

Pakistan Independence Day

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Preface

“You tend to hear the worst 5% of the Pakistan story 95% of the time.”

Pakistani Entrepreneur Monis Rahman quoted in Aug 8, 2011 Forbes Magazine story titled **“Want to Start a Company in the World’s Sixth-Most Populous Country? Time to Move to Pakistan”**.

Quick Glimpse of “Other 95% of Pakistan Story”

- * Crises Are Real And Challenges Are Many
- * But Pakistanis Can Be Proud Of Many Big Accomplishments Since 1947
- * Pakistan’s Weak State, Strong Society
- * My Focus Today on Pakistan’s Other 95% of the Story Ignored By Media Cassandras

Outline

- * Media Cassandras
- * Pre-1947 Deprivation
- * Traumatic Birth
- * Progress Since Independence
- * Biggest Challenges
- * Q&A

Media Narrative

- * Cassandras Coverage to Fit Failed State Narrative
- * Complete Lack of Balance
- * Pakistan's Other Story
- * Exceptions:
 - * William Dalrymple
 - * Alastair Scrutton
 - * Medhulika Sikka

Dalrymple on Aug 14, 2007

- * In the world's media, never has the contrast between the two countries appeared so stark: one is widely perceived as the next great superpower; the other written off as a failed state, a world centre of Islamic radicalism, the hiding place of Osama bin Laden and the only US ally that Washington appears ready to bomb.
- * On the ground, of course, the reality is different and first-time visitors to Pakistan are almost always surprised by the country's visible prosperity. There is far less poverty on show in Pakistan than in India, fewer beggars, and much less desperation. In many ways the infrastructure of Pakistan is much more advanced: there are better roads and airports, and more reliable electricity. Middle-class Pakistani houses are often bigger and better appointed than their equivalents in India.

Reuters' Alastair Scrutton 2010

At times foreign reporters need to give a nation a rest from their instinctive cynicism. I feel like that with Pakistan each time I whizz along the M2 between Islamabad and Lahore, the only motorway I know that inspires me to write.

And this is Pakistan, for many a "failed state." Here, blandness can inspire almost heady optimism.

Built in the 1990s at a cost of around \$1 billion, the 228-mile (367-km) motorway -- which continues to Peshawar as the M1 -- is like a six-lane highway to paradise in a country that usually makes headlines for suicide bombers, army offensives and political mayhem.

Indeed, for sheer spotlessness, efficiency and emptiness there is nothing like the M2 in the rest of South Asia.

It puts paid to what's on offer in Pakistan's traditional foe and emerging economic giant India, where village culture stubbornly refuses to cede to even the most modern motorways, making them battlegrounds of rickshaws, lorries and cows.

There are many things in Pakistan that don't get into the news. Daily life, for one. Pakistani hospitality to strangers, foreigners like myself included, is another. The M2 is another sign that all is not what it appears in Pakistan, that much lies hidden behind the bad news.

NPR's Medhulika Sikka 2010

"Well, I think that I think that there's no doubt that if you live in a city like Islamabad or Peshawar, certainly where Julie McCarthy was, you know, they live and breathe this tension every day.

But let's take a city like Lahore, where we were just a couple of weeks ago. And last week, there was a huge attack on a [mosque in Lahore](#), 70, 80 people were killed. You can't help but feel that tension, even though you are trying your best to go live your daily life as best you can. And I think that that push and pull is really a struggle.

But one thing I do want to talk about in the, you know, what is our vision of Pakistan, which often is one dimensional because of the way the [news coverage](#) drives it.

But, you know, we went to visit a park in the capital, Islamabad, which is just on the outskirts, up in the hills, and we blogged about it, and there are photos on our [website](#). You could have been in suburban Virginia.

There were families, picnics, picnic tables, you know, kids playing, stores selling stuff, music playing. It was actually very revealing, I think for us and for people who saw that posting, because there's a lot that's similar that wouldn't surprise you, let's put it that way."

