

# SOCIAL CHANGE

**A PROGRAMME FOR A KNOWLEDGE-  
BASED SOCIETY FOR PEOPLE'S  
WELLBEING WITHIN THE DEMOCRATIC  
FRAMEWORK OF  
SOCIAL POLITICS**

By:

**Mahmood Mirza**

email: mmirza32@hotmail.com



**TAKHLEEQAT**

**6-Begum Road, Lahore., Ph: 042-37238014**

Email: [takhleeqat@yahoo.com](mailto:takhleeqat@yahoo.com)

[www.takhleeqatbooks.com](http://www.takhleeqatbooks.com)

All rights reserved

Title: SOCIAL CHANGE  
A PROGRAMME FOR A KNOWLEDGE-  
BASED SOCIETY FOR PEOPLE'S  
WELLBEING WITHIN THE DEMOCRATIC  
FRAMEWORK  
OF SOCIAL POLITICS

Author: Mahmood Mirza  
0322-8473377  
mmirza32@hotmail.com  
www.mahmoodmirza.pk

Publisher: "TAKHLEEQAT", Lahore.

Edition: Second

Year: 2011

Copies: 1,000

Printer: Akram Printers, Lahore.

Price: Rs. 200/-

## CONTENTS

PREFACE TO THE REVISED EDITION.....	4
PREFACE TO THE FIRST EDITION.....	5
I SOCIOECONOMIC BACKGROUND.....	7
II PROBLEMS ON THE WAY.....	37
III A KNOWLEDGE-BASED SOCIETY FOR PEOPLE'S WELLBEING.....	45
IV SOCIAL CHANGE: WHY AND HOW?.....	55
V THE PROCESS AND AGENTS OF CHANGE. .....	69
VI IDENTIFICATION OF SOCIAL SERVICE FIELDS.....	85
VII OTHER CONTRIBUTORS TO CHANGE.....	89
CONCLUSION.....	95

## **PREFACE TO THE REVISED EDITION**

A paper I wrote in December 2010 outlined a programme for establishing a knowledge-based welfare state in a world order hostile to low-tech economies. The proposed mechanics entailed a movement for social change through social politics. Further deliberations opened my eyes to other aspects of social change in Pakistan. This led me to extend the scope of the movement to include another objective, i.e., the humanization of society.

Prof. Mujahid Mansoori, a development communicator, read the manuscript and gave useful suggestions relevant to promotion of social change. Khizr Qureshi and Shabbir Sarwar encouraged me by taking a keen interest in the paper. Waqar Mustafa willingly offered his advice whenever asked for. Maheen Pracha did a sterling job editing the revised version, and Muhammad Amjad ably typed and gave the manuscript book shape.

This book is dedicated to my wife, without whose encouragement it could not have been written.

Lahore  
September, 2011

Mahmood Mirza  
0322-8473377  
mmirza32@hotmail.com

## **PREFACE TO THE FIRST EDITION**

This is an age of rapid civilizational change. Advanced nations pass from one phase of the post-industrial age to the next. Pakistan is transitioning from a traditional agricultural-tribal society to a semi-industrial society. Some regions are tribal, some are semi-feudal, and others are semi-industrial. The civilizational difference between regions is a cause of various problems—political, religious, ethnic, constitutional, and economic.

This paper describes factors that have obstructed Pakistan's social, democratic, and economic march towards a modern, prosperous, just, stable, and tolerant society. Such development requires social change. I have repeatedly written on the subject, and this paper explains my latest views on the process of change, the agents of change, and the agenda for change.

The social and politico-economic problems of a nation need a unique solution. A solution applied to one society cannot be duplicated in another. The solution clicks only as a combination of many things: the genius of the people, the social composition of society, and the social, political, and economic conditions of the time.

Pakistan has experienced two ideological regimes. My comments appear in the first chapter. The approach presented in this paper is issue-oriented with a bias towards an egalitarian destiny. Many writers have opined

on egalitarian programmes. This attempt is different as it proposes a political action plan. The programme suggested here is a mixture of realism and idealism.

This paper suggests that a social change in Pakistan be brought about through the politics of social service (Chapter IV). The precondition for social change is behavioural change in society. Our economic structure is based on low technology and produces low-value goods. We follow trickle-down economics. If we aspire to establish a welfare state and gain both economic growth and social justice, we will have to change our social, political, administrative, and economic institutions, and raise the level of knowledge and technology (Chapter III).

The original manuscript was written several months ago and distributed among friends to gain their opinion. Let me clarify that none of them is responsible for what finally appears here. The responsibility for the process and agent of change, as described here, lies solely with the author.

I would like to thank Dr Pervez Tahir, Dr Mujahid Mansoori, Husain Naqi, Dr Rafiq Ahmad, Dr Mubarak Ali, Imtiaz Alam, Mujibur Rehman Shami, Salman Abid, and Bilal Naqeeb for going through different versions of the manuscript. Indeed, many offered useful comments.

Thanks to Bushra Sultana and Javaid Saleem Chattha for editing the paper.

Lahore  
5 December 2010

Mahmood Mirza  
0322-8473377  
mmirza32@hotmail.com

**I****SOCIOECONOMIC BACKGROUND**

Pakistan is a country of 177.1 million people and has immense potential to grow. It has an area of 796,096 km and is endowed with fertile land, mountains, rivers, sea, minerals, and other natural resources. Its potential will start flowering when there is a behavioural and institutional change in society.

The census of 1951 placed the population of Pakistan (then West Pakistan) at 34 million, with 17.8% of the population living in cities and towns. The figures for mid-2011 are 177.1 million and 37%, respectively.

The onward march of the economy is evident from the statistics below. The table shows that the share of agriculture in gross domestic product (GDP) has fallen and that of industry has increased. The composition of exports has improved. However, while Pakistan has made repeated attempts at high and sustained development, it has failed. A quick comparison with the Republic of Korea (which became a republic in 1948) shows that, despite its much smaller size—one eighth

geographically and one third population-wise—its GDP at purchasing power parity was 11 times that of Pakistan in 2008. The case of Korea is not an ideal one, nor is it a model for Pakistan to follow. However, one lesson from the Korean experience needs to be emphasised: the state played a vigorous role in setting the tone for and direction of development.

<b>GDP per capita (PPP)</b>	<b>1960</b>	<b>USD82 0</b>	<b>2008</b>	<b>USD2,600</b>
Sectoral share in GDP				
Agricultural	1949/50	53.2%	2009/10	21.5%
Industry (including manufacturing)	1949/50	7.8%	2009/10	25.2% (including 18.5% manufacturing)
Services	1949/50	39.0%	2009/10	53.3%
Composition of exports				
Primary commodities	1951/52	99.2%	2009/10	18%
Semi-manufactures				11%
Manufactures				71%

Sources: Wikipedia, *Pakistan Economic Survey* for 2009/10, *Issues in the Pakistan Economy* by S. Akbar Zaidi.

## **FINANCIAL CRISIS**

Our attention goes first to the finances of the state. Taxation, the rate of inflation, and the value of currency determine the level of



prices and cost of goods and services. The budget expenditure determines which way society and the economy will move. Had we properly collected taxes and promoted knowledge (education, science, and technology), there would have been no significant problems of poverty, extremism, and militancy. The economy would have been producing value-added goods and services and earning far more from exports. The elite would have been earning wealth by legitimate means. Corruption, if any, would have been far less.

According to Dr Mahbub-ul-Haq, in 1994 about Rs700 billion of national income was being usurped annually by the elite. In 2007, tax evasion alone was estimated by the World Bank to be worth Rs800 billion. The volume of the black economy is reportedly equivalent to 35% of GDP, although its beneficiaries are only 1 to 2% of the population.

The most alarming feature of our public finances is the budget deficit. The revenue of the federal government does not meet even its current expenditure. Budgetary allocations for health, education, skills training, technology, and research and development (R&D) have been minimal. The allocation for R&D is only for staff salaries. Public universities are not granted funds even for approved development schemes. The development expenditure, which is minimal, is wholly dependent on loans.

The government lacks the resources to build the infrastructure needed to improve the productive capacity of the economy. A large

part of the budgetary deficit is met by bank borrowing. In simple words, this means that the State Bank of Pakistan prints currency notes on the request of the finance ministry to cope with budgetary needs. This causes inflation and depreciates the value of currency. The IMF does not permit excessive printing of currency. The government therefore borrows from commercial banks at higher market rate. Higher interest rates raise production costs.

To keep bank borrowing within check, the government should ordinarily take measures to raise tax revenues. Feudal landlords and tax evaders refuse to pay taxes on their incomes or wealth. The government then resorts to raising taxes on electricity, gas, and petroleum products, bringing more and more goods and services within the net of indirect taxation.

The tax-to-GDP ratio is less than 10% of GDP. Only a small percentage of taxes are paid voluntarily by taxpayers. Nearly 52% of the total tax revenue is collected by customs authorities at the import stage. Sales tax and excise duty are levied on goods and services and are paid by consumers.

A large part of the income tax is generated by public sector corporations engaged in the production or distribution of petroleum and gas. Multinational companies are big income taxpayers, as are big banks. The telecommunications sector has emerged as an important contributor to tax revenue. However, the trade sector's contribution is

negligible. Its contribution to federal taxes is about 3% of GDP while its share in GDP is around 18%.

Tax evasion and corruption provide support to the black economy, and to extravagant consumption and luxury building. This is a reason for the high contribution of the services sector to GDP.

During the 1990s, the state started levying taxes on goods, contracts, and services under the income tax law. A law for direct taxation was used as an instrument to levy and collect indirect taxes, and named as a tax on "fictional income". This tax dispensed with the need to keep formal accounts, pushing a large part of the business sector out of the formal economy. The question is why the government introduced fictional tax. This was because the ruling classes had failed to develop a tax culture, instead looting and evading taxes.

The *Pakistan Economic Survey* for 2009/10 observed that conducive conditions for an improvement in tax revenues and for the development of the manufacturing sector do not exist:

Pervasive mis-declaration and *under-invoicing of imports*, which according to some estimates costs the economy anywhere between Rs 100 billion to Rs 300 billion in lost revenue alone, in conjunction with the rampant *misuse of the Afghan Transit Trade (ATT) facility*, has undermined the viability and

competitiveness of the manufacturing sector. Recent developments on this front, with the winding up of the Pakistan Automated Customs Clearance System (PACCs) by FBR, does not bode well for reducing leakages on accounts of *weak administration of Customs* (pp. 39-40).

Mark the words (i) “pervasive mis-declaration and under-invoicing of import”, (ii) “rampant misuse of the Afghan Transit Trade (ATT) facility”, and (iii) “leakage on account of weak administration of customs”. Consequently, the viability and competitiveness of the manufacturing sector stands undermined.

Poor finance makes every organ and department of the government inefficient and ineffective. That is why the government faces problems in controlling crime, which is on the rise.

The government does not have the “political will” to control tax evasion and levy taxes on the income and wealth of the elite. Naturally, nobody in their senses is willing to harm themselves for as long as they can manage. The budget deficit will continue to prevail and currency notes will continue to be printed. Domestic loans will continue to rise and so will foreign debt. All these measures hurt the common person.

The budget figures speak for themselves. If we refer to the revised budgetary position of

the federal government for the year ending 30 June 2011 (see the Budget in Brief for 2011/12), we see that its total expenditure aggregated to Rs2,559 billion, of which only 10.3% (Rs263 billion) was for development. The balance of Rs2,296 billion was for current expenditure, the leading heads being debt servicing, defence, subsidies, and civil administration.

