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DEVELOPMENT OF CONSULTANTS AND CONTRACTING PROFESSIONS IN PAKISTAN

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Pakistan is passing through very difficult times so far as working of the professions, both Consultants and Contractors, is concerned. It is primarily due to the investment climate in private as well as public sectors being uncertain for various reasons. Really speaking we have to face the factual situation and not labour ourselves with the analysis and evaluation of the factors contributing to this uncertainty. There has been a combination of various events; administrative, political, international, which have all combined to affect the tempo with which projects were progressing in the country. West Pakistan after having been broken into four provinces is still going through administrative reorganisation and throes of establishment of the provincial machinery. The aftermath of political elections has contributed to rethinking on the part of the private entrepreneur and they are all waiting to see the result and clear cut picture to emerge. International agencies for investment both for private and public sectors are also anxious to wait for the final outcome and to see which way the wind blows. This situation as a whole has adversely affected the business prospects of the two professions.

There are however still examples in the public sector where projects are moving forward but where mostly the foreign consultants or contractors are benefited. The feeling of the national emergency which the present situation should have created in the mind of employment agencies for consulting firms as well as contracting organisations unfortunately does not exist. There are examples which can be just considered only as exceptions in which Pakistani firms may not have come up to the expectations. Such instances are being used to condemn the employment of local talent as a general principle. This instead of building up the local profession is weakening them day by day. In absence of a definite policy decision by the government which is pending for the last over six years on the issue of local consulting engineers and contractors, there is a state of real confusion which is giving all the benefit to the foreign firms of consultants and contractors. There is hardly any check on the agencies of the government responsible for employment of the local firms who have

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considered this as a safe step not to employ the local firms at all thinking this being an administrative safe decision involving the least risks. Certain headway was made in the recent years where joint venture working on professional association and partnership of the foreign firms with the local firms was being progressively increased. However the general atmosphere in the country and development of other factors have all combined to the detriment of the professional firms on a major scale. In this process of uncertainty the foreign firms who were being brought under certain discipline and control have really benefited and exploited the weak frame of mind of our administrators and policy makers at various levels of the government.

International financing agencies were never serious and really true to their words to encourage local Pakistani firms. They had accepted the challenge of their association with the foreign firms as a necessary evil much against their protest and wishes. They would always use justification of the previous experience of the local firms and manage to create a situation whereby the local firms would never get this experience in their entire life. They are not prepared to let them make a beginning and this is a good justification for them to deny the prequalification of the local consulting as well as contracting firms on the major projects as a recurring feature. There were a few happy examples where the government officers were strong enough to build up the local firms and they took the initiative and strong stand in prequalifying foreign firms on the basis of their association with the local firms. Many of such officers had to suffer for this initiative for no fault of anybody and those who have stepped into their position are afraid to support the Pakistani talent any more. This has been an unfortunate situation through which local firms have to suffer in a really serious manner.

It is a major decision for the local firms, therefore how to contain and continue employment of their capable and well experienced professional staff. On the other hand there is a constant pressure due to rise in the cost of living, inflation, less productivity, reduced exports, international reduction of the currency value, which naturally necessitate for the employees to ask higher wages. The employers have no option but to cut back their strength and reduce their salary loads when the prospects of business are so dim and future uncertain. Employees work under constant pressure and strain. Many of the young engineers who have been living for years out of Pakistan make a determination and return here to give a serious trial to the process of their rehabilitation and establishment back into the country. They genuinely want to face the circumstances and struggle hard for their working with the Pakistani firms. However, the problem of the local cost of living in order to maintain certain standard to which they are used is so sharp and so overwhelming that

they really stagger in accepting reduced salaries to start their professional careers. In this process and struggle some of them return back to developed countries particularly to the allure of lucrative financial terms being offered by America and relaxation of their immigration laws. Others start their working in Pakistan but try to be on the look out to emigrate as soon as possible. The period they spend in Pakistan is full of constant pressure and mental strain. They are unable to produce their best. On the other hand Pakistani firms of employers in the professional field have to deal with this human problem in an atmosphere when business prosperity is most uncertain. This leads to violation of many codes of ethics. Cut-throat competition automatically is brought into play when there are so many firms practically sitting idle and so few jobs being offered. This is affecting the young professions of consulting engineers and architects very badly. For the sake of getting employment and business they seriously violate their minimum standards and ethics. This is destroying and shaking the very foundations of such professions. Rather undesirable type of precedents are being created which are going to affect their future badly. Contracting firms are forced to lower their tender rates by keeping their profits and financial risks extremely marginal. The biggest problem today for such firms is to maintain certain minimum staff and earn their wages as best as they can. Instead of using their initiative and enterprise to constantly improve their standard of working to go into fields of specialisation and tap more avenues where foreign firms are working under the garb of specialisation, Pakistani firms both consultants a ıd contactors have to continue their struggle for their survival and very existence.