Pre-1947 Punjab

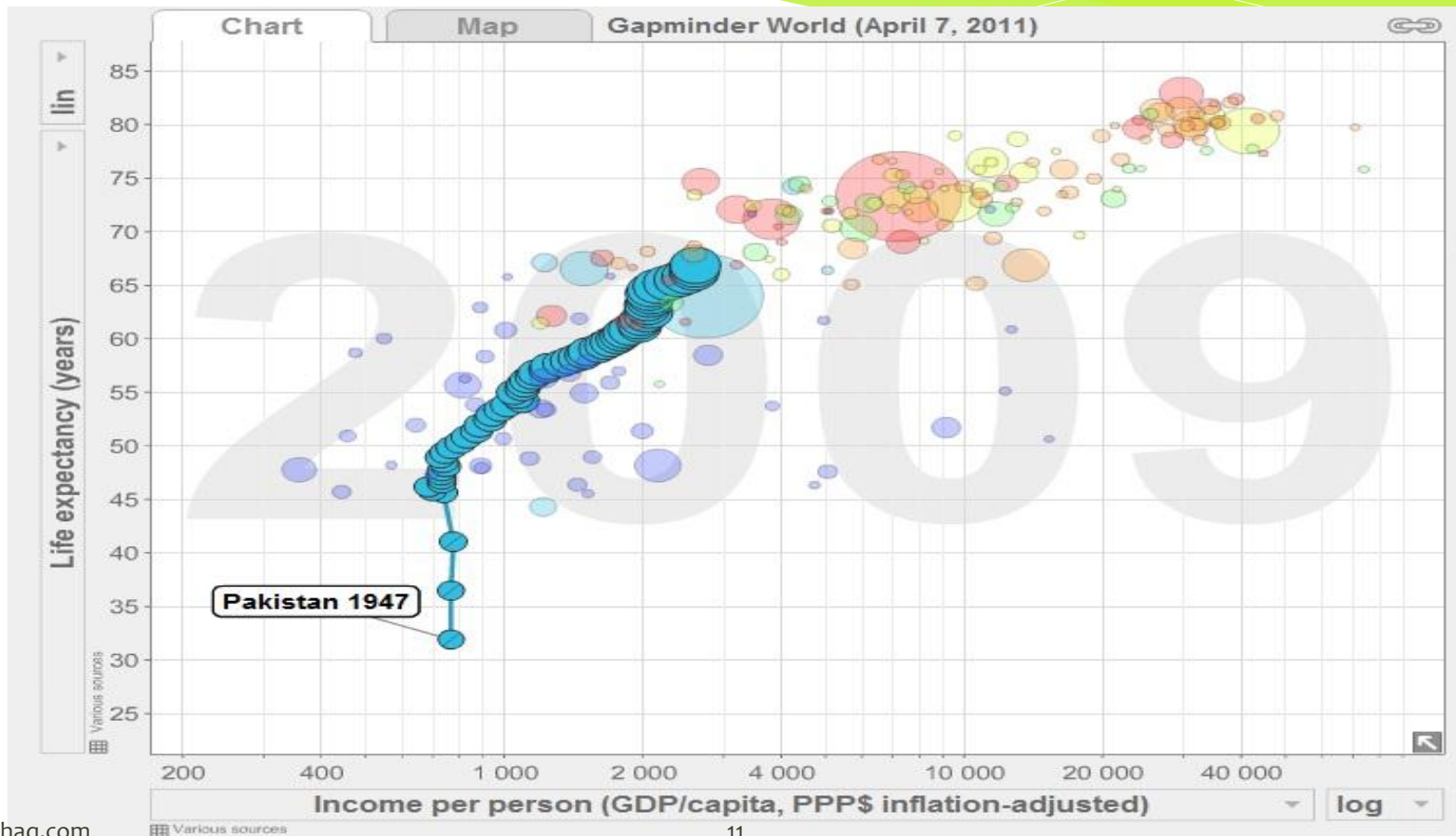
1. Population: 65% Muslim
2. Landholdings 65% non-Muslims
3. Electrical Connections: Muslims 74,790 and non-Muslims 81,525
4. Of Rs. 100 crore bank deposits only 1 crore belonged to Muslims
5. Only 3 of 16 Colleges were run by Muslims
6. Only 13 out of the 40 High Schools were run by Muslims
7. Only 28.51% of Students Taking University Exams were Muslim.

Source: Partition of Punjab by Dr. Kirpal Singh (1988)

Trauma of 1947

- * A Million Dead
- * Tens of Millions of Refugees Poured Across New Borders
- * Pakistani State Was Broke
- * India Refused to Give Pakistan's Share of Sterling Reserves. Pakistani Govt Couldn't Pay Employees.
- * Habib Bailed Out Pakistani State By Lending Rs. 80 Million, More Than Half of Rs. 150 Million Budget

Progress Since 1947



Economic History 1947-2011

- * Pakistani Economic Growth Rate Was Over 6 % Per Year in 1950s, 1960s, 1970s and 1980s.
- * In spite of rapid population growth during this period, per capita incomes doubled, inflation remained low and poverty declined from 46% in 1947 down to 18% by late 1980s.
- * 1990s was a "lost decade" under Bibi and Sharif when there was only 2-3% growth.
- * 2000-2007 Saw Robust Annual GDP Growth of Over 7%
- * Economic Stagnation Returned in 2008 and Continues.

Pakistan Economy 2000-2007 (IMF Statement)

Pakistan positioned itself as one of the four fastest growing economies in the Asian region during 2000-07 with its growth averaging 7.0 per cent per year for most of this period. As a result of strong economic growth, Pakistan succeeded in reducing poverty by one-half, creating almost 13 million jobs, halving the country's debt burden, raising foreign exchange reserves to a comfortable position and propping the country's exchange rate, restoring investors' confidence and most importantly, taking Pakistan out of the IMF Program.

Source:

<http://www.imf.org/External/NP/LOI/2008/pak/112008.pdf>

Social Indicators

- * Life expectancy jumped from 32 years in 1947 to 67 years in 2009.
- * Per Capita inflation-adjusted GDP rose from \$766 in 1948 to \$2603 in 2009.
- * Literacy rate has increased from 10% in 1947 to 58% in 2009.
- * Literacy still very low, but it is increasing by every generation.