Against the total expenditure of Rs2,559 billion, the share of the federal government in federal revenue (tax and non-tax) was only Rs1,238 billion. The federal government had no revenue to meet the balance expenditure of Rs1,321 billion, which was met by obtaining domestic loans, foreign loans, and bank borrowing.

It was a bad year on account of the extraordinary flood-related losses, before which the deficit matched the original budget estimates. Deficits have persisted for a long time. As a result, domestic debt as of end-March 2011 was Rs5,461 billion and foreign debt and liabilities came to \$59.5 billion. The ratio of total debt (without liabilities) to GDP came to 55.5%. When liabilities are taken into account, the debt-GDP ratio rises to 58.3%.

Countries incur debts, but the issue should be viewed in the following context: where will these be spent? Will the debts improve the capacity of the economy to raise production, tax revenue, and exports? The reply of Pakistan is in the negative. Our generation, which raised the loan, cannot

repay. The burden of discharging the debts will fall on future generations.

Can a society achieve socioeconomic development without loans? Yes, but under certain conditions. To elaborate, the socioeconomic development of a society depends on its civilizational and technological level. A society that has the essential infrastructure, educated labour force, and the determination to achieve progress need not raise loans. It can progress on the strength of technology. It will, however, need investment. But in a society where backward-looking people dominate social life, investors will be reluctant to invest, and loans will go towards meeting the deficits of the budget and balance of payments.

### **Line of action to improve public finance**

- (i) Neutralize the influence of obscurantists and restore law and order.
- (ii) Spread awareness about the knowledge age and let knowledgeable leaders lead the future course of development.
- (iii) Compel the leadership to practice austerity and volunteer to pay taxes to help promote a new culture in society.
- (iv) Let technology come to play a progressive role after the aforesaid conditions are fulfilled.

- (v) Produce value-added goods and services and build the capacity to withstand foreign competition.
- (vi) Take steps to document the economy.

This line of action will generate wealth, and deficits in the budget and balance of payment will disappear. Consequently, the state will become effective and strong. The main beneficiaries of the system will, however, remain the elite. If the objective is to improve the condition of the people, something more must be done. This is discussed below.

## **AGRICULTURE**

According to the *Pakistan Economic Survey* for 2009/10, agriculture “is the second largest sector, accounting for over 21 per cent of GDP, and remains by far the largest employer, absorbing 45 per cent of the country’s total labour force. Nearly 62 per cent of the country’s population resides in rural areas, and is directly or indirectly linked with agriculture for their livelihood.”

About half the agricultural sector’s output comes from livestock. The share of major crops comes thereafter.

A large number of farmers have small landholdings of up to 5 acres of land, collectively owning about 15% of all privately owned land. Their financial and technical base is poor, and hence, poverty persists.

There are 40,163 big landlords who own more than 100 acres of agricultural land. They represent 0.6% of total landowners and own 19% of all privately owned land. The province-wise position of big landowners is as follows. In Punjab, 14,879 owners own 12% of the land. In Sindh, 11,096 owners own 23% land. In Khyber Pakhtoonkhwa, 5,561 owners own 20% of the land. In Balochistan, 8,627 owners own 37% of the land. Big landowners dominate social and political life in rural society. These figures are from the Agricultural Census Report for 2000.

Improved seed, introduced in 1960, impacted rural society immensely. Landlords who use modern technology and invest in farming earn a large income, but agriculture makes a meagre contribution to the national taxes. Its contribution to direct taxes is round about Rs2 billion a year (while the non-agricultural sector contributed Rs540 billion as direct taxes in 2009/10.) The agricultural sector enjoys a position of privilege in the taxation system. Its contribution to indirect taxes is around 1% of GDP while its share in GDP is 21.5%.

In the last 50 years, there has been a marked change in the agrarian economy. There is a growing tendency among landowners of replacing tenants with self-cultivation supported by wage labour. The displaced tenants become wage workers or shift to other occupations in the rural areas or migrate to towns and cities. Marginal farms of less than five acres are decreasing in percentage terms



and small farms of 5 to 12.5 acres are on the rise.

Medium and big landowners have increasingly mechanized farming, as have rich peasants. So long as Pakistan does not develop alternative sources of employment, the use of big machines (such as threshers) on small farms will deprive a large number of rural labourers of food, since presently, labourers who harvest the crop get a share of wheat or rice in return.

Corporate farming is a step towards modernizing the agricultural sector. In Pakistan, no scheme should ignore that labour-intensity cannot be dispensed with so long as conditions are not ripe for providing employment to displaced labour in other sectors. This has not happened. Unemployment is a major factor pushing labour towards militant groups. Corporate farming should be allowed in cultivable wastelands that are not put to productive use.

In Pakistan, the yield of agriculture is usually low. Only those farmers who use advanced technology appropriate to the size of their landholding get a good yield. There is potential for enhancing the yield by two to five times.

## **MANUFACTURING AND ENERGY**

According to the *Economic Survey* for 2010/11, "Manufacturing is the third largest sector of the economy accounting for 18.5% of

Gross Domestic Product (GDP), and 13% of total employment.”

In 2007, the contribution of the manufacturing sector to GDP in Vietnam was 32%; in Malaysia, 28%; and in Indonesia, 27%.

Large-scale manufacturing, with a 12.2% share in GDP, dominates the manufacturing sector. The largest industry in Pakistan is textiles, e.g., ginning, spinning, and weaving. The textile industry has led to the development of industrial chemicals. Other agro-based industries include cooking oil, vegetable ghee, sugar, cigarettes, and syrups, etc. The fertilizer industry is based on local material and serves agriculture. The leather industry is also agro-based. The cement industry is based on local raw materials. The assembling industry consists of motorcycles, cars, jeeps and tractors, refrigerators, and deep freezers. The steel industry, petroleum products, and blended tea are import-based. The engineering industry has not grown according to its potential.

Our entrepreneurs and engineers are capable of producing value-added goods if conditions for investment improve. Pakistan has many materials in abundance that could form the basis of valuable industrial and chemical products. Caustic soda can be made from salt. Soda ash can be produced from limestone and salt. Our high-quality silica could form the basis for the production of solar tubes. Success will knock at our door when we acquire the capability of high-tech production.

The efficiency of the industrial sector depends on the following:

- (i) Competition, to serve the consumer.
- (ii) The level of technology, to withstand international competition.

The Competition Commission of Pakistan recently gave a negative verdict against the sugar and cement industries, and imposed a collective fine for having violated competition regulations. The lack of competition and technological growth are issues that warrant our attention. We revert to this matter later in this chapter.

The manufacturing sector takes care of the needs of the rich and middle classes, but there is nobody to look after the needs of the people. The automobile sector is an example. During 2007/08, production amounted to 164,710 cars and 657,188 motorcycles, while the production of buses, which are used by the people, was 1,146. Pakistan has not set up adequate capacity for manufacturing buses. Its installed capacity for manufacturing buses is only 5,000. The technology employed is out of date and this too is not adequately utilized.

The conditions for the manufacturing sector or economic development are not encouraging. Problems identified by the *Economic Survey* for 2009/10 (p. 40) are as follows:

The loss of scale induced by the taxation and regulatory system has seriously eroded the

competitiveness of the Large Scale Manufacturing (LSM) sector, in particular. An unstable and uncertain domestic environment has proved to be an added factor in burdening the manufacturing sector. A deteriorating internal security situation, crippling energy shortages, and on-off political uncertainty since 2007 have combined with a period of necessary adjustment in the economy since 2008 which has seen a sharp increase in administered prices, especially for energy.

The *Economic Survey* shows one side of the picture, but the other side gives some hope. Pakistan has a sizeable class of young entrepreneurs full of zeal who have received a modern education in good institutions in Pakistan or abroad. They have constant exposure to the world through the Internet and visits abroad. The real obstructions, according to them, are (i) the law and order situation, (ii) political instability and corruption, and (iii) the shortage and high cost of energy.

According to the *Economic Survey* for 2009/10, "The cumulative effect of the energy crisis on the economy is estimated at upward of 2 per cent of GDP during 2009-10 alone."

Energy consumption by source during 2008/09 was as follows:

- |         |       |
|---------|-------|
| (i) Gas | 43.7% |
|---------|-------|

(ii)	Oil	29.0%
(iii)	Electricity	15.3%
(iv)	Coal	10.4%
(v)	LPG	1.5%

“The lower availability of hydel resources for generation, and a higher than normal shortage of gas, skewed the ‘fuel mix’ of the electricity generation sector towards fuel oil.” This pushed up the production cost of electricity.

Transmission and distribution (T&D) losses in electricity were between 21 and 25%. This, however, conceals the fact that, in the big cities of Sindh, the authorities are unable to stop the extraordinary theft of energy. Similarly, the authorities are able to recover payment for electricity use from consumers in FATA and certain other places. Were these losses not there, there would be no shortage of energy, no circular debt, and no subsidy required for electricity supply.

If we manage to increase the ratio of hydel electricity in the electricity production mix, the production cost will fall. Efficient countries produce electricity from the sun, wind, and heat of the earth, etc. Production from these sources does not involve a material cost. We too could generate cheap energy from natural sources if we acquired the necessary technology and had adequate finances. If we produced gas and diesel from coal, our dependence on imported oil would reduce

sharply and the shortage of energy would disappear.

## **MINERALS**

Nature has bestowed on Pakistan about 30 major minerals. Most have not been surveyed and quantified, and only a few are excavated. In 2009/10, the contribution of minerals extraction to GDP was 2.4%. This could increase manifold. According to one estimate, the extraction of gold from copper-gold mines in Balochistan by a Chilean-Canadian consortium could give an annual revenue of \$3.5 billion to the federal government plus \$4.5 billion to the Balochistan government while latter's share in investment will be 25%. Had we the necessary knowledge, technology, and financial resources to enable the extraction of minerals, our income could have increased manifold.

## **BASE OF POLITICAL POWER**

The social base of political forces includes the following:

- (i) Big landholdings
- (ii) Illegitimate wealth
- (iii) Populism
- (iv) The ethnic base
- (v) The tribal base
- (vi) The religious base

(vii) The support of the agencies

(viii) The military base

Political parties usually nominate those candidates who manage to win elections. Religious parties rely on sloganeering to enforce Islam through the power of the state. The leading middle-class party is the MQM, whose leaders and elected members of assemblies enjoy political positions so long as they owe full allegiance to the party chief. As regards other leading parties, the situation is not much different. The second category of leaders cannot afford to differ from what the party chief wishes. Anybody who shows too much independence falls from grace. Constitutionally, we are a democratic country, but culturally we are an authoritarian society.

Elections have become a game of money. According to the estimates of a leader of the PML(Q), the aggregate cost of all candidates in a general election exceeds Rs6 billion.

The martial law regimes produced a crop of political opportunists who lobbied for their masters and, in the process, made fortunes for themselves. Political parties led by populist/corrupt leaders who opposed these regimes managed to remain in public focus. As the martial law regime faded out, general elections placed such leaders in power.

The ruling elite have transferred their immense ill-gotten wealth abroad, mostly invested in disguise. It is difficult for the

country, as a victim of corruption, to find evidence of corruption to the satisfaction of courts. But the identity and material evidence of corruption is fully known where corruption money has taken refuge. This weakness of the corrupt elite makes them vulnerable to blackmail by those countries where the former's money has sought refuge.

We need leaders who cannot be blackmailed by foreign powers. How can we ensure a reasonably clean leadership? This paper proposes a scheme that will constitute a springboard for projecting such a leadership (see Chapter IV).

### **CONCENTRATION OF POWER**

The system in Pakistan has led to the concentration of economic and political power in the hands of the elite. There is no objection to the elite earning money if they pay their taxes, and if the system ensures competition. In Pakistan, the concentration of power occurs mostly by foul means. Here, wealth is accumulated mostly through corruption or tax evasion.

