

DR. MAHBUBUL HAQ

AN OBITUARY

Reference to be provided by Prof. Khurshid

PROF. KHURSHID AHMAD



DR. MAHBUBUL HAQ

Prof. khurshid Ahmad

Dr. Mahboobul Haq, one of the leading most Pakistani economists and planners and the best known one in the West, died in New York on 16th July, 1998. I had just reached Houston to attend an International Conference on Islamic Finance when Dr. Fahim Khan conveyed the sad news. This has definitely been a loss to the entire academic community, particularly to Pakistan, where in this last phase of his life Dr Mahboobul Haq had committed to devote to the promotion of education, taking charge of the Chairmanship of the 'Iqra National Task Force', along with his work on Human Resource Development. May Allah accept whatever good he did, forgive his lapses and failures and bless his soul in this final journey, which we mortals conveniently forget and think as if this life is our final destination.

Mehboob was the youngest yet the brightest of the three sons of Master Abdul Aziz who lived and taught in Jammu, the summer capital of the princely state of Jammu and Kashmir. Born in Jammu on February 22, 1934 (officially recorded date of birth used to be understated in those days by a factor of two years to keep option open for civil service), he had his early education in Jammu. Like many others the family migrated to Pakistan after partition as a result of the bloody riots that were imposed on the Muslim community. Master Abdul Aziz settled in Gujranwala, established a Muslim High School, whose principal he was and remained dedicated educationist all his life. I had an occasion to meet him during the last days of his life, when he took keen interest in the development of the mosque near his house in Sector F-7/2, Islamabad. Samander Khan, who served the old man in his last days as Mahboobul Haq was mostly abroad, was the means of contact between us. Samander Khan (Naib Qasid - messenger) had served both Mehboob and myself as Deputy Chairman of the Planning Commission. Dr Mahboob's father was a simple and dedicated teacher and a thorough gentleman, a local icon of the traditional middle class Muslim society of Jammu and Kashmir.

Mahboob's (often addressed to by his friends as Boob) educational performance was outstanding from early childhood. He did his Masters in Economics from Government College, Lahore, got scholarships for Cambridge and Yale, where he studied Economics and imbibed the neo-classical tradition which sank deep in his veins. His first professional assignment was with the State Bank of Pakistan as research officer. He attained his real stature as Chief Economist of the Planning Commission - a position he held for over 12 years (1957-1970). In this position, he became very close to the Harvard Group of economists and planners and the bureaucracy of the World Bank and the IMF. After leaving the Planning Commission he joined the Policy Planning Department of the World Bank in 1970, as many a top notch in the Ministries of Finance and Planning has done. In the World Bank he came quite close to its President Robert Mc Nam'ara. He left the Bank in 1982, after disappointment with the new World Bank boss.

In the seventies Dr Mehboob did try to come back to Pakistan after rapprochement with Mr Bhutto, who wanted him to take charge of the Planning Commission as its Deputy Chairman, but, being poles apart from Dr Mubashir who was the then Finance Minister, he could not continue in this position. He, however, returned to Pakistan during Gen Zia's regime in 1982 as Deputy Chairman, Planning Commission. He wanted full cabinet minister status and direct access to the President, but the then Finance Minister Mr. Ghulam Ishaq Khan was averse to that. In fact the Finance Minister became the Chairman of the Planning Commission and he had, for a time, worked as his deputy. For the sake of record, it may be noted that when the present writer accepted to serve as Deputy Chairman, Planning Commission (1978-79) it was done on the condition of full federal ministerial status (as against the traditional status of Minister of State), equality with the Finance Minister and direct access to the President, who used to be the Chairman of the Planning Commission. Later Dr Mahboobul Haq was able to get the position of Minister of Planning, only when Mr Ghulam Ishaq Khan became Chairman Senate (1985-87). In the first Junejo Government he was able to realize his dream to be the Finance Minister. In 1987 in a major cabinet reshuffle Mr Junejo took back Finance portfolio from him and brought in Mr Yaseen Watto as his Finance Minister. That was a shock for Mehboob. He chose to leave the Cabinet, but was persuaded by Zia not to do so. He, however, went back to USA after Zia's death and became associated with the UNDP, where he played an important role in the formulation of Human Resource Development Index and the publication of the Human Development Reports. Finally, he returned to Pakistan and headed the Human Development Centre, in Islamabad, an NGO with strong international connections.

