

BUDGET AND THE CHALLENGES IT MUST FACE

The Nation

14 May 1991

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Budget is not merely an account of revenue and expenditure; it represents the sum and substance of the socio-economic objectives and programmes of a government. Budget is also a framework for economic management, and a mirror which reflects a vision of the future. In short, it is not an exercise in balancing the accounts but a vehicle for translating socio-economic objectives into concrete policies and programmes.

This year's budget is going to be a test and a touch-stone for the IJI government. This budget is going to be presented in the context of very special circumstances. The PPP government left the economy in shambles. The Gulf war added to the strains and stresses which were afflicting the economy. The IJI fought elections on the wicket of Islam, self-reliance and elimination of corruption and insecurity. This has naturally increased the expectations of the people.

The budget is going to show whether the government is really going to pursue the difficult yet creative path of re-structuring the economy on new foundations or would once again fall into the bureaucratic mire of status quo management.

The Prime Minister has shown courage in facing the challenges that came from the unresolved problems of distribution of water and allocation of financial resources between the Federation and the provinces. That he has tried to face both these challenges boldly and gracefully gives some confidence, yet the way the economy has been allowed to be subjected by divergent influences provides cause for concern. The management of oil prices, handling of the economic implications of the Gulf crisis and the overall escalations in prices of essential commodities and services has alarmed the people. Privatization is still more of an idle and a slogan than a firm process. The socio-political aspects of privatization are yet to be thrashed out and a national consensus thereon arrived at. While self-reliance is being projected as a major national policy objective the 'broken pieces' of the 'begging bowl' are being re-grouped and search for fresh loans redoubled. That it is going to add to the back-breaking burden of debts, nobody cares. Islamization of economy is being emphasized. Yet, the country has reached a stage where payment of interest to the money lenders at home and abroad has become the highest burden on the national exchequer. It is expected that in the next budgetary year debts servicing, (about Rs 70 billion) would exceed national expenditure on defence or development. Yet there is very little hope that an effective departure from the debt-based strategy is not very much in sight. Half way measures have seldom worked in the past and are not expected to deliver the goods in the future. There is still some time for the government to make up its mind on fundamental economic issues and opt for a path that would ensure structural changes within the tenure of the present government. Budget is the moment for this creative departure.
