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The Role of Public Sector in the Economic Development of Balochistan

Jan Mohammed[*], Syed Umar Farooq[**]

Abstract

The role of public sector in the economic development of Balochistan is highly important. The province is lagging far behind the rest of other provinces of Pakistan in all socio-economic indicators. The backwardness of the province is due to its topography for being so vast with very scant population which has made the service provision difficult and costly. The private sector initiative to invest in various sectors of the economy is limited due to socio-political and economic uncertainties and high risks. This research article highlights the importance of public sector initiatives for the economic development of Balochistan. The main focus of the study is the development of basic infrastructure and the provision of basic amenities to the citizens in order to raise their living standard and to enable them to play their due role in the socio-economic development of the province. The study is descriptive in nature and relies on secondary sources of data.

Introduction

The economic development of Balochistan has always been a great challenge for the nation. The vastness of the area, which is mostly mountainous, remote and inaccessible, with a very thin population, has created hurdles in its development and progress. The 6.51 million population of Balochistan is thinly spread over a vast area of 347190 sq. kilometers, which constitute a very low population density of 18.8 persons per square kilometer.[1]

Low population density, widely scattered population and predominantly rural nature of life, with grinding poverty, are the major

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obstacles in the economic development of Balochistan. To remove these obstacles we require huge investment at initial stages to develop basic infrastructure and provide basic services to the people to raise their living standard.

The role of public sector, in the economic development of Balochistan, is highly crucial. The development of infrastructure and the provision of basic services in Pakistan lie in the public domain. The development of basic infrastructure is a prerequisite for economic development. For the vast area of Balochistan, a huge infrastructure development program is needed by the public sector, because the private sector can not invest in infrastructure development activities. The private sector can only be encouraged to invest in various sectors of economy after the establishment of sound infrastructure in the province.

Public sector is often used interchangeably with government sector. The word public means, people in general, that is, what pertains to people as a whole and is the opposite of private. It is called public sector because in this modern democratic era, the government is the only association in which all the people of a country have the same right to access to all the amenities provided by it whether they are rich or poor. The public sector operations include local, state, and federal governments' activities[2].

Public sector consists of those industries and services in a country that are owned and run by the state[3] . The public sector in broadest term includes several areas not normally counted as part of the civil service. This covers all those people whose salary comes directly or indirectly from the public purse[4]. It is actually government in action. The main functions of the public sector institutions can be classified into three broad categories, i.e. policy making, service delivery and oversight

and accountability[5]. Societies and nations can not develop themselves unless supported and controlled by strong state machinery. History testifies that great civilizations have failed due to poor governance. The government spending determines the relative size of the public and private sectors (in the economy)[6].

Public sector has assumed greater responsibilities in the backward areas because the private sector is unable to perform due to greater uncertainties, low level of profit, and hostile social forces. Balochistan too, is the backward province of Pakistan and almost face the same challenges. The role of private sector in the economic development of the province is almost non-existent. This obviously demands greater role of the public sector in Balochistan to bring about rapid socio-economic development by introducing changes in almost all sectors including social overheads, infrastructural facilities and productive enterprises like industry and agriculture. The public sector is an agent of innovating values relating to modernization and industrialization. It introduces changes in different sectors in order to increase their productivity. It has been recognized today that public sector is an important player in the economy to boost the process of economic growth in under developed areas like Balochistan. In the backward areas, the state acts as the dominant change agent and bring about faster economic development by carrying out planned change in the agriculture, industrial sector, or the capital infrastructure supporting these sectors and providing social services, especially education and public health etc. Its counterpart i.e., the private sector is reluctant to invest in such a risky channel where return on capital is not quick. Most of the private sector organizations undertake investment in consumer goods industries, real estates, plantations and mines. Rapid economic

development is only possible through public sector initiative which is the accelerator of economic and social change. The law and order function though still an important aspect of the modern welfare state has been over-shadowed by the more pressing work of socio-economic development[7]. The modern state is developmental state and as developmental state, it is supposed to be the accelerator of socio-economic change[8]. The public sector has to play a more positive and dynamic role in fulfilling hopes and aspirations in response to environmental changes[9]. It therefore, devolves on the public sector to assume the responsibility of creating the environment and infrastructure needed for development and progress. The public sector has larger financial resources and is in a better position to start investing in economic and social overheads, requiring long gestation periods. As the economic condition of the people of Balochistan is very weak, the state can undertake many economic activities, through which, it can provide more employment opportunities, raising incomes and standard of living, reducing inequalities of income and wealth, encouraging private initiatives and enterprise and bringing about regional balance in the provincial economy and thus, increasing the growth rate.

