

7th May, 2015- “Fiscal policy for Sustainable Development”—Dr. Vaqar Ahmed

Key Messages:

Dr. Vaqar Ahmed discussed the importance of Fiscal policy and linked it with sustainable development. He discussed various elements of budget and how Sustainable Development is confused with economic development.

- According to him, budget is more than just tax pollution and subsidies on energy. The three main pillars of sustainable development (inclusive growth, social justice and environmental justice) were discussed, and linked to fiscal policy.
- Dr. Vaqar focused upon job creation together with labor mobility. He believed that growth should be sustained to alleviate poverty. Social justice should be an integral part of fiscal policy and therefore besides redistribution of wealth the aim should be to achieve equality of opportunity.
- The speaker also discussed how fiscal policy can address the issue of inter-generational equity. Right pricing for natural resources and support to climate change adaptation and mitigation should be reflected in the fiscal policy. Thus, fiscal policy should focus upon shifting investment towards clean and efficient technologies, natural capital and social infrastructure such as education or skills training. Dr Vaqar also highlighted how Pakistan can learn from the region as far as environment taxes and subsidies are concerned.
- The speaker emphasized upon the importance of search for new sectors. In this context, he argued for the Ocean based, blue economy. Dr. Vaqar discussed how Pakistan can use its water resources coupled with green economy to achieve sustainable development. Seafood, ocean tourism, fishing and aquaculture can be used to give a much needed impetus to growth. The speaker highlighted three key steps involved in adopting blue ocean economy: low carbon, resource efficiency and social inclusion.
- Further, Dr. Vaqar argued that Pakistan needs to focus upon its shipping and ports industry to gain from regional agreements with for e.g. landlocked countries. Fisheries, travel and tourism industry, aquaculture and offshore energy were some other benefits of developing ocean based economy in Pakistan.
- The speaker recommended that blue ocean economy should be incorporated in the national policy, vision 2025 and should be widely discussed at the political level. State level institutions should be involved and be closely linked to food, energy and water security of the country.
- Dr Vaqar concluded by saying that fiscal policy should not just focus upon economic development but should aim for sustainable development.