There is a mushroom growth and a tendency for every individual who finds it difficult to establish himself in life in any other manner to start his consulting practice. Individuals get the jobs through major slashing of their financial fee and terms. This is the only way they can obtain the projects and begin their business because they do not have any extensive background experience and impressive biodata of their key personnel to offer. This leads to unhealthy practice and serious confusion being created where consultants are branded like contractors. There is open invitation for the employment of consultants on tenders, through advertisements in the press. Certain departments and corporations have passed their rules and regulations to employ consultants on the same basis and terms like contractors. While this struggle for the very existence of such professional firms continues still there are instances where foreign firms of architects, consulting engineers as well as contractors are being employed independently in their own name. No effort is being made by the concerned organisations to compel them to let Pakistani firms participate in the business with them. There are history-making projects like Tarbela

with rare opportunities which are building foreign consultants and contractors to use such credentials and their background to obtain jobs in other countries of the world. However Pakistani professional firms continue to be denied the facility of participation. They are untouchables indeed. Instead, employment of individual departmental hands and such like activity is being promoted which will in the end result in no well knit professional units to be available in the country to undertake these jobs either within Pakistan or even outside. There are examples of architectural projects, power stations, tele-communication jobs, agricultural developments, transportation surveys, ports and harbours, civil aviation and airports where the association of Pakistani firms is no more being felt as an important prerequisite for the employment of professional foreign firms. Justification of foreign assistance even for the namesake is being exploited as a big lever to ignore even standing instructions by some of the government ministries and departments. This is a major national loss on all fronts which nobody seems to be concerned with.

The past history of various development projects has clearly established that Pakistan has served as the most attractive training ground for foreign consultants and contractors. They have gained very valuable and useful experience at our cost. There are instances where Pakistan has converted such firms which were dwarfs and unknown in their home countries into international giants. We have allowed them freely to make mistakes and become wiser at our cost to become really useful and productive in some other countries of the world and get rare opportunities of their career. We have helped them to improve their professional status in the eyes of the world. However we have made it a point that our own Pakistani firms being inexperienced and young should be kept out of this activity. There seems to be a determined effort to discourage our own talent to come forward, make mistakes and learn for future on similar projects either within or even outside Pakistan. Every effort is being made to shield and protect the mistakes of the foreign firms first through their own godfather organisations working as so-called general consultants who are the watchdogs on behalf of foreign international financing agencies and who make a determined effort to blame Pakistani firms and protect the foreign firms, and secondly, through the efforts of our own agencies responsible for the employment of foreign firms. It appears that omissions and mistakes of the foreign firms are never considered so serious and they are being continued to be assigned more and additional jobs. However, even the minor mistakes of the Pakistani firms are viewed with microscopic vision and being used as a big whip and lever to discontinue their activity by blaming the very principle of their association. The situation is really unfortunate and all odds seem to be combining their forces against the Pakistani talent on all fronts. There

are instances of failures by foreigners on major projects like Power Stations, Ports and Harbours, Irrigation Barrages, Highways, Bridges, Town Planning, Water Resource Development and many other fields which are being covered under sands of time. In any other country of the world such failures would be automatically a subject matter of professional enquiries leading to printing and publication of professional reports. In Pakistan these failures through which the future generation can really learn the most are all being shrouded in mystery and buried for ever. We are therefore losing heavily first through such mistakes and their rectification and even through denying our future generations to benefit from the vital investigation records. Our posterity of engineers will have heavy justification to curse us for our national neglect.

The serious brain power drain out of Pakistan is a major factor to be reckoned with. We are dependent on imports of foreign advisers and consultants in one shape or the other while in their home country our young and talented engineers, professionals and scientists are manning those services and making up the deficiency of their own supply and demand situation. USA depends on Asia to make up for 17% of their total professional immigrants and Pakistan is fairly active in its share out of this figure. It is just an irony of fate for us that developing countries continue to suffer through offer of attractive employment to our own talented young men who are migrating in large numbers into developed countries through the pull of their financial resources offering very attractive salaries. On the other hand it is through social security that such countries continue to export their aged and retired specimens as the so-called experts and advisers to help us on our own projects. These experts are essentially a prerequisite to fulfil certain conditions laid down by the international financing agencies who under no circumstances would agree either to prequalify Pakistani firms or individuals to safeguard their interests.

The best remedy to contain and satisfy such young talented professionally qualified Pakistani engineers is to provide the opportunity for their employment by Pakistani firms. They can do so with courage and boldness on the basis of business opportunities which are very bleak and diminishing day by day. They cannot offer them the salary brackets they would deserve and expect for certain minimum living standards. Under these circumstances there is no alternative left for people with mature and very useful experience but to leave Pakistan in large numbers which they are doing every day and seek avenues of employment in foreign lands.

