Sixth Five Year Plan (1983-88)

Before the end of Fifth Five Year Plan preparation for Sixth Five Year Plan was made. NEC approved the Plan well in time and implemented according to its schedule.

Size of the Plan:

The plan aimed at a financial outlay of Rs. 495 billion which was more than double the amount of Fifth Five Year Plan. Rs. 295 billion were decided to spend in the public sector and Rs. 200 billion were decided to spend in private sector. As regard to the proposed resources to finance the Plan two points were important:

(a) The share of net external resources in the gross investment would fall from 24% to 16% in the Sixth Five Year Plan.

(b) The compensating efforts in the domestic front were expected in the private sector, almost quadrupling the total private savings with little change in the size of the public savings.

Objectives:

(a) To make production sector of the economy powerful and stable.

(b) To accelerate the rate of economic development so that the standard of living of the people may be raised.

(c) To increase the agriculture production by using more fertilizers, better seeds and modern technology.

(d) To make the country self-sufficient in oil.

(e) To develop steel based engineering goods, modernisation of textiles, expansion of agro-based industries, etc.

(f) To provide maximum social services to increase the rate of literacy and to provide drinking water facilities, draining water facilities, etc.

(g) To create harmony among different sectors of the economy.

Targets:

(a) To increase GDP by 6.5% p.a.

(b) To increase family income by Rs. 900 p.a.

(c) To increase agriculture production by 5% p.a.

(d) To increase industrial production by 9% p.a.

(e) To provide jobs to 4 million people during the Plan period.

(f) To provide facilities of electricity to 88% of the village population.

(g) To increase exports from $ 2.43 billion to $ 4.91 billion by the end of the Plan.

(h) To construct 15000 km new roads from villages to cities.

(i) To lower dependence on foreign aid from 20 to 19% by the end of the Plan.

(j) To increase the efficiency of private sector, certain effective measures would be taken so that private sector may play its role effectively in the development of the economy.

(k) To enable 3 million acres of land for cultivation which had been destroyed by water logging and salinity.

It was decided to allocate 18.1% of the total expenditure to agriculture and water sector, 20% to power, 18.1% to transportation, 15.6% to industry 12.2% to minerals and 11.5% to social institutions. See the table below:

Sector-wise Division of Expenditure

(Rupees in billions)

Sectors	Total Expenditure	Percentage of Total
Agriculture and Water	89.72	18.1
Sources of Power	100.00	20.0
Transportation	89.62	18.1
Industry	76.91	15.6
Minerals	6.05	1.2
Social Institutions (health, education, etc.)	59.91	11.5
Other Sectors	75.79	15.3
Total	498.00	100.0

Strategy:

(a) **High Growth Momentum:** High rates of growth of GDP and other related macro economic variables are to be maintained:

- **(i)** Emphasis on increased efficiency in agriculture, particularly self sufficiency in oil seeds, expanding the exports of rice, cotton and fruits, etc.
- **(ii)** Balanced development of service industries, especially public services for basic human needs.
- **(iii)** Balanced development of service industries, especially of private services for government servants and private people.

(b) **Rural Transformation:** Increased opportunities for small farmers and provision of infrastructure.

(c) **Employment and Income Policies:** Creation of about 4 million new jobs for emphasis on small scale production in agriculture and industry, rural works programme, vocational training with combination, income policy which related wages to productivity, indicated salaries from fixed income growth.

(d) **Decentralisation:** To increase share of provincial governments in development programme of public sector and also encouraging to local bodies to participate in investment plans.

(e) **Backward Regions:** Recognition of the tribal and Balochistan as economically backward regions and provision of special funds for specific development programmes in these regions.

(f) **Self Reliance:** Continuing import substitution and export promotion policies and reducing dependence on foreign aid.

Performance of the Plan (Failure and Achievements):

During the Plan period, GDP was expected to increase by 6.5% p.a. It was based on the performance of agriculture and manufacturing sectors. Because these sectors could not play their role effectively so the plan seemed helpless in achieving the targets and objectives.

Further aggregate growth rate of GNP and GDP were related to expected increase in the rate of savings and investment during the Plan period. The savings were expected to increase from 13% to 25% in Plan period and investment rate from 6.5% to 7.5% p.a. But unfortunately these targets could not be achieved in the Sixth Five Year Plan.

Rate of net borrowing and net real foreign saving was expected to decline (because of the decline in foreign remittances). It was decided to increase domestic savings because the Plan did not present any argument or evidence how the saving rate would increase and how much to be saved by the private sector. Basic problem with the plea was shortfall in remittances. Minor crops grew by only 3.6% p.a. as against a growth rate of 7% p.a. envisaged in the Plan.

The Sixth Five Year Plan was a mixed success. It was described as a qualified success by Planning and Development Division. It fulfilled most of the targets, though there were some failures. On the whole, it was a good plan.