Generational Literacy Data

Over 55 years 30% literate

45-55 40%

35-45 50%

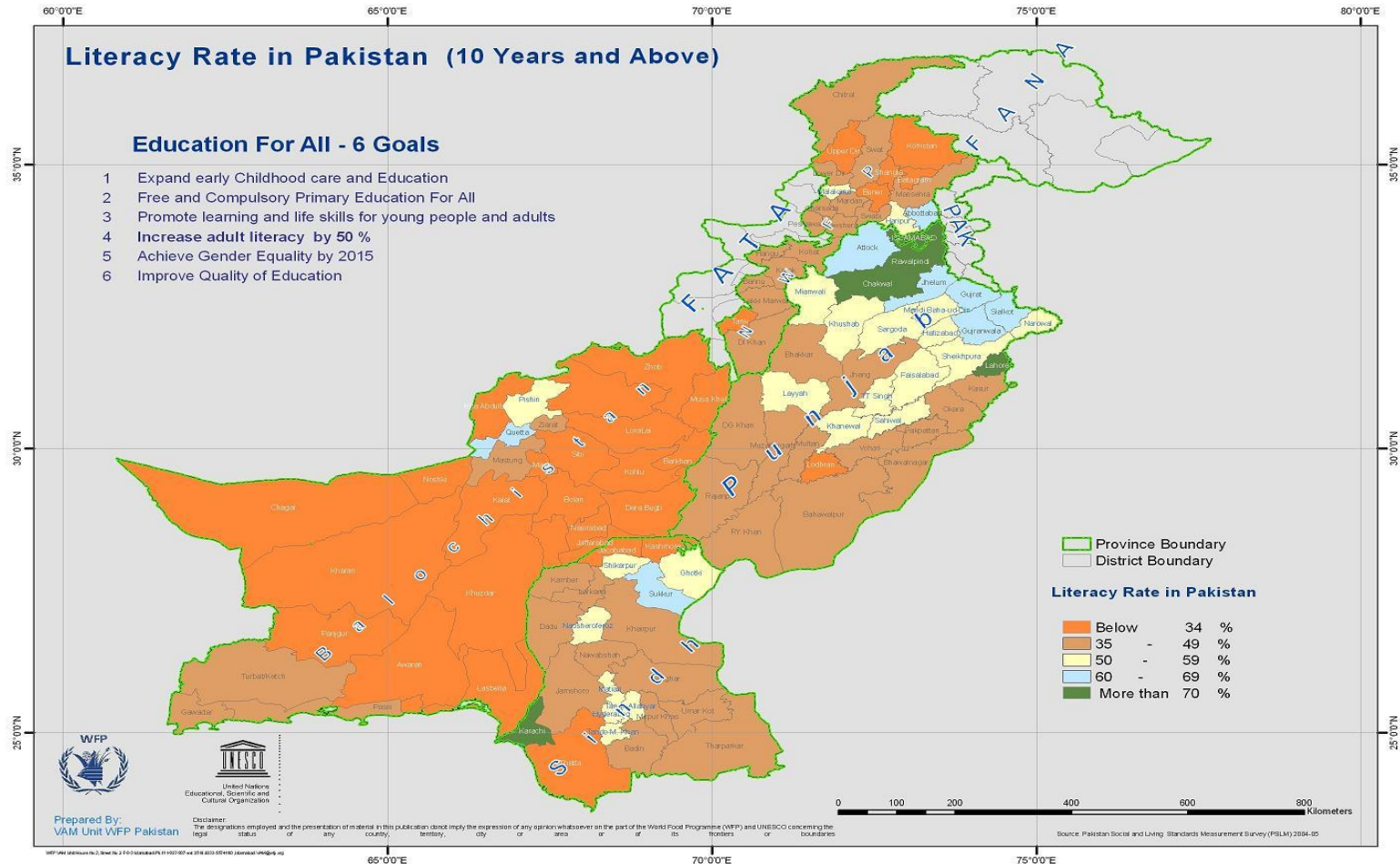
25-35 60%

15-25 70% (Male 80%, Female 60%, UNICEF)

Rural and Female illiteracy are the biggest problems.