Some of the Pakistani firms have taken bold steps to establish their branch offices in the neighbouring Middle East countries. Their foreign exchange earnings are labelled as invisible earnings and they are denied the facility

of Bonus Vouchers on such earnings. On the other hand they have to go through a cut-throat competition with other foreign firms who are supported by their own governments and who are given all possible incentive to subsidise the loss of their financial fees. Under these circumstances Pakistani firms of consultants and contractors who have undertaken the pioneering steps to look for opportunities out of boundaries of Pakistan are not being given any genuine support and help to enlarge and strengthen their operations. This is resulting as additional burden and loss to such Pakistani firms particularly when their domestic operations do not yield for them enough business opportunities to financially support their losses abroad. They are also suffering on international level for their prequalification because major projects are being financed in Pakistan in one shape or the other by international agencies who would not recognise Pakistani firms independently. On the other hand the firms with whom they have to compete abroad bring to their credit experience of many such projects and are accepted for prequalification and enquiries being issued directly in their name. Pakistani firms are deprived of such opportunities of their career by not being associated on development projects within their own country. As a result they are ignored even out side and not being prequalified and recognised as eligible for major government development projects. This does not help them therefore on any reliable and major scale to even create employment opportunity for Pakistani professionals through their foreign operations. Here again they have to struggle hard for their existence in spite of their every effort and will power to explore the foreign markets. Export Promotion Bureau is interested for such firms to earn foreign exchange and bring back into the country. So is the State Bank of Pakistan. However the policy-making part of the government is not sympathetic towards allowing the foreign exchange earnings of such professional firms to be given the facility of Bonus Voucher earnings and income tax incentive on their earnings as allowed to exporters of industrial products. It is a serious anomaly that employees of such firms, earning salaries through the same Pakistani firms, while working abroad can remit their savings and earn Bonus Voucher but their employers on their earnings cannot get any Bonus Voucher.

The consulting profession is in its infancy in Pakistan. Very often it has been the victim of tussle between public, semi public and private sectors. In fact each one of the sectors as far as working of the departmental engineers or private consulting profession, have their own significance and justification of existence. Rather than a struggle for elimination of one in preference to the other it is time that the technical and professional hands in public and semi public sectors should appreciate the need for consulting as well as well organised contracting profession in the country. There are many instances where some

of the senior engineers all their life have been rigid and extremely narrow in their outlook and have always tried to run down the young and pioneering engineers who are in the private sector. However, such senior engineers realised the mistakes they have been doing only after their retirement when it was rather too late. Extensive harm has been done to the young consulting profession by them and they have tried to appreciate the correct situation from the other side of the table when they have tried to enter this profession themselves and face the problems with a sense of realism. It will be useful if the confession of such senior engineers is brought on record to open the eyes of those who are still serving actively in the public and semi public sectors and who feel that they are doing their duty to oppose the establishment of healthy independent private profession of consulting engineers in Pakistan. They do not appreciate and realise at this moment how they are retarding this important progress which must go on like any other countries of the world. Even in India, our neighbouring country, where the government and the public sectors have been very strong, have realised the importance of private firms of consultants and they are doing it with full sense of national prestige and patronage. Every day new experiments are made in the process of prequalification, negotiation of financial fee, agreements and working of the consultants depending upon the whims of certain individuals. All these things have been tried for centuries in other countries of the world and rather than making new experiments their useful experience can be always utilised which unfortunately is not done with the result that a lot of time is lost, projects are delayed, their earning capacity is deferred and colossal financial delayed earning capacity is nobody's concern compared to an effort to save fraction of small amount on the fee of consultants.

A few of the typical problems facing consulting and contracting profession in Pakistan have been highlighted. Unless we take stock of such difficulties and problems we cannot think in any realistic manner as to the steps to be taken for the development of these professions. Basically the full sense of national approach and tolerance is the first pre-requisite without which no profession in the world can prosper. The sense of suspicion, jeolousy and rivalry between engineers serving in government departments and those who have either left the government service or have established their enterprise without joining government service at all must disappear without which such professions will always suffer. Mistakes and omissions of Pakistani firms of consultants or contractors should be viewed with a sense of accommodation as an important phase of their experience and knowledge rather than being used as a justification to cripple these professions and strengthen directly or indirectly foreign firms who fully exploit such a situation. The international

financing agencies must be compelled to accept our national policy which must be evolved as quickly as possible in order to promote the establishment of these professions with sincerity and honesty. If we put our house in order and approach the foreign agencies with full strength and conviction and a clear cut national policy all the problems facing independent prequalification and working of our own firms will disappear. The training ground and the experience which is being offered to foreign firms at our cost should all be available to our own firms first so that they pick up know how and the knowledge which may be useful not only to serve on similar projects in Pakistan but also in RCD countries, Near East, Middle East and to African nations. This will not only help the economic stability of the country through earning of foreign exchange but will also improve the political relationship and image of our nation with those developing countries.

The establishment of association of consulting engineers and contractors is a very important step. It is a fundamental prerequisite that members of the profession should have a proper mental outlook and certain ethics before entering into these professions and should not try to ridicule the profession only for the sake of commercial and monetary gains. The voice of individuals when collected on a platform is definitely going to gain strength and will be felt seriously and more strongly in all the relevant quarters. Whether it is engineers serving in government departments, semi-autonomous organisations, private firms of consultants or contractors, should all combine their efforts to make the professions of consultants and contractors, a success in Pakistan. United we stand, divided we fall.