The process of economic development in Balochistan is slow mainly because of the low population density, small size of markets, lack of basic amenities and the absence of industrial infrastructure. The ecosystem of Balochistan is typically rangeland and a significant size of its population being nomadic in character has, instead of consolidation of the human settlements, degraded the land and its resources.

Economic Development in Balochistan

Economic development is a multidimensional process involving major changes in social structure, popular attitudes, and national institutions, as

well as the acceleration of economic growth, the reduction of inequality, and the eradication of poverty[10].In backward areas, economic activity is static, capital, skills, and economic and social infrastructure are woefully lacking, widespread poverty, and inequality of financial resources further deteriorate the economic development of these areas. Proper planning by the public sector is essential to bring about rapid changes in social and economic infrastructure to foster economic growth. The rapid economic development requires the development of agricultural and industrial sectors, the establishment of social and economic overheads, roads, and communication networks through the public sector initiative. The building of roads, canals, railways, transport, training and educational institutions, public health and housing electricity, etc. are highly important for the agriculture and industrial development. Similarly, poverty reduction and reducing inequalities in income and wealth, and increasing employment opportunities through the implementation of viable policies, are the important responsibilities of the public sector to develop the backward areas. The public sector role in the economic development is, therefore, very vast and all pervading. It includes, maintaining public services, influencing attitudes, shaping economic institutions, influencing the use of resources, provision of basic amenities, and the fair distribution of income.

Balochistan Economy, Salient Features

Agriculture is the mainstay of the provincial economy, and employs 67% of the total work force[11]. The population of the province is predominantly rural in nature and almost 77% of the total population, resides in the rural areas although the trend of migration towards urban centers is gradually on the increase. This heavy concentration on agriculture in the rural areas has caused widespread poverty in the

province. Agriculture sector is basically unproductive, and is carried on in an old fashion, with obsolete and outdated method of production, which is the main reason for poverty in Balochistan. Approximately 60% of cultivated land is under dry land farming[12]. This involves flood irrigation and rainfall irrigation. Crops grown under these conditions give poor yields and returns, and are very risky. However, these farming systems do provide, in conjunction with livestock and off-farm income, the major source of revenue for many of the poorer farming communities. Crop gross margins are small, and farmers have limited access to expensive irrigation technology. There is lack of real purchasing power which reflects the low productivity in agriculture sector. In order to accelerate the pace of development in Balochistan, the agriculture sector must take top priority in the agenda of economic development initiative. Expansion of agricultural output and productivity increases the rural community purchasing power, which then, raises the demand for manufactured goods and extends the size of the market. This leads to the expansion of the industrial sector because the demand for such inputs as fertilizers, better tools, tractors, irrigational facilities in the agricultural sectors, would lead to the greater expansion of the industrial sector. Agriculture also expands due to the introduction of modern technology and diversifies employment opportunities in the rural areas.

About 6% of the land is currently being cultivated. Rangelands constitute 79% of the total area of Balochistan[13]. Range-based livestock production systems are one of the major sources of livelihood for the people living in rural areas. Small ruminants, such as sheep and goats, are better adapted to Balochistan's harsh environment and greatly out-number large ruminants, such as cattle and buffalo, camels, donkeys, horses and mules are used as pack animals. There are about 20 million

sheep and goats[14]. Poor nutrition in livestock animals, results in high mortality and livestock owners sustain high losses especially during drought, which further increase the extent of poverty in Balochistan.

Rainfall throughout the province is low and variable. Scarcity of water is one of the key factors limiting economic potential and social well-being. The tough terrain, insufficiently developed transport and communications network, and inadequate social infrastructure are some other major impediments to the development of agriculture sector in the province.

The over dependence on agriculture has resulted into widespread poverty in Balochistan. The access to clean drinking water, education, health facilities, public transport, sewerage and electricity, and security is limited. A comparative chart showing the social and physical indices of Balochistan and Pakistan is given below.

Balochistan Social And Physical Indices

Indicators	**Balochistan**	**Pakistan**
Literacy	26.6%	47%
(Female)	15%	33%
Prim. School Enrolment	49%	68.3%
Female Participation	21%	49.2%
Access to Sanitation	7%	18%
Infant Mortality Rate (Per '000' LB)	108	100
Village Electrification	25%	75%
Length of roads Per Sq. km.		
High Type	0.006	0.089
Low Type	0.024	0.036

Source: Presentation paper, P&D Department, GoB, May 2002.