Source: UNICEF

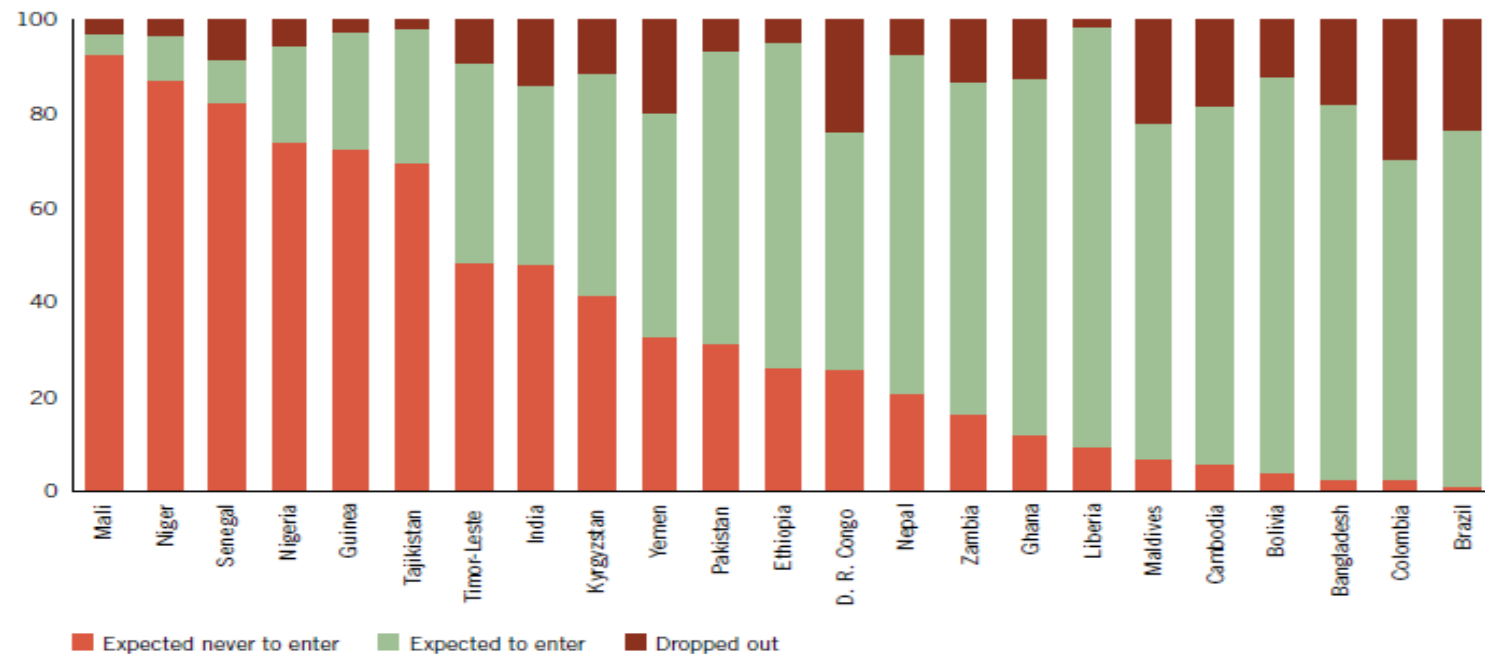
Literacy Map



Out-of-School Children

The majority of children who are out of school in sub-Saharan Africa will never enter a classroom

Distribution of out-of-school children by school exposure, selected countries, surveys between 2002 and 2010 (Percentage)



Poverty and Inequality

- * The latest 2011 [World Bank data](#) shows that India's poverty rate of 27.5%, based on [India's current poverty line of \\$1.03 per person per day](#), is more than 10 percentage points higher than [Pakistan's 17.2%](#). Assam (urban), Punjab and Himachal Pradesh are the only three Indian states with equal or slightly lower poverty rates than Pakistan's.
- * On Inequality, here's a quote from page 215 of Lieven's book "[Pakistan: A Hard Country](#)":
"This system (of kinship groups) has a critical effect on Pakistan's remarkably low inequality rating according to the Gini Coefficient, measuring the ratio of the income of the poorest group in society relative to the richest. In 2002, according to UN statistics, it was 30.6, compared to 36.8 for India, 40.8 for the US, and 43.7 for Nigeria.
- * CIA World Factbook reports Pakistan's Gini Index has decreased from 41 in 1998-99 to 30.6 in 2007-8.
- * An [ADB report](#) 2010 confirms that [Pakistan's middle class](#) has grown to 40% of the population, significantly larger than the Indian middle class of about 25% of its population, and it has been growing faster than India's middle class.

