

Going for the Goal?

By Zubair Faisal Abbasi

In Pakistan, the focus of debate around Millennium Development Goals (MDGs) has been whether the country can achieve them or not. It was argued that the country was able to reduce poverty to half from 36 percent to 17 percent a few years ago and, hence, achieve the target before 2015. Though the argument could not withstand criticism on methodology of poverty assessment, the country could not sustain the 50 percent of poverty reduction either. The euphoria was over before it could make everyone happy. According to some estimates, the country lapsed back into the poverty trap with 30-40 percent natives of the country inside the murky circle.



Looking at people from the perspective of multi-dimensional poverty, the country has more poor and deprived (52 percent) in its coffers than non-poor, according to estimates of Social Policy and Development Centre. Such inequalities and deprivations paint the canvass of life for people and rob them of basic capabilities to live and function. In a recent report on MDGs by the government of Pakistan, the evidence of health outcomes during the period between 2001-02 to 2006-07 shows that only two more lives can celebrate their first birthdays amongst 1000 live births. While infant mortality rate stands at 75, during the next four years it has to be brought down to 42. Going from such ebb to a plateau is no doubt an uphill task which goes beyond the ambit of health-focused interventions. Most distressing point is that such deprivations abound in Pakistan, despite the sloganeering of having recently lived another era of high growth and investment in which the highest ever 9 percent growth rate was also achieved.

Responding to the situation of Pakistan, different civil society groups have stressed upon the social and legal side of the enabling and egalitarian environment which could help achieve the MDGs. These are good initiatives and must be carried on with fervour. However, a deep analysis is also needed that whether MDGs have really focused the development malaise in Pakistan. In addition, how New Growth Strategy (NGS), which has been tagged as neither new nor a strategy by analysts, would be able to take Pakistan on a sustained and equitable economic growth path.

It appears that, currently, the way issue of social and economic development has been articulated in Pakistan (and in MDGs to a certain extent) is something like: largely if health (i.e., more doctors, medicines, and hospitals, etc.) and education (i.e., more schools and teachers) get some attention while letting the market decide what kind of capacity is needed in the economy, everything will automatically adjust based on the logic of so-called free and open market. At best, what is needed is to allow individual entrepreneurship to flourish through (micro) credit at the bottom and enforcement of property rights at the top levels of economic activity. The rest can be left to the national and international market and competition to decide in

which direction welfare functions can perform since such a system will increase size of the economic pie and hence improvement in distribution will follow.

There is a need to question the above-mentioned doctrines of the 'new developmentalism' being brought and pursued in Pakistan. Prof. Ha-Joon Chang, through his research on the dynamics of economic improvements around the world, has argued that countries need to improve their 'productive capacity' in order to meet the challenges of poverty and social development. They need to bring in the idea of 'flying goose-like' situations in which the government, private sector, financial sector, and academia build industrial development vision which reinforces the collective entrepreneurial efforts for economic growth through up-gradation and modernisation of the productive capacity of an economy.

It is important to note that individual entrepreneurs do play a very significant role, such as having more business graduates, doctors and engineers means trained and skilled human resource to fuel the engine of economic growth. However, equally important is to have successful large-scale enterprises and firms which absorb and sharpen the utilisation capacity of the economy and the use of individual entrepreneurial talents.

It is important to note that individual entrepreneurs do play a very significant role, such as having more business graduates, doctors and engineers means trained and skilled human resource to fuel the engine of economic growth. However, equally important is to have successful large-scale enterprises and firms which absorb and sharpen the utilisation capacity of the economy. Such firms are needed to organise complex division of labour which is needed to harness the potentials of individual entrepreneurs. Ha-Joon Chang argues, what really distinguish the US or Germany, on the one hand, and the Philippines or Nigeria, on the other hand, are their Boeings and Volkswagens, and not their economists or medical doctors (which the latter countries have in quite large quantities).

In a nutshell, the argument is that trade and industrial development for economic growth should not be left to the forces of competition and markets. While humanistic concerns for egalitarian social development are important and must be adequately addressed, the federal and provincial governments need to come forward and invest in technological development of the country to bring in improvement in productive capacity. Even restructuring and devolution of Higher Education Commission must be looked at from this angle rather than playing politics around the spending capacity of the institution. In this way, the development vision of Pakistan has to go ahead of achieving MDGs.

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