

Inaugural Address

AHSAN IQBAL

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

Asalam-o Alaikum

President Pakistan Society of Development Economists (PSDE) and Vice Chancellor of Pakistan Institute of Development Economics (PIDE) Dr Asad Zaman, Secretary Planning, Secretary PSDE, distinguished economists, eminent scholars from overseas, and young economists of Pakistan.

Ladies and gentlemen, it is indeed a great honour and privilege for me to be the chief guest at the opening ceremony of the 31st Annual General Meeting and Conference of Pakistan Society of Development Economists. I happen to be a teacher as well as the politician, so, I promise you to be succinct while inaugurating the Conference. It is a matter of great pride to acknowledge that the tradition initiated by the Society in 1982 continues with great strength. All credit goes to Prof. Nawab Haider Naqvi, one of the founding fathers of this tradition. It is also a tribute to the sincerity of those who are keeping this tradition alive. I hope this tradition of knowledge sharing and intellectual debate will be of practical benefit to the development journey of Pakistan. I am sure that it will go on uninterrupted in future as well, and through such platforms we will be getting new ideas and solutions to our problems. Allama Iqbal also penned down such thoughts:

جہان نژہ کی افکارہ نژہ سے ہے نمود
کہ سنگ و خشت سے ہوتے نہیں جہان پیدا

I hope that this conference will also bring novel ideas and way out for our development.

Ladies and gentlemen, it is a firm belief of the current government and of Ministry of Planning, Development and Reform that in this rapidly evolving digital age, no economy can prosper without investing in its human capital. We have been ignoring it for far too long and now paying the price for it. For a competitive knowledge based economy, it is practically impossible to stay on the path of development without investing in human capital. Making Pakistan a knowledge based economy is one of the seven pillars of the Vision 2025, and this gathering of economists is indeed a promising prospect as it brings together the brightest of minds. I would also like to highlight here

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that Pakistan Society of Development Economists (PSDE) has undoubtedly played a significant role in promoting the culture of scholarly and inspiring debates. Such scholarly gatherings play an anchor role against the odds and challenges that confronts Pakistan. As we all know that Pakistan has been up against a myriad of issues while maintaining economic growth, but continuity of this conference, for last three decades coupled with the participation of esteemed scholars from all over the world stands evident to the fact that we are on the right track. Business alone as usual is not a solution for Pakistan's development issues and that is why economists and scholars from home and abroad can put their acts together to devise rational policies for our development.

I have a staunch belief that such intellectual gatherings can certainly help a great deal in finding out ways and means to amend the downtrodden economic situation that we are facing today. In the 1960s, Pakistan was considered as an emerging economic giant like Japan. 1965 war hampered our progress and development to quite some extent, but we never adopted sagacious and serious policies to uplift our economic development either. In 1991 Pakistan was leading the development debate and progressive journey in South Asia. It was the first country to adopt economic reforms, deregulation, privatisation, liberalisation and promote active role of the private sector but we got off track. We abandoned that path whereas our neighbouring economies like India, adopted those policies and followed them consistently to take the lead in 2013. Economies like Bangladesh and the rest are doing much better than Pakistan.

We need to seriously ponder over, where we went wrong. Pakistan, no doubt, is blessed with the top economists, civil servants, and bureaucrats and our private sector is not inferior to or no less than those of the other countries at all. That is where Pakistan is at the crossroads and unable to figure out that what worked for other countries did not work for us. I personally believe that we never had consistency in our policies. Every democratic or autocratic force have tried bizarre economic policies which has landed us in a gridlock situation. Ever if say for the sake of the argument that Pakistan lacked endowment funds and resources but to counter that argument, we have examples of countries like South Korea and Japan, who started their journey to the economic progress from the dust of ashes and with meagre resources and reached the pinnacle of success. So, to speak of this lack of resources and endowment funds issues would be a lame excuse for our failure. To my understanding, for economic prosperity, the pre-requisite is the political stability, which matters the most, and that is what we never had. A country cannot be nurtured under the clouds of uncertainty and instability, in our case, we could not buckle up political stability to ensure economic prosperity. Unfortunately, compared to all the success stories elsewhere, we failed to have the right coupling of politics with economy and that has cost us to a great extent. The only way to make up for what Pakistan has lost, therefore, is the continuity of democracy along with consistency in rational economic policies, in a stable and secure political environment.