Middle Class Spending

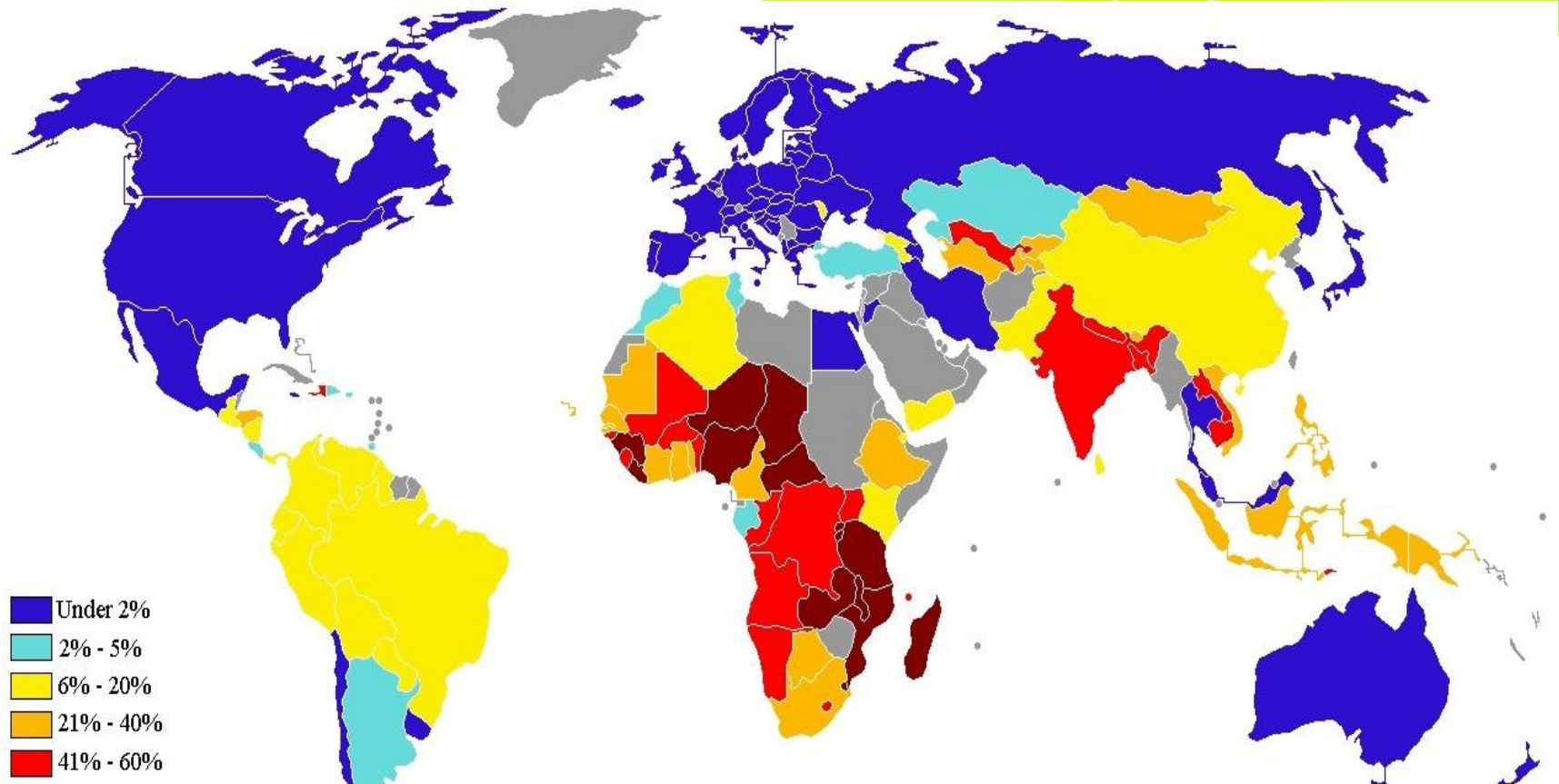
- * Auto Sales Up 61% YoY in July, 2011
- * TV Sales Up 28.6% in 2011 Over 2010
- * Engro Foods Sales Up 46% YoY
- * World's Largest Food Giant Nestle's Sales Up 25% YoY
 - * *"It's a common perception that China and India are much bigger in terms of growth than Pakistan. But for Nestle, the per capita consumption of our products in Pakistan is twice as much as we have in China and India."* Nestle Pakistan Chief Ian Donald

Quotable Quote

- * On [page 34](#) of “Pakistan-A Hard Country”, Prof Anatol Lieven says:

"Certainly, most people in Pakistan are poor (by whatever standard he has in mind); but all the same, as a result of economic growth, together with the effects of Islamic charity and the circulation of state patronage to kinfolk and followers of successful politicians, Pakistan lacks the huge concentrations of absolute poverty to be found in India's cities and countryside."

World Bank's Poverty Map



Pakistani Shares Gains Beat BRICs



BRICs and Pakistan

- * Pakistan is one of the largest countries in the world.
- * One of only eight nations armed with nuclear weapons.
- * Ranks as sixth largest in population, seventh largest in its army size.
- * 8th in number of mobile phone users
- * 10th in educated English speaking population
- * 10th in labor force size, 17th largest in number of Internet users, 26th in economy and 34th in land area.
- * As Part of Next 11, Pakistan is among the top 15 emerging markets picked by Goldman Sachs. Goldman forecasts Pakistan to be among the top 20 biggest economies in the world by 2025.

Quotable Quote

- * On [page 35](#) of “Pakistan-A Hard Country, Prof Anatol Lieven says:

"Pakistan also contains islands of high technology-
above all the nuclear industry, which (whatever you
may think about its strategic implications, is a very
remarkable achievement for a country with Pakistan's
economic profile, and shows what Pakistani state can
achieve if it really sets its mind to it, and can mobilize
enough educated, honest and committed people."

