

PIDE organizes 35th annual meeting of PSDE

We should create "market billionaires" and not "SRO billionaires" says, VC PIDE

Buisness Report

PESHAWAR: The 35th AGM and Conference of the Pakistan Society of Development Economists (PSDE), on "Opportunities to Excel: Now & the Future", hosted by the Pakistan Institute of Development Economics (PIDE), in collaboration with the Institute of Management Sciences (IM-Sciences), was inaugurated today in the IM-Sciences auditorium.

The AGM and Conferences of the PSDE was inaugurated by Mr. Muhammad Aurangzeb, President and CEO of HBL. The Conference is being sponsored by the World Bank Group, CPEC Center of Excellence, the Bank of Punjab, Friedrich-Ebert-Stiftung (FES), Gul Ahmed Textile Mills Limited, NPO Pakistan, HBL, PPAF, Saif Group of Companies, PMIC, and the Bank of Khyber. Dr. Nadeem Ul Haq, Vice-Chancellor PIDE and president of the PSDE, in his presidential address, expressed his gratitude for the overwhelming participation and magnanimous support from IMSciences.

Dr. Nadeem said in this Conference we would not talk about macroeconomics, IMF, poverty, aid,

taxes, welfare, equality and so on. These ideas are kind of obsolete when we talk about "opportunity". What is meant by opportunity? Each Pakistani, especially the youngsters should reflect on it. We don't think of creating an opportunity. Shouldn't we focus on self-realization and self-actualization? We care only about earning, why not about learning the means?

The government talks about welfare but not the opportunity. Why don't we as a nation ponder over these though provoking questions? Why we have a feeling of despondency? VC PIDE asked these questions, giving enough food for thought to the participants to think and debate. He also asked, is opportunity only getting low-quality education and ending up not getting a job?

Dr. Nadeem said that even for low-level jobs, there are a very high number of applicants, often overqualified. He said that according to official statistics, the overall unemployment rate is very low at 6.9%. However, if we unpack the numbers in the latest Labor Force Survey (LFS), a very different picture emerges. For example, 79% females and 32% males are out of the labor force. So, should we take the of-

ficial 6.9% unemployment rate figure seriously, or should we dig deeper? There is also an extremely high unemployment rate among the Pakistani youth.

Similarly, a high proportion of workers in the labor force, especially females, who are unpaid. Most people are stuck in low-end jobs, evident from the fact that most of the workers get wages that are lower than the current minimum wage of PKR. 25,000. Dr. Haque further said that the returns to education in Pakistan are also very low, as 50% of graduates with a university degree do not gain much by getting higher education. The question then arises, what are the opportunities that we are offering our youth.

These factors are resulting in highly discouraged workers and significant dropout rates. Therefore, there is an urgent need to explore opportunities to excel. We need to realize potential, i.e., self-actualization, create excellence, develop market for talent, improve hard and soft infrastructure, and realize that opportunity is more than education and capability. Vice-Chancellor, PIDE said that opportunities for the youth are squeezed because the government is

present everywhere and in every market.

He apprised the audience that according to PIDE research, the government's footprint on the economy is approximately 60-80% of the economy. He said that we need to focus on "opportunity now" for our youth.

Building further on his ideas, Dr. Haque stated that to create opportunity, we need deregulation, efficiency, vertical cities, market, appropriate wages. Red-tape, sludge, useless NOCs, old school processes should be done away with. It wastes time and thus thwart opportunities.

Vertical cities should be encouraged, so that denser cities can be erected, allowing provision of opportunities for everyone. Talent, innovation, and diversity should be the way out. Towards the end of his talk,

VC PIDE was of the view that green economy, digitalization, automation, robotics, biotechnology, and artificial intelligence is the future. Pakistan, specifically its youth to set its direction right to embrace the opportunities around us. He said that instead of creating "SRO billionaires", we must focus on creating

"market billionaires". In his inaugural address,

Mr. Muhammad Aurangzeb, President and CEO HBL, expressed his immense happiness to be able to come to the Conference and support this initiative. Coming all the way from Karachi just to attend this conference is worth it, he remarked. Mr. Aurangzeb, while contextualizing HBL services, talked about the opportunities HBL is providing to the youth,

especially in far flung areas. In just three years, HBL has increased customer base from 12 million to 27 million and aim to reach 50 million in coming few years. Most of it has been possible through branchless banking and linking small stores in rural areas and villages to the banking system. In line with the PIDE's opportunity theme, the Bank has also been supporting a fintech start-up, so to create more opportunities.

HBL is striving hard to modernize its systems each passing day and facilitate its customers with minimum transaction cost possible. He appreciated PIDE's valuable research and input regarding economy and public policy, while concluding his remarks.