

History of PIDE Series-1

PIDE—from a Think Tank to a University: A Brief History



S. M. Naseem



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**PAKISTAN INSTITUTE OF DEVELOPMENT ECONOMICS,
ISLAMABAD**

Editor:

Dr Rashid Amjad

Literary Editor:

Professor Aurangzeb A. Hashmi

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Pakistan Institute of Development Economics
Islamabad, Pakistan

E-mail: publications@pide.org.pk

Website: <http://www.pide.org.pk>

Fax: +92-51-9210886

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CONTENTS

	<i>Page</i>
I. The Genesis	1
1. Antecedents of Birth	2
2. The IIEC and The Aga Khan Donations	4
3. The Role of the Ford Foundation	6
II. The End of the Formative Phase	9
1. Internal Organisational Structure	10
2. The Council of Senior Fellows	11
III. Staffing Issues	12
1. Foreign Advisers	12
2. The Overseas Training Programme	13
3. Improving the Quantity and Quality of Research Staff	15
IV. Dissemination: Publications, Lectures, Seminars, PSDE	15
1. Publications	15
2. The Annual General Meeting and Conference of the PSDE	16
3. International Contacts	17
V. THE POST-1972 CHALLENGES	18
1. Rebuilding from Scratch	18
2. New Modalities of Foreign Scholarship	18
3. Changes in Sources of Funding	22
4. Responding to New Challenges	25
Appendices	31
References	36

List of Tables

Table 1. Changes in Research Staff Strength, 1972-2007	19
Table 2. Scholarships Awarded to Staff Members and Their Sources of Funding, 1972-2007	20
Table 3. Salary and Total Expenditure, 1972-2007	21
Table 4. Share of Various Sources of Income of PIDE 1972-2006	22
Table 5. Changes in the Research Staff, 1973-1995	23
Appendix I. List of Directors/Vice-Chancellors, 1960-2007	31
Appendix II. PIDE-Ford Foundation Research Advisers, 1960-75	32
Appendix III. PIDE-Ford Foundation Overseas Scholarship Awardees, 1960-70	33

List of Charts

Chart 1. Growth of Research Staff, Salaries and Expenditures	34
Chart 2. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1972 to 1977	34
Chart 3. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1978 to 1984	35
Chart 4. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1985 to 1995	35
Chart 5. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1996 to 2006	36

PIDE—from a Think Tank to a University: A Brief History¹

S. M. Naseem²

I. THE GENESIS

The idea of establishing the Institute of Development Economics emerged in 1957 in Karachi through the efforts of concerned public servants and philanthropists in response to the felt need for research on national and international problems of Development Economics, a discipline which itself was in a formative stage and to which PIDE's existence unwittingly contributed. PIDE became one of the first centres of Development Economics that sprouted in the 1960s in the wake of the rising interest in the problems of economic development in the postwar period, soon after attention shifted from the reconstruction of war-ravaged Europe through the Marshall Plan to the more persistent problems of underdevelopment in developing countries.³

¹The study was undertaken by the author as part of PIDE's Golden Jubilee to be held on 11 March, 2007. The author is grateful to Mr M. Afsar Khan and Mr Mohammad Javed of PIDE for computational assistance and to Mr Sakhawat Ali Sheikh, Deputy Registrar, PIDE, for providing the data used in the study. The responsibility for any errors rests solely with the author.

²The author's association with the Pakistan Institute of Development Economics dates back to 1960s when he joined the Institute's research staff. He resigned from the Institute to pursue an academic career. While teaching at Islamabad University (now Quaid-i-Azam University), he was asked to serve as the Acting Director of PIDE, which was relocated to Islamabad University campus in 1972. He also served as a Senior Fellow of the Institute during 1972-78, while teaching at the Islamabad University and during 1995-98, after his return from UN assignments abroad. The views expressed in this paper are not necessarily shared by PIDE and its management.

³One of the first such centres in the United States was the Yale Economic Growth Centre created in 1961. Dr Gustav Ranis, after serving as the first Joint Director of PIDE, was appointed as the first Associate Director of the Yale Economic Growth Centre, which he later headed for several years and has continued to be on its faculty since.

This paper tries to trace the history of PIDE from its inception in the late 1950s and its bifurcation into two separate institutes to its relocation in Islamabad as a separate entity belonging to what remained as Pakistan after the separation of Bangladesh. Although much of what was created as human and physical capital in the first 10–12 years of its existence was largely lost to the new Institute, the intangible intellectual inheritance has remained important in its evolution. That is why the paper gives as much attention to its evolution before 1972 than to the developments since that date. The sins, as well as the good deeds, of the parents are often visited upon their progeny.

1. Antecedents of Birth

For more than a decade after the establishment of Pakistan, her economic managers did not have the time or resources to address the country's long-term development problems through sustained economic research efforts. The reasons were mainly twofold. First, there was a dearth of qualified personnel as the stock of those with higher degrees in Economics was extremely small and the few universities that existed in Pakistan, especially West Pakistan, did not have strong social science departments, particularly Economics. Secondly, in the first decade of Pakistan's independence, the country was preoccupied largely with the day-to-day running of the fragile economy and administration inherited from the Government of undivided India. There was hardly any time for giving systematic thought to the country's economic development in a broader perspective. The economic expertise inherited from the past consisted largely of civil servants, who exercised overwhelming influence on policy-making through their limited experience in the context of undivided India rather than on the basis of their academic qualifications or experience of economic problems in the areas that were to constitute Pakistan after 14th August 1947.

Nonetheless, some of these civil servants—notably, Mr Ghulam Muhammad, who served as the country's first Minister for Finance and Economic Affairs until 1951 (when he succeeded Khawaja Nazimuddin as the Governor-General), Chaudhry Muhammad Ali, who served as the Minister for Finance from 1951 to 1955 (and later became Prime Minister), and Mr Zahid Hussain, who was appointed the first Governor of the State Bank of Pakistan and later headed the Pakistan Planning Board—ably handled the economic problems of the country

during the transition period. Mr Ghulam Muhammad and Mr Zahid Hussain had served as economic advisers in the Nizamate of Hyderabad, one of the largest princely Indian states, before Partition. Mr Ghulam Muhammad, who virtually headed the economic team (which also included Mr Fazlur Rehman from East Pakistan) during that period, laid the foundation for a sound financial system on the British pattern and proceeded to establish the State Bank of Pakistan as the country's central bank and monetary authority, de-linking itself from the Reserve Bank of India in 1948.

The concept of planning was at a rudimentary stage and its main purpose in the transitional phase was to channel the foreign aid being received from friendly countries and international agencies into projects and programmes. This function was performed by (and some of it still remains the purview of) the Economic Affairs Division. However, the Government was forced to pay greater attention to long-term problems, both because of external compulsions and because of the need to respond to the donors' requests to provide credible information about projects and plans which could be funded through them. Among the main external stimuli for mobilising resources for and research on development were the Colombo Plan, established in 1950 by the Commonwealth countries, the Economic Commission for Asia and the Far East (ECAFE, now ESCAP), and the World Bank.

As a result, the Government decided to establish a Planning Board in 1953, headed by Mr Zahid Hussain, who had already successfully established the State Bank of Pakistan. Mr Zahid Hussain requested the Ford Foundation to provide advisers for preparing Pakistan's First Five-Year Plan, since only a few qualified Pakistani economists and experts were available. The Ford Foundation provided the first advisory team, called the Harvard Advisory Group (HAG), headed by Mr David Bell from 1954 to 1957. Mr Bell, who came to Pakistan after interrupting his graduate studies, taught at Harvard on his return from Pakistan and later rose to the posts of Budget Director and the head of US AID in the Kennedy Administration.

Mr Ghulam Muhammad was an activist Finance Minister who wanted Pakistan to achieve rapid economic development and to raise the standard of living of its people. However, he was handicapped by the enormous defence expenditure which consumed about 70 percent of the budget in the early years. This high expenditure was inevitable because Pakistan failed to receive its due share of defence stores from

the Government of India as agreed earlier, and because of the need to re-equip and modernise the armed forces. The lack of resolution of the Kashmir issue prevented both India and Pakistan from reducing their defence expenditure. As a result, Pakistan worked hard to get military aid from USA. Luckily, however, the commodity boom due to the Korean war provided windfall gains in export receipts, which were husbanded under his watchful eyes.

2. The IIEC and The Aga Khan Donations

Mr Ghulam Muhammad also tried to tap the resources from Islamic countries some of which were beginning to benefit from the large discoveries of oil. He organised an International Islamic Economic Conference (IIEC) in Karachi from November 26 to December 6, 1949. Finance Ministers of all the Muslim countries participated in the Conference. He was the first to articulate the idea of the establishment of an economic block of the Muslim countries in that conference.