My first contact with Dr Mabubul Haq was in the early sixties, when he was Chief Economist of the Planning Commission and I was teaching at the Economics Department of the University of Karachi. He had an incisive mind, sharp memory, and disarmingly charming power of articulation and debate. He had a style of his own, although he had always been drawing upon the conventional wisdom that has held the sway over the economic scene during the last fifty years. During the seventies we had occasions to meet and discuss during many international conferences. But our closest relationship was during the three years (1985-88) when we were together in the Senate of Pakistan - he as a Cabinet Minister and I as a spokesman of the Opposition. I discovered his talent for negotiations, persuasion and reconciliation during this period. Our approaches to most of the economic, social and ideological problems the country faced diverged, sometime even diametrically. But our dialogue always continued in a pleasant climate. I confess, despite an unending stream of pleasantries, I could not convince or convert him towards Islamic economics, although he always left the impression that he would one day find time to read and reflect on the material provided by Islamic economists. He, however, agreed that we shared common concern on issues of poverty eradication and social justice.

Dr Mahboobul Haq was too deeply entrenched in the neo-classical tradition of economics, which he mastered in Cambridge and Yale, to move to new frontiers, despite his fairly wide exposure to world economic realities. He got more and more sucked into the had-core of development punditry of Harvard and Washington. Despite his latter uneasiness with the dominant

development paradigm and the absolute hegemony of the elusive market-mechanism, and his gropings towards alternative approaches, he always remained within the framework of the fashionable economic creed. He began his career as a firm believer in the market economy, capitalistic liberalism, ethical neutrality of economics and the capital-centred growth strategies. His first major work "The Strategy of Economic Planning" (New York, Oxford University Press, 1963), a beautifully written and powerfully argued work, is couched in the framework of a purely capitalist growth strategy, concentrating on increasing output (GDP) to the neglect of all distributive and welfare dimensions, hoping that the ultimate "trickledown effect" would improve the lot of the people. In fact he openly and brazenly pleaded for "generated inequalities" so as to enable the engines of growth to move fast. To quote he said, "There exists, therefore, a functional justification for inequality of income, if this raises production for all and not consumption for a few. The road to eventual equalities may inevitably lie through initial inequalities" (The Strategy of Economic Planning, p.3). His other obsession, during this period, was with foreign aid and debt-based growth strategy. He elegantly argued that aid-based growth will finally result in self-sustained growth. But the miracles - "equality after initial inequality" and "self-reliance and self-sustained growth via aid-based growth strategies" - never materialized, and if history is any guide, can never! As to the first he had second thoughts as also expressed in his other major work "The Poverty Creation" (Columbia University Press, 1974). But he could not free himself from the trappings of foreign aid and debt based growth strategies.

His critics, however, say that it was only when Robert Mc Nam'ara had started expressing doubts about the development strategies pursued in the 50's and 60's and tried to focus on poverty as the central issue, that Dr Mahboobul Haq, like other development economists, began to talk of the 'poverty curtain'.