Science & Technology

- * Pakistan Has Been ScienceWatch's Rising Star For Scientific Papers Published in International Journals.
- * Pakistan Among A Handful of Nations With Dozens of Scientists Working on CERN's High-Profile SuperCollider Project. Several SuperCollider Components Built in Pakistan.
- * Jinnah Antarctic Station Put Pakistan Among a Dozen Nations Doing Research in Antarctica.
- * Pakistan's IT Industry Worth \$2.8 Billion and Growing
- * Pakistan Leads the World in Biometric IT Services With World's Biggest Biometric Database.
- * Top Blackberry Application Developed By a Pakistani Company Pepper.pk

Arts, Literature & Culture

- * Sachal Orchestra, a Lahore Jazz Group, Topping Western Music Charts



- * Regular Book Fairs, Music Concerts, Fashion Shows & Theater Group Performances
- * UK's Granta Magazine Special Issue Highlights Successful Pakistani Authors' Books Published in Europe and America...
 - * Danial Moinuddin , Kamila Shamsie, Mohsin Hamid, Mohamad Hanif, Fatima Bhutto, Nadeem Aslam, etc

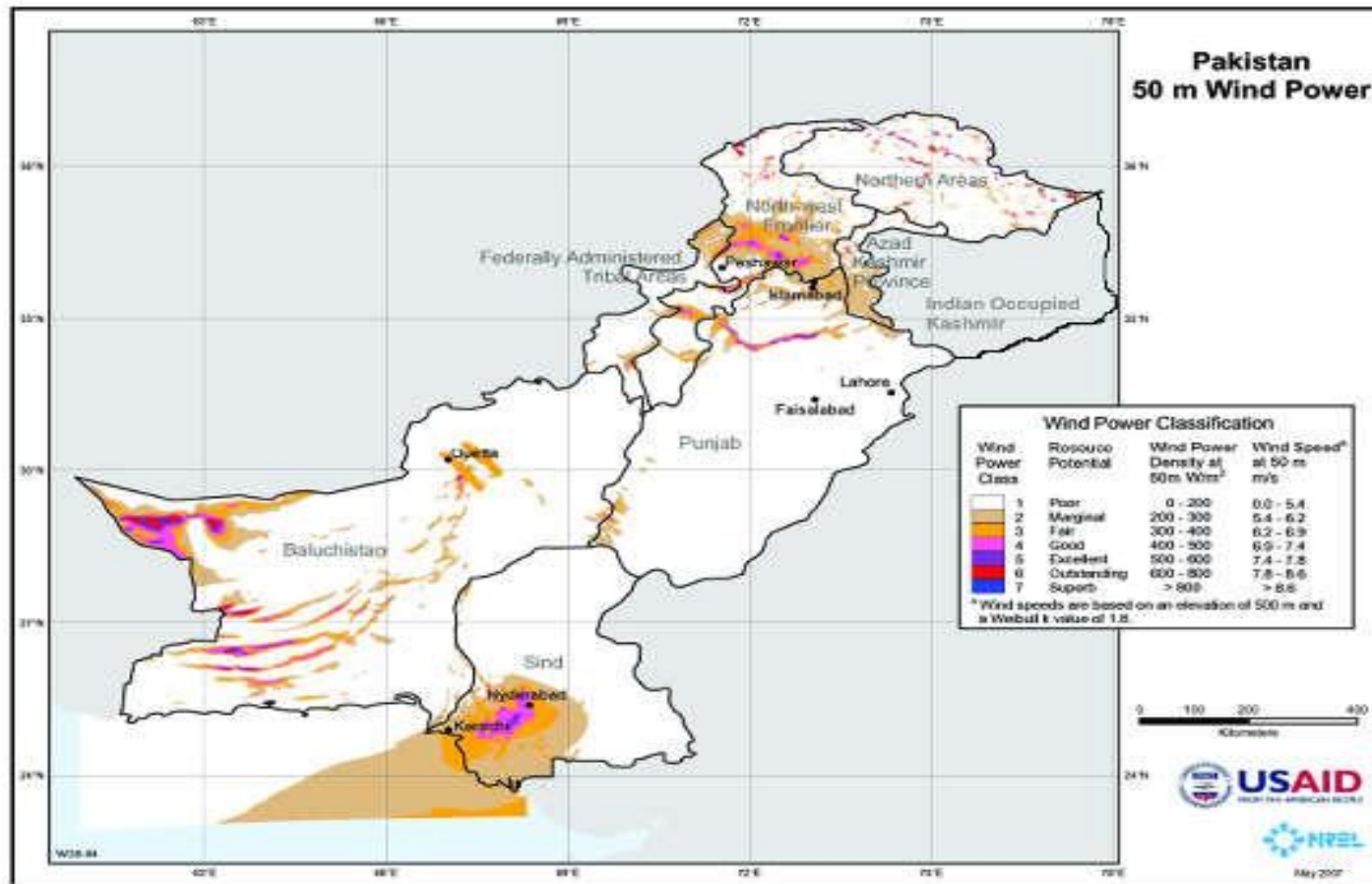
Heavy Manufacturing Industry

- * Autos, Motorcycles, Tractors, Buses, Trucks (Auto Sales Up 61% in July, 2011)
- * Steel
- * Nuclear Reactors (Khushab)
- * Aircrafts
- * Ships
- * Unmanned Drones (UAVs)
- * Army Tanks
- * Ballistic and Cruise Missiles

