

### ***Book Review***

**S. Akbar Zaidi, *Issues in Pakistan's Economy*, Oxford University Press, Karachi, 1999. 462 pp. Price: Pak Rs. 450/-.**

In the last five decades, Pakistan's economy has, as they say, gone places. Undoubtedly, this economy is much more broad-based, with increases in productivity in all sectors, incomes (even if nobody believes it), trade, infrastructure, social sectors. Living standards and consumption levels and patterns are more diversified than those in the early years, though the benefits are unevenly distributed. Such disparity and imbalances created additional complications because of a rise in expectations, which is invariably faster than production capacity and income increases. Developing countries, soft societies as these are, must face problems emerging from the resulting frustrations and frictions.

Pakistan itself is a case study of the consequences of rapid growth outpaced by both frustrations (due to unequal distribution of the fruits of such growth) and friction (between regions). The decade showing the highest growth rates per annum ended with the breakup of the country, which is a reminder of the fact that growth is a mixed blessing.

There is no dearth of explanations of what went wrong with both our politics and our economy, and the mistakes committed. There are troubling questions to answer and to re-examine past policies to make sure that the same mistakes are not committed again.

S. Akbar Zaidi, one of Pakistan's more creative intellectuals and economists, in his fourth book has undertaken the task of not only describing Pakistan's development efforts in its totality but also rationalising why our national policies failed to hold the country together, how the social inequalities were created and also if all this was inevitable. Capitalist contradictions? But why did such catastrophes not happen in other capitalist societies?

Zaidi's analysis of past policies, and his appraisal of sectoral and national policies, of the nature and quality of economic development is forthright and categorical. There is no attempt to soft-pedal opinions that are likely to be challenged. He criticises Ayub Khan's functional inequality in terms of the Marxian criticism of the capitalist system. He is also sharply critical of the structural adjustment programme of the IMF. His explanation of Bhutto's economic difficulties as 'bad luck' and sympathetic treatment of his policies may not be acceptable to many people. But the author has

produced impressive evidence and sufficient arguments to produce a credible case. He also decries the poor performance of the social sectors, largely because of lack of political will and commitment on the part of the ruling elite and the government. The discussion on why economic development, even at the best of times, failed to promote the growth of the social sectors is remarkable for its clarity and strength of arguments.

The author also challenges a number of 'myths' about Pakistan's economy. A feudal economy? No, Pakistan is in a post-feudal situation, says the author. An illuminating analysis of feudalism, its characteristics and role is a major contribution to the debate on the subject and adds several new dimensions.

A special feature of this book is the author's mobilisation of statistical evidence (as many as 195 tables) and strong arguments to support his conclusions. In addition, he has used box items to define and explain a number of concepts that other authors did not deem necessary. This reader-friendly approach is invaluable for the non-economists and students who should now understand such concepts as feudalism, tax elasticity and buoyancy, fiscal and budget deficits etc., more clearly. A number of controversial subjects have been dealt with in a way as to present arguments on both the sides.

The book also has a comprehensive bibliography consisting of over 150 books. Aesthetically printed, this book should be of great help to all those who would like to improve their understanding of Pakistan's economic situation.

Lahore School of Economics  
Lahore

**Viqar Ahmed**