It was the residual funds of that conference that provided the “seed money” to set up the Pakistan Economic Development Institute. An important, though almost unrecognised, role in mobilising these funds and in laying the preliminary groundwork for the establishment of the Institute was played by Mr M. A. Khaliq, a former trade unionist in the pre-partition days and a maverick of sorts who dabbled in Economics. Mr Ghulam Mohammad, as the Finance Minister and Convener of IIEC appointed Mr Khaliq, who was working with the IIEC, as the Institute’s Secretary. However, in October 1951, upon the assassination of Mr Liaquat Ali Khan, the first Prime Minister of Pakistan, Mr Ghulam Muhammad became the Governor-General, replacing Khwaja Nazimuddin who became Prime Minister. With his new responsibilities, Mr Ghulam Mohammed, hardly had any time for the Institute and by default its affairs were routinely looked after by Mr Khaliq, with an office located in Block 56 of the Central Secretariat buildings in Karachi.⁴ Its only significant activity was the publication

⁴Mr Khaliq continued to serve as the Secretary of the Institute until early 1960s when he was removed by the Executive Board for alleged administrative irregularity and was replaced by Mr Nazir Ahmad, a retired administrative official of the Planning Commission, until the Institute moved to Dhaka. Mr Nazir Ahmad was recalled on a short-term contract as Acting Secretary to facilitate the Institute’s relocation to Islamabad in 1972.

of the *Economic Digest*, which started as a weekly from July 1956 to July 1957, continuing as a monthly until December 1959, which came in handy when the PIDE decided to launch a quarterly journal in 1960.

The Institute acquired a more formal and credible identity when it was registered as a Society by the Registrar of Joint Stock Companies Karachi on 4th June 1957. The Society constituted a 21 member Board of Governors with two nominees of the government of Pakistan, one nominee each of the governments of East and West Pakistan, one nominee each of the State Bank of Pakistan, the Planning Board and the PIDC, 6 Vice-Chancellors, three representatives of the Chambers of Commerce and Industry, one representative of His Highness The Aga Khan and one nominee of the Pakistan Economic Association. The Government of Pakistan was requested “to make arrangements to grant to the Institute suitable plots of land for the Institute building”. The Government of Pakistan was also requested to make capital and recurring cost grant for the Institute which it was hoped would start functioning in early 1958. The first Chairman of the Governing Board was Mr Amjad Ali, Pakistan’s third Finance Minister, after Mr Ghulam Mohammed and Chaudhry Mohammad Ali. Mr Saeed Hasan, the Deputy Chairman of Pakistan Planning Board, was named as the Chairman of the Executive Committee of the new Institute.

However, it was not until the Government of Pakistan agreed to provide the Institute funding its capital and current expenditure in 1958 that the Institute started breathing and became functional as a research body. The first grant of Rs 2.78 lakhs was included in the 1958-59 annual budget of the Government of Pakistan. The Government also placed for its use as its headquarters one floor of the old Sindh Assembly Building on Bunder Road, Karachi, which also housed a high school and other educational institutions.

Even before the formal establishment of the Institute, HRH The Aga Khan offered a donation of one million Pakistani rupees to the Institute’s parent organisation, International Islamic Economic Organisation, “for establishing in Pakistan an Economic Research Centre”. His Highness contributed Rs 3 lacs to the Institute out of his promised donation and but for his untimely death in 1957, the Aga Khan would have inaugurated the Institute of Development Economics himself.

3. The Role of the Ford Foundation

A third catalytic source in the evolution of the Institute was the Ford Foundation of the United States.⁵ As a byproduct of their efforts to relieve the shortage of economic experts both in the Government institutions, such as the State Bank and the Planning Board, as well as the universities and research institutes, the Government requested the Ford Foundation, which had close links with US Government, to draw up a comprehensive plan. The Ford Foundation asked Prof. Edward Mason of Harvard University, as a part of this effort, to propose a long-term strategy. Prof. Mason was initially inclined more towards the establishment of a social science research project in Pakistan, but the lack of an appropriate academic institution to undertake such a programme made him give up the idea. As a result, the Ford Foundation proposed a two-pronged strategy: first, to overcome the lack of expertise and place reliance on foreign advisers, and, second, to support the building of general scholarly and research capacity of the Economics profession in the country, outside the direct government policy-making areas.

The first function was carried out initially by foreign advisers sent to the central Planning Board in Karachi and to provincial Boards in Lahore and Dhaka, while the second was implemented through the Research Advisers at the Institute. It was believed that “since there was far less sensitivity to the advisory role of foreigners in Pakistan than in India, the Advisers in Pakistan could play far more observable and significant role in economic policy-making in that country than in India”.⁶ As a result of this recommendation, the Ford Foundation supported the Harvard Advisory Group (HAG) in the Planning

⁵The Ford Foundation was chartered on January 15, 1936 in Michigan by the owners and executives of the Ford Motor Company in order “to receive and administer funds for scientific, educational and charitable purposes, all for the public welfare”. Over time, the Foundation’s links with the Ford family and the Ford company have vanished and it is now run by an independent board of trustees. The foundation’s grants have broadened to include support for higher education, the arts, economic development, civil rights, and the environment, among other areas. In 1952, the foundation’s first international field office opened in New Delhi, India. Similar offices were opened in other developing countries, including Pakistan, as the Foundation’s interest in promoting economic development strengthened. In 1976, the foundation helped launch the Grameen Bank.

⁶G. Rosen, *Western Economists and Eastern Society, Agents of Change in South Asia, 1960 to 1970*, The Johns Hopkins University Press, Baltimore and London, 1985.

Commission from 1962 to 1968⁷. From 1962 to 1965 it was jointly supported by the Ford Foundation and the USAID. After 1965, the Foundation ended its direct support which was replaced by the World Bank, USAID and the Pakistan Government funding. The Foundation, however, supported the establishment of the Development Advisory Service at Harvard in 1962, which later mutated into the Harvard Institute for International Development (HIID) the Centre for International Development (CID). It worked with the Planning Commission of Pakistan from 1962 to 1970 (on the eve of establishment of Bangladesh) and the Foundation's interest in the Planning Commission remained high. The total funding for the Harvard Project over its entire life was approximately \$6 to \$7 million of which the Ford Foundation's direct share between 1963 and 1965 exceeded 4 million.

The Ford Foundation's financial and technical support to the newly-organised Institute of Development Economists (IDE) also grew in part out of the realisation of the need for better trained economists which was underscored during the course of negotiating the Harvard assistance to the Planning Commission. The Institute was founded to enable the conduct of research, relevant to but not directly connected with the Planning Commission. It received grants of almost \$3 million from 1959 to 1969 from the Ford Foundation. The two projects were closely connected and some of the advisory and other facilities were often shared between the Planning Commission and the Institute of Development Economics.

Both the Institute and the Planning Commission received a major boost after Gen. Ayub Khan imposed a Martial Law on 7 October 1958 and became the President two weeks later. The role of the HAG in the Pakistan planning and economic management process was greatly enhanced with the arrival of Richard Gilbert in September 1960 as the field supervisor of HAG in Pakistan. Gilbert succeeded in convincing Ayub and his economic advisers that the Planning Commission needed HAG assistance for a longer period than Edward Mason and David Bell had recognised. The President and his cabinet accepted the suggestions for the enhancement of power and for

⁷For a critical appraisal of the influence, benign and otherwise, of the Harvard Advisory Group on research, teaching and policy-making in Pakistan, see Haque and Khan (1998) and Naseem (1998). In the popular press, the HAG has also been blamed for the disintegration of the country and the creation of Bangladesh.

strengthening of the staff of the Planning Commission. At the same time, however, the Ford Foundation was persuaded to agree to the continuation of advisory services, including those to the PIDE, beyond 1963. As a result, there was a substantial increase in the consortium aid for Pakistan's Second Five Year Plan.⁸

Soon after, the Board of Governors of the Institute of Development Economics was reconstituted in 1959 with Mr M. Shoaib, the Minister for Finance, as its President and the Educational Adviser and Secretary of Ministry of Education Mr S. M. Sharif, as its Vice President along with the Vice-Chancellor of Rajshahi University, Dr Mumtazuddin Ahmad, as Member. Four other Vice-Chancellors were also made members of the Board of Governors. Mr Piyar Ali Allana was named as the representative of The Aga Khan. Mr Saeed Hassan, Deputy Chairman, Pakistan Planning Board and Mr M. L. Qureshi, Chief Economist, Planning Board, were also among the 16-Member Reconstituted Board of Governors.