The forces enjoying ill-gotten wealth and political strength are interlinked. Initially, big landlords had effective control over politics. Many of them set up industries and increased their power. Industries were also set up by a number of big traders. Some industrialists acquired agricultural holdings and began taking part in politics. Thus, a fusion of



interests took place among big landowners, industrialists, and politicians. Bureaucrats, army generals, tribal leaders, smugglers, and land mafia joined the coterie, and many people aspiring to political power were promoted by the agencies.

State functionaries assigned the power to check the concentration of wealth and promote competition do exist, but they are not allowed to operate. As long as power remains in the control of the coterie described above, state functionaries will remain helpless.

The situation is alarming. People are deprived of food, electricity, gas, education, medical facilities, and the amenities of life. Misery is growing. High inflation and unemployment have shattered the hopes of the poverty-stricken. Militants of several shades are attacking the state, which has already been weakened by poor finances.

## **IDEOLOGICAL POLITICS**

Ideologies that had flourished in Pakistan have fallen out of tune with the times. The following discussion is confined to the economic implications of what has been practised since 1971.

- (i) For about four decades, there has been political confrontation between two populist groups, i.e., those pro-Bhutto and those anti-Bhutto.

During 1971-73, the government nationalized financial institutions and

many private sector industrial units. Even medium and small agricultural processing units were taken over by the state. This measure discouraged private investment in industries. The takeover of the Batala Engineering Company was a key factor that hindered technological development and increased dependence on foreign technology. Although more investment took place in the public sector for some years, deindustrialization persisted much longer.

After Zulfikar Ali Bhutto, several military and political rulers and managers of public sector enterprises indulged in large-scale corruption. These were mostly mismanaged. The government finances their losses every year.

- (ii) During 1978-85, a number of "Islamisation" steps were taken by pro-tradition groups who discouraged modern social sciences and freedom of thought and expression, and neglected the needs of the information age.

During this period, *madrassa* education and *jihadi* groups were promoted by the state. These militant groups have now rebelled and aspire towards power by weakening the state through violent means. They raise slogans of *sharia* to enlist the support of innocent people who are disillusioned with the prevalent system for various reasons. Militancy has scared away investors, and capital is

flowing out. The militants oppose emancipation and opportunities for the development of women. Many non-militants do not even approve of semi-modern education for them.

Although the Left-Right dispute has receded, social division exists in another form. On one side, we have pro-tradition groups, and on the other, we have groups who look ahead towards the information age.

History has witnessed how Islam has proved a unifying force for Muslims whenever they have had a common cause against non-Muslims. After Pakistan was established, we attempted to forge national unity by Islamising the socio-legal order of the country, which gave rise to sectarian differences. We ignored the fact that sectarian beliefs have been and will remain a reality of life and a matter of faith for a large number of Muslims. Dogmatic sectarian groups emerged and took to violence to oppose what, according to them, did not match their beliefs. Now, the matter has gone farther. Differences have also surfaced between followers of the major sect historically called *Ahl-e-Sunnat*, which has been factionalized. The dogmatic faction has taken to destroying the shrines of leading *soofia*. Thus, sub-sectarian violence has also started, which is likely to weaken the democratic process. While sectarian politics already exists, it seems that this sub-sectarian trend may also find a place in politics. It is time to seriously reconsider the whole matter to save the

country not only from sectarian/sub-sectarian politics but also from mutual bloodshed.

A sectarian-free Islam has been the cherished idea of some academics. It is a bookish concept that has been exploited by ambitious, religious-minded politicians, and may be exploited in the future as well. Pakistan has made no effort to investigate how far political Islam and the framework of the institutions proposed by the *ulema* are practicable in the global social and economic system.

### **SMALL AND MEDIUM ENTERPRISES**

How has the economy survived despite these problems? Among other factors, the role of small and medium enterprises (SMEs) and the informal economy has been significant as they have made things move, albeit sluggishly.

Of a total of 3.2 million economic establishments, 93% fall in the category of SMEs. The sector-wise break up is as follows:

- |       |  |     |
|-------|--|-----|
| (i)   | Manufacturing sector                                 | 20% |
| (ii)  | Trade (wholesale and retail),<br>restaurants, hotels | 53% |
| (iii) | Other services                                       | 27% |

SMEs collectively contribute 30% to GDP and account for 25% of total export earnings. Their share in manufacturing value addition is about 35%, and they employ 80% of the non-

agricultural labour force, thus playing an important role in poverty reduction (*Pakistan Economic Survey* for 2007/08 and 2009/10).

## **URBANIZATION AND THE INFORMAL ECONOMY**

The most important change in social life has been brought about by urbanization. About 37% of the population lives in cities and towns. The living standards of the middle and upper classes have improved. They enjoy better education and medical facilities. But the living conditions of a large proportion of the population are terrible. They are deprived of safe drinking water, education, and medical facilities. About one third of the population of Karachi lives in slums.

The urban middle class consists mostly of the salaried and business communities. A section of the salaried class, while enjoying state power, has made a lot of money through corruption. The business community mostly evades taxes. As stated earlier, the share of trade (wholesale and retail) sector in GDP is around 18%, but its contribution to income tax and other federal taxes is about 3%. Professionals and businesspersons are the force behind political life.

During the 1950s and 1960s, the state relaxed labour laws. Tax incentives were given to industries set up in the corporate sector. This policy was changed during the 1970s. Industrial labour was unionized and its

interests protected. Many industries were nationalized and tax rates were raised. Entrepreneurs responded by setting up business activities in the informal sector and hiring labour on contract. General Zia-ul-Haq and General Pervez Musharraf practically relaxed the enforcement of taxation laws requiring the maintenance of accounts. All this promoted the informal economy. This indeed provided employment to a large portion of the labour force ousted from the rural economy, but it encouraged a culture of easy money and tax evasion that persists even today. At one time, General Pervez Musharraf wished to control the black economy. He ordered a tax survey under the supervision of army officers. The affected class reacted by sending its hidden wealth abroad. The government gave in. Thereafter, the general and the government succeeding him never had the courage to attempt another tax survey. The present government offered a tax amnesty scheme in 2009, which failed miserably. It is the SMEs, the informal economy, private remittances, and foreign loans that keep economic activity going. These palliatives, however, do not remove the cause of poverty or the problems of the state exchequer.

## **POVERTY**

A report by the task force on food security and the *Pakistan Economic Survey* for 2008/09 (p. 196) placed the population that lived below the poverty line at 62 million

people (36% of the population). The number must be higher now. According to the *Economic Survey*, "The poorest households need to spend 70 percent or more of their income on food and their ability to meet most essential expenditures for health and education is severely compromised." The *Economic Survey* for the following year gave no poverty statistics. Certainly, the situation was aggravated as food prices continued to rise. The food inflation rate was 14.5%. Naturally, the public's nutritional and medical deprivation was aggravated.

Large-scale corruption and tax evasion are important factors responsible for macro-imbalances via financial stringency, excessive deficit financing, inflation and depreciation in the value of currency, thus increasing the poverty level.

Unofficial estimates place the number of families impoverished by high inflation at 60% and more. Misery has forced some women to sell their children, and men to commit suicide, leaving mothers to bear the sight of hunger and disease among their children. According to the Human Rights Commission of Pakistan, 6,832 men and 3,344 women committed suicide during January 2005 and December 2009. Although the cause is not given, it is believed that 90% of these suicides were poverty-related.

According to the Federal Bureau of Statistics, only 15% of families practise family planning. An important reason for poverty is

the population explosion. Revised estimates place the annual growth rate at 2.05%: four times that of China. The birth rate varies from family to family according to their awareness level.

In Pakistan, 12% of children (aged 13-14 years) seek enrolment in matriculate classes. The proportion of houses without toilets is 22%. These figures are quoted by the Federal Bureau of Statistics. According to one estimate, 65% of the population remains sick for 90 days in a year. Unsafe drinking water is the main cause. People who can afford bottled mineral water do not rely on any other supply of drinking water. Pollution is ever-increasing. A large number of people are falling victim to hepatitis and tuberculosis. Health problems not only cause work efficiency to fall, the poor are forced to sell whatever they possess to meet the expenses of treatment. All this perpetuates poverty and give rise to social vices. Moral exhortations usually fail to stop people from crime and immorality. The degeneration of social values is in itself a cause of economic degeneration.

### **Dealing with unemployment and poverty**

The workforce in our country is increasing at an annual rate of 3.7%. Even if the poverty line stays where it is, the economy should grow annually at a rate of 7.4% to be able to provide employment to the additional workers. To achieve this growth rate, the investment level required is around 29.6% on



the basis of an incremental capital ratio of 4:1. The growth rate should be higher than 7.4% if poverty is to be reduced.

The rate of national saving over the last four years has been less than 14%. Investment fell from 22% in 2007/08 to 13% in 2010/11 as both public and private investment decreased. Raising these rates in the near future will be difficult. We therefore have to pay attention first to developing sectors such as SMEs and agriculture, which need less investment. However, the development of high-tech and innovative production cannot be ignored if we are to enter the knowledge era.

It is useful to note the comparative position of India. The workforce in India is increasing at a lower rate of 2%, and the country can reduce poverty with a growth rate exceeding 4%. In the last decade, its growth exceeded 7% and its saving and investment rates were twice those of Pakistan.

What can we do to raise local resources for investment? We should concentrate on raising tax revenue and reducing non-development expenditure. But there will be no marked success unless there is an improvement in tax compliance, and the elimination of wastage and corruption. In addition, inefficiency should be removed and transparency introduced. Besides institutional reforms, there is a need for behavioural change in society. The growth rate of the population has to be halved. The growth rate of population

in Pakistan is twice that of India and more than twice that of China.

### **ADDITIONAL FACTORS RELATED TO THE SOCIOECONOMIC CRISIS**

Widespread flooding was caused by extraordinary monsoon rains in 2010, due to climate change. This change is an additional factor aggravating economic misery.

According to a joint report by the Asian Development Bank and the World Bank, Pakistan suffered a total loss of about \$10 billion due to the floods. The report estimates that the cost of reconstruction/rehabilitation is around \$6.7 billion (*Daily Business Recorder*, 15 November 2010).

It is pertinent here to reproduce what the State Bank of Pakistan has said about the plight of the economy and people's suffering in relation to the floods.

Given the scale of the resources needed for rehabilitation and relief for flood-stricken areas, there needs to be a political consensus on widening the tax base to hitherto untaxed (or under-taxed) segments of the economy, and plug leakages in the existing system. Such reforms will continue to pay dividends, over the years, even after the post-flood needs fade away. Similarly, the federal and provincial governments must

carefully scrutinize and prioritize spending, both recurrent and non-recurrent; in order to create room for the new immediate demands as well as for the public investments needed to support growth in the medium term. Even before the floods, there had been practically little change in the roles, responsibilities, and structures in both levels of government, despite a substantial change in resource distribution to provinces under the latest National Finance Commission (NFC) Award. This is not sustainable.

The extended persistence of double-digit inflation had already been a source of concern even ahead of the floods, particularly given the risk that an uptrend in food-community prices (e.g., wheat, edible oil, sugar, corn, etc.) could be compounded by any weakness in the exchange rate. Moreover, inflationary pressures were also expected to strengthen as a result of the recent 50 per cent increase in government sector salaries, and anticipated rise in energy tariffs (as the government continued to reduce subsidies) and removal of GST exemptions to broaden the tax base.

The State Bank's report has listed some causes of the poor state of the economy and people's suffering. To solve these problems, we need to build our capacity for self-sustaining growth and adopt measures to eliminate poverty (see Chapter III).

