

## **AKHTAR HAMEED KHAN MEMORIAL LECTURE**

Delivered by Ishrat Husain

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Respected Sartaj Aziz sahib, Respected Shoaib Sultan sahib, Parvez Tahir sahib, Dr. Ayesha Khan, Distinguished Ladies and Gentlemen,

I am extremely honored but also humbled to be asked to deliver Akhtar Hameed Khan Memorial lecture this evening. I am grateful to my mentor and lifelong teacher Shoaib Sultan sahib for his kind gesture in bestowing this honour. I would like to pay my personal tribute to Shoaib sahib for keeping the memory of Akhtar Hameed Khan sahib alive by organizing this lecture every year. Shoaib sahib' single minded devotion to the cause espoused by AHK deserves our gratitude. He has faced so many hurdles and difficulties in this journey of over five decades but he has never given up and persisted with his mission with zeal and dedication. I must confess that there are more distinguished persons, better qualified than me to speak about that great giant. But having been provided this opportunity let me share a few thoughts today as to how we can continue to celebrate and perpetuate his legacy.

My first interaction with this great man was when the CSP probationers of 1964 batch were deputed to attend the course at the Rural Development Academy in Comilla. His simple manners, unassuming and down to earth personality, his vision and practices impressed all of us. However some of us including myself were bitten by his passion for poverty alleviation, participatory development, organizing the Communities, empowering them to design and undertake interventions that would benefit them and treating women as partners in development.. AHK was a firm believer that the NGO workers or Academy faculty members should only provide technical assistance but not prescribe or direct them to carry out the tasks themselves. The idea was to mobilize and energize the Communities to realize their potential as they understood their problems best and also solutions. What outsiders can do is to extend a helping hand in building their capacity. His approach of participatory development, listening to the people's problems, helping to build their capacity, organize them into groups and mobilize resources locally has stuck with me throughout my professional life.

I just wish to recapitulate for the benefit of our younger audience as to what this so popular Comilla model was. The model was based on self help and self reliance principles of bottom up development of rural population to increase farm productivity, eliminate food deficit, reduce unemployment and thus alleviate poverty.. The main components of the model were (a) Thana Training and Development Centre (TTDC) where training was

imparted to village leaders, organizers etc (b) Road Drainage Embankment program (c) Decentralized small scale irrigation program (d) two tiered cooperative system with primary cooperatives operating in the villages and federations operating at thana level. Each primary cooperative elected a management committee who selected their representatives for Thana Association. Managerial and technical skills trainings were imparted by TTDC , savings were mobilized from the members of the cooperatives and credit was distributed among them for inputs and small implements. An evaluation of the Comilla Thana cooperatives shows that the yields of Rice crops doubled and spill over effects on non members gradually became apparent as they started using modern techniques and inputs and increased yields.

As a young Additional Deputy Commissioner in Chittagong, I was fortunate to find a foreign service officer Mahbub Alam chashi with whom I collaborated in setting up Rangunia Thana Development project replicating the Comilla model. Although I was transferred to the Secretariat in Dhaka I took active interest in Rangunia project thanks to Mahbub Alam. Later on, many other initiatives including Grameen Bank, BRAC and ASA swept the entire landscape of Bangladesh through their involvement in microcredit, family planning, education, health, drinking water, sewerage, nutrition. Fifty years later the entire scene in Bangladesh has changed. Those who are interested in catching up with Bangladesh development story can find that in my article that appeared recently in DAWN of December 16, 2021.

I distinctly remember the period during which SSK was resurrecting the Comilla Model at Daudzai. He persuaded AHK to join the Academy as an advisor. As usual Shoaib Sahab was kind enough to invite me-a junior officer- to present a paper and speak at an International conference he had organized at the Academy. Akhter Hameed sahib was advisor to the academy at that time and I had the privilege of talking to him and listening to him. The conference was highly successful and enticed interest from others who wanted to replicate Daudzai model. However I was very sad to see that local intrigues and jealousies and parochialism got hold of the chief secretary and SSK was transferred from the Academy .The Daudzai experiment had to be abandoned and it failed to achieve the desired result. AHK also resigned and went back to Karachi.