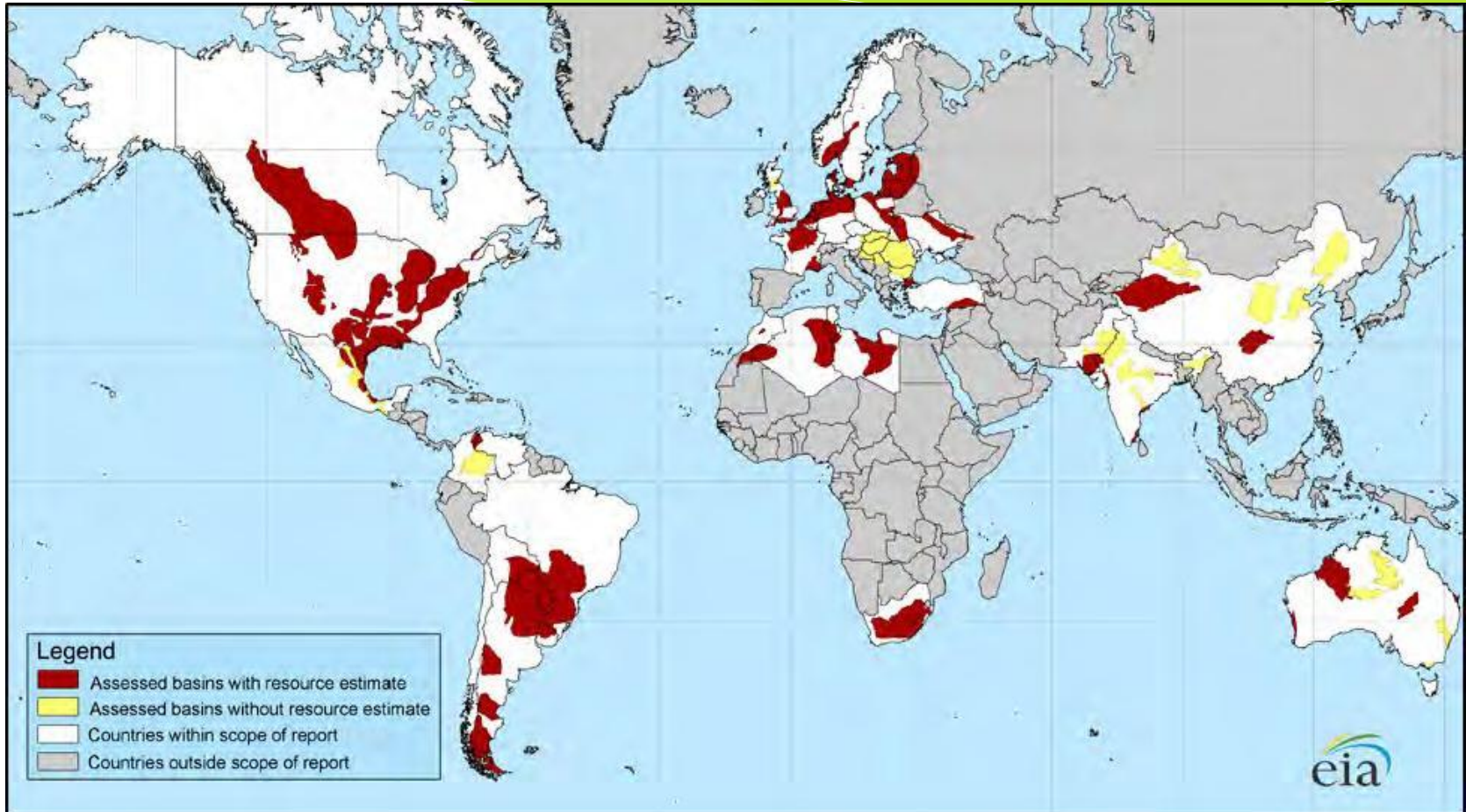
Natural Resources

- * US Dept of Energy Estimates 51 Trillion Cubic Feet of Shale Gas Mostly in Sindh. Potential For Shale Oil
- * Vast Coal Reserves at Thar For Cheap Electricity
- * Huge Deposits of Copper, Gold, Iron and Rare Earths at Reko Diq, Dilband and Saindak in Balochistan
- * High Sustained Wind Speeds of 13 to 16 mph Along Coastline
- * Lots of Sunshine Everywhere All Year Round
- * Significant Hyrdo Energy Potential

