

Globalization: The challenges and opportunities and role of Pakistan

Speech by
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Mr. Loukas Tsoukalis
President of ELIAMEP,
Ladies and Gentlemen,

I am honoured to speak at this prestigious institution and before such a distinguished audience.

My visit to your beautiful country, the cradle of Western civilization, is meant to renew and reaffirm the longstanding friendship between Pakistan and Greece. I am sure that my meetings with your leadership, members of parliament, the media, the business community and members of civil society will serve to further strengthen our relations.

Pakistan views the Hellenic Republic as an important European power, especially in the Mediterranean region and is keen to enlarge its relations with Greece in the political, security, defence, economic and commercial spheres. I believe there exists tremendous potential for us to do so. A key role for such expansion in the economic field can be played by our private sectors.

Ladies and Gentlemen,

Pakistan is a new country but an ancient land. This land was the cradle of the Indus Valley civilization some 4000 years ago. Centuries later the Gandhara civilization flourished in areas of present day Pakistan. It is from those times that the first contacts were established with the Hellenes. The Greeks settled in Bactria and parts of present day northern Pakistan some eight centuries before the campaigns of Alexander the Great in our part of the world from 327 to 324 BC. After Alexander's departure a Greek empire flourished in parts of Pakistan for three centuries.

The indelible imprint of Hellenic civilization on these areas enriched the Gandhara era, influencing the art, culture, sculpture, dress, coinage and several other aspects. A treasure trove of ancient artifacts from this period comprises some of the most valuable exhibits in our museums today, which also provide authentic information to the mysteries of our past. One of our most treasured inheritance reputed to be of Greek origin, are the Kalash people in northern Pakistan, supposedly the descendants of Alexander's army.

We in Pakistan also greatly admire the Hellenic civilization, which produced great scientists, discoverers, philosophers, academics and healers who remain the fountainhead of knowledge even today.

In modern times the contacts between our peoples have continued. A famous Greek architect, Constantine Doxiadis, designed the modern city of Islamabad, the capital of Pakistan, which is universally admired as one of the few organized, functional, and aesthetically appealing cities in the world. Another substantive example of our continuing cooperation is the support of Greek organizations for the preservation and protection of the ancient Kalash cultural heritage, which we have declared a protected area.

Ladies and Gentlemen,

The topic of my presentation today – “Globalization: Challenges and Opportunities and the Role of Pakistan” - covers a broad spectrum of issues. While it is customary to talk of globalization within its narrow economic or technological context, I believe that this phenomenon has a broader, more holistic impact on our lives. As the world rapidly becomes a global village, any development in one part of the globe has an impact across the world. Hence globalization involves the political, security, economic, social, commercial, technological, environmental and many other types of changes taking place in our midst.

Globalization presents challenges and offers opportunities. It is like a tidal wave – we must learn to ride it or we will be swept away. Globalization is also inevitable and irreversible. We have to learn to leverage it to our advantage.

Ladies and Gentlemen,

I would like to present before you the efforts that we have made in Pakistan to leverage the advantages of globalization while working to avoid its pitfalls. The essential prerequisite, in my view, is to develop the indigenous capacity of a country to navigate the tide of globalization. This requires broad-based reform and restructuring in tune with the emerging requirements.

Over the past six years, our government has undertaken comprehensive and multi-faceted structural reforms which have helped to revive and reposition the country. As a result the Pakistan of today and tomorrow is not the Pakistan of yesterday.

We have provided good governance through transparency and accountability. Democracy has been brought to the doorstep of the people through elections to local bodies. These have been supplemented through representation in the provincial and federal legislatures. We have an active and independent opposition as well as a free and vibrant media. Special constitutional and administrative measures have been taken to empower the women and minorities, each of them guaranteed representation at all electoral levels.

Our economic reforms, based on the principled of deregulation, liberalization and privatization, have positioned Pakistan on an upward growth trajectory. Last year our

growth rate was 8.4%, the second highest in the world. We anticipate a sustained growth rate of 6-7% in the coming years. Our agricultural, industrial and services sectors are growing rapidly, foreign exchange reserves are increasing, the stock market is buoyant and foreign direct investment is growing to unprecedented levels along with increasing volumes and diversification of exports. As a result, poverty levels are decreasing and per capita income is increasing.

In the social sector our focus is to provide quality education and improved health care for our people. We want to develop a knowledge based economy for which investing in our human resources, our most valuable resource, is of the utmost importance for the well-being of our future generations.

Ladies and Gentlemen,

In order to focus on enhancing our internal capacity to meet the challenges of globalization, we have been convinced of the need for a secure and stable external environment, at the regional as well as international levels.

To attain these objectives we have tried to promote peace and security with our neighbours through dialogue and cooperation. As a country of 160 million people, Pakistan is a responsible nuclear power strategically located at the crossroads of three vital regions of the world – South Asia, Central Asia and West Asia. Our policies complimented with our location have ensured Pakistan's pivotal role as an anchor for peace and stability in the region.