He initiated and set up the Orangi pilot project supported by Agha Hassan Abidi. Abidi sahib had grandiose ideas of massive intervention but Khan sahib was more realistic and wanted an action research experiment before scaling it up. He started on a modest scale, learnt from it and wanted to replicate only after debugging and fine tuning. Arif Hasan in his 2019 memorial lecture has elaborated on the OPP but suffice it to say that

this project was a departure from Comilla model as it was directed on urban settlements where the poor lived without access to basic services such as drinking water, sewerage, sanitation , paved streets. But the underlying approach of working with the communities, empowering them, mobilizing resources , training them with the project staff providing technical support and not second guessing the communities remained intact and was applied with suitable modifications to OPP. I got the impression during my brief conversation that he had become disillusioned with financial dependency on government or the donor community. He therefore emphasized mobilizing local resources from the community for their own development although this process was slow and would take time to generate results. Let me quote his views verbatim

***“As I look back, I realize that there is one main feature in Pakistan which is very disturbing; the failure of governance. Things, which were done competently in the colonial past, are neglected. Let me give you an example. In the Punjab, the world’s largest irrigation network was built by Indian experts, the chief engineer might have been an Englishman but he had worked in India for 20 to 30 years. He was not a London based consultant but an Indian officer and all his assistants were Indians. Now take, for instance, the sewerage system in Karachi. Its last expansion took place in Ayub Khan’s time. Since then it has been grossly neglected and is all silted up and choked. We are sitting on a time bomb. Now what has been done to rectify Karachi sewerage? The Government of Pakistan and the Karachi Water and Sewerage Board (KWSB) has rushed to the World Bank and the Asian Development Bank and asked for loans. The first condition of loans is that the banks would bring foreign consultants. So, foreign consultants came and they recommended the most modern systems which was not only 10 times more expensive than the old system we had, but also it was inoperable in Karachi. It was too deep and sophisticated. It needed robots to clean it. In the old system, the nalas could be cleaned by scavengers, as they not only had to go down 8 feet instead of 30 feet. We have been researching this problem in Karachi for the last 8-9 years and we are lucky that we have won our fight with the Asian Bank and the World Bank who are willing to accept our alternative model (the local design) which is much cheaper, functional and already connected to thousands of sewers. But our problem is the sewerage Board’s Foreign Aid Section which is as willing to give up the foreign loan as a heroin addict is willing to give up heroin. They are not willing to forego the thrills and the highs that they get from dollar loans.”***

In his opinion and I agree with him that mobilizing domestic resources and investing them carefully and judiciously was sustainable in the long run as it did not depend on the whims and caprices of the Government of the day or the changing fads of the donors. In retrospect I find how foresighted and right he was as I have witnessed a number of projects started by the Government belonging to one political party abandoned, neglected or under resourced by the incoming government. The country suffers a double whammy. All the costs of the previous projects have gone waste with zero benefits and new costs incurred on the new signature projects without any assurance that these would be completed within the given time framework or original cost estimates. The damage is even more grave when we borrow from international or bilateral agencies, pay commitment and interest charges in foreign exchange and the project is delayed inordinately and the cost overruns run into several multiples of the original estimates. Neelum Jhelum is an illuminating example of this phenomenon. Worse than that is the scenario when the priorities of the donor agencies shift and they withdraw assistance mid stream from on going projects or slow down their disbursements. Pakistan is a graveyard of incomplete, abandoned and aborted projects. If we had listened to AHK and followed his advice at least we would have salvaged ourselves to some extent.

I want to clarify that I am not arguing against external borrowing per se but only submitting that this decision should be driven by a simple commonsensical principle i.e. when the economic and financial returns on these borrowed resources exceed the cost of servicing and repaying those loans generating a stream of net positive benefits over the life cycle of the project. Let me take a minute to explain what I am trying to say. At macro level if our domestic savings rate is only 15 percent of GDP we are constrained to invest only that amount in our economy. Assuming that 5 percent of investment generating 1 percent growth in GDP we can expect 3 percent growth annually at 15% investment rate. At this speed our per capita incomes would double from \$ 1600 to 3200 in next seventy years given average population growth rate of 2 percent annually. This is definitely unacceptable as we have a large work force of young men and women entering the labor markets every year looking for jobs. What are then the options available to us to increase the rate of investment and go for higher growth rates? Either (i) we increase our domestic savings rate and that is what Bangladesh and India have done starting from the same base as ours (both have reached savings rates close to 30 percent of GDP) or (ii) borrow externally which we have been doing incessantly or (iii) attract Foreign Direct