It is worthwhile to recall that Dr Mahboobul Haq, the back-room economist, jumped into national prominence when during the last days of Ayub Khan, he came out with his blast against the 22 families of 'robber-barons'. The fact, however, is that as a result of the development policies pursued by the Planning Commission and the Federal Government of Pakistan, the country was plagued by the demons of inter-personal and inter-regional inequalities, rapping the society and eventually the country apart. It was none other than the development strategy expounded by Dr Mahboobul Haq and his colleagues, both in Government and the Harvard Advisory Group, for two decades that had created that condition. The policies presented by the Deputy Chairman of the Planning Commission and Planning and Finance Minister (1982-88) were no different. In fact, laundering of the black money, incorporating the new 'robber-barons' into the Economic establishment, who were many times worst than the early capitalist pioneers who had some commitment to Pakistan, its people and ideology and who had put it some hard money earned by the families through risk and toil and not making hey merely on unscrupulous bank loans and foreign assistance. And if one were to believe the inner story as to how the 22 family thesis was cooked and flashed, as I came to know through a senior bureaucrat privy to facts and who served with me as Secretary, Planning Commission, the picture that emerges is hardly enviable.

During the seventies Dr Mahboobul Haq was also very active in promoting the 'recycling thesis', an idea West blew up after the shift of economic balance of power towards the oil producing countries. He pleaded that world economy would suffer if this recycling does not take place, notwithstanding the fact that major recycling was to take place via import of unusable arms by the oil-producing Arab countries and out-flow of their financial deposits towards the Western banks where in the seventies, rate of inflation was higher than rate of interest, resulting in over 3 percent annual depreciation of these deposits in real terms!

As Planning, Finance, and Commerce Minister in 1982-88 his conquests with the world financial community led to the stock-piling of mountains of loans, spiraling from \$ 11.7 billion in mid 1982 to \$ 19.9 billion in 1988, (present outstanding debt \$ 32 billion). He was also the author of the ingenuous 'developmental scheme' of making allocations available to or via MNAs, Senators and MP As for development schemes in their constituencies, something that opened the flood-gates of political corruption at the level of elected representatives on a mass scale. The country is still suffering from this misadventure.

While Dr Mahboobul Haq's discovery of neglect of the 'human factor' and his efforts towards 'human resource development' represent a positive move, his conceptual vision of 'human development' could not go beyond education, health and sanitation. The fundamental question of real human development and establishment of social justice could not be fully addressed to. HRI has the potential of becoming yet one more fad. It even assumes more sinister overtones when considered in the context of the dangerous philosophy of moving from 'national security' to 'personal security' as if 'personal security' can be achieved in the absence of 'national security'. While he and other economists have very little, if any, to say, about the military and political ambitions and aggressive designs of the West, and of India near home, and little qualms for the injustices and inequalities inflicted by Multi-National Corporations that control almost 82 percent of world trade and the role of international financiers and speculators who manipulate the world markets and also about the whole game of 'liberalization' and 'globalization' that goes to make up the alpha and omega of neo-colonialism, he was critical of defence expedition in the South Asian sub-continent and had gone to the extent of saying in one of his speeches (1996) delivered in the Rajeev Gandhi Foundation, New Delhi, that the "Berlin war between India and Pakistan must be pulled down", forgetting that Berlin War was a domestic wall dividing two integral regions of one country Germany - while Pakistan and India are two independent countries with international boundaries, established as a result of Muslim India's heroic struggle to carve out a homeland for themselves. His disclaimers about Kashmir which unfortunately was described as India held Kashmir and Pakistan held Kashmir and his plea for UN trusteeship were lapses that grieved many of us. Even if one may not agree with his critics who regarded this as part of an American ploy to get a foothold in Kashmir (see Ayub Gohar "Dr Mahboobul Haq back in the Ring": The Nation, 12.2.96, and "Please Haq Face Facts" in Gohar Ayub's Thoughts and After Thoughts, pp 426-430), it was sad that during the last days of his life a brilliant person like Dr Mahboobul Haq erred on such a nationally crucial issue.

Dr Mahboobul Haq was a great man, a renowned economist and more so a visionary thinker - but his vision had, along with bright lights and rosy dreams, quite a few dark spots and quite a few hallucinations. But who is perfect in this imperfect world. Now he is with his Lord. May Allah have mercy and blessings on him?

PROF KHURSHID AHMAD