Balochistan is rich in terms of natural resources yet the poorest province of Pakistan. The natural resources of the province are under developed and remained idle. To harness these natural resources of the province, particularly with numerous world class mineral deposits embedded in its plains and mountains ranging from building material and precious stones to iron, copper and uranium and energy sources as gas, oil and coal requires a careful development strategy. The proper utilization of these natural resources can make the province, one of the richest areas of the world. So far very limited amount of these resources have been exploited. The natural wealth of Balochistan can be used to produce valuable goods for export and a sizable amount of foreign exchange can be earned.

Pakistan has a coastline of about 990 kilometers, of which 770 kilometer-long coastal belt is in Balochistan. This coast line extends from the mouth of the Hub River in the east to the Iranian boarder in the west along the warm waters of the Arabian Sea[15]. Bays, beaches and headlands characterize the coastline. These bays and headlands provide natural harbours, around which fishing communities have developed. It is estimated that 70% of the coastal population in some way or other depends upon the sea which provides a major source of livelihood.

The coastal areas of Balochistan remain the least developed part of Pakistan instead of their strategic importance and economic potential. Distances are large; the population is small, road networks poor or non-existent, the climate inhospitable, and fresh water sources are scarce. The development of fisheries sector could increase the living standard of the people residing around these coastal areas.

The industrial sector could not emerge in Balochistan mainly because of the low population density, inadequate urbanization, small

size of market, lack of basic amenities, and the absence of industrial infrastructure. The potential for establishment of mineral and agricultural products based industries could be exploited for the economic development of the province. The establishment process of various industries can be accelerated by sound industrial infrastructure, which includes the development of entrepreneurship ability, availability of raw material, credit facilities, communication infrastructure for transportation of raw materials, provision of water and waste disposal system, electricity, telephone, a chain of engineering industry units, trained manpower and proper security to the investment and the investors. Investment in small and medium size units can increase the development process of industrialization in the province. The province of Balochistan can contribute sizable share in the total national GDP if proper strategy is adopted for the exploitation of its natural potential.

The literacy ratio in the province is lowest among the other provinces of Pakistan. Health structures and services in Balochistan are sadly inadequate to meet the health needs of the provincial population. The society is traditional and tribal in nature. Low level of education in Balochistan is both a cause and consequence of continued underdevelopment and poor standard of living. Balochistan has the lowest proportion of literate adults in all Pakistan and the lowest estimated participation rate in primary education. The access to schools is limited to those who can afford it both financially and in terms of physical access. The literacy rate is higher among the middle and upper classes. In 1998, a mere 26.6% of the total 6.5 million populations were literate. For detail, see figure below.

Year	**Total**			**Rural**			**Urban**		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
1998	26.6	36.5	15.0	18.9	27.8	8.8	50.3	62.4	35.3
1981	10.3	15.2	4.3	6.2	9.8	1.7	32.2	42.4	18.5

Source: *Population census organization 1989, 1999.*

The above-mentioned figures clearly indicate the poor education ratio in Balochistan especially in the rural areas .Due to tribal set up the tendency to educate the female population is extremely low in the province. Balochistan's education sector is characterized by low enrolment and high dropout rates. Schools are scattered and the condition of learning they offer are poor. Untrained teachers and poor quality teaching aids are among the key problems in the education sector.

For the economic development of Balochistan, high literacy ratio is highly desirable. The human resources of Balochistan need to be educated, trained and developed to achieve the targets of accelerated growth in various sectors of the economy. This is a universal fact that the targets of development can not be achieved with under developed and illiterate human resources.

Health is another important sector that is highly important for social development. Health structures are limited in number and unevenly distributed in the province of Balochistan. The majority are clustered in the urban zone, leaving rural populations severely under served. Despite some improvements in health standards in recent years, Balochistan still has a lower life expectancy. (57 for men and 56 for women[16]), as compared to other parts of the country. This lower life expectancy is the direct affect of deficient and inefficient health

facilities, particularly in the rural areas. Most of the health workers prefer to serve in the urban areas because of the availability of basic amenities and better facilities which leaves great vacuum of health facilities in rural areas.