I second Dr Asad Zaman's view that Pakistan has been ignoring the vitality and worth of human resource development over the years, which in itself is the biggest of losses. Constructing dams, making highways and towering infrastructure without developing a nation is not going to lead us towards success. Our second failure is that Pakistan has suffered under the dictatorial governments for 35 years, and in that period social sector was completely ignored. The worst part was that the Gross Development

Comment [OS1]: The word "crossroads" does not fit in here but I do not know what the Minister said in his speech.

Product (GDP) persistently went down and in the budget allocations priority was given priority to the security apparatus, thereby ignoring the social sector like education and health, which explains today's fractured socio-economic condition of Pakistan. We need to invest in our social sector so that a balanced socio-economic platform can prevail in the country. Pakistan stands somewhere in the middle income countries as far economy is concerned and as far as the social indicators are concerned, they fall among those of the least developed nations. It is direly needed to invest in the social capital, in the human resources so that a balanced socio-economic condition can be achieved. Our third problem, and which is a historical one, is that we could never distinguish between the development and growth. Raising GDP to six percent or above cannot be an indication of development, which we thought was synonymous to development. In order for development to take place, the growth rates have to be made more meaningful and inclusive. The best example that comes to my mind is that in 1960s, we had a decade of development which we celebrated with great pomp and show, but since the growth rate was not meaningful it led to two humungous distortions. One, it created, social inequality and regional disparity which led to the separation of East Pakistan. Second, it compelled us to nationalise the industries and the situation came back to the square one as far as gain in development was concerned. So if growth is not exclusive and, if growth is not meaningful, it will not provide a sustainable development platform. Therefore, it is very important that we learn from our past mistakes.

Distinguished guests, this conference comes at a very opportune time as it has been a year ever since the launch of vision 2025. Now it is the time to reflect, get feedback and identify constraints so that fine-tuning can be made to our plans. I sincerely hope that this conference may achieve its aims of vision 2025 and can take into account the ground realities and propose framework for just and suitable development.

Ladies and gentlemen, in spite of political instability and mushroom growth of terrorism and all that, Pakistan still managed to progress on the economic side and now it is in the top 10 emerging economies of the world, which is a very positive indication. All we have to do is to maintain this growth rate, which is surely possible with the continuity of democratic norms in the country. The Fiscal Year 2014 registered some remarkable achievements which also include the inflation which has hit the lowest level since 2003-04. Moreover, historical agreement with the Chinese Government on China-Pakistan Economic Corridor (CPEC) has changed the profile of Pakistan. This economic project will prove to be a game changer for Pakistan's future and it is attracting rest of the states too to invest and take part and get benefits. Despite unprecedented challenges Pakistan is up against, there are major achievements which need to be mentioned. For instance, we had a successful review with the IMF; the introduction of Ujala Education Foundation (UEF), the principal aim of which is to provide the best quality education to the less privileged segment of rural society, at an affordable cost; we have witnessed decline in unemployment and poverty rates; and burden on the banking system, particularly on the Central Bank, has also been reduced.

The bad news is that Pakistan contribute 0.8 percent of greenhouse emission gases, placing it amongst the top five countries of the world, which is going to be badly affected by the climatic changes. I hope that the developed countries and the international

community realise their responsibility to help under developing countries, which are paying the price for the irresponsible development of developed countries.

Ladies and gentlemen, successful people, successful organisations and successful nations do not operate in a reactive mode; rather, they operate in a proactive mode. Civilised nations plan ahead of their time and determine what they want to achieve in future and that is why no business and organisation can be successful, unless it has the right business model and plans. These are the two prerequisites for success of any business organisation. If we look at all the successful countries, their leadership developed a vision for two, three or seven decades. In 1979, when Mr. Deng Xiaoping charted a new course for China. In 1979, he gave his nation a target to achieve certain things by 2049. Likewise, in Malaysia Dr Mahathir crafted a 30-year long vision to enlist his country among the developed nations by 2020. It is not that we need to do something out of the world. Every successful economy and country looks into the future, determines the challenges and opportunities and then charts out a proactive road map towards harvesting the opportunities and safeguarding itself from the vulnerable situations.

