

Top priority to employment

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Pak-Eco.
Dawn
9.10.03

THE Asian Development Bank which is assisting Pakistan in many ways, and stepping up that assistance currently, wants Pakistan to make determined efforts for adequate job creation.

The worsening poverty situation in Pakistan needs foremost attention of the government, says the country director of the Bank Marshouk Ali Shah, a Fijian national greatly interested in the rapid development of Pakistan. And he calls for "radical measures to achieve pro-poor growth."

The ADB whose annual assistance is around one billion dollars has just announced 75 million dollars for promoting primary school programme in the country. And its director in Pakistan says poverty, unemployment and the static foreign and domestic investment are matters of concern for the Bank.

He is certain Pakistan cannot achieve a high level of growth without inviting foreign and domestic investment which has been static. And Pakistan should look into it seriously, which means earnest and serious attempt have to be made to attract investment.

He is not taken in by the claim of two billion dollars having been made in the textile sector or the foreign investment in the oil and gas sector. He wants far more investment to meet the needs of the people with a high degree of unemployment. He is also looking at a country where poverty is worsening, while the rich seem to get richer and the human development index is worsening.

In such a situation with its increasing unemployment suicides and rising crimes job-creation has to be on a steady and sustained basis, more so when external source of employment has become scarce, and wages in the country have become lower.

Mr Shah says there are structural problems which needed to be attended to for achieving higher economic growth. And growth in Pakistan depends substantially on agriculture, he says.

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raise its annual aid to one billion dollars from the current 600 million dollars. With poverty reduction on a sustained basis receiving worldwide attention and receiving large assistance, education for the poor and civil service reforms have become very important. But the aid spent one education or public health as happened under Social Action Programme I and II should not go into pockets of the corrupt.

If we receive more and more in the name of social and economic reforms but do not carry out those reforms or sustain them we shall be going deeper and deeper into debt. And when we do not have the money to repay we shall be mortgaging more and more of our residual sovereignty.

The World Bank and the ADB do not want the country lose Rs. 60 billion or more on running the KESC and the WAPDA power system. Twenty five per cent of the power produced by WAPDA and 40 per cent of the power produced by KESC is lost. The loss has not been sustained by supplying cheap power to the poor consumers. When we sell KESC before the end of the year we will get a low price for the system and I am told that after the privatization the new owners will have to employ the army to manage the system and collect the bills. And that can make the running of the power system after privatization very expensive. Then, is privatization the real solution for many of our high cost power problems?

Wolfensohn wants Pakistan to sustain its reforms programme and develop the sectoral reforms programmes needed to strengthen governance, institutions and regulatory capacity.

Meanwhile, the housing problem is getting more and more complex. The world urban slums

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Political issues are important, too, he says, and there is an urgent need to remove the stalemate over the Legal Framework Order, he adds.

The governor of the State Bank of Pakistan recently spoke at Dubai on ten reasons why foreign investors should prefer Pakistan to other countries. He spoke of also the fast emerging middle class which preferred foreign goods to the local. But he did not give sufficient attention to the political uncertainties, the law and order issue and the regional uncertainty which are truly important for the foreign investors. The sectarian killings from which there seems to be no respite are also important.

The World Bank's Development Report - 2004 says that the services meant for the poor people seldom reached them, beginning with drinking water and primary schools. Although the per capita income of Bangladesh is lower than that of Pakistan, human development here is far worse. The main problem is fall in development spending as a percentage of GDP due to the fiscal squeeze and the pressure of bringing down the budget deficit.

The situation in this regard is so bad that Sunday's papers reported that in a government school in the Sialkot region the headmistress and other teachers, instead of attending the school themselves, hired a low paid teacher to run the school which she did to the best of her over-taxed ability. What kind of education can be imparted in such a school is obvious but the local political and administrative system permitted that. And that may not be the only school of that kind in the region.

The World Bank Development Report says, teachers in schools are hired less on merit and more on how best to apportion patronage, particularly when abstention is not penalised. There is preference to build new schools than to run them well in Pakistan. What that means is when there is no democracy we have an excess of bureaucratic corruption. And when we have democracy we have political corruption based on patronage to sects, groups, caste, linguistic factions etc.

When the World Bank president James Wolfensohn met prime minister Zafarullah Jamali in Washington he called for closer attention to the areas like education, power sector and civil service reforms. And to achieve that the bank is ready to

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will double their population to 2 billion in the next 30 years, says a competent agency of the U.N.

A new report by the U.N. Habitat based in Nairobi says the economic adjustment programmes are increasing inequality and social exclusion. And globalization accentuates the plight of the urban poor in many countries by destroying formal sector job opportunities. It says the efforts to improve the conditions of the urban poor have been feeble and incoherent over the past decade having peaked during the 1980s. Unplanned squatter settlements already account for 43 per cent of the developing world's urban population, the report says and adds that two-thirds of the slum-dwellers live in Asia. But housing conditions in China have improved.

Pakistan now faces a backlog of 4.3 million housing units, says an official report. There are now 19.3 million housing units and 4.3 million needed to be added to that to meet the basic needs of 140 million. Around 300,000 housing units are being added annually but the overall production has to be raised by 600,000 annually to meet the shortfall in 20 years. Meanwhile more people would have come to the cities from the rural areas as the U.N. report expects the migration from the rural areas to the urban to continue. That means not only providing more houses but also more roads, schools, hospitals, parks, playing fields etc.

If the Katchi Abadis are improved in that manner more people from the rural areas will come to cities and seek jobs. And they will have to be provided jobs. Otherwise, begging, crimes and suicides will increase.

So it may be better to make the rural areas far better and brighter and increase the employment avenues for them there or create mid-city centres as China had done which solved a part of the problem. In a heavily populated country with small financial resources the problems are immense and we have to do everything possible to make the best use of our scant resources.