The Role of Public Sector in the Economic Development of Balochistan

Public sector plays crucial role in the economic development of Balochistan. The World Bank Report 1997 argued that the state is central to economic and social development not as a direct provider of growth but as a partner, catalyst and facilitator[17]. It is a catalytic agent and the engine of growth for the province. The public sector is the agent of change in the society. It plays an important role in stimulating economic activity and encouraging entrepreneurship. Apart from providing economic overhead capital, the public sector also help in introducing new and advance methods and techniques importing sophisticated machinery and capital equipment and evolving appropriate technologies in various fields i.e. agriculture industry and mining etc., which may better meet the provincial requirements. The public sector has sufficient financial resources. These resources can be used in financing the social and economic overhead capital projects, and introducing inventions. Innovations and improvements in various sectors will stimulate enterprise and initiative in the private sector. In Balochistan, low labour efficiency factor immobility, limited specialization in occupation and in trade, economic ignorance, values and social structures, are the root causes which impede the incentives for economic change. Meier and Baldwin in this connection write, “The basic cause of backwardness is to be found in low labour productivity as compared with the developed countries. This low labour efficiency results from general poverty which

is reflected in low nutritional standards, ill health, illiteracy and lack of training and occupational mobility, etc[18]". The public sector investment is largely directed towards the creation and strengthening of the economic and social infra-structure of the province, like transport and communications, and other public utilities, like health, education and other social facilities and eradication of poverty and increasing labour efficiency. Such projects by their very nature have long gestation periods and the objective is to supply an essential good or service at a reasonably low cost to the people to support them to fulfill their basic needs.

The role of public sector, in the economic development of the province is multidimensional. This role can broadly be categorized as,

i) Direct role
ii) Indirect role

But this distinction in roles is not of an absolute nature because the direct role may in some instances become an indirect role and vice versa. The direct role of the public sector in Balochistan involves engaging itself directly in productive activity by performing multitude of function to boast the economy and increase social welfare. These functions include the provision and maintenance of social and economic overheads, which entails large investments and are beyond the capacity of private sector. The basic services, like electricity, gas transport, telecommunication, irrigation works, health, education, water supply and sanitation, recreation facilities, roads and bridges, etc are provided by the public sector to raise the standard of living in the province. The public sector develops basic infrastructure to facilitate the growth of agriculture and industry and hence accelerating the pace of development in the province. It also makes arrangement to enlarge the size of the market and

encourages the private sectors by establishing the financial institutions and extending loan to them to enhance the capacity of the economy.

The indirect role of the public sector in the province is not of less importance. It acts as a protector of the private property, regulates various businesses, provides security and advises the community and private sector to adopt appropriate strategies to increase productivity and social welfare. Through legislation, the public sector acts as a referee and forbids any foul play. It prohibits all cheating, sale of adulterated foods and drugs, establishes quality standards, and defines qualifications for providing various services[19].

It influences the working force by providing educational and health facilities, supplying relevant information, encouraging habits of honesty and hard work. It promotes full employment of resources through appropriate fiscal and monetary measures and encouraging the production of the right type of goods, leveling inequalities of distribution of income, subsidizing consumers, rationing of essential commodities, helping in the conservation of natural resources, e.g. conservation of soil, forests, water, fish, mineral deposits etc.

It is now recognized that in the underdeveloped areas, the vicious circle of under-development can be broken only by a bold intervention by the government in the form of public sector enterprises[20]. The role of public sector in the province of Balochistan can be summarized as under.

- Promoting agriculture sector
- Building industrial base
- Capital formation,
- Optimum allocation of resources through formulating better strategies

- Balanced regional disparities between rural and urban areas.
- Enlargement of employment opportunities.
- Supporting private enterprises.

For the economic development of Balochistan, it is highly important to establish industries and transform the society from the pure agrarian and pastoral to modern industrialized one. This requires the development of agriculture sector which provides the base for industrial development. The public sector initiatives, in the form of irrigation and power facilities, improved seeds and pesticides, farm, fertilizers, warehouses, are highly important and helpful for the agriculture development of the province.. Exploitation and development of mineral resources is one of the key areas that require due attention. Economic development is handicapped in Balochistan on account of the lack of necessary infrastructure due to its geographic conditions. Mountainous, inaccessible and highly scattered population requires huge amount of financial resources to develop infrastructure in such a large province. Economic overheads, like roads, railways, irrigation and power projects, are important for speeding-up economic development. Social overheads, like hospitals, schools, and colleges and technical institutions, are also important. The public sector allocates a lot of financial resources in its annual budget each year to build economic and social overheads, but keeping in view the vastness of the area, this results into very small amount.