The Ford Foundation liberally funded the activities of the Institute's advisory staff and scholarships awarded to strengthen the Pakistani staff in the initial period (1959 to 1964). The Ford Foundation provided the services of an overseas-based senior academic as Director (Prof. Emile Despres of Williams College, and later of Stanford University, USA acted in this capacity for the first five years) and of a Joint Director as well as 3-4 research directors recruited from abroad. The Ford Foundation's Overseas Scholarship Programme started in 1960s was open to both the Institute's staff as well as other young economists working in educational and research institutions in Pakistan. It continued until the end of 1971.⁹ The list of the Institute's Foreign Advisers and the recipients of the Ford Foundation-PIDE scholarship Programme for this period is given in the Appendix.

A large part of the Ford Foundation funding was devoted to obtain the services of the foreign advisers and financing the overseas scholarship programme of the Institute and other foreign exchange

⁸Gilbert was awarded Sitara-i-Pakistan, the highest civilian honour received by any Pakistani economist, until the posthumous award of Hilal-i-Pakistan to Dr Mahbubul Haq in 1998.

⁹The Ford Foundation continued its activities in Pakistan beyond 1970, but on a much smaller scale. The Foundation continued to provide the services of some foreign advisers to the PIDE until 1975, viz. Stephen Guisinger and Dennis de Tray. The Foundation's focus in Pakistan then shifted to supporting the Applied Economic Research Centre (AERC), Karachi.

expenditures, including books, journals and equipment. Unfortunately, the details of the funding and the number of advisers provided and scholarships awarded are not easily available, since most of the documents were transferred to Dhaka in 1970 when the Institute, along with its library and other documents, was relocated to the country's Eastern wing.¹⁰

II. THE END OF THE FORMATIVE PHASE

The formative phase of the Institute ended in 1964 with the departure of the last Joint Director of the Institute, the late Prof. Mark Leiserson and the appointment of its first Pakistani Director of the Institute, Prof. Nurul Islam of Dhaka University. Through an SRO (No. 37 (a)/64), the President of Pakistan, at the request of the general body of the Institute of Development Economics, Karachi, decided to establish the Pakistan Institute of Development Economics in place of the existing Institute of Development Economics "for the purpose of extending its activities and improving its administration". The administrative control of the Pakistan Institute of Development Economics was assigned at its inception to the Ministry of Education. However, the substantive activities of the Institute remained much closer to that of the Planning Commission and other economic institutions of the country. In 1978 the administrative responsibility for the PIDE was reassigned to the Planning and Development Division through an Office Memorandum of the Cabinet Division. On 12 December 1981, the Institute was "reconstituted and reorganised" through a Planning and Development Division Resolution. A Presidential Ordinance was issued on 8th November 2006 "to grant

¹⁰As indicated by Dr Shahabuddin, the Director-General of Bangladesh Institute of Development Studies, Dhaka, in a communication to the author, some of the official files relating to that period, may have been lost while the BIDS moved from its old rented office in the Adamjee Court Building to its new office at Agargaon, Sher-e-Bangla Nagar, during the mid-1980s. Efforts to trace those documents from the archives of the Government of Pakistan (Ministry of Education, Economic Affairs, Finance and Planning Divisions), as well as the Ford Foundation, have not yet yielded any positive results. I am grateful to Prof. Nurul Islam and Dr Shahabudin for their efforts to help me in this "wild goose chase". I am also grateful to Prof. A. R. Khan for volunteering to provide some information from his memory relating to the period when he served PIDE from October 1960 to September 1970 in Karachi, which both corroborates and supplements to some extent, the information I have tried to collate together from different sources, although it remains necessarily incomplete and possibly inaccurate in the absence of the missing archives.

degree awarding status to the Pakistan Institute of Development Economics". Simultaneously, the Ordinance rescinded the Planning and Development Division's Resolution of 12 December 1981.

1. Internal Organisational Structure

The Institute's internal governance has evolved over time with the changes in the sources of funding and the perceptions about its role in economic research and education. However, the template for its internal governance structure developed in the first decade of the Institute's history 1958 has not changed in essentials. The Institute's apex body has been the Executive Board or the Board of Governors, which has been headed, at various times, by either the Minister of Finance or the Deputy Chairman of the Planning Commission.¹¹ Its membership has consisted of officials from the Ministry of Education and University Vice-Chancellors. The Governor of the State Bank of Pakistan and the Secretaries of the Economic Affairs, Finance and Planning and Development Divisions. To reflect its autonomous and non-official character, it has also included three elected representatives of the Senior Fellows (described below).

The administrative structure of the Institute remained virtually unchanged until 1978 when the administrative control of the Institute was passed on to the Planning and Development Division. In 1981, the Board of Governors of PIDE was reconstituted with the Deputy Chairman of the Planning Commission as the Chairman of Board of Governors of PIDE and the replacement of the University Vice-Chancellors by the Chairman University Grants Commission and the Secretary, Ministry of Education. The other members of the Board were the Governor of the State Bank of Pakistan and the Secretaries of Finance, Economic Affairs and Planning and the three other members were to be elected amongst the Senior Fellows of the Institute and the Director of the Institute as an ex-officio member.

The Director of the Institute and in his absence the Joint Director, the Chief Executive of the Institute, served as an ex officio member of the Governing Board. From 1959 to 1964, the Joint Director was de facto chief executive, since the Director, Prof. Emile Despres, was based abroad and was responsible for broad policy issues, fund-

¹¹In some periods, the Secretary of the Ministry of Education and the Chairman, University Grants Commission (UGC) have also performed this function.

raising and recruitment of advisers and oversight of training programmes. Even after the appointment of Dr Nurul Islam as a full-time Director, the Joint Director, Dr Taufiq M. Khan, a former director of the Institute of Business Administration (IBA), Karachi, and a renowned national income expert, continued to play an important role in the managerial affairs of the Institute (a role comparable to that of a pro-Vice Chancellor in Pakistani universities). Similarly, Dr Sultan Hashmi, who was appointed as a Joint Director, shared important administrative responsibilities with the Director, Mr M. L. Qureshi, who had persuaded Dr Hashmi to resign from his UN job and join the PIDE after its re-establishment in Islamabad. The role of the Joint Directors, whose number was raised to 4 in the 1980s, was considerably reduced in managerial affairs and the Director became the sole executive authority. The PIDE headquarters were shifted to Dhaka in 1970 and a skeleton staff worked in Karachi until the reestablishment of PIDE headquarters in Islamabad in 1972. Prof. S. N. H. Naqvi, then Senior Research Economist at the Institute acted as the Officer-in-Charge of the Karachi office of the Institute until 15 September 1971, when he resigned from the Institute.

2. The Council of Senior Fellows

The second key organ of external oversight of the Institute was the Council of Senior Fellows, which consisted of 15 eminent economists and social scientists, who advised the Director of the Institute on formulating and carrying out its research, training, publishing, and other professional functions. The Senior Fellows played a very important role in the first phase of the Institute's evolution. Among the pioneering members of this important body were such eminent people as Dr Mahbubul Haq, Dr Pervez Hasan, Dr Moin Baqai and Professors M. Rashid and S. A. Abbas from West Pakistan and Prof. Nurul Islam, Prof. Musharraf Hussain, Dr M. N. Huda, Prof. Rehman Sobhan, and Prof. Atwar Hussain from East Pakistan. Their active participation enhanced the quality, scope and relevance of the Institute's research agenda. Each member of the Council was elected for three years. Since 1972, the Senior Fellows Council has been a bit more diffused than in the Institute's previous phase, although it has been endeavoured to make it more representative in terms of regions, disciplines, professions and—to a much lesser extent—gender.

III. STAFFING ISSUES

The Institute's major objective at the time of its establishment was to reduce the scarcity of economists and to equip them with modern tools of economic analysis, especially quantitative methods. There were two main ways in which the problem was addressed. First, by making available first-rate foreign advisers who would train and supervise the research of Pakistani staff and prepare them for training abroad and secondly through an overseas scholarship programme.

1. Foreign Advisers

A total of 25 foreign advisers were provided by the Ford Foundation between 1960 and 1975 (See their names Appendix II). Their number was probably higher, if short-term experts (on which details are incomplete) were included. The foreign economists working as advisers in the Pakistan Institute of Development Economics performed a somewhat different and less unenviable role than their counterparts in the Planning Commission. However, since most of them were associated with teaching in American universities and their main interest was of gaining experience in a developing country which would help them rise on the academic ladder at home. In the 1960s, Development Economics was a growing and exciting discipline and most of the advisers at the PIDE were looking for opportunities to make their mark in the new discipline.