### **CLIMATE CATASTROPHE**

The climate of our region has changed significantly. The heat level has risen, glaciers are melting, drought or excessive rains have upset the normal water supply of rivers. The uncertainty of weather has increased. Extraordinary rains in Sindh in 2011 inundated about half the province. There was a continuous stream of water several feet deep with almost no outlet. The flood-stricken people had restless days and nights for several weeks. Most of them had almost no access to food and drinking water for several days, and fell ill. Rainwater completely destroyed their crops, belongings, huts and mud houses. Even brick houses were severely damaged. Stocks of seeds were washed away and cattle were either killed or severely injured.

It is not a one-time misery. Last year, heavy rains produced river floods, causing similar misery. If there is a drought, misery will take another shape.

God knows when humankind will have the ability to minimize the impact of climatic catastrophe. Until then, adverse weather will continue to hit us again and again.

In monetary terms, the loss is in billions. The state has insufficient resources and is unable to fully compensate the suffering people for losses.

Our government and society are not competent enough to deal with the calamity nor can our economy stand the adverse impact of loss. Will the government, society and economy rise up in efficiency and strength to manage this recurring damage?

## II

### **PROBLEMS ON THE WAY**

Pakistan is transitioning from a feudal-tribal society to a semi-industrial society. In such a society, old institutions and values fade away. Contentment is overshadowed by the continuous struggle for improved living. New avenues for advancement open up to aspiring men and women. Ethical standards change. Authoritarian culture and democratic aspirations collide with each other. The collision is strong if political institutions are weak and held by authoritarian or populist leaders.

We have no effective system of accountability. People with access to power—whether state, political, industrial, commercial, feudal, or tribal power—accumulate illegitimate wealth, and seek power to protect their interests.

“Loot culture” has produced a peculiar outlook. The ruling classes look for opportunities to accumulate money in the shortest time. They allocate national resources for luxury roads, big dams, huge buildings,

thermal electricity units, and other big deals involving large amounts of money.

Smaller investments benefiting the people have been ignored. The ruling classes have failed to provide adequate funds for the development of (i) small industries, (ii) small farmers, (iii) technical and professional schools, and (iv) small units for the generation of hydel electricity. Rulers have had no interest in developing renewable sources of energy, biotechnology, or other long-term schemes with no immediate personal benefit.

Our rulers have paid little attention to schemes for efficient irrigation. The prevalent system of flood irrigation wastes not only water but also the land it irrigates.

As stated earlier, the wealth of the nation has been stolen or misspent. For want of resources, rulers could not allocate the required funds for health, education, and skills training. The lack of education has perpetuated ignorance and obstructed social development in two ways:

- (i) The population explosion has led to the subdivision of small landholdings into uneconomic units, creating unemployment and underemployment in the rural areas. This has forced rural populations to migrate to big cities, creating slums, pollution, and crime.
- (ii) Poor parents who cannot feed or educate their children have sent them to free religious seminaries. Some of these

seminaries promote, with official patronage, private groups of *jihadis*. These groups later turn against the state and its citizens, creating a poor law and order situation. This has led to the flight of capital, aggravating poverty and unemployment, in turn feeding terrorism.

Bribery, misappropriation, tax evasion, and flight of capital have caused budget deficits. These are met by taxing the goods and services consumed by the public. Regressive taxes and deficit financing have caused inflation and price hikes, impoverished people who were already malnourished, underemployed, uneducated, and homeless.

The elite has mismanaged not only the economy but also state-owned and managed undertakings such as WAPDA, Pakistan Railways, steel mills, PIA, etc., which have suffered losses of billions of rupees. These losses have been financed by the national exchequer or bank loans, depriving the nation of resources that would otherwise have been available for the development or welfare of the people.

Wealth is power. The power of black wealth is wicked and cruel.

Are the vices of corruption and tax evasion primarily responsible for obstructing the economic growth of Pakistan? It also raises the question whether the Indian and Chinese economies face corruption. Their economies have grown despite corruption. It is corruption plus something more that obstructs growth.



In India and China, there has been no conflict of interest between the top leaders (who manage the “political economy”) and production practitioners (who generate wealth). The general perception is that top leaders in Pakistan after Zulfikar Ali Bhutto indulged in corruption and promoted a culture of corruption and ostentatious living. Corruption money was illegally taken out of the country. The income flowing from it remained abroad. Thousands of Pakistanis followed suit.

The top political leaders of India and China were not agents or tools of any imperialist power. The vision of the leadership of India and China has been clear: they have known which way the country should proceed.

The rate of saving and the tax-GDP ratio is higher in India and much higher in China than in Pakistan. India and China adopted advanced technology and produced value-added goods and services. This led to self-sustaining growth. Other factors fostering growth—modern education, expertise, and investment by non-residents—also applied to the two countries. These factors did not come into play in Pakistan.

The following factors have obstructed the economic and social development of Pakistan:

- (i) The social and political hold of big landlords has defied the social emancipation of society as a whole and particularly that of the rural population.

- (ii) Orthodoxy has obstructed the growth of the modern social sciences and freedom of thought, keeping the educational level low.
  - (iii) State power remains, to a large extent, in the hands of the bureaucracy, which was set up by colonial powers to keep the people under its thumb.
  - (iv) Provincial leaders from the privileged classes have failed to explore the full potential of provincial taxes.
  - (v) The trading community has frustrated all laws and efforts to recover full taxes from the trade sector.
  - (vi) Big landlords, tax evaders, the land mafia, and the bureaucracy have obstructed the system of local government.
  - (vii) The social and political hold of the land mafia has led to a rise in the speculative prices of immovable property. Capital gains tax was abolished in 1988.
  - (viii) Ethnic differences remained unresolved, which, along with other factors, have obstructed development.
  - (ix) The degree of corruption in our country is higher and the corruption culture has pushed back the culture of achievement.
- The hostility between Pakistan and India has

- (i) held back regional cooperation in the economic, water, and environment sectors;
- (ii) is responsible for making Pakistan a security-oriented state, giving the armed forces the upper hand in national affairs;
- (iii) diverted resources towards defence at the cost of the social sectors;
- (iv) strengthened extremism in both countries.

As a result, misery has spread and people have become disillusioned.

Martial law has been foisted repeatedly on the country by ambitious generals. The people did not rise to protest against the imposition of martial law, and this aggravated the problem.

The ruling class has failed to develop energy and water resources. There is no excuse for the failure to build undisputed projects, such as small water reservoirs or coal-based electricity generating units. It has also failed to develop renewable energy technologies such as wind and solar power.

Let us consider some other matters that have a bearing on the issue under consideration. The people of Pakistan are split into the following:

- (i) A wasteful elite and millions of poor people.
- (ii) A small Western-educated class and millions with low-level education.

- (iii) A liberal few and orthodox millions ignorant of the needs of the information age.
- (iv) The public, desperate and full of complaints.
- (v) Those who oppose the role and status of women in society.

Most of the wealth possessed by the elite within or outside the country was gained in one or more of the following ways:

- (i) Wealth gifted by the state by
  - (a) Allotting agricultural land and urban plots
  - (b) Granting tax holidays to industrialists
  - (c) Exempting agricultural income from tax or keeping tax rates very low
  - (d) Exempting capital gains from tax.
- (ii) Wealth accumulated with the patronage of the state through dealings in immovable property or stock exchanges.
- (iii) Wealth accumulated by defrauding the state through
  - (a) Cuts or commissions received in connection with government transactions—purchases, supplies, imports, contracts, and other deals.
  - (b) Bribery.
  - (c) Misappropriation.

- (d) Narcotics.
- (e) Smuggling.
- (iv) Wealth earned through transactions, partly legal and partly illegal—such as deals involving foreigners—by over-invoicing or under-invoicing the provision of goods and services.

All this has resulted in the following:

- (i) Stagnation in the technological level of production.
- (ii) A large black economy.
- (iii) Concentration of social and political power in the hands of persons with ill-gotten wealth.
- (iv) Dependence on foreign financial support.
- (v) Excessive influence of foreign powers in the affairs of the country.
- (vi) The net effect of these factors is that the fate of the country is shaped by agencies, populist politicians with a dubious past, and foreign influence.
- (vii) A poor exchequer and poor public.

**III****A KNOWLEDGE-BASED SOCIETY  
FOR PEOPLE'S WELLBEING**

Our economy is part of a global economic order that operates according to the principles of the market economy. A state that subscribes to the World Trade Organization normally has to keep its doors open to foreign competition. The leading players of the new order are multinationals that carry out knowledge-based production and activities. This order has aggravated the disparity (i) between nations that are technologically advanced and those which are backward, and (ii) between classes which have access to knowledge and those which are knowledge-poor. There is a need of world consensus about the principles of a sound and fair economic order to control disparity and the causes of global crisis.

The experience of high growth countries of Asia shows that, among other factors, the state played an important role in promoting development without violating the rules of the WTO.

International trade will continue to grow. The Asian “tigers” adjusted their production processes to take advantage of expanding world trade. India not only raised technological level of production but with its better education system and English-speaking background, achieved distinct success in promoting the export of IT, medical and professional services. The performance of China is even better. It woke up from slumber through a radical revolution. It continues to reform and restructure its production processes and is moving gradually towards a knowledge-based economy. China succeeded in reducing the poverty level though the class disparity increased.

Our immediate problem is stability—macroeconomic as well as law and order. Our perennial problems are the low level of education and skills, low rate of savings, low tax-GDP ratio, and institutional weaknesses. These will persist until the governance and law and order improves. Thereafter, we may expect significant investment.

### **Primary role of the state**

The state has to carry out the following:

- (i) Establish law and order and the rule of law.
- (ii) Enlist the support of people to eliminate militancy and check sectarian problems.
- (iii) Resolve ethnic and provincial issues.

- (iv) Ensure an independent judiciary, independent election machinery, and accountability system acceptable to society.
- (v) Setup an effective system to check corruption before it takes place.
- (vi) Observe peaceful and democratic transfer of power.
- (vii) Develop democratic institutions and traditions.
- (viii) Design and implement an agenda (for reform and development) that may inspire the people to take part in national development.
- (ix) Review the security policy to effect saving in the defence expenditure.
- (x) Enforce supervisory and regulatory functions through institutions such as the State Bank of Pakistan, Securities and Exchange Commission, Competition Commission, the Auditor General of Pakistan, and an accountability authority, etc.
- (xi) Ensure adequate supply of essential goods and services, and arrange public transport at affordable prices.

### **Efficient government**

The state has to be efficient and transparent.



The system has to be democratic and participatory, devolving powers to the provinces and downwards to the local governments. Assigning the subjects of education and medical facilities to local governments will improve the educational and medical services to the common people.

Local governments will not perform as long as the leaders of the provincial government insist on establishing their hegemony in local affairs. Again the local government will not perform if the feudals and the politicians enjoying illicit wealth control it.

The administration, while internally devolutionary, should be capable of facing the external challenges of a high-tech era.

### **The role of the state in the economy**

The state has to actively carry out the following:

- (i) Create conditions conducive to development by managing a macro-balance of the economy by stabilizing price level, the balance of payments, and the currency; and adopt trade and taxation policies that incentivize production under competitive conditions.
- (ii) Promote modern education, natural sciences, technology, skill training and research and development.

- (iii) Guide and facilitate production by setting up technical and research institutions and science towns, and credit facilities.
- (iv) Encourage investment.
- (v) Document the economy.
- (vi) Develop human resources keeping in view technological developments.
- (vii) Adopt policies to raise people's standard of living and improve the productivity of labour.
- (viii) Build water reservoirs, ensure availability of cheap electricity, produce/arrange the supply of fuel, and construct a communication network.