Physical capital in an area is its economic infrastructure which is prerequisites and stands high, at least, in the initial stages of development to accelerate growth and development. It includes services from public utilities, power, telecommunication, piped water supply, sanitation, and sewerage, solid waste collection and disposal, and piped gas, public

works, major dams and canals works for irrigation and drainage, roads and other transport sector, ports, water ways, and airports. Infrastructure can contribute to economic growth and economic development, poverty alleviation, and environmental sustainability, but only when it provides services that respond to (public demand) and does so efficiently[21]. The adequacy of infrastructure helps determine an area's success or failure in diversifying production, expanding trade, coping with population growth, reducing poverty, or improving environmental conditions. Good infrastructure, raises productivity, and lowers production costs, by making better use of underutilized materials and human resources, increasing economic efficiency due to reduced costs and expanded markets within and outside the area. It has been empirically estimated that a 1 percent increase in the stock of infrastructure is associated with 1 percent increase in GDP[22]. Pakistan has invested $3 billion a year, or 5-6 percent of GDP, in creating, operating, and maintaining its infrastructure[23].

The public sector can play a crucial role to insure equity in the province by lowering the transaction costs to farmers and firms, by supporting them with investments, infrastructure, and institutions. Publicly provided goods such as agriculture research and extension farm to market roads, human capital formation, and power supply, establishment of small-scale industries and rural credit can be particularly beneficial. Markets for goods, inputs, labour and capital need to be better integrated. Entrepreneurs need access to appropriate infrastructure and to research and extension services. These foster the integration of markets and help to spread new technology. Business also need a legal and contractual framework for their activities- one that protects property rights, facilitates transactions.

Investing in health, education, nutrition, family planning services, water supply and sanitation, are some of the activities where the social returns are very high. The public sector can provide these services to the poor so that their productivity is raised and then may be helped to lift themselves out of poverty. One of the most important elements impeding economic development in the backward areas is the unequal distribution of wealth. This problem also persists in Balochistan. The gap between the rich and poor is widening and the number of poor is increasing. The mass ignorance among masses in Balochistan particularly in the rural areas is the main cause of poverty. People are ignorant about population planning, and the tradition of having more children are further aggravating the situation in Balochistan. The public sector role of taxing the rich and providing services to the poor to reduce the income distribution gap is very important. This ensures the flow of resources from the rich to the poor. The backward areas, such as Balochistan, are highly dependent upon public sector due to severe shortages of skilled human resources. Often (areas like Balochistan) with severe shortages of skilled human resources have tended to put greater emphasis on public sector activities and state-run enterprises on the assumption that limited skilled manpower can be best used by coordinating rather than fragmenting administrative and entrepreneurial activities [to accelerate the development process][24].

The provincial government in Balochistan performs various functions which are directly related to the process of economic development in the province. The public sector services are allocated monetary resources through the NFC award, five year plans, and special programs e.g. Social Action Program[25]. Each year, in the month of June, the government announces budget for the next financial year beginning

from 1st July to 31st June next year. In the budget, the government allocates the financial resources to various sectors. These resources are spent under the caption of Development and Non-Development expenditures. Development expenditure consists of the Annual Development Programmes, including Social Action Programme. While Non-Development expenditure is further divided into two categories,

i) Salary component, comprising establishment charges i.e. pay of officers, pay of establishment, regular allowances and other allowances.

ii) Operational cost, i.e., purchase of durable goods, repair and maintenance of durable goods, including works (building, roads, bridges etc), relief commodities and services, etc. etc. and other miscellaneous expenditure and transfer payments, stipends, scholarships etc. and fixed costs including subsidy, debt servicing and pension[26].

The Development component of the provincial budget plays crucial role in the process of economic development of Balochistan. The programmes under development expenditures are called Public Sector Development Programmes (PSDP). These programmes are mainly directed to undertake quite new schemes in various sectors. These include the construction of new dams, buildings, schools, hospitals, roads and communication networks etc. The purpose of PSDP is to create new assets and increase the physical stock of capital so that to increase the potential of the economy. A comparative statement of annual budgets of Balochistan since 1992-93 to 2001-2002 will show the quantum of increase in development

activity and the correspondingly enhanced provisions for development expenditure (see table below).