One of the first advisers at the Institute was Professor Gustav Ranis, who had originally come to Pakistan for the Ford Foundation office in Karachi, but through "serendipity" became the first Joint Director of the Institute.¹² With the collaboration of the late Professor John Fei, who arrived at the Institute a year later, the two produced a seminal work in Development Economics analytically elaborating the theory of Professor W. A. Lewis of a labour surplus economy and generalising it to the transition to a mature economy. They also laid the foundation of a training programme in quantitative methods and planning techniques, which was continued in later years with varying degrees of sophistication. Professor John Fei made pioneering efforts to introduce planning methodology through flow diagrams of national income accounting. He also introduced the input-output methodology

¹²Professor Ranis has described the circumstances in which this happened in his address to the Golden Jubilee celebrations of BIDS, Dhaka. (See References).

and attempted to construct, with the help of Pakistani staff, a partial input-output table for large-scale industries in Pakistan. The Institute in this initial period of its existence also worked closely with the Planning Commission and developed a synergy which was mutually advantageous to both.

Among other advisers who made significant contributions in development economic research at the Institute during or after were Professor Richard Porter, Professor Henry Bruton, Professor John Powers, Keith Griffin and Professor Stephen Lewis, Jr. They also mentored Pakistani staff members, who later played a leading role in the research and training activities. The Institute provided a good vehicle for the search and selection of young Pakistani economists who were later sent for studies at good universities abroad.

2. The Overseas Training Programme

In the first phase of its existence, the usual pattern of recruitment was to select a fresh Pakistani graduate with a Masters degree from a good Pakistani university and ask him to work on a problem of his/her—in the formative years the research staff was predominantly male, with Khadija Khanum (later Khadija Haq) among the notable exceptions—choice with one of the advisers or a senior economists. After one or two publications, the staff economist was sent abroad for foreign training. On his return, he was expected to undertake research independently.

In the decade of 1960s, however, most of the successful trainees were from East Pakistan. With the transfer of Institute to Dhaka, most of the West Pakistani economists found job outside the Institute, either within Pakistan or abroad.¹³ A list of Pakistani staff members sent on PIDE-Ford Foundation Fellowships is given in Appendix III. A total of 26 staff members of PIDE were trained under these fellowships.¹⁴ About half of them returned after obtaining PhD degrees.

¹³The brain drain among Pakistani economists in the 1970s and early 1980s affected West Pakistanis more because of the opportunities available in the international organisations, such as the World Bank, IMF, UN, and ADB, where senior West Pakistanis already held some key positions. The East Pakistani economists generally preferred academic and research positions.

¹⁴In later years, probably after 1965, the Fellowship programme was opened to non-PIDE staff members as well.

Just as West Pakistanis dominated the Planning Commission, the East Pakistani economists had a proportionately larger presence in the PIDE in the formative phase. With the appointment of Prof. Nurul Islam who was held in high esteem as the country's leading academic economist, as the first Pakistani Director of the Institute, this difference became even more conspicuous. Nevertheless, much of the research published in *PDR* during 1960s was conducted either by foreign advisers or by East Pakistanis, such as Akhlaqur Rehman, Azizur Rehman Khan, Swadesh Bose and Aminul Islam.

When the decision to relocate PIDE to Dhaka was taken in 1970, many West Pakistani staff members were reluctant to move, while the East Pakistani staff members welcomed the move. Their perseverance was amply rewarded after the establishment of Bangladesh and the creation of the Bangladesh Institute of Development Studies, which inherited most of the human and physical assets of the parent Institute. The Planning Commission of Bangladesh was staffed by Bangladeshi academics and researchers, who had been largely excluded from the planning process in Pakistan and devoted themselves much more earnestly to research pursuits. Bangladesh got a ready-made research facility, which involved itself heavily in the Government's planning and development work. The contrasting Bangladeshi and Pakistani experiences also serve to demonstrate that it was much easier for economists to play the role of policy-makers and planners than for the latter to undertake research and academic pursuits.

Although the formative decade of PIDE ended on a rather unhappy note, largely because of the political strife that resulted in the separation of Bangladesh and it could be argued that some of the research during that period fueled the intellectual debate leading up to the event, it left a deep imprint on the discourse and infrastructure of economic research in Pakistan. Among the issues that the researches focused on during the first decade of PIDE's existence were planning methodology, agriculture and industrial productivity, efficient use of water resources, water-logging and salinity, tubewells installation and tractorization, foreign trade strategies, fiscal policies, inflation and income distribution and population policies.

Towards the end of the 1960s, concerns about disparity between the growth of East and West Pakistan and the transfer of resources between the two wings started getting considerable attention. A number of seminal articles on these issues were published in the *PDR* and a set of Readings comprising them were also published. This tradition was carried forward after 1972, when the focus was shifted growth to issues

of income distribution, poverty, land reforms, rural development, women's participation and environmental issues, which had received insufficient attention in the 1960s.

3. Improving the Quantity and Quality of Research Staff

The scholarship programme of the PIDE in the 1960s contributed significantly to the improvement in the quality of research staff. Unfortunately for the period 1958 to 1972, accurate figures of the number of research staff members employed at the Institute are not available. However, the staff in that period was at any given time rather small, probably consisting of not more than 15-20 Pakistani economists at a time. Most of them were recruited as staff economists with Masters degree from Pakistani universities, mainly fresh MAs from Punjab, Dhaka and Karachi universities. After a year or two, they were sent abroad to prestigious US or British Universities, such as Harvard, MIT in the US and Cambridge and LSE in UK. The recruitment and selection for foreign scholarships was done by Professor Emile Despres who visited Pakistan once or twice a year for this purpose.

By 1964, the first batch of foreign qualified staff members started returning back to the Institute and were appointed as Research Economists, if they had obtained a Masters degree and as Senior Research Economists, if they had obtained a PhD. By the middle of 1960s, the Institute's net stock of foreign qualified Pakistani staff was beginning to grow. These returning staff members could work independently, with minimal support of the foreign advisers who ceased to perform the pivotal role they had done in the early years. Also, with the assumption of the Directorship by Prof. Nurul Islam in 1964, the Pakistani staff felt more self-confident and was given greater responsibility in undertaking research projects and in participating in conducting the training programmes.

IV. DISSEMINATION: PUBLICATIONS, LECTURES, SEMINARS, PSDE

1. Publications

PIDE's flagship *The Pakistan Development Review*, which has been appearing as a quarterly since 1961, with the brief unavoidable interruption of just four quarters between 1971 and 1973, is a successor to *Economic Digest* which was published as a weekly from July 1956

to July 1957 and continued as a monthly until December 1959. *Economic Digest* became a quarterly journal in Spring 1960 and its first editor was Gustav Ranis, the newly-appointed Joint Director of the PIDE. After two more issues, it was replaced by *Pakistan Development Review (PDR)*, which has been published by the Institute regularly since 1961, with only a short pause during 1971-72. For several decades now, it has been a refereed international journal of Economics and related social sciences.

Redesigned and re-planned twice in the last two decade, the contents have tended to emphasise theoretical-cum-empirical contributions; the underlying commitment has been to strengthen the interest in the general areas of Economics and other social science fields. The journal is issued quarterly and, along with the Papers and Proceedings of the PSDE, serves as the main vehicle of dissemination of the Institute's research output. Nearly every issue carries contributions by scholars from Pakistan and overseas.

2. The Annual General Meeting and Conference of the PSDE

At the initiative of Professor S. N. H. Naqvi, the Pakistan Society of Development Economists (PSDE) was established in 1982, under the Societies Registration Act of 1860, to fill a void of periodic discussion of national and international economic and development issues created by the inactivity of the Pakistan Economic Association (which was assigned a membership in the Executive Board of the Institute when it was founded, but had been dormant since 1972). The PSDE provided an institutional framework for the dissemination of the fruits of research among scholars, public officials, and policy-makers dealing with economic matters. The Society's current membership of more than four hundred includes Nobel Laureates, academics, administrators, and other members working in all different continents of the world.

The Society holds its annual meetings regularly. The Annual General Meeting and Conference of the Society is an occasion for stock-taking of the work done at PIDE and elsewhere on various socioeconomic problems of Pakistan, the region, and the world, as well as for suggesting new initiatives for further research. These meetings provide for the much-needed communication amongst the Economics professionals, policy-makers, and various schools of interested observers of the ongoing debate concerning development-related

issues. Twenty-two such meetings have been held thus far, with over 600 papers presented in areas such as agriculture, industry, international trade and exchange rates, fiscal and monetary economics, project appraisals, demography, human resource development, resource mobilisation, debt, governance, gender, poverty, structural adjustment, and Islamic economics. The papers presented in the meetings are subsequently published in the *Papers and Proceedings* issue of *The Pakistan Development Review*.

