

The new wings of development

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The concept of development, through which governments view social policy in environments where capitalism is the mode of social organisation, may be up for a major rethink, globally. This year, policy signals at agenda-setting global convening and major publications seem to be heralding new directions. But in each of these, the onus of responsibility is seen to be swinging more squarely towards domestic policy. Three points are being outlined to draw attention to the potential levers of change and possible insights for Pakistan.

First, there is a palpable emphasis on “investment” rather than “aid” as a strategy for development, and recognition, that development happens through “jobs”, rather than through “growth” alone. In fact, the World Development Report, 2013, has featured jobs, boldly in its monosyllable title and has opened with the statement “development happens through jobs”. Indeed, evidence confirms that one of the strongest determinants of achieving many development outcomes is per-capita income.

Ideally, governments should aim to create the conditions that catalyse investments – macroeconomic stability, rule of law, enabling legislation, facilitative regulation, and a level playing field so that businesses can be supported, thus creating jobs. But doing just that doesn’t suffice. They must also address impediments posed by market imperfections, so that jobs with the greatest development pay-offs can be created.

Barring exceptions, it is increasingly recognised that most G77 countries should utilise aid for improvements in productive assets and institutional strengthening, so that over time they are able to reduce reliance on development

assistance. This vision of development places a huge onus of responsibility on governments, rather than development agencies, which is how exactly it should be.

Secondly, with the global financial and sovereign debt crises as a context, there appears to be an emphasis on accountability not just for results but also for decisions. The importance of oversight at the fiduciary and regulatory levels has become salient and the imperative to optimise the use of resources, minimise leakages from the system, and institutionalise fiscal responsibility and debt limitation has never been more compelling. There are some straightforward, but hard to deliver policy tasks, of governments in this space.

Third, as planning gets underway to develop a post-2015 development agenda – the year in which millennium development goals will (MDG) come to term, there may be additional tasks of governments, as part of the world's new promise, the sustainable development goals. While a sustained focus on poverty and the inclusion of environment, post Rio+20, is inevitable, other aspects of sustainable development are also likely to be included. Delivery on this new wave of global promises is not a matter of vertical thinking and silo planning. Most reviews since the MDGs have consistently raised the importance of strong institutional systems as a prerequisite for delivering on vertical targets.

Partnerships are now regarded as a sine qua non of development for a whole host of reasons, amongst which harnessing of today's burgeoning of technological and scientific innovations in a globally interconnected world, is the foremost. For example, cell phones on their own are termed as one of the most effective channels for reaching out to those at the bottom of the pyramid and provide services that help people lift out of poverty by enabling unprecedented communication, information dissemination, tracking and financial services delivery.

A powerful combination of factors is driving change in this regard in the developing world of which advances in technologies and applications and growth in coverage of mobile cellular networks is the most salient – and this is just one example.

It is therefore up to astute governments to act inter-sectorally within the state system, as well as engage the right actors both within and outside of the development space in the private sector to forge the conditions that can tackle unemployment, step up long term inclusive growth, accrue the benefits of growth equally to populations, and take quantum leaps in development and poverty eradication.

This paradigm shift necessitates a whole new set of competencies for governments in terms of stakeholder engagement, and oversight and regulation. Results can only be as governments will make them. Short-sighted and graft-ridden governments cannot remedy their own deficiencies by seeking to yoke the private sector to their own uncertain cart.

Does Pakistan have the necessary conditions for investment and the ability to create jobs with the greatest development pay-offs? Does it have the capacity to reduce dependence on aid and address the central systemic barriers, which impede delivery on vertical targets, of which polio is currently the hallmark? Does the state system have the ability to act inter-sectorally to harness the potential within partnerships and help take to scale innovations that are burgeoning outside the state system? I leave it to the readers to reflect on these questions?

The writer is the founding president of the NGO think tank,
Heartfile. Email: sania@heartfile.org