### **SOCIAL CHANGE — Moving Towards A Knowledge-based Welfare Society**

There are two approaches to distributive justice. The trickledown approach approves status quo. It maintains that high growth be allowed through the stimulus of market competition. According to it the benefits of growth will gradually descend to the lower strata of society through budgetary measures, etc. In practice, this approach does not mitigate income disparity. Rather, it strengthens the hold of the elite and the privileged, and neglects the environment and humanist concerns.

The second approach demands conscious change in (i) the productive assets and (ii) the distributive system to improve the condition of

the poor and resourceless people. It does recognize the importance of high growth, but stresses that justice be intertwined with production by promoting small ownerships (such as small landholdings and SMEs). It especially emphasizes the role of taxation and budgetary policies for improving the condition of the common man. Indeed, the programme will succeed markedly if social politicians (defined in the next chapter) take the driving seat in running the state.

In addition to what is stated above, the system for the wellbeing of the people should have the following features:

- (i) GDP must be maximized:
  - (a) Maximum possible economic activity needs to be knowledge-based.
  - (b) Incentivize production of commodities and services consumed by common people.
  - (c) Provide facilities for the development of small farmers and small and medium enterprises.
- (ii) Welfare measures should be based on resources raised by improving the tax-GDP ratio, controlling non-development expenditure, and curbing corruption.

A stagnated/ receding economy ill-affords a welfare system.
- (iii) Adopt policy that helps create jobs.

- (iv) Discourage high consumption and encourage savings and investment.
- (v) Policies and efforts in all walks of life should be reviewed to direct them towards social sectors - education, health, environment etc.
- (vi) Take steps for: (a) development of areas that lagged behind and (b) uplift the education and skill level of their people.
- (vii) Discourage short term trading in immovable property and stocks and shares. Also discourage other 'easy money' opportunities for accumulation.
- (viii) Steps need to be taken to make Pakistan an "information society" that is able to make adjustments in social, political, administrative and economic life as required by the technological developments.

We should always keep before us the objective of establishing an egalitarian state, and promoting the wellbeing of people without stifling growth. There can be no wellbeing without high growth and maximized production of value-added goods and services.

Welfare schemes have been disturbed by destabilizing factors of the global crisis. However, the impact of destabilizing factors differed from country to country. The impact was lesser where the state had a role in economic management and the economic governance was good.

Pakistan needs to be rescued from its repetitive boom-bust cycles. This requires that economic governance be good and the economic activity is so prioritized that the growth process becomes self-sustaining. Nothing like this will happen unless we modernize education and turn universities into creative centres that take part in research for industrial undertakings. The key to success is creative education.

### **SOCIAL CHANGE — State-owned enterprises**

Monopolies should be under joint public-private ownership, managed by professionals, and answerable at a general meeting held quarterly. No minister or civil servant should interfere in the management of state enterprises. Their interference should be deemed misconduct.

It is right that government should not manage industrial or commercial companies, but it is not right that the state should not have share in their ownership. Several multinationals are successfully doing business in Pakistan. These have succeeded not because their owners manage them but because their management is professional. It is not that the management is absolutely honest, but that it is well organized and disciplined, and has

effective checks and balances. The management is also adequately paid.

Let the state participate in maximizing production and non-tax revenue. The state, however, should not take over the private sector undertakings.

It is, however, presumed that the government is capable of good-governance. Otherwise it will let the enterprises go down.

### **Motivational Economics**

Once our society is ready for change, we, in the prevailing stage of development, can rely on the people to participate in efforts for national development. A popular and a relatively honest leadership (that sets a personal example of austere living) could motivate the people of means to conserve energy, avoid waste and high consumption, increase savings, and invest in schemes that help boost national production. The common people could participate by supporting a political party that establishes a progressive and a just system. Motivational economics in developing societies, under a good leadership, plays a useful role in development as the technological innovations push growth in industrial economies.

The programme does not prescribe a solution for the economic malaise we face. It primarily outlines a programme for the social change. The agenda given here, however, keeps in view the present stage of our social

development and gives proposals for advancement towards a knowledge-based welfare society. However, no system or agenda is final. These need revision as the society progresses.

### **Solidarity through Social Change**

As a compromise document, the constitution of our country accommodates conflicting ideas. There is, therefore, a need for additional common bonds to foster national cohesion. The bonds include a culture of tolerance, self-sustained growth, removal of regional disparity, a prosperous welfare state, and most importantly, an enlightened humanist society.

How will all, stated in the chapter, come about? The answer is, through a social change brought about by the organized and co-ordinated efforts of (i) social activists, (ii) social politicians and (iii) the state—all with forward-looking programmes.

The state has to act as an effective agent of progress and change. However, the social activists and social politicians have to lead the way. Social activists will carry out community service and community development raising the level of people's social consciousness. Social politicians inspired by welfare causes will vigorously campaign to carry out the social change. This is elaborated in the coming chapters.





#### **IV**

#### **SOCIAL CHANGE: WHY AND HOW?**

We have already discussed the factors that have hindered the socioeconomic development of our country. To sum up, these were (i) the tribal system, (ii) inefficient landlords, (iii) military rule, (iv) orthodox groups, (v) an obsolete educational system, (vi) a security-oriented outlook, (vii) a degenerated system of government, (viii) corruption, (ix) tax evasion, (x) inefficient and wasteful rulers, (xi) low levels of technology, (xii) problems arising from multi-ethnicity and regional disparity, (xiii) a high degree of gender bias, and (xiv) militancy and extremism. Briefly, social backwardness and bad governance have hindered our development.

The interpretation of Islam promoted by ruling and orthodox groups has widened the sectarian divide, and accentuated the cleavage between liberal and orthodox elements. Many orthodox groups have taken to militancy and are an obstacle to social and economic development.

From the viewpoint of social development, Pakistan lags far behind other countries when judged by the standards of the high-tech era. We breathe in the early 21<sup>st</sup> century and use in our daily lives many products of this era. We use mobile phones, televisions, computers, online services, and computer-controlled medical equipment, etc.—none of which we produce. Even tribal insurgents and fanatic militants use technologically advanced weapons. Some of us read foreign books and journals, and watch science films and foreign news channels. We are exposed to the influence of the modern era. The consumption habits of the upper middle and rich classes are becoming increasingly westernized.

We are undergoing a transition like every other nation. Advanced nations pass from one phase of the post-industrial age to the next. But how do we describe the transitional phase of Pakistan, particularly Balochistan, FATA, PATA, or the feudal-dominated areas? The development gap in these regions is a major cause of the political, religious, ethnic, constitutional, and economic problems we face.

All regions produce low-value goods and services. This is one cause, although not the only cause, of the poverty of the national exchequer and the public. Subject to certain conditions, (e.g., a raised educational level, improved governance, and economic documentation), our condition could improve even in the prevalent socioeconomic structure. The condition of poverty-stricken people,

however, cannot materially improve except by establishing an egalitarian economy. The latter requires social change, which is also an essential requirement to develop backward areas. In fact, economic growth alone will not bring about a socially just society unless it is accompanied by social change.

Without social change, the people will remain poor for the following reasons, among others:

- (i) The production base of our economy is underdeveloped.
- (ii) The workforce is backward, both educationally and skills-wise. The burden of the population on the economic base is high, i.e., the population is large in relation to developed resources.
- (iii) The tools of production are low-tech.

Most people have no share in productive assets and remain deprived of a share in the wealth produced by these assets.

Equity demands that structural adjustments be made in the real economy to make it broad-based where advisable. To illustrate, the ceilings for big landholdings can be reduced but the ownership of capital-intensive high-tech manufacturing cannot be subdivided. Again, the ownership of urban land can be readjusted to provide concessionary plots to homeless persons, but the state can only do this if the reigns of power are held by social politicians, i.e., a group of elected social activists who rise from the grassroots.

Multi-ethnic India also faces many of the problems described above but some sectors are more technologically and socially developed than in Pakistan. However, India as a whole does not rank among the socially developed countries of the world, although clarity of thought among its leadership has steered the country towards relatively stable institutions, modern technology, and a high rate of growth. Its corporate sector is an engine of growth and modernization. Its government, universities, institutes, and social thinkers plan continuously to catch up with the fast-moving world. The strength of the Indian economy lies in investors' confidence, investment by non-resident Indians, and advancements in technology and research. However, India is also threatened by religious fanatics, militants, and poverty-stricken ethnic groups. Perhaps the greater threat comes from its "over-zealous" circles who usually ignore egalitarian policies while pursuing their "nationalist" designs, e.g., extending the sphere of influence and building military power.

Our socioeconomic structure is out of tune with the times. The industrial sector has failed to produce value-added goods. The rural sector, no doubt, diversified production, but for some innovators, modernization has been slow. Innovators, where they are found, do not target foreign markets. The budget and balance of payments were mismanaged. The economy is unable to provide jobs to the growing number of unemployed youth. The environment is deteriorating. The cost of production and price

level has become unbearably high. Dangerous diseases have spread and hit the impoverished public. Many people have neither access to safe drinking water nor the means to obtain medical treatment. The standard of living of the majority of people is continuously deteriorating. The lives of a large segment of the population have become unbearable. Failure to build water reservoirs and energy resources has aggravated the country's economic plight.

Where a society is generally healthy and has only some sick sections, the healthy sections come forward and cure the sick ones. This does not apply to Pakistan. The earlier narrative shows that our society as a whole is sick. Curing such a society needs special treatment called social change.

The lawyers' movement proved inadequate. Ideologically divided, they were content with a one-point agenda for the restoration of dismissed judges of the higher judiciary. In the absence of a broad-based programme, many lawyers became wayward after the initial success and could not pursue even the much-trumpeted rule of law. A one-point agenda is usually not a substitute for a comprehensive programme of "social change".

Our superior judiciary attempted to enforce good governance through "judicial activism", but this gave rise to conflict between the judiciary and executive. So long as corrupt leaders are put in power by popular vote, judicial activism and the accountability process

will not meet with success. Post-mortem judicial enquiries into crimes are not as useful as parliamentary vigilance to oversee that wrong decisions are not made.

What we need is a comprehensive programme for social change. If our ruling classes continue to look for palliatives to preserve the status quo, it will prolong our exploitation through international trade. This matter needs elaboration. The World Trade Organization (WTO) has laid down rules for international trade that are applicable to member countries. These rules are structured to promote the world economy in a neoliberal direction. Pakistan, like India, is a founder member of the WTO and is bound by its rules. The neoliberal economy once again exposed its inherent weaknesses in the financial crisis of 2007, which first depressed the real economy of the US and then engulfed the world. The G-20 has met several times to find a way out of the crisis. The WTO rules may be amended some day in light of the experience of the current global crisis. Whatever the outcome, the world economy will not deviate much in the foreseeable future from the basic principles of the market economy.

In the prevalent system the imports and exports are relatively unhindered. Rates of custom duties are low. A country which produces high quality goods and services at low cost has an edge in marketing its products. It is technological (knowledge) advancement which creates the edge. We, being backward in knowledge, suffer exploitation under the

prevalent World Order due to the adverse terms of trade. We can get rid of the exploitation by reducing disparity in knowledge. To make for the lost time we have to leapfrog to catch up with the modern knowledge. The leap is possible by social change.

One of the reasons for the growth of market economies such as China and India is that these states have taken an effective part in promoting their respective economies. Contrarily, our state attends mainly to security problems and does not find the time and money to build the structure and capacity needed to produce knowledge-based goods and services. This situation requires the security outlook to be replaced by a development outlook. It also demands that the time lost in pursuing the security outlook be made good by achieving development in the shortest possible time. Quick results are possible through changes in social behaviour.

