

FOREWORD

Pakistan's Sixth Five-Year Plan is expected to be launched within the next few months. This Plan is being prepared at a very decisive moment of our history. Twenty-eight years of planned development should be enough to show whether the development strategies pursued so far were capable of delivering the goods. That some economic growth has been achieved over the years is not in dispute; but the real issue is not of statistical growth but of the capacity of the economy to meet the basic needs of the people and lead them towards the establishment of a just and humane socio-economic order in conformity with the ideals and values of Islam. And the record of the economy on this count is distressing.

Poverty is galore. Some forty percent of the people live below absolute poverty line. Around eighty-five percent of the rural population does not have even clean water to drink. Gross economic inequalities remain unrectified, endangering the poise and tranquillity of the society. Around eighty percent of people whose

faith makes education a religious obligation remain illiterate. The situation of housing and medical care is so less pathetic. A high-consumption elitist economy has been super-imposed on a fragile base of mass-poverty and technological backwardness. Country's dependence on the outside world is increasing in more than one way. International dependence is over \$9.0 billion; making every Pakistani — man, woman, and child — indebted to the world to the extent of Rs. 1,350!

A crucial question that deserves to be faced squarely: Is this the type of development the nation wants or deserves? Has the time not come to fundamentally alter the development strategy and pursue a different road to development, not the one involving imitation of this or that Western model, but seeking a path in keeping with our ideals, values, aspirations and needs?

Development strategy of the Sixth Plan is going to provide a window on the future: it would reveal whether the country is going to really change its course towards Islam and seriously begin movement towards the establishment of a just socio-economic order, or it is going to continue pursuing the brow-beaten path, some cosmetic changes notwithstanding.

. In order to assist the policy-makers and enlighten the public opinion an IPS Task Force started work on this subject some few months ago. Unfortunately my long absence from the country somewhat hampered the work. My colleagues did their part of the job on time but I could not give enough time to the project. Any way, we have now been able to produce the report even though in a hurry. It simply could not be delayed

further as very little time is left for the private individuals to articulate their viewpoints before the Sixth Plan document is finalized. The careful reader will find some mark of 'hurry' on the Report, yet we thought it advisable to share our preliminary thoughts with the nation at this decisive hour.

In this Report we have tried to offer a critique of the development strategies pursued so far, have identified the new challenges, ideological as well as economic, which have to be faced by the planners today, and have ventured to delineate some of the major contours of an alternate strategy that could promise a new direction for the whole developmental effort in the country. At least, this Report offers only a tentative formulation of a new strategy, in a rather 'raw' form. It may lack finesse, but not freshness and innovative realism. We had wanted to work more on this Report, particularly to integrate some of the specialised areas, dealing with the provision of essential needs, within the macro-framework suggested in this Report. But we have settled with what may be described as the 'second-best' approach, as far as the present report is concerned. It integrates only some aspects of this basic needs plan within the macro-framework and some others have been suggested to be taken care of through special funds, including the *Zakat* and *Ushr* Fund. All these ideas need further development and refinement and we have no hesitation in confessing that we, too, are engaged in a process of further thinking and reflection. If there is anything new in this Report, it relates to its approach and direction. The rest is tentative and is offered essentially as food for thought.

The last part of this Report should, in particular, be treated as very tentative. The idea is to provoke

serious thinking on institutional and structural issues. Our effort has been to raise some pertinent issues, and not necessarily to provide well-baked answers, which can only be worked out through sustained thought, careful experimentation, creative research and purposeful inter-action with other participants in the process.

The IPS is a private research institution and lacks the facilities as well as the information available only to a Government organization. Nonetheless, we believe that policy-making in Pakistan needs research input from private institutions and intellectuals. As such we are submitting this Report in all humility with a view to initiate further reflection and debate. The credit for this Report goes to the small group of economists which has produced it in a very short span of time. Although I, as the Chairman of the Group, take full responsibility for the approach presented herein, the real hard work has been done by my colleagues and I record my own and the IPS's gratitude to them.

We are offering this Report as a discussion document and hope the economists, planners, and others, interested in this debate, would help us by their comments, criticisms and suggestions. If we have been successful in provoking some fresh thoughts on the issues and problems of development strategy of Pakistan, we would feel more than rewarded.

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