

President's Employment Scheme: Will it serve purpose?

By Shaista Malik

We abundantly listen that Pakistan is facing many challenges, which still need to be addressed. Pakistan's poverty rate continues to rise. Unemployment in Pakistan has been aggravated due to constraints on public expenditures in recent years. It has always been a chronic issue in Pakistan. Rising unemployment not only creates economic problems, but also has social and psychological consequences for society as a whole. A major contributing factor is growing population at the rate of 2.6 percent per annum that will lead, according to one estimate, to a doubling of the population by 2020.

According to the Human Development Report, South Asia (2003) Pakistan's labour force is growing at the rate of 2.4%, and the unemployment rate is growing at an alarming rate of 6% per annum in the last five years. It has also been revealed in the report that Pakistan's literacy rate is one of the lowest in the world and is worse than in the countries which have per capita GNP equal to or close to Pakistan. In this situation innovative Economic Reforms are crucial for the country.

Ostensibly with a view to increase opportunities for self employment, President Musharraf himself launched the President's 'Rozgar' (employment) scheme like some other similar schemes launched in the past but with no tangible results so far in terms of providing real term job opportunities to the unemployed youth. The new scheme as usual promised to help unemployed youth, women and the poor in under-developed areas to earn a sustainable income. Though not declared some circles feel that expansion of this scheme to Balochistan at a mass scale may be an effort to comfort the agitating Baloch youth by providing them self employment opportunity in a bid to pulling them out of vulnerability of being trapped in some kind of militancy.

President's recently launched self employment scheme in collaboration with National Bank of Pakistan (NBP) offers self employment opportunities especially to youngsters for setting up small scale enterprises such as small fixed phone PCO, mobile PCO, transport rickshaw (Qingqi), Qingqi for goods delivery and small utility stores. It is for the poorest of the poor and provides employment opportunities to the unemployed youth. It aims to target about 2.5 million unemployed individuals in three to five years through simplified financing by the NBP.

Similar 'Rozgar' schemes were launched by the former Prime Minister Benazir Bhutto in 1989 and in 1994 and her predecessor Nawaz Sharif launched Yellow Cab scheme in 1992. However these schemes could not contribute a lot due to many reasons. One is the complicated procedure especially intensive verification, which created hurdles for a common man. The Yellow Cab scheme was drifted by the elite class, which had their sources in the banks. After taking the cars as taxi in their name, they converted them into private cars and most of those deserved to get benefit from this scheme could not do it due to lengthy procedures, guarantees and collateral formalities.

Unfortunately, new President 'Rozgar' scheme has the same complicated procedure. Like the past such employment schemes, this scheme also has the condition of two guarantee witnesses who will testify credentials and viability of the loan seeker as mandatory, which is a difficult task for a poor common individual (male or female). The other option

is to provide evidence of applicant's property. If someone has ownership of property then he/she doesn't need such a nominal amount in shape of loan to start any petty business. The scheme also has a condition of two personal references as compulsory. One of the major concerns is that a secondary school certificate is a pre qualification for a candidate that means matriculate or middle grade or illiterate youth or unemployed people cannot benefit from this scheme at all.

If we look at this scheme in Balochistan's context where almost sixty percent population is illiterate, then we can easily calculate that the very premise of this scheme will not work and the agitating and angry Baloch youth cannot be pacified then.

Self-Employment Schemes could be good initiatives by the government in addressing the unemployment issue but these schemes no more remains relevant when complicated procedures make the disbursement more difficult for the loanees. Previous experience shows that all such scheme did not contribute in either reducing unemployment or poverty rather served short-lives political objectives of the ruling elite at some point of time. Nothing sustainable could have been done in this regard. Therefore, these schemes are on the screen for the short period and disappeared after getting the desired objectives of hoodwinking public from real issues. The main problem is that policies are made at top level without understanding the real problems of the stakeholders.

The growing human poverty challenges faced by Pakistan need to be addressed through integrated policies and approaches at individual and collective levels. Efforts on the part of national governments, supported by the international community, can be complemented for this. Civil society can play its role through capacity building to get rid of the root-causes of unemployment and poverty. Though complicated phenomena, poverty can be addressed through adoption of multidimensional approaches. First of all, real data should be collected to project real state of poverty instead of fudged figures. This data can help devise plans and strategies to address the issues around growing poverty and to reduce this to maximum possible levels as defined in the Millennium Development Goals (MDGs).

Unemployment and poverty, both can not be addressed though such short-sighted and politically motivated cosmetic measures. If we really want to do this then, we have to reform our financial and administrative structures and have to change the mind set tuning this in terms of the people's security that includes their food security, job security, personals security and security of movement. If we continue with huge spending on debt servicing and defence, we can hardly allocate sufficient budgetary provisions to address the giants of growing poverty and unemployment. We need to recognize potential of our people and look for options and possibilities that can divert our huge budgets from debt serving and defence to human development and poverty eradication.

To meet the challenge of unemployment, we need to concentrate on resource mobilization for the social sector development to create more opportunities for education for all children as mandated in MDG-2 which demands to ensure children everywhere to be able to complete a full course of primary education. More over we need to invest in higher scientific and technical education. In this way, Pakistan as a developing state may produce sufficient technical skills to accelerate its economic growth and to position itself to meet challenges of globalization in the



twenty-first century. By creating more jobs we can reduce burden on single bread earners in families. But the job creation should be on easy and real terms and not just politically motivated whims and assumptions. If the authorities want that the recently launched President's 'Rozgar' scheme should benefit the targeted unemployed, then they have to think in real terms. We need to express political will at the highest level to make this scheme successful.

ENDS...