

Our Correspondent

Karachi property tax can raise billions of rupees, says Dr Ishrat Husain

Benazir Bhutto Shaheed University Lyari (BBSUL) organised a talk on Wednesday on the recently published book, *The Economy of Modern Sindh: Opportunities Lost and Lessons for the Future*, as part of its inaugural Eminent Scholar Series.

“We are honoured to have a scholar and thought leader of Dr Ishrat’s stature at our campus today,” said Vice Chancellor BBSUL Prof Dr Akhtar Baloch in his welcome address.

“Our students have waited for months to finally listen and take inspiration from you,” he said. “Unlike their privileged counterparts in the elite universities, these students hardly get such an exposure, and likewise any coverage in the mainstream media, perhaps because we are housed in Lyari. We want the thought leaders to visit us and witness the energy of our students.”

“I am very happy to see so much energy, positivity, drive, and spark in the eyes of these bright young men and women,” said Dr Ishrat Husain, who is one of the co-authors of the book along with Prof Aijaz A Qureshi and Nadeem Hussain.

The talk was attended by students, faculty, researchers, development practitioners, scholars, corporate sector executives and members of the civil society from Lyari — one of the 18 constituent towns of the city of Karachi.

“I have always advocated that the benefits of education should reach the backward districts and towns of Pakistan. Because the less-privileged youth work hard to prove themselves,” added Dr Ishrat, who turned around one of Pakistan’s best institutions of higher education, the IBA Karachi, and opened its doors to exceptional talent from downtrodden areas through several talent hunt programs.

Addressing the students, Dr Ishrat said, “Do not run after grades, do not go after memorising, simply do not join universities and colleges in pursuits of degrees only. The 21st century is led by knowledge economy; so, apply your knowledge to problem-solving.”

Discussing the need to have a book on Sindh’s economy, he said, “Sindh is equal to a country such as Spain. So, it was very important to academically investigate Sindh as a unit of study. Unless you identify what are the prospects, you cannot truly measure the potential.”

“Sindh enjoys many comparative advantages that are not shared by other two provinces. But we are losing our advantage and other provinces are either catching up or overtaking us. What are the reasons for that? If anyone looks at Sindh from stratosphere or somebody from Mars lands in Sindh and looks at its comparative advantages relative to the other provinces that individual would be very impressed. Why do I say that? We have two major seaports in the country. Gwadar has not yet been developed but all international trade takes place through the two seaports located in Sindh.

“We have a much richer pool of talent produced by high-quality education institutions in Sindh including this institution. We have vast tracks of irrigated land; we have highest proportion of irrigated land compared to any other province; we have significant reserves of natural gas, coal, and minerals. it’s only recently we have started exploiting coal reserves. We have a dynamic private sector. We have strong financial and industrial infrastructure in this province and finally we have all the wherewithal to mobilise resources for development of Sindh and for providing public services.”

“The conundrum is if the province enjoys such strong comparative advantages, why is that that our graph is going down. Let me submit what we considered in our book as the reasons for this downfall. Fifty-two per cent of the population lives in urban areas and 48 per cent live in rural areas, according to the census. Urban areas have industry and services as the major sectors of economy, and the rural areas have agriculture as their major source of income. But 39 per cent of the work force is employed in agriculture and 34 per cent in informal sectors,” Dr Husain said, addressing a jam-packed auditorium of the university.

Responding to a question on the provincial government and its challenges, he said: “The Sindh chief minister is a very dynamic individual. He along with the current chairperson of the Planning & Development (P&D) Board, Naheed S Durrani — a very competent officer — wants to improve things. They are determined to bring about positive change in the province. Both have shown keen interest in developing public policies which are based on real facts and data, and not on intuitions and presumptions. And this is what I and my co-authors have tried to contribute through the publication of this book,” he added.

“Karachi’s property tax can raise billions of rupees. The revenue collection at all the tiers of the governments — federal, provincial, and district — needs to be improved. The majority of the population draws its subsistence from doing odd jobs, part-time jobs, casual workers, daily-wage labour, footpath vendors, setting up khokas and driving rehrihs etc. We all know that productivity in the informal sector is much lower compared to the formal sector. The widespread encroachments outside the Empress market in Karachi or any other market in Sindh were manifestation of informal economic activity. So, the theoretical expectation that there would be reallocation of labour from agriculture to industry and services does not take place in fact although the surplus labour migrates to urban areas from the rural. In this way, you see a pull-down towards overall lower productivity.

“In agriculture, the introduction of high-yielding varieties, fertilizers, increased availability of water raised productivity significantly until 1990s. But during the last 20 years there has been no breakthrough either in technology, seeds, irrigation water availability and as a result our agriculture productivity has gone down. What is more disturbing is that we have focused on crops mainly and neglected other sub sectors which have potential to augment rural incomes and reduce incidence of poverty.

“We have a long coastline and the world market of the fisheries runs into 150 billion of dollars annually rising by eight per cent per annum, while Pakistan’s sea food exports are a miniscule 450 million dollars or 0.3 per cent of the world market. Any other country possessing such long coastline would be able to sell billions of dollars of sea food to the rest of the world. Coastal tourism can also be developed for those interested in water sports. We are sitting on a reservoir of riches and nobody has given any attention to the fisheries.”

Dr Ishrat added: Similarly, as urban incomes rise the demand for poultry, meat, vegetables, fruits, dairy and other high protein diets rise and that is provided by livestock. Artificial insemination, veterinary services, genetic improvements, cross-breeding and feed enrichment, biotechnology or research on livestock are missing. Dairy production in the organised sector – pasteurized and UHT brands – has not touched even 10 per cent of total milk production in the country while urban middle class is growing rapidly.”

Students with academic distinctions were awarded books. Dr Ishrat thanked Mohsin Ali Nathani, President and CEO, Habib Metropolitan Bank Limited (HMBL), and Sheeza Ahmed, Head of Marketing HMBL, for generously gifting the copies of the book to the deserving students of the BBSUL.

The talk was moderated by Nadeem Hussain. Prof Aijaz A Qureshi, Prof Dr Khalid Shaikh, Dr Zaffar A Shaikh, Mudasir Hussain and Imtiaz Ali were in attendance.