A new consensus on how to define prosperity is needed - Dr. Asad Zaman, VC PIDE.

The 33rd AGM & Conference of the Pakistan Society of Development Economists (PSDE) concluded today. The Conference was hosted by the Pakistan Institute of Development Economics (PIDE), with the support of Agha Khan Rural Support Program (AKRSP), International Food Policy Research Institute (IFPRI), Oxfam, Fredriech-Eibert-Stiftung (FES), Higher Education Commission (HEC), ECO-Science Foundation, Center of Excellence-CPEC, Australian Center for International Agriculture Research (ACIAR), Asian Development Bank (ADB), UNDP, State Bank of Pakistan (SBP), Bank Al-Habib, and Meezan Bank.

The Conference concluded with the prestigious Quaid-i-Azam Lecture delivered by Dr. Asad Zaman, President PSDE and Vice Chancellor PIDE. The session was chaired by Dr. Nadeem Ul Haque, Former Deputy Chairman, Planning Commission, while the discussants were Dr. Ashfaque Hassan Khan, Professor of Economics, S3H, NUST, and Dr. Nuzhat Ahmad, CEO, Capstone Consulting International. The theme of the Quaid-i-Azam Lecture was "Quest for Prosperity: Culture and Economy". In his lecture, Dr. Zaman talked about various theories of the purpose of human life in both traditional and modern, market societies. Quoting Bertrand Russell, he said that in the secular thought life is meaningless and different groups having different goals are simply living under common laws. This thought, Dr. Zaman said, has led to the destruction of the future of humanity and ecology. He said that there is a need for a new consensus on how to define prosperity. Society is prosperous to the extent that it creates capabilities and character, and develops a caring and sharing economy as in such a society there can never be scarcity. This can be done through building strong communities and taking collective responsibility. Dr. Zaman said that what we need is an economic theory that focuses on the 90% of the population instead of the one the current theory that focuses only on 1%. This, he said, can be done by applying the Islamic solution that emphasizes generosity, equality, forgivingness, kindness, compassion, and which discourages excessive accumulation of wealth.

In a panel discussion on social capital and economic growth, different facets of tolerance, harmony, and trust were discussed. The panel was chaired by H.E. Naela Chohan, Pakistan Ambassador to Australia. Expressing his views on the topic, Mr. Izhar Ali Hunzai, Former GM AKRSP said that it is with the integration of different forms of capitals –social, human, financial, natural and physical – that real development takes place. Mr. Hunzai said that social capital has both positive and negative implications. Jirga is one such example in which social cohesion operates as an institution of social control to dominate human beings. Dr. Asma Hyder, Member Social Sector, Planning Commission said that trust is very important for the creation of social capital, and also for the well-being of individuals and society. Dr. Pervez Tahir, Chairman, Bank of Punjab, said that network, reciprocity, and trust are important for social capital to actualize. He said that this is hindered by clash of institutions, poor functioning of democracy, social exclusion, inefficient institutions, and corruption. Lack of collective action, normative discourse and inclusive social networking are other hindrances, he added. Talking in the backdrop of Azerbaijan, Dr. Vilayat Valiyev, Director, ISRER, Ministry of Economy and Industry, Azerbaijan, said that social capital is important because development of social relations and productive forces depends on each other, and the optimal ratio between them is the basis of society's sustainable development. Mr. Max Lawson, Head Inequality Policy, OXFAM International, linking social capital with inequality said that inequality leads to distrust, poverty, unemployment and even terrorism. Talking of Pakistan, he said that the country is high on inequality and the gap between the rich and the poor is widening by the day. Weak political associations within region and strong concentration of power at the macro level weaken social capital between people of different ethnicities, religions and genders in Pakistan. This inequality is entrenched in the educational system as well.

The second panel discussion of the day was on industrial development, job creation, special economic zones, and urban development. The session was chaired by Mr. Naeem Y Zamindar, Chairman, BOI. Mr. Shahid Rashid, Executive Director, CE-CPEC, who was the moderator/lead panelist, kicked off the proceedings by highlighting the fact that Pakistan needs to keep a balanced approach to development and not forget the key role of agriculture in the past. The key to transformation of society is a change in mindset towards constructivism. No doubt the manufacturing sector requires SEZs and history has shown that countries have leveraged SEZs for stimulating growth. Pakistan can capitalize on the opportunities provided by CPEC to set up new SEZs successfully. In this regard, development of hard and soft infrastructure, branding and marketing of SEZs and product diversification is the requirement of the day. Dr. Tariq Banuri, Executive Director, Global Change Impact Studies Centre, raised several pertinent questions: will SEZs in Pakistan deliver on their promise; what is the revenue generating resource and any source of trade competitiveness we want to capitalize on; identifying any dynamic firms that can become growth poles; and finally are there any gaps that policy can fill. Ms. Anjum Asad Amin, Additional Secretary, Ministry of Commerce, believed it was important to investigate the correlation between industry and trade and what was the deficiency in the industrial base that was constraining our ability to benefitting from the many FTAs we have signed, and whether the provisions in FTAs correlate with the ground realities or are they merely a wish list. Dr. Aliya Khan, Professor and Former Dean Social Sciences, QAU, highlighted the human face and feminization of workforce that can occur under CPEC and SEZs and the fact that SEZs are experimental in nature and only one component of a larger and more inclusive growth strategy. Mr. Zia-ur-Rehman, Governance, Assurance, Cyber Security BIM & IT Executive, pointed out that we do not have a culture of quality, risk-management and compliance, which are a pre-requisite for competition. Moreover, our education system is misaligned with realizing the benefit of SEZs. Concluding the discussion, Mr. Zamindar highlighted the fact that the challenges we perceive today are opportunities of tomorrow.

Earlier, the proceedings of the final day of the Conference commenced with the third parallel technical session. Several interesting papers were presented during the technical sessions. In a paper on child poverty the researchers said that 51% of children in Balochistan are deprived in 4 out of 5 poverty indicators, which are nutrition, health, housing, sanitation, and child development. In a paper on the impact of institutional trust on subjective wellbeing, the authors revealed that enhancing the level of trust will not only increase the subjective wellbeing of individuals but also improve the government performance. The presenter said that fairer institutions bring happiness and life satisfaction. In a study on the effect of social capital on economic growth, the researchers found that, along with trust and institutional development, the interaction of human and social capital has positive affect on economic growth. In an interesting paper on ecological footprint, it was shown that higher income groups have higher ecological footprint, and that they have crossed the biological capacity. The study also found that consumption ecological footprint is higher than the production ecological footprint. The authors of the study recommended imposing tariff on pollution creating products. In a study that examined the food consumption patterns in Pakistan, the researchers found that in rural areas of Pakistan, the share of wheat in food consumption has decreased since 2001. Discussing farmers' access to finance, a study showed that the farmers' and dealers' demand for finance is Rs. 5,464 million and Rs. 252 million, respectively. However, high transaction costs and high risks are the main reasons that keep the financial institutions away from extending financial services to the agriculture sector.