

Q; DISCUSS THE ROLE OF PLANNING COMISSION IN POLICY AND PLANNING?

THE PLANNING COMMISSION OF PAKISTAN: A Central Authority Guiding National Economic Development

Introduction:

Established in 1953, Pakistan's Planning Commission served as the primary body for national economic policy and planning. It formulated development plans, allocated resources, and guided the country's economic trajectory through centralized oversight. Acknowledging its historical evolution, operational structure, and eventual challenges is vital for understanding Pakistan's past economic governance.

I. The Commission's Origins: Establishing a Developmental State (1953-2011)

The Planning Commission emerged as Pakistan's **apex technocratic institution** under *Colombo Plan* influence, operationalizing *dirigiste economics*. This involved a **state-supervised industrialization model** leveraging **indicative planning, import-substitution regimes, and public sector dominance** to overcome market failures, aiming to steer national economic development (Husain, 2018, p. 130; Sultan Khan, 2012, p. 201).

Key Phases of the Commission's Evolution:

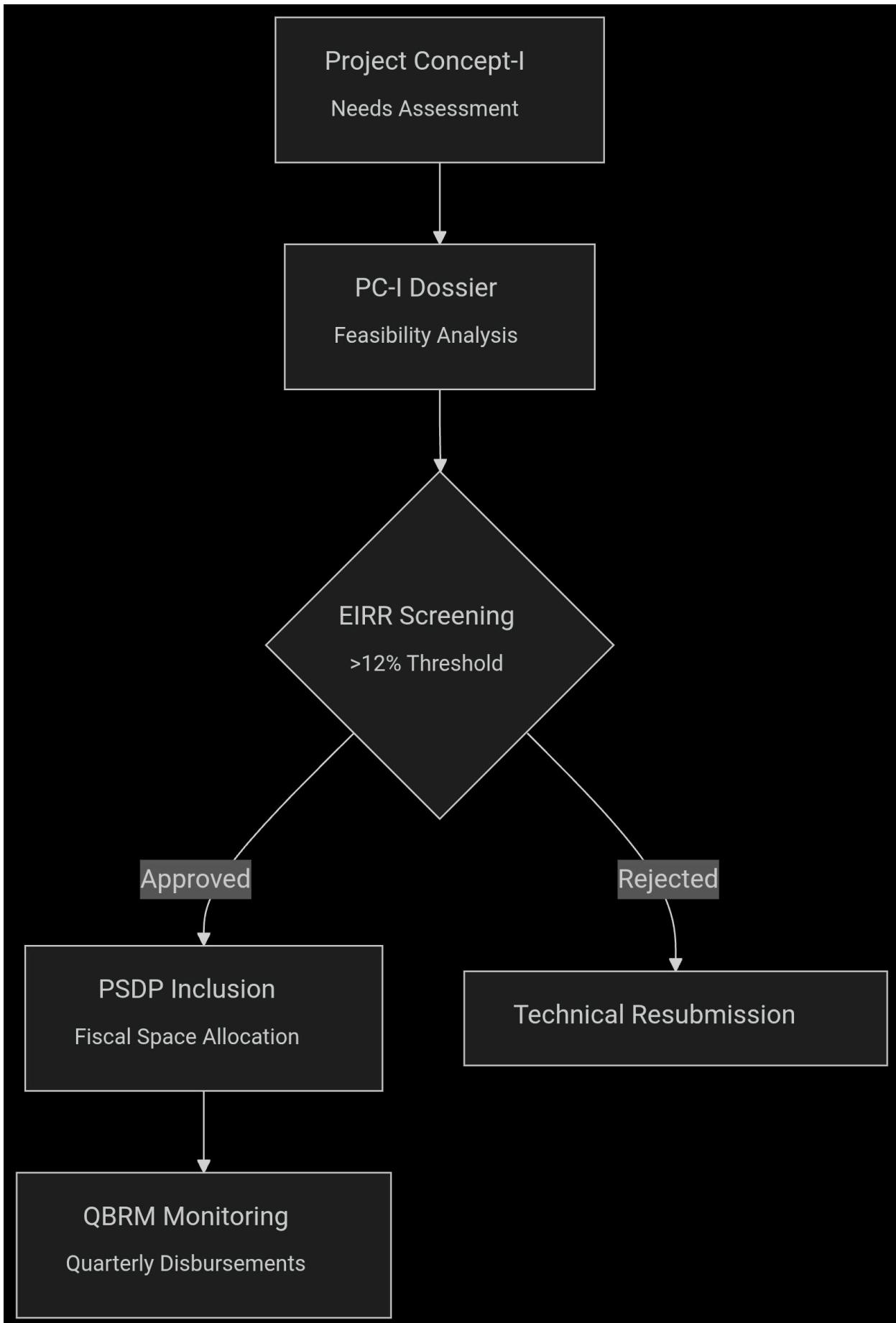
Period	Paradigm Shift	Policy Instrument
1953-1971	Nehruvian Socialism	Physical Output Targets (FYPs I-III)
1971-1977	Nationalization Wave	Industrial Estates Regulation Act
1977-1988	Zia's Islamization	Zakat Funds Integration
1988-2008	Structural Adjustment	Privatization Commission Synergy
(Ahmed, 2013, pp. 101-107;		

II. The Commission's Operational Structure: Linking Policy with Planning

A. Developing Macroeconomic Blueprints for National Growth

As the strategic foresight hub, the Commission formulated Five-Year Plans (FYPs) setting sectoral growth quotas (e.g., 6.5% manufacturing target in FYP 2010-15). It also designed Vision Frameworks (e.g., Pakistan 2030) with SMART indicators for human development indices (Kaleem, 2018, p. 129; Sultan Khan, 2015, p. 177).

