

PBIF chief for reducing size of government

President Pakistan Businessmen and Intellectuals Forum (PBIF), Mian Zahid Hussain has said the increased size of the government is a sure recipe for disaster. It is not only the foreign loans, circular debt, and wastage on failed corporations which have emerged as serious problems but also the size of the government, he said.

Mian Zahid Hussain said that all the issues plaguing the economy can be settled in short span but reducing size of the government will be a greater challenge.

He said that apart from very frequent employment on political basis which serves no purpose there are a number of ministries, attach departments, advisors etc. which has become a burden on the economy.

Mian Zahid Hussain noted that no amount of loans, grants, remittances and mega projects may not help unless the government start reducing its size. He said that last year for the very first time interest payment on loans surpasses the revenue receipts of the government while reckless borrowing followed the development.

The federal government is getting 42.5 percent share in the federal divisible pool while it has 67 percent share in national expanses which has created serious problems and the anomaly cannot be ratified unless the constitution is amended.

In earlier years, the government used to spend 50 percent on the income on repayment of loans and liabilities, 8 to 9 percent on pensions and other benefits, 13 to 14 percent on salaries of civilians and military and some others which cannot be reduced.

After necessary expenditures the government had to borrow for infrastructure projects, feeding white elephants, buying military hardware, managing dysfunctional energy sector leaving it with only option to borrow for repaying debt. Despite the bleak scenario, almost every government employed many as political bribe without considering its impact on the country. Majority of the government have always preferred political gains over national interests and remained focused on next elections discounting interests of future generations. He said that the pension expanses have jumped from Rs 85 billion to Rs 421 billion in a decade which explains the interest of politicians in national development.