Dear participants, as you all are aware the global economic landscape has changed dramatically in the last couple of decades. Human civilisations which were considered agrarian societies for thousands of years, changed to industrial ones. In order to be aligned with the successful nations, we have to take a plunge into a new world order, into a new era which has new rules, different from what we used to recognise in the past and that is something what Iqbal predicted decades ago:

ائیں نو سے ڈرنا، طرز کہن پہ اڑنا
منزل یہی گتھن ہے قوموں کی زندگی میں

The most critical time for nation is to adopt and absorb the new world order. Hugging the old systems to run a state for good, will not lead a state towards success.

It was in this backdrop that the Ministry of Planning, Development and Reform decided to develop a vision for Pakistan economy, to sustain development.

Ladies and gentlemen, Vision 2025 also tries to integrate its seven pillars in a unitary framework and that would serve as a launching pad for the fulfilment of sustainable development goals. This Vision is an outline of the mission provided by the father of the nation, Quaid-e-Azam Muhammad Ali Jinnah. That mission was:

Life of the common men must improve and this was a very clear vision of our Quaid that "Pakistan must improve the life of the common man by creating opportunities for each and every citizen of Pakistan, regardless of gender, religion, ethnicity, regardless of background and region etc. Every Pakistani must be free and must have all opportunities of growth and fulfilment of his or her dreams in life," said Mr. Jinnah.

Keeping that vision of Quaid in mind CPEC can mend our multifaceted issues ranging from economy to the societal. Let me reiterate the fact that it is about transforming the entire region, neighbouring countries will also reap the fruits of this project. We are also in the process of launching multidimensional poverty index in consultation with the UNDP, which would help in gauging the extent of progress made to fulfilment of SDGs. There is a dire need of proactive approach and a result-oriented strategy to achieve SDGs, so that the mistakes, committed in case of MDGs, are not repeated. Government is keen on the localisation of these goals, because these are meant

Comment [OS2]: I am not really sure what does the Minister want to express here.

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to secure our future, and not just fulfilling the international obligations. In a nutshell, the sustainable development goals are actually national development goals. Educated children, taking care of mothers, looking after our environment, promoting job opportunities, improving security, providing equal opportunity, creating partnerships and all that are not only meant to fulfil the international commitment. The present government has also established an SDGs unit in the Planning Commission to effectively implement and execute the goals beside monitoring the performances in the provinces.

In the end, I would highlight the fact that there is a gap between knowledge and implementation in Pakistan and that seems to be the nucleus of our present downfall. I have been attending and participating in a number of conferences, and it gives me a great deal of satisfaction to say that there is neither a lack of understanding of issues hindering Pakistan socioeconomic progress, nor is there low quality research on the economic issues in Pakistan. This is evidenced from the agenda of the present conference with its insightfully chosen themes of panel discussions, lectures and papers, which will also become abundantly clear in next three days from the deliberations of the conference. Unfortunately, in Pakistan there is lack of communication and engagement between academia and government departments, which needs to be seriously worked upon. I would also like to strongly urge the policy-makers, and the government functionaries to engage with PIDE and other institutions alike to make use of their research that is of high quality.

I once again congratulate Dr Asad Zaman and his team at PIDE for hosting this annual event and ensuring participation of the relevant experts. I wish all the distinguished, national and international delegates, fruitful discussion and an enjoyable stay in the beautiful city of Islamabad. While summing my speech I would like to conclude with the Iqbal's verses:

خیر نہیں کہیے نام اس کا، خدا فریبی کہ خود فریبی
عمل سے فارغ ہو مسلمان بنا کے تقدیر کا بہانہ
میسر آتی ہے فرصت فقط غلاموں کو نہیں
بے بندا حر کے لئے جہاں میں فراغ

اور آخر میں اقبال نے اپنے لئے کہا

چھیڑو سرود ایسا کہ جاگ اٹھیں سونے والے
رہبر ہیں قافلوں کی تابع جبین تمھاری