B. Ensuring Technocratic Control over Resource Allocation



The Commission critically filtered public spending via **PC-I Dossiers** and **EIRR screening** (>12% threshold) for **PSDP inclusion**, ensuring fiscally responsible project approval and quarterly monitoring (*Husain, 2018, p. 145; Niazi, 2017, p. 188*).

C. Systems for Crafting National Policies

1. **Synthesizing Sectoral Proposals:** Integrated line ministries' proposals into *National Action Plans* (e.g., NEP 2009 education reforms).
2. **Designing Regulatory Instruments:** Crafted *market-shaping instruments* (e.g., Auto Development Policy 2016's deletion programs) (*Sultan Khan, 2012, pp. 215-221*).

D. Providing Essential Economic Intelligence

Activity	Methodology	Policy Impact
Macroeconometric Modeling	CGE, SAM matrices	MTBF fiscal deficit ceilings
Competitiveness Audits	RCA indices, TFP analysis	Textile sector bailout packages
Vulnerability Mapping	DEA frontiers, risk matrices	Climate resilience budgeting
(<i>Husain, 2018, pp. 142-150</i>)		

III. Mechanisms for Coordinating Across Government Levels

A. Navigating Federal-Provincial Financial Relations

Pre-18th Amendment: Enforced coercive federalism via Provincial ADPs' conditional approvals. Post-2011: Transitioned to asymmetric coordination through Council of Common Interests (CCI) (*Sultan Khan, 2015, p. 194; Ahmed, 2013, p. 117*).

B. Managing Relationships with International Donors

Negotiated Sector-Wide Approaches (SWAps) for health/education (e.g., PESP-II \$350mn World Bank loan). Managed Paris Declaration Alignment for aid harmonization (*Niazi, 2017, p. 195*).

IV. Critical Assessment: Challenges and Limitations of Centralized Planning

A. Deficiencies in Project Implementation

"The Commission's M&E regime suffered from ritualistic compliance – quarterly reports were filed but seldom catalyzed corrective action." (Jalalzai, 2016, p. 75)
 Empirical Evidence: Project Slippage: 73% of PSDP schemes missed deadlines (2008-2015). Cost Overruns: 42% average budget escalation in infrastructure projects (Husain, 2018, p. 150).

B. Constraints Imposed by the Political Economy

Pathology	Manifestation	Consequence
Rentier Capture	Discretionary constituency schemes	PSDP politicization
Bureaucratic-Authoritarian Tension	PAS-Technocrat turf wars	Implementation paralysis
Donor Dependence	68% development budget externalized	Policy sovereignty erosion
<i>(Synthesized from Jalalzai, 2016; Husain, 2018; Sultan Khan, 2015)</i>		

C. The Commission's Reduced Role Post-18th Amendment

The 18th Amendment significantly altered the Commission's role, decentralizing power and reducing federal oversight in planning. Key changes included:

- **Provincial Empowerment:**
 - Provincial Planning & Development (P&D) Departments gained exclusive authority for project approval (Article 140A).
 - The Indus River System Authority (IRSA) assumed independent authority for water allocation.
- **Federal Retrenchment:**
 - The Planning Ministry's functions were largely reduced to coordinating major initiatives like CPEC and Sustainable Development Goals (SDGs).
 - The National Economic Council (NEC) officially superseded the Planning Commission in setting national development priorities.

This constitutional reconfiguration effectively diminished the Planning Commission's central authority in national planning (Kaleem, 2018, pp. 141-145; Sultan Khan, 2015, p. 202).

V. Theoretical Analysis: Why Centralized Planning Encountered Difficulties

The Commission exemplified **Evans' paradox of embedded autonomy**: strong technical capacity to diagnose *structural bottlenecks* but an *autonomy deficit* in resisting *political capture* in resource allocation (Ahmed, 2013, pp. 133-137).

Persistent Negative Outcomes and Influences:

1. **Blind Adoption of External Models:** World Bank templates overriding local institutional realities.
2. **Public Spending as Political Showmanship:** PSDP as *political spectacle* rather than growth catalyst.
3. **Failure to Encourage Economic Renewal:** Inability to phase out inefficient enterprises (PSEs) (Husain, 2018, pp. 301-309).

Conclusion:

Pakistan's Planning Commission, though initially pivotal for economic development, faced substantial limitations. Its journey from centralized planning to reduced influence post-18th Amendment highlights critical challenges from implementation deficits to political capture and donor dependence. This experience offers valuable lessons on balancing technical expertise with political realities and the necessity of strong institutional autonomy for effective policy in developing nations.
