“Failures of Economic Policies and Managers”

KARACHI: Institute of Business Management (IoBM), amid the guidance of Dr. Shahida Wizarat, Dean CESD and HoD, Economics Department, held a discussion session on “Failures of Economic Policies and Managers” at the Entrepreneurship and Management Excellence Center (EMEC), IoBM, on Monday, December 18, 2017, according to IoBM Public Affairs Section. The objective of this event, comprising research and discussion sessions, was to highlight the causes of failure of Pakistan’s economic policies. Besides the presence of Mr. Talib Syed Karim, President IoBM, Dr. Talat Wizarat, Professor and HoD, Center for Policy and Area Studies Department, it was largely attended with faculty and HoDs.

Invited on the occasion were Ambassador (Retired) Syed Hasan Javed; Mr. Arif Alvi, Member of the National Assembly of Pakistan; Mr. Mujay Aziz, President, Employers’ Federation of Pakistan (EFP); Mr. Imran Naveed, State Bank of Pakistan; and Admiral Anfullah Husain. On this occasion, Mr. Talib Karim and Mr. Majyd Aziz signed MoU regarding future collaboration between IoBM and EFP in Research and Development.

In his Welcome Address, Mr. Talib Karim said, “When it comes to failures, it boils down to leaders.” He recommended association of Syed Hasan Javed with IoBM, from one-time Pakistan’s Ambassador to Germany and interacting with late Mr. Shahjan Syed Karim, Founder President of IoBM to his seminars at IoBM and hoped that his presentation on the topic would be of immense information for the participants. He hoped such future seminars would be scheduled in a manner that students can also attend. A discussion panel will be scheduled in a manner that students can also attend. A discussion panel will be scheduled in a manner that students can also attend.

During her opening remarks, Dr. Shahida Wizarat shared that this event is the first in the Discussion Paper Series to be held at IoBM after every three to four months. She encouraged HoDs and faculty of IoBM to take part in the Series by presenting the discussion paper of their research and that an Independent Economist Forum will be established at IoBM so they can add value to Pakistan’s economy.

While delivering his presentation on “Developing a New Development Paradigm: A Challenge to Pakistan’s Economists and Development Professionals”, Syed Hasan Javed highlighted that it is imperative to understand the root cause of why our economy has failed. He said that Pakistan has been a hostage to the International Financial Institutions (IFIs). He further said that two distinct eras in economics have emerged in Pakistan.

First, 1945-1991 was the era of Neo Classical, Structural, Socialist, Nationalist and Populist regime. While from 1991-2017 was the period of regimes that were Liberal and Neo Liberal and that Washington consensus was also in effect. Sharing the Himalayan Blunders with reference to CPEC, Syed Hasan Javed said that Pakistan did not take the private sector on board, it did not mobilize the overseas Pakistanis nor did it ensure community participation. He also said that the existing system of governance in Pakistan promotes the Flight of Capital, Brain Drain and does not allow ‘Change’ or Policy Reforms from within. He focused on the proposition on “Balance of Payment Crisis Management for Pakistan”. Dr. Shahida Wizarat shared the implications of poverty and income distribution on Pakistan’s economy while proposing an alternative strategy of the balance of payment crisis management. Her proposal, superior than the IMF strategy, included creating ‘selective’ demand restraint rather than ‘across the board’ demand restraint, to break the trade-off between economic adjustment and economic growth by trying to bring an ‘expansionary adjustment’ rather than a recessionary adjustment by increasing foreign exchange reserves by increasing exports.

Her short-term goals, however, were the import of luxury and consumer goods, importing essential consumer goods on barter, having a gold reserve management strategy and implementing Cartagena Protocol and Phytosanitary standards. Ms. Sadia Anwar, Economics Department, IoBM shared her research on “External Debt Sustainability of Pakistan.” She highlighted various aspects including Pakistan’s saving-investment gap and the export-import gap. She discussed that FDI to GDP ratio is stagnant in Pakistan and opined that the external debt is sustainable in case of Pakistan and that primary balance and external debt had significantly positive relationship in the long run. — RT

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