We are developing a network of road, rail and air links to build corridors of intra-regional cooperation that would connect all three regions. These would include oil and gas pipelines, electricity grids, trade routes, tourism and people to people contacts. Pakistan, with its port at Karachi and upcoming deep-water port at Gwadar on the Gulf, would provide the shortest access to the sea for the landlocked countries of Central Asia as well as western China. We are also negotiating the Iran-Pakistan-India gas pipeline as well as the Turkmenistan-Afghanistan-Pakistan gas pipeline which would go onwards to India. Moreover, we are cooperating with China for the transit of oil from the Gulf region towards western China. These linkages will create inter-dependencies and complementarities, ensuring a win-win for all stakeholders.

Ladies and Gentlemen,

Pakistan is also keen to promote peace and cooperation with its neighbours by resolving outstanding issues. Most importantly, we are engaged in a composite dialogue process with India, which has reduced tensions and led to several confidence building measures. We have also engaged with India to resolve the core dispute of Kashmir which has bedeviled our relations for the last five decades. A lasting peace in South Asia requires a just and durable settlement of the Kashmir dispute in accordance with the wishes of the Kashmiri people. We recognize that a solution must be acceptable to all three parties – Pakistan, India and most importantly the Kashmiris. Pakistan has put forward several innovative ideas, which can promote progress towards a final settlement and we remain committed to this process. A permanent peace between Pakistan and India will enable both countries to divert their

resources towards socio-economic development, unleashing their tremendous potential for growth and prosperity.

Ladies and Gentlemen,

With our western neighbour Afghanistan, with which we share ties of history, culture and religion, we remain committed to promoting peace and security as well as support for its reconstruction and rehabilitation.

For the past two decades, Afghanistan remained in a state of turmoil as a result of the Soviet invasion in 1979 followed by the Afghan civil war in the aftermath of the Soviet withdrawal in 1989. During this period, the international community first supported the Afghans in their struggle against the Soviets and in the process recruited thousands of Arab youth to fight alongside the Afghans. However, once the Soviets withdrew, Afghanistan was abandoned to contend with its internecine conflicts, which provided a fertile breeding ground for religious extremism among the Arab and Afghan youth who evolved into the Taliban and the Al-Qaeda.

It was only after the events of September 11, 2001, that the international community re-engaged with Afghanistan. But as a neighbour, Pakistan was compelled to contend with the developments in Afghanistan and over the years faced the results of instability in that country in the shape of more than three million refugees, flow of arms and drugs as well as incursions by terrorist and extremist elements. It was, therefore, in Pakistan's interest to join the international campaign against terrorism and assist the international community to restore peace and stability in Afghanistan.

Today, more than 80,000 Pakistani troops are deployed along the Pakistan-Afghanistan border to conduct operations against terrorist elements. The successes achieved by our troops are unmatched and several hundred terrorists have been either eliminated or apprehended. At the same time, Pakistan has facilitated conduct of elections in Afghanistan, extended financial assistance for reconstruction, provided unhindered trade access and given technical expertise for development. In this favourable environment, bilateral trade has increased to unprecedented level of over a billion and half dollars. These developments underscore the fact that peace and stability in Afghanistan are in the strategic interests of Pakistan.

Ladies and Gentlemen,

With Iran, we have consistently maintained close fraternal relations as our countries share strong bonds of religion, history and culture. As regards the current controversy over Iran's nuclear programme, our position is very clear. Pakistan believes that Iran has the right to develop nuclear energy for peaceful purposes under appropriate international safeguards. We remain opposed to nuclear weapons proliferation by any country. In our view the issue must be resolved through dialogue and negotiations and we remain oppose to the use of force as this would only exacerbate an already unstable regional situation.

Ladies and Gentlemen,

In our view, the Palestinian problem continues to pose a grave threat to international peace and security. We believe that the continuing spiral of violence in this region must come to an end. This requires the creation of an independent Palestinian homeland so that both the Palestinians and the Israelis can live peacefully in their own countries within secure borders. The electoral choice of the Palestinian people must also be respected and efforts should be made to carry the peace process forward. Pakistan has extended its unqualified support to Palestinian President, Mehmood Abbas. We have also initiated contacts with the Israelis in order to encourage movement towards a lasting solution of the Palestinian issue.

Ladies and Gentlemen,

The rapidly worsening situation in Iraq is a cause for grave concern for the international community. In our view, it is imperative to preserve the sovereignty and territorial integrity of Iraq. Failure to do so would destabilize the entire region. The Iraqi people must also be empowered to deal with their political, economic and social challenges without external interference and intimidation. It is imperative that the international community comes to the support of the Iraqi nation.

Ladies and Gentlemen,

Turning now to the critical challenges at the global level, I want to highlight the key role being played by Pakistan in the international campaign against terrorism. This menace knows no borders and poses a threat to us all. Pakistan, as a victim of terrorism, condemns this scourge in all its forms and manifestations. As I have stated before, the successes that we have achieved in the war on terror are unparalleled. No other country has done as much as we have in this campaign. We remain committed to fight terrorism because, first and foremost, it is in our own interest to do so.

