



## External Relations Department

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### **22nd Zahid Husain Memorial Lecture: The Role of a Central Bank in National Economic Development by Professor Sir Paul Collier**

Creating a shared narrative induces mutual obligations on the part of the public to contribute towards economic development while introducing constraints on rulers at the same time. Central banks as a constitutionally independent institution, can do a lot to create this shared narrative. This was stated by Sir Paul Collier, Professor of Economics, Oxford University, UK at the 22<sup>nd</sup> Zahid Husain Memorial Lecture organized by the SBP at a local hotel in Karachi on February 1, 2018.

Professor Collier, while discussing the capacity of state institutions to tax and to install checks and balances on the abuse of power, emphasized on the belief of a sense of shared belonging, a sense of fairness and a sense of purposive action. Without these complementary beliefs sustained economic development would be hard to achieve, he said. Adding further, he said that it is imperative to create a shared narrative and inculcate these beliefs among all the main stakeholders, if a country wants to walk the path of sustained economic development.

Referring to SBP, he mentioned that the recent emphasis of SBP on provision of financing to underserved segments of the society such as to SMEs, low cost housing finance and agriculture are purposeful actions in this regard. He also praised the national consensus on CPEC as a powerful symbol of national unity. He further added that these actions accompanied by sacrifices of current generations will create trust between the government and the general public needed for achieving economic prosperity for future generations.

Earlier in his inaugural address the Governor State Bank of Pakistan, Mr. Tariq Bajwa, introduced the guest speaker and recounted his achievements in the field of economic research and policy making. Governor Bajwa also highlighted the role of the SBP in the development of Pakistan's economy through strengthening financial institutions, developing human resources, providing credit to SMEs and other priority sectors and spearheading efforts for financial access to underserved segments of the society.

Justice (retd.) Mr. Nasir Aslam Zahid, son of (late) Mr. Zahid Husain, first Governor SBP, also graced the occasion as chief guest. The lecture was attended by former SBP Governors, SBP Board & MPC members, diplomats, vice chancellors, deans and students of various universities, presidents and CEOs of banks, and other bankers.

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