

## From New Delhi by Ramtanu Maitra and Susan Maitra

### A free marketer in sheep's clothing

*Former World Bank economist Dr. Mahbubul Haq, having pauperized Pakistan, now offers India his recipes.*

**D**r. Mahbubul Haq, Pakistan's finance minister and planning commission chairman and a former World Bank economist, has lately become deeply concerned about the poor in general, and India's poor in particular. After signing his own country's economy away to an austerity and free market regime dictated by the International Monetary Fund, he spoke at a recent seminar of the U.N. Development Program (UNDP) in Bombay. Dr. Haq, known in Pakistan as Mr. PITS (Pie-in-the-Sky), sermonized the Indian government that income generation is not the "be-all and end-all" of human life.

Dr. Haq, who delivered the keynote address at the seminar, titled "Economic Growth, Sustainable Human Development," urged that development must include not only income and employment, but also health, education, environment, human dignity, and fame.

In U.N. jargon, such "sustainable development" is simply a euphemism for the malthusian idea of limits to growth: that we must reduce resource consumption and cut population growth, rather than develop the technology and skill levels for an expanding world population.

Mr. PITS was sharply critical of India's performance in dealing with social issues like health and education. Lecturing that "the social arithmetic of military expenditure is fairly sad in poor societies," he said that India spends more on the military than on education.

Dr. Haq was also busy promoting the UNDP-sponsored *Human Development Report*, which he co-authored. He

is now a special adviser to the UNDP.

His criticism of India's economic policies were received with little enthusiasm, and his Human Development Index drew open contempt, and was termed "incredulous" by one Indian economist.

Back in 1938, nine years before India broke the shackles of British colonial rule, Jawaharlal Nehru, who had been the chairman of the National Planning Commission of the Indian National Congress and was later India's first prime minister, formulated a policy for dealing with the dire poverty that existed then: "To ensure an irreducible minimum standard for everybody, the national income had to be greatly increased and in addition to this increased production, there had to be a more equitable distribution of wealth."

In the post-independence decades, particularly starting with the reign of Mrs. Indira Gandhi in the 1970s, the Indian Planning Commission's objective had been to alleviate poverty through direct inputs to the poor, and to increase the national income to the benefit of all.

Despite the constraints within which inward-oriented Indian development has taken place, Indian planners did succeed in bringing down the extent of poverty in the society. The recently announced economic reforms, which will face innumerable hurdles in the coming days, have for the first time, appropriately, emphasized the enhancement of productivity as the long-term measure to improve the state of the economy.

There are some practical reasons why Dr. Haq's new-found concern for

the poor has been received with a frown. After having made his career as a World Bank economist, in the early 1980s he was drafted by President Mohammed Zia ul-Haq, at the behest of Washington, to chair Pakistan's Planning Commission. Dr. Haq was the architect of Pakistan's fifth and sixth five-year plans.

When President Zia died in a mysterious plane crash in August 1988, it was discovered that Pakistan's coffers were empty. Its foreign debt had tripled during the 1980s, foreign exchange reserves had plummeted to a new low, and a massive black economy, fueled by smuggling of drugs and electronics, was ruling the roost. Industry, now mostly privatized, had remained stagnant, as had agriculture.

Mr. PITS, who had promised so much, and who had, in his earlier career, accused the 22 leading families of Pakistan of ripping off the nation's wealth, the same Dr. Haq had bankrupted the nation and nurtured those same 22 families with tender care by deregulating and easing administrative controls.

There are some points to be made about Dr. Haq's new-found concern for the poor. Dr. Haq, who has a propensity to lie when under the gun, left Pakistan's social sectors in total shambles. In 1988, literacy stood at 26.2% (although the sixth plan had promised it would be 48%). Only 1.1% of the budget was spent on health care, to which only 35% of the rural population had any access. Sixty-six percent of primary school students were recorded to be dropouts. Malnutrition was affecting 60% of children under 5 years of age, and life expectancy was 52 years; under-5 mortality was 172 per 1,000 children. Only 40% of Pakistan's rural population had access to potable water, 10% to the sewage disposal system, 15% to electricity, and almost none to cooking gas.