

Report on Resource Allocation

Resource allocation has always been an issue of immense significance in Pakistan because the whole fiscal planning, economic progress and prosperity of the nation is directly dependent on it. Unfortunately no government in Pakistan has ever been able to allocate the resource properly as per the requirements of various sectors in Pakistan. As a result, the country has not been able to utilize its vast resources to the fullest and the common man in Pakistan is in a state of continuous suffering.

The governments in Pakistan have always allocated resources on the basis of political priorities, Benazir Income Support Program is a perfect example in this regard as a large chunk of budget is allocated for this project which has zero productivity. The vast agricultural base in Pakistan never gets any funds for research and development in order to transform the conventional agricultural practices followed in Pakistan to the most modern methods. Similarly sufficient funds are never allocated for explorations in Balochistan and therefore the enormously mineral rich areas of Pakistan remain untapped. Health and Education has always been the least important sectors for the governments in Pakistan.

Education

For the past 65 years, the educational expenditure has always remained around 2% of the total budget of Pakistan. This meager amount is not sufficient to develop an educational system in a country like Pakistan. The various issues caused by low fund allocation for education has caused the following problems:

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1. Primary Education, though available to a large majority of population is sub-standard. Primary schools lack basic necessities such as furniture, proper buildings and book. With so little to spend on education, no training programs for teachers have ever been initiated in the country. Number of students per teacher is also very large and the facilities are also scarce.
2. The condition of secondary and higher secondary level institutions is also very similar to primary level, whereas the staff not only lacks proper training, it also lacks the required educational qualification in most of the cases.
3. The curriculum is also a big issue. Most of the books being published by the educational boards are plagiarized, which puts a big question mark on the credibility of these institutions. The examination system lacks uniformity and transparency.
4. The issues with Higher Education depict the actual picture of the flaws in planning and resource allocation regarding education. Large sums of money have been spent to improve the state of higher education in Pakistan. The number of universities in the country has increased remarkably over the past few years; however the quality of education has fallen down. With lesser funds allocated in the subsequent years, the PhD scholars sent abroad by the government are facing a lot of problems. The number of graduates being produced by the country is much more than required by the job market.

Following are some recommendations for proper resource allocation for education:

1. Government should focus on improving the standard of education at primary and secondary level rather than allocating more funds for higher education.

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2. Instead of haphazardly producing graduates, the government should redirect funds from higher education towards technical and vocational training institutes in order to produce productive professionals for the country.
3. The funds allocated for education have to be increased; one way of doing so can be redirecting funds from defense budget towards education. Moreover if the educational system starts producing technically qualified individuals, the overall economic activity in the country will also improve resulting in more funds for education.

Health

The public sector health facilities in the country are in derogatory condition and a large majority of population does not have access to satisfactory basic health facilities. Allocation of least funds for health has resulted in the following issues:

1. Doctors and paramedics are not paid sufficiently resulting in strikes and lack of commitment. Majority of the doctors working in public sector hospitals are forced to do private practice and therefore they cannot perform their duties properly in public sector health institutions.
2. Rural and remote areas lack basic health facilities and thus the people of such areas have to travel to major cities for health care.
3. There are no proper training programs for paramedics and nursing staff.
4. Medicines provided by government institutions are substandard and expensive medicine are never found in public sector hospitals.

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5. Facilities like transplant, dialysis and laboratory testing are very scarce and are also not provided satisfactorily in any public sector hospital.

Lack of planning is quite evident in the Healthcare system of the country where the only focus of the government is to construct buildings for hospitals and quality of healthcare has never been a priority. The first and foremost need is to increase the allocation of funds, after that proper planning is also imperative for improvement in the healthcare system. The government should redirect funds towards training programs and for the provision of medicine in hospitals. Moreover there is a need to install fabricating plants for expensive medical equipments which have to be imported, in order to fabricate such equipments locally.

Defense

With the ongoing War against terrorism and in order to keep up with the neighbors, an enormously large share of the total budget is allocated for defense spending. Immediate reduction in the defense budget is not possible and requires various foreign policy initiatives including the signing of a long term peace treaty with India. Moreover without achieving stability in the war against terrorism immediate reduction in defense budget is not possible. However, the accountability of military budget should be carried out. Legislation should be done in this regard and a separate accountability institution should be formed in order to check the military spendings. Moreover the involvement of military in large businesses such as DHA housing projects and Fauji Foundation enterprises should be minimized because a large portion of military budget is spent as bailout packages for these institutions with military personnels

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using this provision as a source of mechanized corruption. Legislation should be done to bring these army sponsored organizations under the jurisdiction of Auditor General of Pakistan.

