

Jobs & political expediency

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AFTER announcing rather a token financial relief to the very poor, which has been received coldly, the federal cabinet has now decided to relieve thousands of people of their jobs. Consequently, between 10,000 and 12,000 employees of the federal government, who were declared surplus two years ago, are to be relieved of their jobs by the end of June.

In sharp contrast, military officers who are retiring are being re-employed against civilian posts as heads of corporations or autonomous bodies much to the disadvantage of civilian employees. An allocation for providing some jobs has been made in the budget, says the finance adviser to the prime minister without specifying the amount.

All this is happening at a time when the private sector is not expanding, certainly not fast enough, to provide more employment. Small and medium enterprises are also not coming up quickly enough to absorb the 1.5 million new entrants in the job market every year. And neither is the micro-finance facility expanding fast enough to provide self-employment. In any case, given our economic and social context, such new schemes need time to establish safeguards against abuse and misuse.

Of course, in a developing country the government cannot undertake to provide jobs to everyone, particularly when the population is very large and the number of unemployed huge. But massive and prolonged unemployment can cause an increase in crimes and a steady rise in unemployment can cause many young people to commit suicide. Both problems currently afflict Pakistan presently.

The unemployment problem is aggravated by the fall in migration for employment abroad due to the tense global situation and because of difficulties in getting foreign visas. And the possibility of an American attack on Iraq makes the outlook grimmer.

The federal cabinet has now decided to recruit persons for posts in grades 11 to 16 directly instead of through the Federal Public Service Commission in a reversal of the military government's policy. This has been done as a matter of "political expediency", says Information Minister Sheikh Rashid Ahmad. He says the FPSC would take one year to make recruitments, and the elected leaders cannot wait that long.

How many jobs are to be filled in this manner? No one knows. The prime minister has asked the various government divisions to let him know the number of vacancies. How will the people be recruited? How will the sacrifice of merit at the altar of political expediency be avoided? The only answer

given is that merit will not be sacrificed. It is not necessary that the FPSC should take one year to fill all vacancies, more so in grades 11 to 16. It could be asked to devise a procedure to fill vacancies quicker. But evidently the cabinet has small patience for such procedures.

Many such jobs are to be provided in the educational and health sectors, and a large number of these lie in the provincial domain. So the provincial governments will have to be brought into the picture in full, and they have their own ideas in this regard.

If the federal budgetary revenues were expanding fast, reflecting improvements in the micro-economic sector, the government could have provided for more jobs. But the budgetary picture is not improving markedly despite the overall improvement in large sectors of the economy led by the macro-

other jobs. And those who bought the jobs then indulged in outright corruption to make many times the money they had initially paid for.

The government ought, therefore, to devote greater attention to the promotion of small and medium enterprises and providing far more micro-credit to the self-employed as has been done successfully in Bangladesh. Plenty of World Bank and Asian Development Bank funds are available for that purpose and the government should make the best of that. If we utilize these funds well and show positive results, more money may become available. And if misused, a part of the already sanctioned funds may be withheld.

One of the peculiar features of the economic revival in parts of Europe, according to commentators, is that it is a jobless revival. The Euro currency area has an unemployment rate of 8.5 per cent. The US has an unemployment rate of 6 per cent, Germany 10.3 per cent and France 8.9 per cent despite the strong Euro.

Where economic revival is taking place, it is often happening on the basis of cutting down the number of employees, increasing productivity per worker, and boosting profits. As a result, unemployment remains high even while economic revival is visible.

The information technology sector in Pakistan does not contribute to a high increase

in employment. Small outfits are able to thrive with the help of a few employees. Quality and not quantity matters here.

Look at our textile sector. Where 35 to 40 persons were employed per loom, there is just about one worker now. The outlay is more on machines rather than on men, who are of course far better paid than before. So there is emphasis in the developing countries on employment-promoting investment. But the West makes machinery which needs fewer workers, to reduce the wage bill. It is the service industry that provides employment. The service sector thrives only when agriculture and industry make headway and there is more money in the hands of people to spend on services.

If foreign-owned fast-food outlets replace our tikka shops and local restaurants, that is not expansion of the services sector, but merely that local outfits are being replaced with foreign establishments.

The West has a problem of shortage of labour because of the slow rate of growth of its population. But we have a steadily expanding population and so we have to create far more jobs than those countries. And that means promoting far more investment, creating more jobs and higher productivity. And finally what matters is not political expediency of our rulers, but to keep the national interest supreme, to follow merit in all sectors of government and to employ good governance tactics.

In a developing country the government cannot be expected to provide jobs to everyone, particularly when the population is very large and the number of unemployed huge. But massive and prolonged unemployment can cause an increase in crimes and a steady rise in the unemployment rate can cause all kinds of social problems, including that of young people taking their lives.

economic sector. Hence, the small relief package announced by Prime Minister Jamali and the limited recruitment moves.

Now, the development schemes for MNAs, where each member of parliament will receive Rs 5 million for the second half of 2002-3, are to be approved soon. The MNAs have been asked to submit their schemes by February 28 and schemes for next year by April. But these are to be restricted to electricity, gas and communications, which one presumes means carrying gas and power to their constituencies. What happens if some of their constituencies have already power and gas? Needless duplication should be avoided.

The same facility is to be provided to the 100 Senators after their election and half the allocation for the MPAs. The total may exceed Rs 9 billion compared to Rs 5 billion earmarked for the relief package initially. One can only hope the money will be well spent and not wasted or squandered. Monitors are to be appointed in the provinces prevent waste of the legislators' development funds, and it is important that the whole scheme should be well conceived and made truly purposeful.

When it comes to directly providing jobs in government, the scheme has been abused in the past. Some of the MNAs and MPAs in the days of the first PPP government and thereafter appointed relatives to some of the posts and lucratively sold the