The highlights of the PSDE meetings are the Distinguished Lectures. Three of these are Memorial Lectures dedicated to the memory of the Quaid-i-Azam, Mohammad Ali Jinnah, the founder of Pakistan, Mohammad Iqbal, poet-philosopher, and Dr Mahbub ul Haq, the celebrated Pakistani economist. Memorial lectures are also held to honour distinguished deceased economists and social scientists, such as Dr Sultan Hashmi, the renowned demographer and Jawaid Azfar, Chief Economist of the Planning Commission and Omar Asghar Khan, founder of the environmental NGO Sungi, who both died young but left a rich intellectual legacy behind. The Distinguished Speaker list in different years has had on it such names as Professor Lawrence R. Klein (Nobel Laureate), Sir Hans W. Singer, Professor E. Malinvaud, Professor Paul P. Streeten, Professor Ansley J. Coale, Professor David P. Laidler, Professor Robert E. Baldwin, Professor Lawrence H. Summers, Professor Ronald W. Jones, Professor Ismail Sirageldin, Professor Robert A. Mundell (Nobel Laureate), and Professor T. N. Srinivasan.

3. International Contacts

The PIDE has been keen to enlist the support not only of international donors, but also of reputed academics and development economists. In the initial period, the Institute set-up an International Advisory Board, consisting of three world-renowned economists, Professor Max F. Millikan of USA, Professor Gunnar Myrdal of Sweden, and Professor E. A. G. Robinson of UK. Later, the International Advisory Board co-opted seven outstanding and famous economists, namely, Hollis B. Chenery, Ansley J. Coale, Just Faaland, Harry G. Johnson, Gustav Ranis, and Paul Streeten. The current members of the International Advisory Board are: Gamani Corea, Just Faaland, Albert O. Hirschman, Lawrence Klein, Janos Kornai, E. Malinvaud, Robert A. Mundell, Gustav Ranis, Paul Streeten, and

Winfried von Urff. Other vehicles of frequent international interaction have been an international editorial board for the *PDR* and invited lectures on various development issues and the annual PSDE conferences.

V. THE POST-1972 CHALLENGES

1. Rebuilding from Scratch

The situation in 1972 when the Institute re-started functioning in Islamabad was not very different from what existed when its parent Institute started in Karachi in 1958. There were less than half a dozen research staff members available when it moved to Islamabad in January 1972, because some had not returned from Karachi or Dhaka and others were still on training abroad. When the PIDE was re-organized in 1972, no senior West Pakistani economist was available and only a handful at the junior level turned up to join it in Islamabad. Some of the West Pakistani staff members stranded in Dhaka after the military action in 1971, were later repatriated to Pakistan after spending some time as POWs in India. Others managed to leave Dhaka before the siege. However, by the end of 1972, 17 research staff members including research assistants had resumed duties, some as fresh recruits. The changes in the number of research staff of PIDE from 1972 to 2007 are given in Table 1.

From 1972 to 1980, the number of research staff increased to 46 and from 1981 to 1990 it increased to 79. Since 1991, the number of research staff fluctuated between 58 and 76 while from 2001, the number of research staff has declined from 65 to 57 reaching the lowest level of 55 in 2006. The number of staff members with PhD degrees which was only 7 in 1975 reached a maximum figure of 19 in 1990 and 1992 (see Table 5).

2. New Modalities of Foreign Scholarship

Unlike the 1960s, the post-1972 PIDE has not had a comprehensive and regular research and training programme and policy, which has been constrained by the lack of financial support and the political clout that PIDE enjoyed in the Ayub era. As a result, the access to foreign training has become limited and diffused. Table 2 provides the information relating to the availability of foreign scholarships during the past 35 years. A total of about 100 staff

Table 1

Changes in Research Staff Strength, 1972-2007

Total Research Staff as on 31st					
Year	December	Retired	Resigned	Training	New Rec.
1972	17				
1973	25	–	6		
1974	30	–	11	5	
1975	31	1	9	8	
1976	44	–	3	1	
1977	45	–	7	5	
1978	39	–	7	6	
1979	45	–	6	2	
1980	46	–	5	4	
1981	50	1	10	4	
1982	49	–	4	2	
1983	61	–	9	1	
1984	70	–	9	5	
1985	75	–	8	6	
1986	74	1	4	2	
1987	84	–	3	9	
1988	79	–	4	0	
1989	73	–	8	6	
1990	79	–	6	8	
1991	73	–	8	4	
1992	76	–	2	1	
1993	73	–	4	1	
1994	70	–	3	5	
1995	61	2	1	3	
1996	62	–	3	1	
1997	62	–	2	0	
1998	58	1	1	0	
1999	63	1	5	0	
2000	70	1	3	1	
2001	65	–	1	1	
2002	62	1	6	1	
2003	64	1	2	3	
2004	65	1	6	1	
2005	65	–	4	3	
2006	55	3	2	5	
2007	57	2	5	3	

Table 2

Table 3
Salary and Total Expenditure, 1972–2007

(Rupees)

Years	Total Salary	Expenditure			Total Expenditure	
		Expenditure on Research Staff Members	Expenditure on Other Staff Members	Expenditure on Organising Annual Conferences of the PSDE		Expenditure on Organising Training Courses
	(1)	(2)	(3)	(4)	(5)	(6)
1972	247,434	160,832	86,602			20218
1973	325,032	217,771	107,261			526934
1974	607,418	406,970	200,448			2171100
1975	686,014	459,629	226,385			1308224
1976	760,087	516,859	243,228			1588369
1977	878,830	571,240	307,591			5688369
1978	1,176,866	764,963	411,903			2569394
1979	1,289,811	864,173	425,638			2779289
1980	1,825,471	1,223,066	602,405			4223206
1981	1,986,145	1,330,717	655,428			5390787
1982	2,443,262	1,636,986	806,276		22,451	5984494
1983	2,802,525	1,821,641	980,884		20,409	8029079
1984	4,111,449	2,466,869	1,644,580		6,747	10039313
1985	4,103,171	2,667,061	1,436,110	550,157	50,939	10,046,681
1986	4,678,191	3,040,824	1,637,367	738,335	2,256	12,113,360
1987	5,082,847	3,100,537	1,982,310	978,805	9,003	13,741,585
1988	6,581,729	4,014,855	2,566,874	393,448	25,632	14,916,158
1989	6,914,983	4,494,739	2,420,244	804,384	91,155	16,844,192
1990	7,149,803	4,647,372	2,502,431	1,199,719	31,900	17,551,267
1991	8,260,988	5,039,203	3,221,785	1,358,089	78,159	21,197,254
1992	9,879,835	6,421,893	3,457,942	1,195,596	48,594	24,197,955
1993	10,361,456	6,320,488	4,040,968	1,807,580	59,285	28,805,211
1994	11,104,134	6,884,563	4,219,571	585,757	752,301	27,153,055
1995	12,802,374	8,321,543	4,480,831	1,693,240	78,205	27,667,989
1996	13,789,054	8,549,213	5,239,841	875,455	316,924	28,429,380
1997	13,949,495	9,067,172	4,882,323	0	178,620	29,926,933
1998	15,053,231	9,784,600	5,268,631	2,780,911	223,755	36,262,126
1999	14,348,278	9,469,863	4,878,415	2,671,192	1,000,000	34,715,105
2000	16,372,208	10,969,379	5,402,829	2,902,839	570,671	39,373,149
2001	16,886,101	10,975,966	5,910,135	1,063,780	980,162	37,991,448
2002	19,622,061	13,146,781	6,475,280	1,241,375	129,928	38,002,838
2003	21,657,409	14,510,464	7,146,945	2,928,400	295,802	45,746,786
2004	26,739,392	18,182,787	8,556,605	3,382,874	36,408	63,148,143
2005	27,616,812	18,779,432	8,837,380	3,595,666	583,705	62,346,163
2006	33,045,020	21,479,263	11,565,757	13,304,028	647,796	57,165,940
2007	40,102,382	26,868,596	13,233,786	0	248,281	75,163,315
Total	365,241,298	239,178,311	126,062,987	46,051,630	1,811,992	812,824,809

Table 4

Share of Various Sources of Income of PIDE 1972-2006

	Share of Govt. Grants	Share of Endowment Income	Share of Income from Contractual Studies	Share of Other Income
1972-1977	68%	10%	9%	13%
1978-1984	57.7%	11.87%	6.05%	24.35%
1985-1995	69%	15%	7%	9%
1996-2006	76.3%	0%	0%	23.7%

members availed of such scholarships, more than half for PhD programmes. However, the sources of funding them have been very diverse. The Ford Foundation, which was the main source during the 1960s phased out its scholarship programme from the mid-1970s and was replaced by UNDP, USAID and bilateral donors as the major source in most of the 1980s (1978-1990), when the number of scholarships availed by the PIDE staff reached a peak of 49. The 1990s (1991-2004) were the leanest period, with only 19 recipients of foreign scholarships, funded mostly by bilateral donors. Since 2005, the HEC is the only significant donor, while there has been no funding available from the traditional foreign donors.