Year-Wise Components of Provincial Budget

					(Rs. In million)
Year	**Current Expenditure**	**ADP** Annual Development Programme	**SDP** Social Development Programme	**SAP** Social Action Programme	**Total**
1992-1993	8389.423	1588.488	0.000	0.000	9977.911
1993-1994	8825.061	1371.498	0.000	696.193	10892.752
1994-1995	9894.305	1668.786	0.000	889.860	12452.951
1995-1996	11514.560	2006.221	0.000	917.067	14437.848
1996-1997	12424.199	1179.526	0.000	633.762	14237.487
1997-1998	13364.509	2058.761	0.000	1446.478	16869.748
1998-1999	13881.914	3372.215	0.000	1093.096	18347.225
1999-2000	17294.638	3824.949	0.000	1695.219	22814.806
2000-2001	17754.981	6995.016	0.000	863.596	25613.593
2001-2002	18354.278	7897.377	---	---	26251.655

Source: GoB, Finance Department, white paper budget 2001-2002.

The above figures reflect the general trend of growth in development expenditures over the years. The public sector Development Programme is intended to enhance the productivity of various sectors, and develop the natural and human resources, and thereby improve living standard in the province. The Public Sector

Development Programme (PSDP) also includes Social Action Programme (SAP).

Social Action Program (SAP) is a multi-sectoral development programme, launched by the government in 1992-93 to improve the social sector in Pakistan[27]. The SAP was aimed at the improvement of four basic social services, which are primary education, primary health care, population welfare, and rural water supply and sanitation. The programme lays an emphasis on provision of services to women, children and far-flung inhabitants of rural areas. SAP was initially planned for a period of three years with the financial assistance of the World Bank, Asian Development Bank, Netherlands and United Kingdom government. After the completion of the 1st phase of SAP, the 2nd phase has been launched with the addition of an additional donor, Canada. The SAP 2nd phase has been planned for a period of five and half years starting from 1, 1, 1997 to 30, 06, 2002[28]. The objective of SAP 2nd is to consolidate the gains of SAP 1, and to improve the social services delivery at outlets already created. The additional components not included in SAP I have been included in SAP II are: middle schools and non formal education in education sector, Tehsil level referral hospitals, tuberculosis and nutrition in health sector, and water supply and sanitation in urban slums, in rural water supply and sanitation sector.

Though the financial resources allocated for the public sector development and non-development programmes are not sufficient, keeping in view the vastness of the area, with highly scattered population, living in mountainous and inaccessible pockets, yet through the optimal use of available resources, the highest possible level of development for the province can be achieved. For this purpose, proper planning, coordination and control are required. Selection of priorities on

the basis of cost benefit analysis has become a universal tool in the contemporary world. Efficient utilization of public sector resources can be ensured through the use of modern and advanced techniques of management and control. But unfortunately, in Balochistan, the use of these resources is not efficient mainly due to lack of managerial and administrative capabilities. Balochistan is the poorest province of Pakistan. The deficiency of technical staff is one of the most important hurdles in the way of progress. Lack of planning, coordination, implementation and control in the public sector, have caused the resources to be used inefficiently.

Conclusion

The role of public sector in the economic development of Balochistan is crucial. A careful strategy is required to promote the social and economic well-being of the people of Balochistan through an efficient and effective public sector management. The process of development in the province of Balochistan can be accelerated through the development of basic infrastructure, development of agriculture sector, and the raising the standard of living of its people, through major changes in social, economic and physical structure, by strengthening of public sector institutions. This province requires to be transformed from pure agrarian to industrialized society. The establishment of agro-based industries, livestock production and small scale cottage industries are very important for the overall development of Balochistan. Rural development is highly desirable because the society is predominantly rural and majority of population resides in the rural areas. Improvement in skills of rural population through better education, increasing the productivity and efficiency and earning of agriculture labour, better organizations of production, development of means of transport and communications,

growth of financial institutions, improvement in the standards of health, education, life expectancy, greater leisure, increase in recreation facilities, and the widening of mental horizon of people are the key elements which are required to achieve sustainable development in the province. All these elements will improve the status of human resources in the province which is currently in a dire strait. The private sector at this juncture, is shy to play an effective role due to poor socio-economic infrastructure and lack of other incentives for investment. Therefore; it places greater emphasis on the public sector institutions to take the major responsibility for the socio-economic development of Balochistan.

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