Evidently, a country with good economic governance will do well in the market economy. Our ruling classes include big landlords, tribal chiefs, and corrupt politicians. These classes are mismatched in the market economy. General elections might rid a society of unpopular "leaders" but not of the exploiter "classes". Only through social change can we get rid of the latter.

There are numerous other factors obstructing our social development, e.g., the presence of obscurantists. An obscurantist will

never concede that he is so, nor will he mend his ways. Take corruption: how can we control the widespread corruption and tax evasion? One could say that such vices exist in high-growth developing economies as well, but do these economies have powerful obscurantists? Do they also face sectarian and sub-sectarian violence? Do they have armed subversionists seeking to replace the constitutional system with *shariah*? Is this violence/subversion in Pakistan not a product of ideological confusion? Is confusion to such a degree found in any other developing state? We too have high growth but only in terms of population, which depresses economic growth. Let us proceed further. How can we establish an administrative order that serves the deprived? How can we set up a welfare state that looks after the wellbeing of the common person? We cannot do any of these in the status quo.

Social politics will, in the medium term, give rise to social politicians who, with public support, will lead a movement for comprehensive social change. Social change has a wide meaning; it involves changes in social thought, values, economy, societal structures, administrative systems, and state policies.

In a society, many phenomena crisscross one another. Culture, history, and geography have a strong hold over slow-moving societies. When the development process starts, economic, social, and political factors play a result-oriented role in determining social trends. In the industrial era, technological



innovations hastened newer social trends. In the current (post-industrial era), continuous hi-tech innovations are the leading factor influencing social values and trends in every walk of life. Societies that make the necessary adjustments to their systems and laws in accord with newer values and social trends are called “information societies”. Societies such as Pakistan, however, do not have the capability to make such adjustments in the normal course. They have to make conscious efforts to fulfil the demands of newer needs and trends. The most effective effort is by way of “social change”.

Before the 1970s, the term “social change” signified (i) radical land reforms (structural change), (ii) state ownership of industrial and financial enterprises (structural change), (iii) free education and medical facilities for the deprived (policy change), and (iv) protection of labour and tenants etc. (policy change). However, much water has flowed under the bridge since then.

In the current IMF parlance, “structural adjustment” does not refer to change in the ownership of productive assets, but to adjustment in monetary and fiscal policies.

Both versions of change apply to Pakistan. Social and political considerations call for change in the ownership of tribal and feudal holdings while economic management calls for adjustments in monetary and fiscal policies.

In the 1970s, American computer-capitalism started impacting economic and

social life. High technology began replacing labour and mechanical tools. In the 1990s, neoliberal economic policies boosted growth in some advanced and developing societies. Economic activities became knowledge-based and international trade increased manifold. The movement of capital became faster, crossing national boundaries. Labour moved on a large scale from developing countries to developed economies. Multinational corporations set up their production facilities in developing economies that offered low-paid skilled labour, provided there was stability and assurance that property and contracts would be protected by law. All that took place in this era is not welcome, but it does not mean that we should not understand which way the wind is blowing. We should adjust ourselves to take advantage of the opportunity that the knowledge era provides.

The knowledge era can bring about a qualitative change in our society if we are able to neutralize the influence of obscurantists. An increase in the volume and quality of production brought about by knowledge (technology) will cause a qualitative change in our society. For example, BT seeds and biotechnology would boost growth and prosperity. Various forms of telecommunication are already making cultural inroads into society and individuals' lives. These illustrate how social change takes place in an imperceptible manner. This paper, however, seeks a conscious effort to expedite the process of social change.

The proposed social change should take into consideration the following:

- (i) We do not live in isolation. We are a part of a “global village” and cannot violate the rules—good or bad—laid down by the UN or WTO as long as these rules are there.
- (ii) Our state might own and manage economic enterprises either directly or in partnership with the private sector, but Pakistan cannot protect state enterprises from the quality and price competition of private entrepreneurs and foreign multinationals.
- (iii) The law should prescribe punishment for government leaders found guilty of bad economic governance.

It was in this light that Chapter III outlined a knowledge-based mixed system of economy capable of surviving in a competitive world market (the ownership of agricultural land is explained in Chapter I under the heading “Agriculture”).

Pakistan is a multi-civilization state. Tribal, feudal, urban, and low-grade industrial civilizations have their respective spheres within the country. All these civilizations have to cover some distance, long or short, to enter the new civilization of the knowledge era. How can we transform civilizationally different areas from one stage of development to the next in the shortest possible time? This is possible by

faster transformation through a conscious effort for social change.

A conscious effort for social change could take the form of either (i) a violent revolution, i.e., by overthrowing the state apparatus by force, or (ii) a peaceful democratic process.

Any attempt to bring about social change in Pakistan by violent means will either fail or lead to un-manageable chaos. Armed religious groups are waiting to fish in the troubled waters to enforce their version of *shariah*, while ethnic groups may not be far behind. They will jump into the turmoil with their own agenda. Differences within ethnic/sectarian groups might ignite infighting, and there would be widespread destruction. What it would bring is anyone's guess. Only a peaceful movement for social change has a chance of succeeding, provided it avoids ethnic and sectarian controversies.

In Asia, South Korea initiated social change by carrying out land reforms. Social change in South Korea, Japan, and Malaysia was expedited by self-sustaining high growth by introducing modern education, skills training, large investment, and above all, good law and order. These are prerequisites for the modernizing process whatever the economic system.

Land reforms in Pakistan, while desirable, seem difficult. The Shariat Appellate Bench of the Supreme Court has shut the door to land reforms by declaring these un-Islamic, thus strengthening the hold of the feudal class and

elite. Besides, land reform is a provincial subject and as long as big landlords and tribal chiefs control the provincial legislatures, they will not permit the curtailment of land ownership.

In Pakistan, social restructuring did not take place through a conscious political process nor have we fulfilled the conditions for socio-economic development, such as modern education, law and order, a high tax-GDP ratio and a high rate of national saving.

We will see no significant investment until law and order improves to the satisfaction of investors. SMEs may flourish but these are not instrumental in bringing about a rapid rate of growth, although their role in gradual social uplift is important.

The crisis we face is multi-faceted. There is a threat from militants. Sectarian groups are losing patience with others. Ethnic violence in Sindh has surfaced again. Economic problems are mounting. How should we deal with the crisis? We need a new culture, a new philosophy and a new attitude towards life, revolving around tolerance, peace and social development. Only then we can tackle the crisis. Leaders have to lead the way. They have to foster a new culture by setting an example of tolerance, austere living and tax compliance, and win people over by putting a system in place that ensures a high rate of growth in an egalitarian framework. Once society accepts this course, motivational economics will play its role to accelerate the pace of development.

The starting point will be to mobilize people to participate in voluntary community-development programmes. The next pages outline a sociopolitical formulation for this purpose - a programme for social change.

**V****THE PROCESS AND AGENTS OF CHANGE**

Who will be the agents of social change and what line of action should they take to bring about the change?

As discussed, the political parties constituted today are not capable of sincere efforts to bring about change. Can a social service movement alone augment the cause of social change? The answer is no. We have before us the magnificent example of Abdul Sattar Edhi whose benevolent social work is nationwide, but has not created the urge in society to change.

Social service mitigates some of the suffering that an unjust system inflicts, but it does not stop the further infliction of suffering. Social work does not eradicate the causes that inflict the harm. The causes of misery can only be eradicated by a socioeconomic system administered by 'social politicians'. A just politico-economic system cannot be put in place except through a long movement led by social politicians. The process the movement should pursue to achieve its purpose was

discussed partly in the last chapter. The discussion is continued here.

### **Social politicians**

*We need leaders of a new description—social politicians.*

Who is or might be a 'social politician'? It is usually difficult to give a definition. One view is that a social politician will emerge in the process of bringing about change by mobilizing the people. The author, however, defines a 'social politician' as a politically alive person with a strong urge to serve the people, who has initially carried out social work **touching the lives of many common people—social work that has brought about a visible improvement in the lives of people.** A movement of this nature can change the social outlook of the people, and the consequent behaviour of the people that will bring about a new culture, a sense of self-respect, and a spirit of self-reliance in the effort to build a just society. A leader who fails to bring about a change in the outlook of the people will not achieve much in the conditions with which we are confronted. A leader should have a relatively clean past and an established record of social service, without being an autocrat. We need democratic leadership, i.e., a group of persons working in a democratic manner for a democratic cause. The members of the group should be elected by a democratic process and should be answerable for what they say or do



in accordance with the rules they have collectively defined.

A pure social worker, however committed, will not become a political reformer. However, a person aspiring to become a politician can start social work and, in the process, become a 'social politician'. We need such people.

Social politicians will win public recognition by producing tangible results in the process of social service. This will distinguish them from populist politicians who, when in power, failed to deliver. The awareness that a populist leader creates is halfway and usually misleading. It takes much more than awareness to bring about a real and enduring change. It needs a sense of responsibility evidenced by a record of voluntary social service.

Many Pakistanis are apt to blindly follow leaders who win them over emotionally with a populist style. Such leaders become all-powerful in the political setup they create. Placed in power, they destroy more than they build. What they destroy are institutions and what they build are some physical assets.

The question that arises is whether general elections alone can bring the "blind following" of the people to an end, particularly when corrupt leaders have severely mauled the institutions of democracy. The answer depends on the degree of people's mobilization by 'social politicians'. If this mobilization is not forceful, the elimination of many corrupt

leaders will not take place, though the trend that a social movement generates will indeed influence the behaviour of the people.

### **WHY 'SOCIAL POLITICIANS'**

In Pakistan, popular politicians have burdened state-owned enterprises with excessive workers. This has made the enterprises uneconomic. Then politicians have recruited undeserving persons as policemen, etc., impairing discipline and job efficiency. They pride themselves that providing jobs (in the public sector) is their politics. Obviously, good economics and good governance are not.

Many leaders do not have a proper understanding of current problems such as economic and international affairs. They keep society backward with what they do or say.

Conventional politicians in Pakistan, as in many other societies, seek quick popularity. They entice the public with impracticable promises. To divert public attention away from their personal misdeeds, populist leaders raise one slogan or the other.

Net effect: Many conventional leaders have misled the public. Voters are not aware of the true causes of the problems they face. Nor do they know sound solutions.

The quick popularity-seeking approach prevails even in developed countries. To win over voters, rulers spend much more than

national resources justify. Then, opinion makers and leaders build up a national psyche of domination and threat perception justifying unnecessary expenditure on arms and ammunition.

Governments live beyond their means. This is a basic reason for budgetary deficits, fiscal problems and high public debts.

There has to be sensible politics for sound economics.

There is, therefore, a need for a new brand of politicians who educate political activists and voters. The day has come for the leaders to learn to take a long-term view of the national interest though pursued in a pragmatic manner. Such leaders are named here as 'social politicians'.

## **BEHAVIOURAL CHANGE**

What is of prime importance is the outlook and behaviour of the people. Do the people want to create a society that is peaceful, prosperous, just, pollution-free, and democratic? Do they want a system that is transparent and caters to their basic needs of food, housing, health, and education? All this is possible if they realize that it is they (the people) who have to take part in the movement for change under the leadership of 'social politicians'.

Undemocratic regimes in tiger countries may have succeeded in achieving rapid economic growth, but they all received

immense economic support and investment from abroad. These regimes facilitated the development of society by providing better education and skill training to their human resources. Insecure Taiwan adopted a meritocracy that produced outstanding success and made appointments on merit in political as well as administrative jobs. The vehicles of change were education, investment, and political regimentation.