3. Changes in Sources of Funding

As discussed earlier, in the initial phase of its existence, the Institute's activities began with a modest donation from the IIEC and were jump-started by significant donations from the Aga Khan and the Ford Foundation. However, after the Institute's activities had gained momentum and the Government became convinced of its usefulness in promoting the country's long-run development, the Government of Pakistan became the main source of funding for its current and capital expenditures through regular budgetary allocations.

PIDE is mainly funded by the Government of Pakistan and partly through earnings from its endowment and the studies carried out for various international organisations. In 1979, USAID provided an endowment grant of Rupees 20 million. The United Bank Limited, Industrial Development Bank of Pakistan, Pak-Kuwait Investment Company Limited, Pak-Libya Holding Company Limited, and

Table 5

Table 5

Investment Corporation of Pakistan have provided an additional 15 million rupees. The endowments are an indication of the appreciation of the contribution being made by Pakistani development institutions and banks towards ensuring both academic excellence and independence of the PIDE. The income from the endowment has been used to build up the library and other research facilities.

The sources of funding of the PIDE have both grown and diversified considerably since its inception in 1972. While total of the Institute derived entirely from government grant stood at only Rs 208,466 in 1972, its current (for the year 2007) stands at Rs 85,861,380.0 out of which Rs 72,415,000.00. The proportion of government grant to total income has declined from 76.3 percent in 1972–77 to 68 percent in 1996–2006 (see Table 4). The proportion of government grant in total income which had fallen to below 60 percent (57.7 percent) during 1985–1995 has recovered during 1996–2006 to the level achieved in 1978–1984 period. The main source of diversification of PIDE's income has been the income from endowment which forms 16 percent of the its total income as a result of its endowment created by Endowment Fund contributed by USAID in 1979. The endowment income's proportion however, has declined to 11.7 percent in 1985–1995 and to 10 percent in 1996 to 2006. The other major source of diversification of receipts has been from the income earned from the contractual studies undertaken for other organisations and international agencies including the ADB and the World Bank.

4. Responding to New Challenges

The third phase of the evolution of PIDE began in January 1972 with the relocation to Islamabad in the Quaid-i-Azam University Campus. Dr S. M. Naseem, the head of the Economics Department of the University, was appointed the Institute's Acting Director, while the Institute searched for a new Director. At the end of July 1972, Mr M. L. Qureshi, formerly Chief Economist of Pakistan Planning Commission and one of the founder members of the Institute, who was working with the African Development Bank, Abidjan, Ivory Coast, was appointed as the new Director. The Institute was housed temporarily in the Social Science building of the Quaid-i-Azam University and later moved to its own building at the University campus in 1979.

The move to Islamabad in 1972 required rebuilding of both the human and physical infrastructure which almost totally vanished in the preceding two years because of political turmoil. The Islamabad University hosted the Institute in the initial period of the move by sharing both its staff and physical facilities, which were rather limited. It gave the Institute land to construct its own building for which the Government provided capital funding. Mr M. L. Qureshi, who had served in the Government since the establishment of Pakistan and had the longest reign as Chief Economist in the Planning Commission, was well-connected and well-placed enough to mobilise the financial and other resources required to rebuild the Institute.

A major constraint that the Institute faced in its revival in Islamabad was the political backlash faced by economists in general and planners in particular in the wake of the realisation of the failures of the Ayub regime and its growthmanship which resulted not only regional disparities leading to the creation of Bangladesh, but also in the rise in income inequalities and poverty incidence. Rising on the wave of populism, Mr Bhutto's Pakistan People's Party was scornful of planners and academic economists, who had acquired considerable visibility and influence during the Ayub years. The new regime relegated them from any significant role in public policy and put the Planning Commission and the planning process virtually on hold. PIDE, which grew in the shadow of the Planning Commission, therefore, had a difficult time to regain its former status.

In the meanwhile, some of the senior staff members who had gone abroad for studies or taken employment there to avoid the uncertain situation in Pakistan started returning home. Among these were Sarfraz Qureshi and A. R. Kemal, who later became Directors of the Institute, as well as Ghaffar Chaudhry, G. Radhu, Anwar Chaudhry, Iqbal Alam and Muhammad Afzal. Some of them left for foreign places again to complete their studies or to seek more lucrative employment. One of the more important gains of PIDE's relocation to the Islamabad University campus was that it gained access to a steady flow of graduates from the University's Master's programme in Economics, which was perhaps the best in the country at that time. In the first few years of its existence at the campus, the largest number of Staff Economists recruited by it were the MA's in Economics from the Quaid-i-Azam University (as the University of Islamabad was renamed in 1974). These graduates continue to provide the backbone of the PIDE staff.

Mr M. L. Qureshi's six-and-a-half year's tenure as the Director of PIDE was a period of consolidation and rebuilding of the Institute. He revived the Executive Board and the Council of Senior Fellows and tried to resume the publication of the *PDR* and resume its research activities. He was ably helped in these efforts by Dr Stephen Guisinger and Dr Dennis de Tray, the two Ford Foundation advisers.

The longest tenure as Director of PIDE, spanning over a decade and a half, has been that of Professor S. Nawab Haider Naqvi, who succeeded Mr M. L. Qureshi in 1979. Professor Naqvi, who was then Chairman and Professor of Economics at Quaid-i-Azam University since 1974 and had previously taught at the Middle East Technical University, Ankara, Turkey, had served at PIDE from 1965 to 1970, and with the Planning Commission before then. Dr Naqvi's academic and research credentials were aptly applied to take PIDE to a higher level of achievement than had been possible for his predecessor. His tenure succeeded in reviving the research activities at the Institute and giving it a higher profile both nationally and internationally. He not only gave the *PDR*—which had already acquired an international reputation in Development Economics—a new face, he enriched its contents with research from the Institute staff as well as articles from reputed scholars and academics.

Dr Naqvi emerged as a strong leader and protagonist of economic research and persuaded the Board of Governors to make important changes in the administrative structure to empower the Director to take new initiatives. He was able to persuade the country's top bureaucrat, Mr Ghulam Ishaq Khan, who later became the President of Pakistan, to assume the Chairmanship of the Executive Board and to help him cut the red tape that stood in the way of strengthening the Institute further. Perhaps, the single most important achievement of his tenure was the regular holding of the Annual Conference of the Pakistan Society for Development Economists (PSDE), which he founded and which probably will remain his most important legacy. He also managed to raise the funding of the Institute both from Government and non-Government sources and succeeded in establishing an Endowment Fund, the income from which could be used in keeping with the Institute's own priorities. The strength of the research staff rose from 50 to 70 during his 16-year Directorship (see Table 1). The overall expenditure on the Institute's activities rose five-fold (see Table 2).

The decade following Professor Naqvi's departure as Director of the Institute has been one of continuity rather than change in the overall activities and policies for which Dr Naqvi had put a sound foundation. But the Institute was beginning to face new challenges, such as the declining importance of Economics education and research, the rising competition from NGOs and private institutions, such as SDPI, MHDC, LUMS, AERC, and others, which were better funded and had less bureaucratic rigidities. The Government, faced with the structural adjustment programmes of international financial institutions designed to curtail public expenditures, was reluctant to increase PIDE's funding, which stagnated in current terms and declined in real terms, along with the strength of the research staff, which fell to the levels attained in early 1980s.

There were several adverse consequences of these factors, which contributed to the decline in the perception of its past reputation. One was the increase in the contractual studies undertaken by PIDE for national and international agencies to generate additional income, as well as to enable the research staff to supplement their income from salaries, which were becoming insufficient to meet the increasing cost of living.¹⁵ The second adverse consequence was the largely donor-driven "consultancy boom", which started in the late 1980s, diluting the research agenda by focusing on short-run problems. As cogently argued by Haq and Khan (1998), the contents of most consultancy studies are "anti-intellectual since they want immediate answers to self-serving propositions or questions". The third adverse consequence of the loss of prestige, unfavourable incentive structure, and non-academic work environment was the haemorrhaging of talent, largely through a process of internal brain-drain, as NGOs, foreign aid agencies and private institutions offered more competitive terms of employment.

