign universities ever since the birth of Pakistan. But all the education they got at Oxford, Cambridge and Harvard have

not done much good to them or made them better officials. It is not a question of knowledge and new expertise, but the will to do the right thing, and at the right time.

There is a great deal of talk about capacity-building to handle large development funds and manage mega projects. Capacity-building will come if the officials are ready to work hard and believe in transparency and good governance. Such officials can provide leadership to their juniors and give the country a good administration. In the absence of such virtues among the officials, privatization of major public enterprises becomes imperative.

The fault is not entirely of the officials. The leadership has considerable blame to

He expects an agricultural growth of four per cent despite the shortage of water which Irsa says will now be 40 per cent for the Rabi crop instead of the 47 per cent projected earlier. There are reports from the Indus Delta region that a million acres will go waste for want of water. But Shaukat Aziz is confident of a good wheat crop because of the recent rains and the higher procumbent price announced by the government to boost production.

He is confident of a high industrial growth because of the higher machinery import which formed 25 per cent of the additional imports and the bank loans of Rs. 190 billion given to the manufacturing sector against Rs. 132 billion last year.

There has been more of external assistance as well. Japan's minister for trade and industry Soichi Nakagawa has indicated the Official Development Assistance and Yen credit suspended in 1998 following Pakistan's nuclear explosions, will be resumed by March. Assistance to the extent of 500 million dollars would be available from then onward. When the yen credit was available that was the single largest aid, far exceeding the US assistance as well. But since it is the only country in the world to have suffered from effects of a nuclear attack, it could not give aid to any country that makes the bomb. That is part of the Japanese Constitution as well. But now in view of the prominent role Pakistan is play-

ing with its heavy riders.

What matters is how well we use that aid and whether we are able to develop the capacity to use the large aid well and the one in the pipeline.

How can we eliminate corruption from the system? The manner in which the Karachi Water Board has misused the World Bank funds is well known. Also glaring is the way the aid funds have been misused or embezzled in the National Drainage Project. Imagine a handful of the officers embezzling Rs. 1.94 billion out of the EOBI funds of the poor employees and dodging the legal process!

We are seeking foreign investment from almost every source. Shaukat Aziz says foreign direct investment last year increased by 51 per cent, but at 328 million dollars it is far below the potential of the country.

Foreign investors seek security or better law and order, not freedom from terror alone. At a time when the largest development outlay ever has been allocated to Balochistan, violence is on the increase in the province. The Sui Gas main was flown up on Friday and Saturday and there were lasting gun battles on Sunday with loss of human life every day. Women and children too were killed as a result of rocket attacks and shoot-outs on Monday.

At the same time 14 persons were killed as a result of sectarian violence in Gilgit, which is frequented by foreign tourists and at a time when we want more tourists to visit

The leadership has considerable blame to share. A total of 771 rockets were fired in Balochistan in the last two years. The year 2004 has proved to be the worst year with a total of 650 rockets fired.

The rocket attacks started after the government decided to construct military cantonments and launch defence housing schemes in Dera Bugti, Kohlu and Gwadar. Nawab Akbar Bugti says the cooperation of the people of the area should be secured before any major project is undertaken. In the absence of such an understanding the violence would continue.

What is not obvious is whether it is the people whose cooperation should be secured or that of the sardars. And the latter do not have uniform demands. What one sardar likes is not what another sardar wants. That creates real problems for the government.

The government pins great hopes on Gwadar which it expects to become a gateway to Central Asia and serve Afghanistan as well. But if the rocket attacks continued even after the port comes into operation this year the foreigners would be reluctant to visit and invest there. So it may be better if more of civilians than the military personnel deal with Baloch leaders. The province and the country have to get the best out of the large investment Pakistan is making in Balochistan. Statesmanship is more desirable than mere firm handling. And the Baloch sardars should also see beyond their own narrow interests.