

ECONOMIC RATIONALE POLICY- CRITIQUE ON TECHNOLOGY DIVERSIFICATION FROM ONE SINGLE SOURCE

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Globalization with passing time at a great speed have resulted into innumerable consequences of economic both advantages for some and decreasing gains to countries which have enjoyed and reaped comparative advantages in production from labor as well as home country's natural endowments. Economic core laws and one of the more recognized is the law of diminishing return, other things remaining the same, but other things do not remain the same. This concept may be quite hard to comprehend by many entrepreneurs. There can be multiple reasons for no clear comprehension of this basic law of economics, vis-a-vis, ground realities. The absence of a long term perspective coupled with sustainability may be listed as a single most reason. Short term to medium term gains to producers of good and services are viewed attractive. To say, may not be inappropriate ad-hoc psycho fancy or satisfaction or as said is a bird in hand is better than two in the bush. In economics realm it can be farce and little significance and devoid of pragmatic and rational vision. Rational or rationalization means and implies the power or faculty of reasoning; soundness of mind, exposition of principles, judicious, equitable, moderate, probable. Economic is management, administration. Unlike year past west and east political, economic and military aggrandizements, super-technology industrialized countries and China are rivals and competition in vogue with each day passing. China's economy's growth and development in all value-addition sectors and internal trade in real terms, have outpaced its economic rivals namely, USA and the highest industrialized countries in the past years. China's growth indicators during the gone 03/04 years have indications of 05/06% in the short to medium term years. To some this GDP growth rate may look somewhat being skeptical, but this is all not an out-of-blue forward looking economic vision of a student of economics. To some academicians, it may be a skeptical thought. But it is a thought to ponder.

In the opinion and hypothesis of the writer, the biggest reason is investment levels related to research and cost effective innovations not equitable and comparable with industrialized economies, where research is a continuous process and assigned priority budget allocation to achieve growth targets. Industrialized

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countries and multinationals earmark /spend a very high chunk of expenditure on research activities and new innovations to tailor down on labor and material costs to reap gains accruable from comparative advantage in production costs. As noted from the Daily Dawn, very high advanced robots are being developed to replace the present generation products as well as their transfer of technology skewed to foreign countries. These new machines / implements will result in economics of scale to produce / manufacture goods at very substantial lesser production cost per unit, vis-à-vis, China's economic planners should be in full awareness of these sensitive and vulnerable ground-realities in order to keep the Chinese economy vibrant, and its peoples' welfare and maintaining sustained prosperity of a high standard of household living.

The above is a short discourse on comparative advantage and its playing levels for Pakistani manufacturers of goods and implements having total dependency on Chinese technical collaboration and joint ventures. They should be cautious of coming years techno-economic innovations underway at research and development Centres in, particular, USA – the lead / industrial supreme economic power reigning the countries situated in south-east and central Asian continent. US have deep rooted economic interests in India, Bangladesh, South Korea, Taiwan, Malaysia, Indonesia, Singapore, Sri Lanka and the emerging economy of Australia. The cut-throat price scenario in the not too far years by these emerging industrial countries ought to be assigned a weight by Pakistani entrepreneurs and industrialists. Time is running fast and they should recognize the hard economic on-ground realities in respect of US economic war to decelerate China's growth. Our manufacturers need to evaluate short term high profit margins, and incorporate medium to long term perspective of tangible gains.

In this connection, to quote few examples are import of power generators by one business house (one product only) from China, motorcycle electrical coil made with China's collaboration technology. What is needed, at present, is diversification of technology from countries allied to US multinationals. The writer views a middle- of-way techno-economic exchanges which will forsee lesser shocks of disability and financial losses to Pakistani productions of high value-addition products, equipment and machinery needed both for consumers and also capital goods.

Not the last, the writer while scanning through articles on CPEC, has noted that Pakistan's share of benefits accruable from these development will be marginal only while China's economy will benefit from the optimal gains emanating from successful completion of this multifaceted economic development project. Such

reservations and discourses may create illusions and doubts in minds immature to comprehended long term tangible gains through backward and forward linkages to accrue in all sectors of Pakistan's economy. It may be advised to shun from such an analysis by both the academicians and media.