When Dr A. R. Kemal took over as Director in 1999, he was also performing the duties of Chief Economist in the Planning Commission, which itself had suffered considerably from the internal brain-drain phenomenon. Dr Kemal continued to devote considerable time to the work of the Planning Commission. During this period, PIDE also lost some senior staff members, such as Dr Ashfaque

¹⁵The PIDE does not levy any overhead costs on the studies undertaken by the staff, but collects 30 percent of the savings of the contractual fees from the expenditures incurred by staff members undertaking the study. The rest of the 70 percent earnings are shared by the collaborating staff members working on the study.

Hussain Khan (who resigned to become Economic Adviser, Ministry of Finance), Dr M. Irfan (who retired), Dr Shahnaz Kazi (who resigned to join the World Bank, Islamabad), Dr Zeba Sattar (who resigned to join the Population Council, Islamabad), as well as others. Despite such depletion in personnel and the demands on his time from the Planning Commission, Dr Kemal managed the affairs of the Institute in a commendable manner and encouraged younger staff members to undertake quantitative research, which has been his forte. Dr Kemal also initiated the MPhil and PhD programme in Economics, despite the shortage of staff. Although PIDE did not receive the charter from the Government to award the degrees until after his retirement from the Institute, ten students of the programme enrolled during his tenure, four of which are PIDE staff members, are due to be awarded PhD degrees at PIDE's first convocation in March 2008. It was due to his efforts, supported by Dr Shahid Amjad Chaudhry, then Deputy Chairman, Planning Commission, that the Federal Cabinet approved the degree-awarding status to PIDE in 2003. It should be noted that the proposal for starting the PhD programme was initiated in 1998 by Dr Hafiz Pasha, then Chairman of PIDE's Board of Governors and Deputy Chairman of the Planning Commission.

The tenure of Dr Nadeem Ul Haque, who succeeded Dr Kemal in 2006, lasting just over a year, though brief, was a breath of fresh air. Dr Nadeem Ul Haque, who had breathed in the musty air of bureaucratic tradition at PIDE before leaving for Chicago for his PhD and worked for the IMF in Washington, was full of iconoclastic, if neo-classical, ideas when he took over.

He tried to introduce innovative ideas of research and for the first time organised a regular weekly series of seminars in the Institute. These were given the ingeniously tranquilising title of "Nurturing Minds". The weekly seminar series was designed "to give impetus to development discourse and stimulate intellectual thought" and invited both the Institute researchers and prominent economists, both Pakistani and foreign, on important issues of development policy.

During his tenure, PIDE was finally given the degree-awarding status, which made him the first Vice-Chancellor of PIDE (with the Deputy Chairman of the Planning Commission as its Chancellor, and the President of Pakistan as its Patron).

He also succeeded in organising in Lahore the first meeting of the PSDE outside Islamabad in a somewhat flamboyant manner, which

attracted a great deal of attention of the media, the politicians, and prominent businessmen, besides eminent economists from home and abroad. Dr Haq's brief tenure will be remembered in the annals of PIDE as a revolt against tradition and bureaucracy which was too good to have lasted too long in the prevailing circumstances of Pakistan.

With the somewhat abrupt departure of Dr Nadeem Ul Haque, Dr Nausheen Mehmood, the Institute's most senior research staff member, became the Acting Vice-Chancellor, until the assumption of office of the newly-selected Vice-Chancellor, Dr Rashid Amjad, who was then serving with the ILO, Geneva, and who took charge on 03rd December, 2007. Dr Amjad, who started his academic career at Punjab University after earning his PhD at Cambridge in the 1970s, has a solid reputation as a researcher; his doctoral thesis on industrial concentration in Pakistan has been published as a pioneering work in the area. He joined the ILO's Asian Employees Programme in Bangkok (ARTEP), which was then headed by Dr Azizur Rehman Khan. His assignment in the ILO included his heading the team that produced the World Employment Report, 1998-99 and 2001. Dr Amjad was also closely associated with the Pakistan Employment and Manpower Commission in the 1980s, headed by Dr Moinuddin Baqai, and was the principal author of its final report. With such a distinguished record of research and management, he is sure to lead PIDE to greater heights during his tenure. He has already succeeded in mobilising considerable resources to take PIDE into a new phase of evolution that began in November 2006 with its transformation into a University.

This phase is still in evolution and will take some time before PIDE manages to attain a suitable balance between research and teaching activities. In 2008, 18 staff members had PhD degrees with 4 staff members on leave of absence and 4 others likely to be awarded PhD degrees at PIDE's first convocation. Both the quantity and the quality of the research staff, however, remain below the standard that was achieved during the past three decades. With its enhanced mandate for teaching and the need to maintain its past reputation as the country's leading think-tank on economic development issues, PIDE faces major challenges in improving its HRD profile. It is hoped that the discussants on this paper and other papers being presented in the session relating to the celebration of the 50th Anniversary of PIDE will lead to more concrete ideas and suggestions about its administrative, academic, and research activities.

Appendix I

Appendix II

PIDE-Ford Foundation Research Advisers, 1960-75

1. Gustav Ranis, 1959-61
 2. *John C. H. Fei, 1960-61
 3. Richard C. Porter, 1961-62
 4. John C. Power
 5. Christoph Beringer
 6. Fred C. Shorter
 7. Joseph Stern, Jr.
 8. Stephen R. Lewis Jr.
 9. Keith Griffin
 10. Ronald C. Soligo
 11. Gordon C. Winston
 12. Philip S. Thomas
 13. Carl H. Gotsch
 14. Karol Krotki
 15. Warren C. Robinson
 16. Martin Sanders
 17. E. H. Clark II
 18. Hiramatsu Kaneda
 19. Bruce Glassburner
 20. Marvin Rozen
 21. Absjorn Bergan
 22. Arthur McEwan
 23. Dennis N. de Tray
 24. *Stephen Guisinger
 25. Sir James Mirrlees (Nobel Laureate)
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* = Deceased.

Appendix III

PIDE-Ford Foundation Overseas Scholarship Awardees, 1960-70

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1. **Sultan Hashmi (Chicago, PhD)
 2. Fateh Chaudhri (Williams College, MA, Yale, MA)
 3. S. U. Khan (Williams College, MA)
 4. **Akhlaqur Rehman (MIT, PhD)
 5. S. M. Naseem (Yale, PhD)
 6. A. R. Khan (Cambridge, PhD)
 7. Swadesh Bose (Cambridge, PhD)
 8. A. M. I. Aminul Islam (LSE, PhD)
 9. Abdur Rab (Harvard, PhD)
 10. **A. N. M. Azizur Rahman (Pennsylvania, PhD)
 11. M. Irshad Khan (? , PhD)
 12. Nooruddin Chaudhry (Stanford, MA)
 13. Matlub Hussain (Vanderbilt, MA)
 14. Razzak Ruknuddin (Hawaii, MA)
 15. S. N. H. Naqvi (Princeton, PhD)
 16. Abdur Rehman (Yale, MA)
 17. S. Mushtaque Hussain (LSE, PhD)
 18. K. A. T. M. Hasan Imam (LSE, MA, Manchester, PhD)
 19. Mati Lal Pal (Yale, MA)
 20. G. Radhu (Pennsylvania, PhD)
 21. Ghazi M. Farooq (? , PhD)
 22. Mohiuddin Alamgir (Harvard, PhD)*
 23. Abu Abdullah (Harvard, MA)*
 24. Zubair Iqbal (MSU, PhD)*
 25. Shoaib Hashmi (LSE, MSc)*
 26. Ashraf Janjua (Stanford, MA)
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* Not on PIDE's staff.