The success of dictatorial regimes cannot be a precedent for Pakistan. As earlier explained, Pakistan, as a multi-ethnic country, has to be democratic. It needs a democratic order to survive. To achieve success, it has to fulfil conditions such as modern education, skills training, meritocracy, transparency, and stability. A dictatorial regime is no model for us to follow.

## **TOWARDS SOCIAL CHANGE**

Social service is a virtue and should be carried out, but here it is put forward as a mechanism for change. The programme will involve people in community welfare. This will first bring about a positive change in their social behaviour and in turn lead them to carry on the effort to improve their lives.

Many people accept a miserable life by blaming it on their fate, the system, their leaders, or foreign powers. Their misery will never end as long as they keep to this outlook. They need the stimulus of an idea that will

inspire them to change their destiny, their leadership, even the system.

This can be done by starting an “achievable” voluntary community programme of social service. Experience gained during this programme will illustrate that a change is possible if people act jointly in an organized manner. People who initiate this must keep before them the ultimate programme of changing the social order. While the community programme is in progress, those who initiated it must identify individuals who they find have the potential to grow into community leaders. These leaders will need to be motivated to participate in the national programme of social change. A think-tank should take responsibility for continually educating community leaders by producing literature on the ultimate objective (see Chapter III) and the action programme.

### **PROPOSAL SUMMED UP**

The programme for social change described above has the following elements:

- (i) A candidate politician should start community service as a voluntary social worker focusing on a street or town he or she chooses. He or she should involve local people in this work. In the process, people will become educationally equipped to participate in a democratic campaign for social change. The process

will raise a new crop of community leaders.

- (ii) Having achieved something concrete, the candidate politician should start a campaign for the programme for social change, but the emphasis on social work should continue. Thus, the candidate politician would have two functions: that of a social worker and that of an activist for social change.
- (iii) There should be think-tanks to support the programme (see Chapter VII) and establish links among the organizations carrying it out.

## **SECOND THOUGHTS**

Having written the above, the author has sensed that the proposal will not adequately humanize the prevailing illiberal/extremist culture. The administration and politics have been corrupted and brutalized. Society too suffers from these vices. The system as a whole is crumbling. For example, the judiciary cannot bring to justice an accused person if he is a militant or powerful politician. Witnesses and prosecutors are afraid of militants and powerful politicians. The state has repeatedly defied many court orders that might hurt the ruling elite. Something more than the programme mentioned above is required to correct this deep-rooted malaise. Religious or moral sermons will not be sufficient. Sermons not acceptable to militants have led to the

murder of some preachers, while a leading preacher was forced to flee for his life.

Further, our state is faced with the threat of bankruptcy. Adequate investment will not come forward to redeem the economy as long as the threat of militancy prevails. We need peace, without which democratic evolution will not take place. The people have to help the state in its efforts to restore law and order. But what about the state itself? How can it be saved from the clutches of corrupt and brutal elements? How can the economy be made prosperous and egalitarian? Most importantly, how can society be humanized? How can we foster a culture of peace and tolerance? An inhumane and cruel society cannot survive for long.

The most inhumane treatment is that meted out to the common person by the prevalent system. Wealth is generated by technology. Technology has no soul, no morals, and no feelings. The economic system puts most of its wealth in the lap of entrepreneurs who treat human beings as soulless consumers. Wealth distribution is determined by a political system that is controlled by a privileged/corrupt elite. Can we humanize the politico-economic system? Yes, to some degree. There is space for this even in the new world order. Chapter III sets out a programme for a knowledge-based society for the wellbeing of the people.

A social and political agenda for change should include the following:

- (i) The starting point for social change is behavioural change. Let a movement for peace, affection, and fraternity dispel the culture of militancy and extremism. Let a group of intellectuals (who have no personal political ambitions) campaign for human causes (affection, peace, service to humanity, and community development) while avoiding religious and ethnic controversies as far as possible. They should devote time and attention to propagating humanist causes. Preferably, preachers of humanist values should have clarity of thought about the institutional framework required to realize values in practical life.

Evidently, preaching alone will not produce a significant impact as long as a hostile mindset holds ground. This mindset cannot persist in the face of the growing civilizational inroads made by the knowledge era and the need of the common person for peace and prosperity. These factors will create space for a humanist movement.

For positive results, all agents of change have to support the humanist movement by taking practical steps as suggested here and in Chapter VI.

- (ii) Let social activists inspired by humanist causes start a voluntary programme of community service. They should set up



free or concessionary schools and medical centres, etc. (see Chapter VI).

The participation of the people in these programmes will raise their level of social consciousness, enabling them to deal with community problems through a collective effort.

- (iii) Let political activists inspired by humanist/welfare causes take part in political activities, although they should also participate part-time in the welfare activities being carried out by social activists.

Political activists or 'social politicians' will campaign for social change and the politico-economic programme described in chapter III.

Social service organizations will continue to work even if political organizations suffer a setback. The activities of the social section will help develop a humane society and the political section will work to establish a welfare state. The two sections will supplement each other in promoting their allied humanist/welfare objectives.

Finance for the above-mentioned organizations could come from philanthropists supporting the humanist/welfare movement. They could establish publication houses and media centres to promote the humanist cause.

This proposal bears some resemblance to the Turkish movement for human service

initiated by the Sufi scholar Fatehullah Gullen. Philanthropists inspired by him established television and radio stations, publication houses for newspapers and magazines, and more than 2,000 educational institutions in Turkey. The movement extended its activities to other countries, and established 2,000 schools in Turkish-speaking countries in Central Asia and other places.

Gullen influenced the educated class and the AK party of Turkey. The AK party originally subscribed to a semi-orthodox interpretation of Islam. Under the influence of Gullen, the AK party softened its view on Quranic literalism, embraced the idea of human rights, and gave up its stance on enforcing classical *shariah* and re-establishing the Ottoman Caliphate. The party still stands for Islamic ideals. Democratic elections put it in power in 2002. During its eight years of rule, it improved relations with a hostile Greece, checked corruption, stabilized the economy, brought about prosperity, and to a degree reduced the role of the armed forces in politics. The AK party succeeded in the third successive general elections in 2011, securing more than 50% of votes.

In Turkey, the Gullen movement is a phenomenon in its historic background. Pakistani society is not tolerant enough to welcome Gullen's interpretation of an era of globalization. Any movement inspired by his unorthodox ideas will not produce the desired political impact. In the conditions prevailing in Pakistan, it will be sufficient if intellectuals

preach fraternity, co-existence, and citizens' responsible behaviour in society.

The leaders and intellectuals of Pakistan have wasted more than 63 years in finding a shortcut to success. The movement proposed here should reject the easy approach and instead adopt a medium-term programme for tangible results. There should be a think-tank to support the movement and coordinate activities carried out by the various organizations of the movement.

### **LINE OF ACTION**

- (i) Social service organizations will continue to work even if political organizations suffer a setback. The activities of the social section will help develop a humane society and the political section will work to establish a welfare state. The two sections will supplement each other in promoting their allied humanist/welfare objectives.
- (ii) After political activists have done the basic preparation, they can start their political careers as a pressure group or as candidates in local body elections. A party may evolve in due course. If, under the pressure of their programme, existing parties improve their conduct and performance, social politicians may welcome them and even join them. If the major parties continue to be tightly held by corrupt authoritarian leaders, the

situation will become ripe for social politicians to constitute a new party. All this depends on the conditions prevailing at the time.

Success will come about as a result of the cumulative efforts of all these elements and forces working in their respective fields with devotion and without expecting immediate success.

- (iii) The movement for social change will accomplish its programme through peaceful and democratic means.

Social change, via civilizational development as suggested above, will make economic growth self-sustaining. Social change, supported by societal and economic development, will uproot the causes of poverty.

### **Summing up the role of social politicians**

To sum up, a social politician should do the following:

#### **IMMEDIATE**

- (i) Adopt a humanist attitude towards life. This will impact every aspect of society.
- (ii) Participate in projects for community development by mobilizing the people.

#### **WHEN PLACED IN POWER**

- (iii) Carry on social restructuring/reforms.

- (iv) Establish a socioeconomic system based on knowledge for the wellbeing of the people (Chapter III).
- (v) Let the overall system evolved by social politicians aim at freeing people from hunger, malnutrition, and psychological diseases, etc. People should have a space in which to relax (without drugs) and enjoy aesthetics.

### **POLITICAL CHANGE IS NO SUBSTITUTE FOR SOCIAL CHANGE**

Some friends think that, long before social change takes place, the weaknesses of the prevalent system will give rise to events that effectuate a change in the political leadership.

We have to distinguish between “political change” and “social change”. Political change may, at best, bring about some improvement in the management of the affairs of the state. Other improvements, if any, will be peripheral. This will not materially improve the condition of the people nor will it empower them. On the other hand, social change has wider scope. As explained elsewhere, it entails a multifaceted, multipurpose, and multidimensional programme to bring about an egalitarian system.

In the short term, the conflict between the two changes—political and social change—should preferably be avoided. Since social change is a medium-term programme, social

politicians should refrain from direct conflict with whoever may be in power in the short run, instead availing the time to consolidate popular support for their mid-term programme of comprehensive social change.

Here, three agents of change have been mentioned: (a) the humanist movement, (b) social activists, and (c) political activists. Change, however, is a wholesome process to which many factors contribute. Other agents are briefly identified in Chapter VII. Once these agents succeed in controlling/influencing the state, the latter will play a vital role not only in carrying out change but also in implementing the agenda for which these agents of change stand (see Chapter III).

### **Social change: A medium-term programme**

Pakistan may not have peace and stability in the near future. Militant groups, extremist groups, and ethnic subversionists will not let the situation stabilize. Diverse forces will have a say in politics, e.g., the military, ill-famed politicians, inexperienced leaders, religious forces, and secular forces, etc. Issues (such as the partitioning of provinces) may preempt people's focus. Social change is only one of the many issues that may catch the nation's attention. Some halfway measures in the name of social change may even be taken by the ruling classes. All the time, these forces controlling state power will be available to

social politicians to carry out their fieldwork for a comprehensive change.

## **VI**

### **IDENTIFICATION OF SOCIAL SERVICE FIELDS**

Such a programme should be simple and practicable, serving the people. A group with the stamp of dogma creates many foes. Let us identify social programmes that social activists could initiate at the "community level".

- (i) Programmes that do not involve a significant amount of finance:
  - (a) Cleaning houses, streets, and pathways of dirt, mud, mosquitoes, and flies etc.
  - (b) Controlling pollution (e.g., reducing noise and stopping the burning of tyres).
  - (c) Promoting the use of boiled water and iodized salt.
  - (d) Starting a literacy movement.
  - (e) Protecting forests, wildlife, and greenery.
  - (f) Promoting sports.
  - (g) Promoting family planning.



- (h) Taking care of the elderly and invalids.
- (i) Promoting equal rights and respect for all citizens regardless of their colour, creed, sex, or religion.
- (ii) Programmes that involve some expense:
  - (a) Raising the production of food, fruit, and vegetables that are free of poisonous chemicals, and making these available at affordable prices.
  - (b) Setting up quality educational institutions that charge affordable fees.
  - (c) Planting trees.
- (iii) Programmes that involve significant expense:
  - (a) Making credit available to small farmers and cottage industry units.
  - (b) Developing the betterment of women and children.
  - (c) Controlling river pollution.

Some of these programmes involve large expenses that are beyond the capacity of the common person. A voluntary organization could contribute to such a cause by mobilizing popular opinion.

This programme for social service should preferably include public health and education. In addition to social work, it should create awareness among the people so that they can take part in an effort to bring about a visible

change in their lives, a new culture, and a sense of achievement.