After devising a proper mechanism for the audit of defense budget, the government should identify the areas where they can put a cut. Downsizing of defense budget is very important to ensure balance in resource allocation.

Water and Power Sector

The prevalent energy crisis in the country has drastic effects on the economy of the country. Moreover water availability situation in the country is also very alarming and needs prime attention because the agriculture relies on it. The government allocated Rs. 195 billion for energy sector in the recent budget however majority of these funds have to be generated through foreign loans and aid. The government can support small power projects on its own but there is a lack of will in this regard. Tarbela and Mangla, the two major water and power projects in the country were constructed 4 decades ago. Similarly the development of the irrigation network in the country also dates back to 1960's. The lack of focus towards water and power during the previous decades is one of the major reasons behind the prevalent energy crisis. Following are some of the recommendations to improve planning and resource allocation for water and power sector:

1. The government should allocate funds for the pending irrigation projects in the country.
2. Funds should be allocated for increasing awareness about the benefits of water and power projects in the country in order to prevent political turmoil over development projects.

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3. Government should not rely completely on foreign loans for power sector projects; funds should be allocated for mega power projects so that immediate delivery can be made possible.
4. The funds allocated for the development of Renewable and Alternative sources of energy must be increased on immediate basis.
5. Government should focus on projects like Thar Coal and funds should be allocated for such projects on priority basis.

Agriculture

Like every other sector, the funds allocated for agricultural sector are also insufficient. Moreover there is a rampant corruption in the funds allocated for this sector. Lack of planning is also prevalent with no focus on development of the irrigation system. The governments in Pakistan have only focussed on giving subsidies to farmers for purchasing fertilizers and seeds therefore the farmers are still using the most conventional methods of agriculture. Government should focus on allocating funds towards the development of technology in agricultural areas of the country. Following steps should be taken by the government in order to ensure proper planning in agricultural sector:

1. Funds should be allocated for initiating training programs for farmers.
2. Government should provide financial incentives to investors for establishing agricultural equipment fabricating industry in the country.

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3. Public sector industry should be established for converting raw agricultural goods to finished products.
4. Funds should be allocated for projects like Greater Thal Canal on immediate basis because such projects can add a lot of area to cultivatable land of the country.
5. Government should subsidize solar panels for operating pumps in agricultural areas. Similarly other alternative sources of energy should also be utilized for the development of agriculture on technological grounds.

Exploration

A meager amount of Rs. 500 million was allocated in the recent budget for the mineral exploration projects in the country. The mountaneous regions of the country, particularly Balochistan are enormously rich in mineral resources but funds are never allocated for exploration works. As a result the exploration contracts have to be given to foreign organizations and the country gets a minute share of income generated through its own resources. This policy has also created a number of political problems in Balochistan and is the basic reason for unrest in remote areas of the province. Therefore immense funds should be allocated for exploration because this will greatly add to the available resources for the country. Funds should also be allocated for establishing educational and training institutions for producing professionals expert in exploration works so that the country can gain self sufficiency in this field which is very crucial for the overall economic development of the country.

Research and Development

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The funds allocated for research and development in the country remained 0.17 percent of the GDP which is among the lowest in the world. Because of this the technological development in the country is negligible and technology has to be imported from various countries of the world. As a result the country not only loses valuable foreign exchange but also cannot utilize its resources to the fullest. Research and Development also requires immediate attention from the government and a considerable portion of the budget should be allocated for this sector. The government should provide funding to private organizations for research in different areas and the number of public sector organizations working for research and development should also be increased. Increasing the budget for this sector is imperative for industrial development in the country.

Improper planning and flawed resource allocation is the core issue behind the deteriorating economic condition of the country. Pakistan has failed to fulfill its international commitments because of this and is among the countries who are lagging far behind the Millennium Development Goals. Thus in order to ensure economic stability and prosperity, the government has to redirect resources from the politically motivated sectors towards technological development sectors; this is the only way to guarantee sustainable economic growth in the country.