Pakistan Wind Map



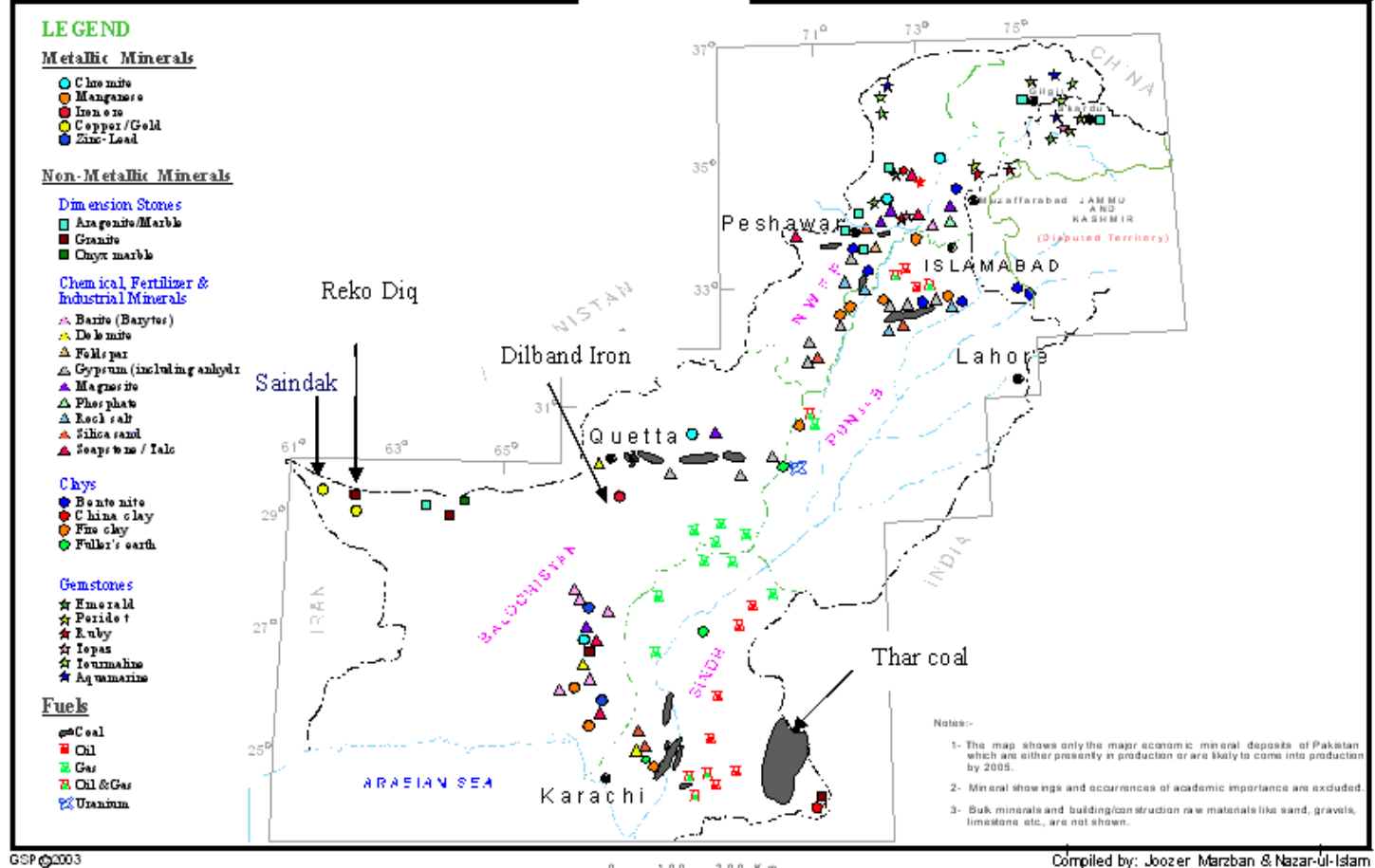
World-Wide Shale Gas



Pakistan Minerals Map

Government of Pakistan
Ministry of Petroleum and Natural Resources

Geological Survey of Pakistan (GSP)



MAJOR ECONOMIC MINERAL DEPOSITS OF PAKISTAN (2003)

Strong Society

- * The Habibs bailed out Pakistani state in 1947.

Now, let's see how Edhi doing it in 2011:

Anatol Leiven quote from Pakistan: A Hard Country

"There is no sight in Pakistan more moving than to visit some dusty, impoverished small town in arid wasteland, apparently abandoned by God and all sensible men and certainly abandoned by the Pakistani state and its own elected representatives- to see the flag of the Edhi Foundation flying over a concrete shack with a telephone, and the only ambulance in town standing in front. Here, if anywhere in Pakistan, lies the truth of human religion and human morality".

Lieven says Pakistanis donate 5% of the GDP for charitable cause, making Pakistanis the most generous people in the world. As benchmark, philanthropy accounts for 2.2% of gdp in the United States, 1.3% in the UK, 1.2% in Canada and 0.6% in India.

Weak State

State is Weak, Incompetent and Ineffective

The Military Bails out the State Each Time.

Earthquake in 2005

Swat takeover by Taliban in 2009

Floods of 2010.

Biggest Challenges

- * Taliban Do Not Pose Existential Threat
 - * Generations of Military Families Have Periodically Fought FATA Insurgencies. Example: Shuja Nawaz
 - * American Troops Withdrawal Will Eventually Calm Situation in Waziristan, and the Rest of the Country
- * Climate Change and Growing Water Scarcity Are The Real Existential Threats
 - * Water Per Capita Down Below 1000 Cubic Meters and Declining
 - * Major 1960s Style Investments Needed For Second Green Revolution To Avoid The Specter of Mass Starvation and Political Upheaval.