** Deceased.

Chart 1. Growth of Research Staff, Salaries and Expenditures

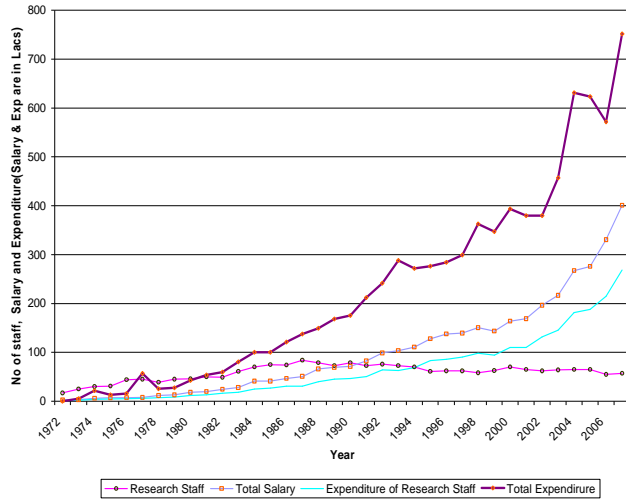


Chart 2. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1972 to 1977

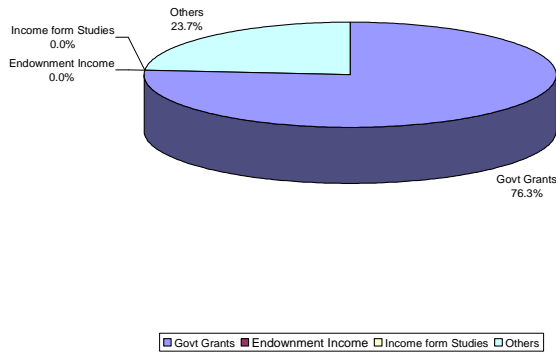


Chart 3. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1978 to 1984

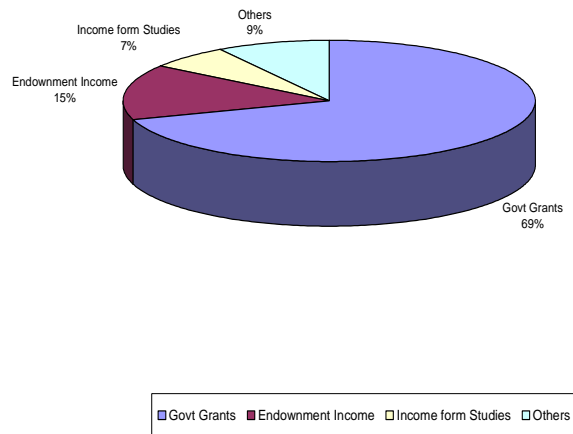


Chart 4. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1985 to 1995

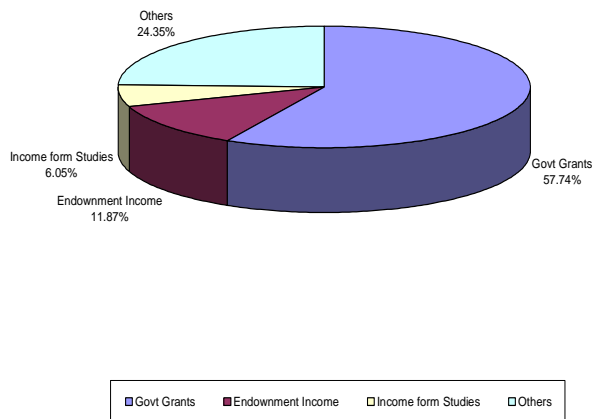
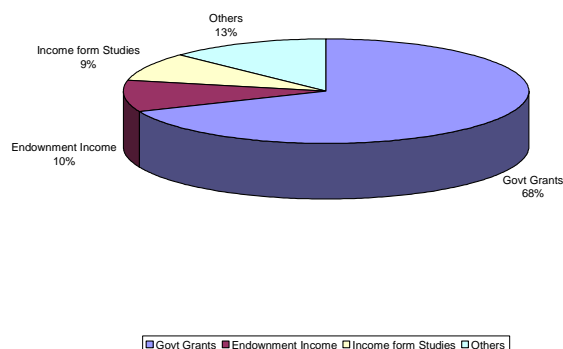


Chart 5. Share of Government Grants, Endowment Income, and Income from Contractual Studies, 1996 to 2006



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Table 2

Scholarships Awarded to Staff Members and Their Sources of Funding, 1972-2007

Period	Donor Agency							Total No. of Staff Members	Degree	
	Ford Foundation	USAID	Population Council	UNDP/ UNFPA	Bilateral	HEC	Others (including Self Finance)		PhD	Non-PhD
1972-77	7	8	1	-	-	-	3	19	10	9
1978-1990	-	19	1	16	10	-	3	49	28(4)*	21(1)*
1991-2004	-	-	-	-	16	-	3	19	6	13
2005-2007	-	-	-	-	-	5	6	11	11	-
	7	27	2	16	26	5	15	98	55	43

* Did not complete the degree.

Table 5

Changes in the Research Staff, 1973-1995

Years	Non-PhD				PhD				Total			
	A	B	C	D	A	B	C	D	A	B	C	D
1973	-	-	-	-	-	-	-	-	29	-	-	-
1974	-	-	-	-	-	-	-	-	20	-	-	-
1975	-	-	-	46	-	-	-	7	18	-	-	53
1976	4	1	3	49	0	1	1(2)	8	4	1	5	57
1977	8	7	0	49	2	0	3(1)	11	1	7	3	60
1978	3	6	-4	45	1	1	1(1)	12	4	7	3	57
1979	12	3	5	50	1	1	4(4)	16	13	4	9	66
1980	7	5	0	50	1	1	2(2)	18	8	6	2	68
1981	11	8	1	51	0	2	0(2)	18	11	6	1	69
1982	7	3	3	54	0	1	0(1)	18	7	4	3	72
1983	0	8	-8	46	0	1	-1	17	09	9	-9	63
1984	12	5	6	52	1	3	-1(1)	16	13	8	5	68
1985	8	8	-1	51	-	-	1(1)	17	8	8	0	68
1986	9	0	8	59	0	2	-1(1)	16	9	2	7	75
1987	9	3	5	64	0	0	1(1)	17	9	3	6	81
1988	1	4	-5	59	0	2	1(2)	18	1	5	-4	77
1989	6	7	-2	57	1	2	1(1)	19	7	8	-1	76
1990	4	5	-1	56	1	2	0	19	5	6	-1	75
1991	1	5	-4	52	0	3	-2	17	1	7	-6	69

Continued—

Table 5—(Continued)

1992	1	2	-4	48	0	2	2(3)	19	1	3	-2	67
1993	0	1	-1	47	0	3	-3	16	0	4	-4	63
1994	0	3	-4	43	0	1	0(11)	16	0	4	-4	59
1995	0	4	-6	37	0	1	1(2)	17	0	5	-5	54
1996				58				17[6]				75
1997				54				19[6]				73
1998				56				16[9]				72
1999				62				13[9]				75
2000				48				15[7]				63
2001				40				15[7]				55
2002				41				15[7]				56
2003				45				13[7]				58
2004				45				12[9]				57
2005				43				12[9]				55
2006				36				7[9]				43
2007				36				9[3]				45

Note: Those who obtained PhD during service are reported in parenthesis.

Figures in square parenthesis show that they are on PIDE strength but are on leave.

A = Recruitment; B = Departure; C = Net Addition; D = Present Strength.

Net Addition = A - B - those who obtained PhD during service.

Appendices

Appendix I

List of Directors/Vice-Chancellors, 1960–2007

	Name	Designation	Previous Affiliation	Date of Appointment	Date of Separation	Duration
1	*Professor Emile Despres	Director-in-absentia	Williams College & Stanford University	1960	1964	5 Years
2	Prof. Gustav Ranis,	Joint Director	Yale University	1959	1960	1 Year
3	*Prof. Irving Brecher	Joint Director	McGill University	1961	1962	1 Year
4	Prof. Henry Bruton	Joint Director	Williams College	1962	1963	1 Year
5	*Prof. Mark Leiserson	Joint Director	Yale University	1963	1964	1 Year
6	Professor Nurul Islam	Director	Dhaka University	1964	1971	7 years
7	*Dr Taufique M. Khan	Joint Director	I. B. A., Karachi	1965	1970	5 Years
8	Dr S. M. Naseem,	Acting Director	Islamabad University	05-01-1972	30-07-1972	7 months
9	*Mr M. L. Qureshi	Director	African Dev. Bank	31.07.1972	31.01.1979	6½ Years
10	*Dr Sultan Hashmi	Joint Director	UN-ESCAP	1977	1979	½ Years
11	Prof. Syed Nawab Haider Naqvi	Director	Quaid-i-Azam University	02-01-1979	10-10-1993	14½ Years
12	Dr Sarfraz Khan Qureshi	Director	PIDE	11-10-1993	18-12-1993	2 months
13	Prof. Syed Nawab Haider Naqvi	Director	Quaid-i-Azam University	19-12-1993	10-07-1995	1½ Year
14	Dr Sarfraz Khan Qureshi	Director	PIDE	11-07-1995	10-11-1999	4½ Years
15	Dr A. R. Kemal	Director	PIDE	15.12.1999	13-04-2006	6½ Years
16	Dr Nadeem Ul Haque,	Director and Vice-Chancellor	IMF	13-04-2006	11-06-2007	1 Year
17	Dr Naushin Mahmood	Acting VC	PIDE	12-06-2007	02-12-2007	6 months
18	Dr Rashid Amjad	Vice-Chancellor	ILO	03-12-2007	To date	

* Deceased.