However, we also believe that it is essential to address the root-causes of terrorism in order to find a lasting solution to this problem. We must remove the reasons that have caused anger and frustration among those who resort to acts of terror.

At the same time, it is imperative to reject the false linkage that is drawn by some between terrorism and Islam. Islam is a religion of peace and tolerance. It abhors violence. There is need for a dialogue between the Islamic world and the West in order for a better understanding of Islam as well as of each other. Pakistan has put forward the concept of Enlightened Moderation which promotes reform within Muslim societies while at the same time calls upon the West to help resolve the root causes that have generated anguish and frustration among Muslims.

Ladies and Gentlemen,

Another global challenge is posed by the proliferation of weapons of mass destruction. Pakistan is firmly opposed to such proliferation and our government has taken stringent measures to ensure against any leakage of our nuclear assets while extending our fullest cooperation to the international non-proliferation regime.

In this context, I believe it would be appropriate for me to explain Pakistan's nuclear policy. Pakistan was compelled to develop a nuclear deterrent following the Indian nuclear test in 1974 which posed a grave and qualitatively new threat to our security. When the Indians tested again in 1998, Pakistan was obliged to conduct its own tests in order to establish the credibility of our deterrent capability. Not to have done so could have led to dangerous consequences at the time. Our decision was vindicated during the winter of 2001-2002 when it prevented the outbreak of hostilities following the deployment of more than a million Indian troops on our borders.

However, Pakistan does not entertain any ambitions for great power status nor do we wish to engage in an arms race with any country. Our defence doctrine is based on minimum credible deterrence. We are also in favour of a regional Strategic Restraint Regime in strategic and conventional weapons.

At the same time, we continue to believe that use of nuclear technology for peaceful purposes under international safeguards is the right of every country. There should be no discrimination or preferential treatment in this regard. Pakistan, as a growing economy, has an increasing need for energy and our energy policy envisages acquisition of additional capacity including production of nuclear energy which will be under the necessary safeguards of the IAEA.

Ladies and Gentlemen,

One of the positive aspects of globalization is the increasing capacity of the United Nations to play peacekeeping and peace building roles in different vulnerable areas of the world. It gives me great pride to say that Pakistan has been one of the largest contributors to the peacekeeping and peace building forces of the United Nations. The highly disciplined and well trained Pakistan army remains one of the most sought off forces in the world for such operations. Our civilian personnel, such as Police and administrative officials have also performed their duties with distinction in various trouble spots of the world.

Ladies and Gentlemen,

Pakistan's increasingly important role at the global level is underscored by its close relations with the major world powers.

With China, we have a long tradition of close and mutually beneficial cooperation that spans over 55 years. Our relations have evolved into a strategic partnership, which are a crucial factor for international peace and stability.

Pakistan is a major non-NATO ally of the United States and our strategic relations encompass cooperation in the political, military, security, economic and commercial fields. Washington recognizes Pakistan as a key country in the war on terror as well as our role as a force for regional stability.

Our relations with the European Union are also evolving into multi-dimensional cooperation as with Russia and Japan as well. Such cooperation enables Pakistan to assist in global efforts for peace and security as well as economic and commercial cooperation.

Ladies and Gentlemen,

A critical element of the emerging international environment is the growing tendency towards regional integration for shared economic benefits as well as to enhance the capacities for leveraging the process of globalization. Accordingly, Pakistan has been a founding member of regional and multilateral organizations such as the South Asian Association for Regional Cooperation (SAARC), the Economic Cooperation Organization (ECO) between Pakistan, Afghanistan, Iran, Turkey and the Central Asia States, the Organization of Islamic Countries (OIC) and the Asian Cooperation Dialogue (ACD). Additionally, we are observers in the Shanghai Cooperation Organization (SCO) and as part of our vision East Asia policy, we are seeking full dialogue partnership with ASEAN.

We believe that engagement with these regional and multilateral organizations will create mutually beneficial inter-dependencies and complementarities leading to a win-win for all stakeholders. In this way, we will be able to benefit from each other's best practices and help each other to help ourselves.

Pakistan is also playing an active role in the WTO where we strongly advocate the creation of a level playing field for all countries. Domestically, we have taken far-reaching measures to open up our economy so as to be able to compete effectively in the international market place. Our economy is open and there are no controls on investments, trade, joint ventures or capital markets. We truly believe that our structural reforms ensuring efficient production will enable us to compete internationally provided tariff and non-tariff barriers are removed and an equitable basis for comparative advantage to operate is made available.

Ladies and Gentlemen,

In conclusion, I want to reiterate that as a result of our wide-ranging reforms we have positioned Pakistan to meet the challenges of globalization and to benefit from its opportunities. Undoubtedly, there still remains room for improvement and for us reform is a continuous process. We have now embarked on our second generation of reforms involving institution building, infrastructure development and investment in human capital. Accordingly, we remain confident of our future in the era of globalization.

Thank you.