Investment or (iv) send more workers overseas to earn and remit or(v) take measures to reduce our population growth rate from 2 percent to 1 percent. AHK's approach was that the local communities are willing to save if they are convinced that their incomes would rise over time and the living conditions of the neighborhoods, villages, towns where they live would improve. Empirical evidence from Ghana to Guatemala clearly shows that people are willing to pay taxes, fees, cesses, user charges to their local governments as they can see for themselves that these resources are being used for their welfare and better living conditions in their own villages or neighborhoods or towns.. However, as the distance from local use of these resources to provincial or national use increases the willingness to pay taxes , fees etc. diminishes. They are not sure where their taxes are going to be utilized or for what purpose. They are skeptical that they would get any benefits from those far off centrally determined decisions on allocation of these resources.

Akhtar Hamid sahib's efforts to mobilize savings of the local communities through their own associations and use them for micro credit that provides them capital to expand their businesses and working as volunteers on community infrastructure projects under Comilla Project has led to the revolution in Microcredit in almost all developing countries. Professor Yunus's Grameen bank efforts in pioneering Microcredit and micro savings have been replicated successfully but also demonstrated that females are efficient users of resources and financial independence of females is not only economic but social boon too. Grameen Bank model owes much to Akhter Hameed Khan who was the pioneer in this respect. When he set up the Comilla pilot project he asked the primary cooperatives Association and particularly the female members, to save and invest in productive activities using microcredit. NRSP and its sister organizations followed this practice of mobilizing savings through the village organizations and provided credit for inputs . The transfer of this activity to a full fledged NRSP Microfinance Bank would ensure access to a much larger resource pool.

AHK's humility and earnestness was so obvious from his public pronouncements that he never pretended to be an original thinker and but a learner from other successful models and an apprentice acquiring Skills and new knowledge all the time. "I never felt ashamed of my long and multiple discipleship". For him it was continuous lifelong learning which kept his work relevant and responsive. Adapting to changing circumstances and confronting new challenges may have led him to think anew and practice differently but the basic premise and underlying thought of empowering and organizing the communities to make decisions for themselves remained intact. Whether it was Comilla, Daudzai, Orangi, AKRSP whether it was rural development, village and Thana level cooperatives, microcredit and micro savings, urban regeneration, sewerage and

sanitation or water supply, he always relied upon the collective wisdom and the judgment of the people who were affected by these decisions or were the beneficiaries. When the unintended consequences of his experiments led to the benefits being captured not by the target group he had intended to reach out but others who did not deserve to appropriate those benefits he was honest and straightforward in recognizing and conceding so. He said

“ In Comilla better drainage, Link Road and irrigation substantially enhanced the value of the land and its rent. The unearned increment of the landowners was a hundred times more than the wages earned by the labourer.”

His critics used to complain that the projects initiated never went beyond the pilot stage and were never scaled up. But they don't realize that in an organic pragmatic flexible approach the selfless devotion and commitment of those attempting to replicate those models in other parts is a sine qua non. Scaling up requires adaptation to local conditions , persistence despite temporary set backs and difficulties.

How many Shoaib Sultans, Tasneem Siddiquis, Arif Hasans, Parveen Rehmans, and Anwar Rashids can we find in this country who can lead these efforts. A number of so called experts and smooth talking Charlatans appear on the scene to exploit the unassailable name of AHK but end up giving a lot of grief rather than relief to the poor. How many people even those having the right aptitude and conviction have the knowledge and skills to persuade the people and mobilize them around a particular cause. How many of us have the patience to listen to the poor people, understand their perspectives and let them do what they think is in their collective best interests. In a patriarchal society where the father knows the best , the teacher knows the best and the political leaders know the best, the voices of the poor remain unheeded. Let us look at the plethora of poverty reduction projects in Pakistan from village AID, Public works program, Integrated Rural Development projects, Five Points Package , Peoples Works Program, Khushal Pakistan program, Benazir Income Support Program, Pakistan Poverty Alleviation Program, Ehsas program, what do they have in common? They are all top-down interventions conceptualized, designed and delivered by technocrats and bureaucrats such as myself. Were the poor in whose name were these projects were conceived had any say? Were they even asked to provide any feedback as to the appropriateness of these interventions? A rough back of the envelope Calculation would show that we have sunk trillions of rupees -both domestic fiscal resources --and borrowed external funds for these programs. Are we sure that the benefit cost ratio in terms of reaching out the intended target was positive. While it is true that the incidence of poverty has been on a declining path in Pakistan but this has much to do with its strong correlation with economic growth.

