

No more diktats

Photo

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thousands of graduates of international standard year after year.

Regional disparities and acute poverty in rural areas was a major problem even in the '60s, but continuous bad planning and iniquitous distribution has brought back poverty with a vengeance. With each passing day its incidence and intensity is increasing. Besides, we have been living beyond our means for a long time and have taken huge foreign loans without appropriate planning and without producing results. A country that spends more than 25 per cent of its budget on defence, about 50 per cent on debt servicing, and the remaining amount on bureaucracy, intelligence services and subsidies, and keeps on starving the social sector of necessary funds, has to be in a perpetual crisis.

Poverty will not go away through World Bank and IMF fiats, all rhetoric about growth and poverty-reduction strategies notwithstanding. While prescriptions given by them to alleviate poverty do not work, their loan conditionalities hurt the poor the most. We will have to find our own solutions, and use our own resources to ensure a sustained economic growth, which will create jobs.

If the poor of the country have to have any hope for the betterment of their lives, a basic shift in the strategy for economic development will have to be introduced. This will also necessitate a drastic cut on our wasteful and non-productive expenditure.

Pakistanis are a hard-working, disciplined and patriotic lot. In the past, they have

shown that they can achieve high rates of growth. Their current productivity may be low, but if the right environment is created, and necessary steps are taken to improve skills and technical human resource development, they can do wonders. The fault does not lie with them, but with the policy-makers.

Right now our major problem is that of governance. There is a total breakdown at planning and implementation levels. Even funds allocated for pro-poor programmes are not fully utilized because of institutional weaknesses and an almost non-existent delivery system.

Regulatory mechanism do not work on the ground; decision-making is at a discount; different ministries and departments follow contradicting policies, not knowing what the other is doing; and the government keeps announcing one-window operations, but over-regulation by umpteen agencies — 38, to be exact — kills the initiative of the new investors. This is what the reality is.

WHAT NEEDS TO BE DONE: Three areas need immediate action under a long-term plan: human resource development, agrarian reforms, and industrial growth.

In terms of the Human Resource Index, we are ranked 135th. Almost 45 per cent of our children have no access to functioning schools, but we keep on talking about a knowledge-based society and a revolution through IT!

We should analyze reasons for our dismal track record in achieving targets in primary education despite two dozen education policies and nauseating slogan-mongering. Our

existing approach will not take us anywhere. We will have to find new methodologies and seek professional input if we are serious about achieving results. This is not an impossible task, though. Even some African countries with less resources have achieved 80 per cent literacy rate in 30 years. Why can't we?

In terms of industry, we need to take a fresh look at our 'growth' strategy. The existing one is not going to solve our problems. We will neither be able to increase our exports in a big way nor create jobs. We should now find new engines of growth, in which the lead can be taken by engineering goods and electronics.

We should carefully study the strategy followed by countries like South Korea and Taiwan where they have achieved miraculous results in the sector within a span of 30 years. If we have a long-term vision backed by consistent policies, we can double our exports within a short time, and can also create hundreds of thousands of new jobs.

We have also neglected our agriculture and livestock sector for too long. We have been following a hackneyed path, and are dependent on good weather conditions for our survival. There has been hardly any attention on a practical use of existing water resources, using modern techniques like lining of channels, drip irrigation, and recycling of water.

If credit is ensured to peasants when they need it, and if research-based extension services with marketing facilities are provided to them for improving the quality of their produce, they have the capability to capture the export

market in a big way.

We have everything — ample land, water, good weather conditions, cheap labour and hardworking population. What is missing is good planning and commitment.

Having talked of long- and medium-term plans, one has to concede that the poor need immediate relief because they are facing difficult times. In the rural areas of Sindh and Balochistan, labour-intensive public works with potential economic returns should be launched immediately. Similarly, in urban areas, special programmes for providing stipends and skill-improvement opportunities to unemployed graduates need to be launched to provide some relief to them, as was done in the mid-Seventies.

Time for ad hoc decisions, short-term measures, personalized programmes with conflicting objectives is over. It is clear that grandiose projects launched with much fanfare without proper economic feasibility collapse at the implementation level and become a drain on our economy. The sooner we get rid of this practice, the better. We should stop waiting for the arrival of some charismatic leaders. Instead, we should take the route for industrial development that the Asian Tigers took. In the mid-'60s, they were trying to learn from us. Now, for a change, we should unlearn what we are doing, and re-learn from them.

We are at the threshold of a new world order. On the one hand, the WTO has set in a borderless trade regime, and, on the other, globalization is changing the nature of management, competition and the world market. For us, this is no more a question of poverty alleviation. Our economic survival is very much at stake. But is anyone listening?