A coordinating organization should establish links among voluntary organizations functioning at the local/community level. A foreign-funded NGO will not inspire people.

By rendering social service, a "candidate" politician distinguishes himself from a politician who seeks power to satisfy his own urge for fame and power. A social politician is committed to the cause he or she takes up, and is expected to sincerely represent the needs of the people and make efforts to fulfil them. He or she will carry out socioeconomic development and raise the civilizational level of society.

Theoretically, these measures are usually known to many politicians, but it is their commitment and honest work that makes the difference. One must have patience. It takes long to achieve initial success, and one must bear with dogmatic elements that obstruct a programme to which they do not subscribe.

In many Western countries, some social activists formed pressure groups to pursue their social development agenda. Later, they formed political parties to present their demands in a more forceful manner. An example of this is the Green Party in Germany, which started as the Green Movement for social causes, especially non-proliferation. This party, sitting in the parliament, supports human welfare and environmental causes even though it may not be able to form a

government exclusively, Western societies are politically mature, and accept the influence of the Green Movement by adopting some of its causes as official policy. This shows that social action in an organized manner is needed even in politically advanced countries.

Voluntary social service and community development activities raise the consciousness of the people, and make them caring and affectionate. This makes the social atmosphere receptive to a movement for social change.

## VII

### **OTHER CONTRIBUTORS TO CHANGE**

Social change can be expedited by the collective effort of several social agents and factors. These are noted below.

#### **1. Think-tanks for zonal development**

Think-tanks consisting of political scientists, economists, and social scientists should design a programme for socio-economic development for every zone of a province. We have to keep in view that every province is multi-ethnic and has zonal disparities.

A development programme for the whole of Pakistan will work better if these zonal programmes are coordinated with provincial and nationwide programmes.

#### **2. District committees for economic modernization**

Every province should establish a committee for economic modernization in every district. These committees should be advisory bodies consisting of experts in the fields of irrigation, agriculture, small-scale industries, cattle farming, fisheries,

development finance, and education etc., nominated by the district nazim. Each committee should advise the district management on development matters, and disseminate information on how to upgrade the economic production of the district. It should identify those value-added goods that can be produced keeping in view the local resource potential.

### **3. Think-tank for poverty elimination**

There should be a separate think-tank to deal with the problem of poverty. This body should look into the root causes that accentuate poverty and suggest measures to eliminate those causes that are within our national domain. It should also keep an eye on the performance of the departments dealing with poverty.

### **4. Think-tank of political strategists**

A separate think-tank should design a programme to improve the democratic performance of society. These think-tanks should be organized by like-minded persons who are tolerant and committed.

### **5. The role of the media**

The support of the media is important for the programmes proposed above. There has to be a smooth and constant relationship between the media and such think-tanks.

The mainstream media has indeed played an important role in promoting the cause of an independent judiciary and in creating awareness about the corruption of the

elite, but there are important causes such the promotion of a knowledge-based economy and pollution-free environment that have not attracted due attention. Such causes could be taken up by the intelligentsia through the alternative medium of the Internet.

## **6. Communication at the local level**

Community journals at the local level are an effective means of communication for countering the vested interests that control the community through economic, social, and political power. An effective mode of communication is person-to-person communication, provided it is supported by the proper literature.

## **7. Councils of senior citizens**

There should be a council of senior citizens at the federal and provincial levels. These should be established under a law enacted by the parliament or provincial assembly. The council should be an advisory body consisting of social scientists, scholars, retired educationists, retired judges, retired bureaucrats, and retired politicians. Councils should be appointed by the speaker of the National Assembly at the federal level and by speakers of the provincial assemblies at the provincial level. In this connection, the speaker should consult retired vice-chancellors, retired chief justices, leading philanthropists, and retired chief economists of the Planning Commission. These councils should suggest what measures could be adopted to promote a cultural environment that allows government

functionaries to render quick and efficacious service to the common person. The proceedings of each council should be open and electronically recorded. Copies of the proceedings should be supplied to any one on payment of a minimal copying fee.

### **8. The role of teachers**

In an era of science and technology, change is a continuous process. It is the function of a teacher to mentally prepare the younger generation to meet the challenges of the social change that continuously takes place within and outside the country. A nation that is not mentally prepared to cope with this challenge will become a victim of its own sluggishness.

### **9. The role of organized groups of professionals**

Groups of self-employed professionals (lawyers and others) could take the programme deeper into the people, for example, by forming committees to educate people concerning (i) a detailed programme for change in the socio-politico-economic system, and (ii) the qualifications of elected representatives who would deliver when voted to power.

### **10. The role of educated business people**

The business community is disturbed over the law and order situation and the macroeconomic condition of the country. It is dismayed at the manner in which affairs have

been handled by the ruling classes. There is a general realization that something needs to be done to set right political and economic life and create conditions conducive to business.

This situation may persuade more and more young entrepreneurs to take direct or indirect part in bringing about a change in society.

### **11. The role of the judiciary**

If things go as suggested above, the judiciary could play a useful role in purging national life of corruption. It must, however, be conscious that over-zealous or premature action could create problems leading to unmanageable chaos.

All these groups and institutions could contribute to the maturity and stability of society and facilitate its march towards a welfare state—the cause for which social politicians stand.



## CONCLUSION

- (i) The theme of this paper is summed up as follows:
  - (a) The sociopolitical structure of society has elevated members of privileged groups who enjoy big landholdings, illegitimate wealth, and gun muscle to the position of power. These groups have maintained the status quo with the support of orthodox forces and foreign patrons.
  - (b) Ideological controversies between various schools of thought surfaced with the inception of Pakistan. Ideologues never had a clear and practicable social thesis for the modern age. Many leaders, from the Right and Left, romanticized the people away from the realities of the world.

The social thought promoted and education imparted by our state has helped promote private militias and sectarian extremists. These obscurantist forces, unless checked, will not

let social development take place.

- (c) Our sociopolitical and administrative systems are predominantly colonial, non-participatory, authoritarian, and non-transparent. The system together with other factors has suppressed the people and placed bottlenecks in the process of development.
- (d) Other factors hindering the socioeconomic development of our country are: (i) the tribal system, (ii) feudal culture, (iii) authoritarian rule, (iv) orthodox mindset, (v) obsolete education system, (vi) population explosion, (vii) security-oriented outlook, (viii) populist politics, (ix) corruption, (x) tax evasion, (xi) inefficient and wasteful use of resources, (xii) low technology, (xiii) problems arising from multi-ethnicity and regional disparity, (xiv) high degree of gender bias, and (xv) militancy and extremism. Briefly, social backwardness and bad governance have hindered our development.

Whatever good had been achieved in the economic field (during periods of liberal foreign funding) was neutralized by the population explosion.

(e) Most rulers—whether military or civilian—have been both corrupt and incompetent. They have exploited the state as well their fellow citizens for personal benefit, thus promoting “loot culture”. The people have become disillusioned and are no longer willing to make any contribution towards the national cause. This state of apathy has lowered national morale.

(f) Society, dogmatized, corrupted, and brutalized as it is, has pushed back the humanist and aesthetic values of life. Nothing short of a movement of peace and human service will put Pakistan on the path of peace, stability, and progress.

Indeed, the equitable development of society is needed, and only a group of enlightened people, courageous enough to face strong opposition, will dare lead this policy.

(ii) **Developing societies, advanced in knowledge and technology, emerged as fast-growing economies. An effective segment of our society is hostile towards modern knowledge and our economy is low-tech. Being so, the prevalent world order has impoverished us through adverse terms of trade. We can remedy**

**the situation by raising our knowledge level. To make up for lost opportunities, we have to leapfrog to catch up with the latest knowledge. This leap is possible through social change.**

**Poverty and disease has made life unbearable for common people, who mistrust most leaders. Disillusioned, they await social change.**

In a society that is generally healthy and only some sections sick, the healthy sections come forward and cure the defective ones. This does not apply to Pakistan. The earlier narrative shows that our society as a whole is sick. Curing such a society needs special treatment, i.e., social change.

Social change is a comprehensive term and has a wide meaning. It involves a change in social thought, values, economy, societal structures, and policies. A movement for social change can accomplish its programme through peaceful and democratic means.

- (iii) The most inhumane treatment is that meted out to the common person by the prevalent system. Wealth is generated by technology. Technology has no soul, no morals, and no feelings. The economic system puts most of its wealth in the lap of entrepreneurs who treat human beings as soulless consumers. Wealth distribution is determined by a

political system that is controlled by a privileged/corrupt elite. **Can we humanize the politico-economic system? Yes, to some degree. There is space for this even in the new world order. Chapter III sets out a programme for a knowledge-based society for the wellbeing of the people. This programme recognizes that no scheme of wellbeing will work without high growth and the maximized production of value-added goods and services. The world order does not support an egalitarian system. A welfare programme in any state will succeed only if social politicians are in the driving seat.**

- (iv) **A social and political agenda for change should include the following:**
  - (a) **The starting point for social change is behavioural change. Let a movement for peace, affection, and fraternity dispel the culture of militancy and extremism. Let a group of intellectuals (who have no personal political ambitions) campaign for human causes (affection, peace, service to humanity, and community development) while avoiding religious and ethnic controversies as far as possible. They should devote**

time and attention to propagating humanist causes. Preferably, preachers of humanist values should have clarity of thought about the institutional framework required to realize values in practical life.

Evidently, preaching alone will not produce a significant impact as long as a hostile mindset holds ground. This mindset cannot persist in the face of the growing civilizational inroads made by the knowledge era and the need of the common person for peace and prosperity. These factors will create space for a humanist movement.

- (b) **Let social activists inspired by humanist causes start a voluntary programme of community service by mobilizing the people. They should set up free or concessionary schools and medical centres, etc. (see Chapter VI).**

**The participation of the people in these programmes will raise their level of social consciousness, enabling them to deal with community problems through a collective effort.**

- (c) **Let political activists inspired by humanist/welfare causes take part in political**

**activities, although they should also participate part-time in the community development programmes being carried out by social activists.**

**Political activists or 'social politicians' will campaign for social change and organize their activities accordingly in cooperation with their co-workers.**

- (v) Social service organizations will continue to work even if political organizations suffer a setback. The activities of the social section will help develop a humane society and the political section will work to establish a welfare state. The two sections will supplement each other in promoting their allied humanist/welfare objectives.
- (vi) After political activists have done the basic preparation, they can start their political careers as a pressure group or as candidates in local body elections. A party may evolve in due course. If, under the pressure of their programme, the existing parties improve their conduct and performance, social politicians may welcome them and even join them. If the major parties continue to be tightly held by corrupt authoritarian leaders, the situation will become ripe for social politicians to constitute a new party. All this depends on the conditions prevailing at the time.

Social change will take some time to succeed. It is a medium-term programme requiring extensive fieldwork for several years.

- (vii) Success will be expedited by the collective efforts of various elements and forces (described in Chapter VII) working in their respective fields with devotion and without expecting immediate gains.
- (viii) A state run by social politicians will itself be an effective agent of social change.
- (ix) Once our society is ready for change, in the prevailing stage of development, we can rely on the people to participate in efforts towards national development. A popular leadership, having set a personal example, will motivate people of means to conserve energy, avoid waste and high consumption, increase savings and invest these in schemes that help boost national production. The people can participate by supporting state efforts to establish a just system.
- (x) The socioeconomic development of society will be expedited by a humanist movement and also by the high educational and knowledge standards we achieve.
- (xi) Economic activity will be based, as far as possible, on modern technology adapted, where possible, to local conditions.



- (xii) Stabilizing the new order will need a team of state operators manned by competent persons appointed on merit. In addition, there has to be a group of social thinkers who give direction of thought.