

TAHIR AMIN

WB official sees 7pc growth in 2025-30

ISLAMABAD: Pakistan can grow at a faster rate only by doubling the investment rate, especially in the private sector, and through sustained structural reforms, said World Bank (WB) Country Director to Pakistan Illango Patchamuthu.

“[In] the next five years, [as] the stabilization process continue and at the same time structural reforms [continue] to take root [in the next five years], then in the following five years 2025-30, Pakistan can grow at a faster rate [i.e.] of seven percent,” said the WB official.

He said that for achieving this growth rate the country needed to double the investment rate especially in the private sector, which had been at 10 percent for the last 20 years.

This, the WB country director stated, while addressing Pakistan’s second Human Capital Summit, building upon the “Girls Learn, Women Earn” initiative launched in December 2019, co-hosted by the Japan International Cooperation Agency (JICA) and the World Bank, Pakistan.

The summit – marked the progress being made in Pakistan in efforts to enable girls to excel in school, and women to thrive in the workplace.

The participants highlighted the need to invest in girls’ education and women’s economic empowerment as crucial to Pakistan’s sustained growth.

Patchamuthu said that by 2047 Pakistan could become an upper middle income country with over \$2 trillion economy by carrying sustained reforms, which was around seven times more than the current level.

He said in that case per capita income would increase by more than five times.

This is one scenario and is even possible by 2042, he added.

The second scenario is business as usual like for the last 30 years and continuing with the same economy.

He said by 2047 Pakistan but will have around 400 million people.

Patchamuthu said that several priorities that address identified constraints to accelerating and sustaining growth include investments for human capital accumulation.

Human capital is the core of Pakistan’s future, he said.

Pakistan has currently 210 million people, and it is projected to grow to around 400 million, by the beginning of 2050.

The two major challenges are fertility rate and stunting.

A priority for Pakistan is to make the best use of its greatest asset, its people. The immediate interventions for human capital investments are to reduce fertility and stunting.

Patchamuthu said every additional year of schooling for a girl increases her future earnings by up to 10 percent.

“Pakistan can use the untapped economic potential of women in the workforce and estimates indicate, this can boost the economy by up to 30 percent, by empowering women and girls to expand their skills, access to information, mobility, and access to finance and assets,” he added.

Dr Shinichi Kitaoka, president of JICA, said that investments in human capital, such as education, health and nutrition, were inevitable for building a progressive foundation for human security.

“Learning from Japan’s experience, we know that countries can also enhance their human capital by thriving on trust and promoting the role of families and communities in national development. JICA will work pro-actively to build and nurture human capital by leading with trust and collaborating in the areas of education, health and nutrition as key building blocks of sustained human security for all,” he added.

Dr Sania Nishtar, special assistant on poverty alleviation and social safety to the prime minister, said that the government’s Ehsaas programme had a very serious intent to drive forward the agenda of women empowerment.

“Ehsaas stringently follows 50 percent rule across the board for women inclusion in all Ehsaas initiatives including interest-free loans, scholarships and asset transfers,” said Dr Nishtar.

“Likewise, Kafaalat that has recently been launched by the prime minister will ensure financial and digital inclusion of seven million disadvantaged women across Pakistan, who will now benefit from the monthly stipend of Rs2,000 along with access to bank accounts and affordable smart phones,” she added.

The challenges and constraints of the education system in Pakistan to promote girls learning were discussed by the panelists.

Poverty, distance from home to schools, and parental perception of schools’ safety were noted as three of the main determinants of school attendance for girls.

In the “Girls Learn” panel, it was highlighted that girls in rural areas are the least likely to have full access to education and the gender gap in enrolment is a persistent issue across education levels.

In order to tackle these challenges, panelists showcased Accelerated Learning Program, which provides overaged out-of-school children with learning opportunities for their human capital development as a good practice from within Pakistan.

Another panel on “Women Earn” emphasized the potential for women’s access to finance and affordable, safer transport as two key areas that can unlock women’s participation in the economy.

Current research shows that only 11 percent of women in Pakistan utilize banking services, and Pakistani women are four times less mobile than men.

While last year’s Human Capital Summit focused on policymaking, the Second Human Capital Summit engaged practitioners, learning from insights on the ground in Pakistan.

Representatives from the government, academia, development organizations, commercial banks, telecom industry, startup ecosystem, fashion industry, civil society and media also participated in the summit.