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Inaugural Address

MUHAMMAD RAFIQ TARAR

At the outset let me thank Professor Hashmi for his kind words about me in the welcome address. It is a matter of great pleasure for me to inaugurate this conference. I congratulate the Pakistan Society of Development Economists on organising its 16th Annual Conference with such wide and distinguished participation. The conference's theme "Growth, Poverty and Decentralisation" is highly relevant for Pakistan in view of the urgent need to pull the country out of the vicious circle of poverty and indebtedness. I hope this Conference will come up with concrete recommendations to strengthen the economy by addressing the issues confronting us in this matter.

The importance of economy in the emerging global scene cannot be over-emphasised. A country's sovereignty, political stability and diplomatic weightage largely depend upon its state of economy. Pakistan can take genuine pride in its achievements since 1947. We started from the scratch and today we are proud to be the first Islamic country and 7th in the world to become a nuclear power. Our industrial sector, communication infrastructure and agriculture have attained reasonable levels of development. However today when we look back at our achievements, we see that we have not made judicious use of our scarce resources. We borrowed heavily and went on a spending spree without proper planning. Wastage and injudicious use of resources coupled with lop-sided planning have now landed us in economic crises. Our debts have become difficult to service, our population growth rate outpaces our economic growth, and disparities in incomes have increased the gap between the rich and the poor.

An effective poverty alleviation programme, to be sustainable, presupposes a respectable growth rate in the economy. It must enable the people to stand on their own feet in the long run. Good governance, fair and across-the-board accountability of the corrupt, cost-free and speedy dispensation of justice, investment in public welfare projects to provide quality services to the people, and judicious use of taxpayers' money are some of the imperatives to restore public confidence in the system. I am happy to say that the government has not only realised these

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imperatives of a sound economy but is also putting in place policies and action plans in this respect.

Restoration of public confidence in the state institutions by promoting good governance, accountability and peoples' participation in the decision-making process at the grass root level is the need of the hour. Efforts to achieve these objectives will surely lead to overall progress including economic stability. I am informed that as a result of appropriate measures, the industrial sector has already started showing signs of recovery. Here I must emphasise the enhanced agricultural productivity holds the key to our economic survival. I hope recent policy initiatives in this sector would help attain desired objectives.

Enhanced productivity by itself is not enough. We need markets to sell our surplus and to earn foreign exchange to repay our debts and foot our import bills. Remember that the world today is quality-conscious and demands efficient and timely delivery of goods and services. With the required competitive edge in price, quality, efficiency and marketing skills, *Insha Allah*, we'll certainly be able to achieve the desired goals.

I hope this conference will discuss all these issues and come up with concrete proposals to accelerate the process of reforms and reconstruction. To put the country on the road of uninterrupted progress, we need consistent well-planned economic policies and strong commitment for their implementation. I am confident that by doing so we will *Insha Allah* overcome our difficulties and make the country a true Islamic Welfare State.

Now with much pleasure, I inaugurate the conference and wish you success in your deliberations. I look forward to receiving the recommendation of this conference.

Thank you.

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