

# Global challenges & Pakistan

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4.8.03

By Shamshad Ahmad

IT WAS heartening to see the foreign Office publicly debating at a seminar its own role in meeting the global economic challenges. Like all earlier envoys' conferences, the four-day conference of our envoys in major capitals of the world must also have focused on this subject. A set of recommendations, as always in the past, may have emerged from the conference to be officially converted into policy guidelines for all concerned ministries and departments.

What happens (or does not happen) next is common knowledge. Policy guidelines emanating from previous envoys' conferences are nowhere to account for. One does not recall if there is any mechanism for "integrated and coordinated" follow-up and implementation of the outcomes of our envoys' conferences that could facilitate regular monitoring and review of progress in implementation of the decisions and guidelines by the relevant governmental agencies. If there is none, every major ministry should have a small review and monitoring cell headed by a senior officer and there should be periodic inter-ministerial coordination meetings among the heads of these cells.

But this is not the principal focal point here. I was struck by the candid acknowledgement by Foreign Secretary Riaz Khokhar, in his reported concluding remarks at the seminar that "Pakistan was not prepared to face the challenges of the future". If he said so, he has spoken the truth.

I am sure the foreign secretary's remarks about the performance of the economic ministries were meant to be only a reference point for the larger systemic complacency

Over the years since the Soviet occupation of Afghanistan, Pakistan has been burdened with a massive refugee influx and afflicted with a culture of drugs and guns, commonly known as the "Kalashnikov" culture, which has been tearing apart our social and political fabric. The constant erosion in law and order has had an adverse impact on the country's climate for investment and economic development and progress.

What an unmatched tally of woes for a young nation, which from day one of its independence has lived with the phobia of an "external threat" to its survival. The history of the last fifty-six years, however, shows that the real threat to our country's survival and stability has been from within, not from outside. We have remained a house divided against itself. Had we not messed up the

hovering around less than four per cent.

What is important in today's context is the need for Pakistan to be stable politically and strong economically with a moderate, liberal and progressive outlook and impregnable security. We have had enough political and social fragmentation. Despite our huge natural and human resources and strategic location advantages, we have been left far behind in the global race for economic advancement. It is time our leaders and institutions rose above their narrow vested interests and moved out of the vicious cycle of "confrontation and collusion" and take the road to "national reconciliation and reconstruction".

A strong and stable Pakistan imbued with Islamic ideology and democratic values would give us the confidence and capability to meet the global challenges. We need an

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effective and realistic but low-key foreign policy premised on economic diplomacy and friendly relations with all (enmity with none) and focused on protecting Pakistan's vital national interests. Pakistan should be a factor of strength and stability to our neighbouring regions and must pursue and promote mutually beneficial regional cooperation within the frameworks of Saarc and Eco. Regional cooperation must transcend narrow bounds of prejudices, misunderstandings and political differences.

On the economic front, we must recognize that the cutting edge of any country's external policy is commerce

things in East Pakistan ourselves, the 1971 debacle could have been avoided.

Unfortunately, Pakistan's difficulties have been exacerbated by decades of political instability, economic stagnation, rampant corruption, general aversion to rule of law and constant erosion of law and order. This is not what the founders of Pakistan had envisioned when they led the struggle of the Muslims of South Asia for a separate homeland as a fortress of their freedom, pride and dignity.

and business. These are the new determinants today of a country's relevance in the international community. We must ensure consistency in our macroeconomic policies with greater emphasis on self-reliance and a conducive environment for investment and private sector activity, including a stable law and order situation, modern infrastructure and highly qualified professionals and skilled labour.

We must enable and inspire the private

ities were meant to be only a reference point for the larger systemic complacency and inertia. He was perhaps reminding our policy-makers that in order to meet the myriad challenges of the new age, Pakistan will have to be stable internally and have an agreeable profile externally. Internal strength requires political, economic and social stability achieved through strong and functional political institutions, viable economy, moderate and progressive outlook and rule of law. The external image of countries is always predicated on the policies that they follow at home and their ability to live in peace with the rest of the world, especially neighbours.

Agonizingly, since independence, Pakistan has been wallowing in political and economic uncertainty and has had neither domestic stability and social cohesion nor peaceful borders. Its post-independence political history has been replete with endemic crises and challenges that perhaps no other country in the world has experienced. It has gone through traumatic experiences, including costly wars and perennial tensions with India, loss of half the country, territorial setbacks, political breakdowns, military take-overs, economic stagnation and social malaise.

During the last two decades, Pakistan has also been the hotbed of religious extremism and obscurantism. Proxy wars have been fought on our soil. Sectarian violence has taken a heavy and tragic toll in terms of innocent lives of both Pakistanis and non-Pakistanis. Even mosques and churches were not spared as scenes of cold-blooded communal and sectarian killings. The recent sectarian killings in Quetta were no less than a carnage which has no parallel anywhere in today's world.

South Asia for a separate homeland as a fortress of their freedom, pride and dignity.

For reasons of domestic political instability and insecurity with a brittle law and order situation and also the continuing tensions with India (now with Afghanistan too), we have been unable to harness the unique asset of our geographical location for our economic growth. Religious extremism and terrorism-related problems afflicting the region tend to further reinforce misperceptions about Pakistan in the world's councils today. Foreign business interests are hesitant to invest their capital in Pakistan because of a domestic and regional environment that is perceived as politically and economically unstable and uncertain.

India, on the other hand, has been steadfast in terms of both its democratic experience and economic performance. Today, it enjoys global respect as the "largest democracy" and one of the "largest economies" of the world. It is attracting a lot of international attention as an emerging economic power and a huge market with vast opportunities for trade and commerce. The lead taken by India in areas such as information technology, spearheaded by a well-placed and well-respected expatriate community in the West, has brought laurels to that country's fast growing economic and business community. Taken together, these factors have placed India prominently on the radar of the global economic powerhouses.

For now at least, the time seems to be on India's side. Even though India is spending only 2.8 per cent of its GDP and Pakistan is spending around six per cent of its GDP on defence, the power asymmetry is growing. The Indian economy is on a steep growth path with an average annual growth rate of seven per cent, whereas our growth rate is

skilled labour.

We must enable and inspire the private sector to become more dynamic, diversified and responsive to the ever-changing demands of the international market. Besides encouraging value-addition for higher export earnings, we should provide maximum exposure to our industry to higher standards of quality and demand in world markets. Confidence of the foreign business community needs to be restored through an effective mechanism for quality control and settlement of commercial disputes. Monopolies, particularly in the automobile sector, should be eliminated or rationalized to protect consumers' interests. Bureaucratic and procedural impediments also need to be removed to encourage foreign capital and export-oriented joint venture collaboration.

We also need to address our social problems. A culture of social integration and cohesion should be developed to reinforce national unity and cohesion. Education must be placed on top of priorities in our development planning and budgeting. Let us match India in this field and establish IT centres of excellence.

The government must engage all segments of society to effectively deal with extremism, obscurantism and violence of any sorts or scales. As part of national reconciliation and reconstruction, a vigorous effort needs to be made to promote an environment of tolerance, understanding, responsibility and moderation, while curbing extremism, militancy, violence and fundamentalism. To project our image as a disciplined and forward-looking nation, balance and consistency must be reflected in all expressions of national behaviour, including art, music and architecture.

*The writer is a former foreign secretary.*