The living standards of the poor in terms of jobs, livelihood and access to basic public goods and services such as education, health, sanitation and sewage, clean environment, public transport have not improved compared to other neighboring countries and in relation to the public money spend on these poverty reduction projects and programs.

AHK never considered NGOs as a substitute for the state but as a supplement to aid the state in fulfilling its obligations. He always pleaded with the workers of NGOs to confine their roles as provider of technical support to the communities rather than directing them or even advising them as to what they ought to be doing.

There are very few people who epitomize a combination of idealism and practical action. He was a person who embodied passion and commitment to the cause he espoused but was wise and discerning enough to use reason and evidence in the design and delivery. Some of the issues on which he worked and made us aware are still alive today but their intensity and coverage has changed with the passage of time.

I would like to conclude by dwelling on two issues that I consider are of critical importance to the economic and social progress of Pakistan. First is female empowerment and participation. There is now a strong evidence both from cross country as well as in-country studies that investment in female education has the highest rate of return. This does not capture the collateral benefits of better nutrition, clean environment, educating the children, immunization and vaccination, family spacing that an educated mother is able to provide to the society..

Pakistan today ranks in the bottom rung of gender parity indices. A horrific 152/156. Our female participation rate is only 25% that too dominated by unpaid family workers in agriculture sector. Since the abolition of quota for girls, our medical colleges have a disproportionately high intake of females on merit. Arif Hasan in his 2019 memorial address disclosed that 87% medical students were women, 68% of the students attending KU, 92% of architecture and planning and 38% engineering students were women. Our higher educational institutions produce female graduates and post graduate of some high quality. In the Dean's list of IBA, ten or eleven out of twelve used to be female students. But social taboos and old ways of thinking have deprived the society and economy from utilizing the talent of these highly qualified individuals. Employees would also tell you that the relative performance of the female employees in this organization is superior and they are more productive. It is therefore a pity that under such highly conducive condition, our gender disparities are so stark and our per capita income is not inching upward. Imagine if our female participation rate excluding unpaid family worker rises to 35% how much would that add to our national income and per capita income. Microcredit has made some headway in Pakistan and females are beginning to take advantage of it

but we have a long way to go to achieve the desired results. As an humble but proud person who brought Microcredit within the supervisory ambit of the Central Bank as the first mover I am still telling my colleagues in Microfinance network that they have to broaden their coverage towards females and backward districts of Pakistan. We have to move out of KLI syndrome i.e. Karachi, Lahore and Islamabad. They don't have as many poor or illiterates as Balochistan has. Free lancing opportunities for women have multiplied and the use of digital connectivity, networks, literacy and payments systems along with an expanding E commerce platform reduce the constraint of the mobility of female workers. Micro credit institutions should develop new products in areas of Education, Health care, Agriculture, Commerce whereby the females can learn new techniques and equip themselves with the skills that can allow them to compete in this digital economy. Bangladesh that was part of our country has demonstrated that social indicators do improve when females participate in the labor force. A number of research studies have shown that financial independence of females reduces domestic violence and promotes greater harmony within the family.

The second topic I would like to take up this evening is the evolving role of NGOs, NPOS, civil society organizations and the experienced gained during the last fifty years or so. Development literature has traditionally focused on State and Markets as the main instruments of promoting socio economic development. More recent experiences have shown at least in the context of South Asia that NGOs can be a third pillar in the development process. Let me be selective and take a few names although the list is quite comprehensive. Comilla Thana project, OPP, NRSP, Akhuwat, TCF, Grameen Bank, BRAC, ASA, CARE INDIA, SEWA, PRATHAM are some of the examples of successful organizations. Pardon me if I have not included many equally powerful organizations in this list. My universe is limited only to those engaged in delivering of services and participating in development. There are equally well reputed rights based organizations, others active in advocacy issues etc. None of the organizations engaged in delivery of services and development have ever professed to be a substitute of the state or takes away the functions, responsibilities and obligations of the state but they have supplemented the efforts where poor governance and inadequate funding have not allowed the state to deliver the basic services to the poor. The reservation that the private sector and the NGOS should not be allowed to enter the fields which belong to the Government miss the larger picture. Just because it is the constitutional or legal responsibility of the Government to provide Universal Primary Education we keep on waiting since 1970 to keep this target achieved. It started with the National Education Policy of 1960 that committed the target to be achieved by 1970. Every successive Education Policies and believe me there have been so many with the change in each government has kept on

fixing a new date. The result today is that we have more than 20 million children of the ages 5-16 out of school and our net enrolment ratios at primary, middle, higher secondary and tertiary levels lag behind our neighboring countries who started with the same base .

Should we keep on depriving these and other new entrants of school going ages from getting their basic right just because our governments are unable to get their act together or allow “ a whole of the nation” approach to fill in this gap and do their best to expand the number of schools, teachers and facilities so that these kids can see a better life in the future rather be condemned for ever. Low cost private schools, NGOs, local communities are all working to supplement the Government efforts in bringing these children to schools . Private schools are serving the lower middle and upper middle income classes who can afford to pay the expenses form their own pockets. It is paradoxical that the unit cost of educating a child at public school is higher than that of private school because the government teachers are paid twice as much as those in the private schools while the quality is relatively poor. The niche NGOs provide is that they cater to the children of poor and deprived segments of the population without incurring any financial burden upon parents which they cannot afford. Well functioning NGOs have now a track record of effectiveness in reaching out to these communities and at the same time approaching well to do philanthropic individuals , businesses and corporates to provide financing for these schools. Their cost of delivering identical services are lower compared to the public sector and profit seeking private sector without compromising on the quality. Therefore, on efficiency, larger outreach and better targeting grounds the NGOs can play a useful part in filling some of the existing gaps. A welcome change is the Adopt a school scheme designed by the Provincial Education Foundations and in some cases Education Departments whereby the NGOs and the private sector are handed over the school buildings and infrastructure to manage and operate the schools. Although there are some issues pertaining to the deployment of teachers but anecdotal evidence shows that the students do learn better at these schools, teachers turn up regularly and the costs are contained. There are many constraints faced by Government educational managers which are beyond their control. There is too much centralization and concentration of powers , supervision and monitoring are weak, school management committees are defunct and devoid of any real authority and financial resources . In this scenario I would very earnestly urge the NGOs and local community organizations to become more pro active and work towards bringing the number of out of school children at all levels. One of the areas they should explore is the non formal education for the drop outs including management and operation of Technical and Vocational Training institutes in which all three –the government, private sector and NGOs—become partners. All of them don't

have to be fancy and sophisticated but modest and responsive to local needs. For example, in the rural areas tractor mechanics, agriculture implements and equipment repairs and maintenance technicians are in demand. Government provides buildings and equipment, private sector develops curriculum, content , pedagogical tools and assessment methods while the NGOs mobilize the communities to send their children who have been out of school to attend and learn the marketable skills that are in heavy demand within the country as well as outside. NRSP and its sister organizations have presence at the grass root levels with several million members. Along with other international, national , regional and local NGOs they should take a lead in this area of urgent intervention.

I would be remiss if I do not mention that another area where the NGOs have to play an active role is raising the awareness among the communities about the Climate change and its consequences for Food-Water-Energy nexus. But this is a topic which would require a separate but intensive discussion. But I thought that looking at the future prospects we should not ignore the challenges of climate change which would also require : “the whole of nation” approach in which NGOs would also to have play an important role..

We would pay a befitting tribute to the memory of AHK if we are able to focus our attention on minimizing gender disparities and maximizing opportunities for our females in education and productive employment and reducing the number and proportion of out of school children at all levels through proactive partnership between the Government, private sector and the NGOs..