

Poverty and International Development Partners in Punjab: An Appraisal (1999-2006)

Poverty has numerous dimensions and dynamics. What is poverty; how it can be measured, and what parameters signify it, is still to be decided and yet the entire world is endlessly endeavoring to eradicate poverty. On the other hand, specialists have attempted to characterize poverty in many different ways; every definition investigates an alternate aspect of human hardship as all agree that poverty revolves around the human beings.

The concept of poverty and its effect are therefore, as complex and difficult as is the human being. Each form of poverty looks into human deprivation and sorrows with different lens and ideology. This paper discusses different forms of poverty and their impact on human life. Given its wide range and variety of faces and its impact, experts are confused as how to qualify as well as quantify poverty and its consequent burden on the mankind. This paper also reflects on some of the most important 'measures' of poverty. Finally, this paper discusses poverty in Pakistan and especially in the province of Punjab and the role of international donor agencies in reducing poverty during 1999 to 2006 in the province of Punjab. A brief discussion on the results of the study concludes the paper.

Poverty – Different Definitions and Implications:

Experts have defined and elaborated the concept of poverty through many different forms and means. The New Encyclopedia Britannica defines poverty as a situation when people cannot meet their basic needs.² Therefore, in order to identify the poor, we need to understand the concept of basic needs. Some experts define the basic or the fundamental needs as those needs that are essential to survive in this world.³ There are other experts who believe that basic needs are no different from our existing living parameters.⁴ In fact, the 'basic needs' is a relative term as one's basic need may be different from that of the other.

The 'basic needs' definition highlights two standards of poverty; first includes the people who fall in the margin of death or hunger and second covers those people who are though able to sustain their life with satisfactory nourishment, housing and clothing yet their living standards don't compete with that of the population and community at large.

Encyclopedia Americanahas explained the concept of poverty in terms of haves and have-nots. Poverty is a state where there is no money and no power; people without money and power are poor.⁵ No money means both lack of cash as well as resources to meet such essentials needs as food, shelter and physical wellbeing. On the other hand, no power means inaccessibility to all sorts of opportunities: economic, socio-political and others that are available to those who are not poor. Those who hold helms of affair and power mostly control lives of these poor. Experts further observe that being a relative and intangible phenomenon, the state of no power and hence poverty can only be assessed and understood by proxy indicators such as income and consumption level.⁶

In line with this assertion, people are said to be poor or experiencing poverty if their incomes don't support them in having a living standard that other normally enjoy. Irish National Anti-Poverty Strategy (NAPS) endorse this definition of poverty.⁷ As a matter of fact, inadequate earning and other resources may exclude people from the options and opportunities enjoyed by others in their normal life.

Poverty manifests itself through many casts and colours. It wears a new face at a new place. Moreover, its context and connotation change with time. However, its impact is always in terms of lacking either in form of assets, opportunities or honour and self-respect.⁸ Social exclusion and poverty are mistaken as synonymous; actually they are not. Poverty has many aspects and angles and assumes different attire in changed places and time and it deprives people of their rights and self-respect they deserve.⁹

World Bank has very appropriately captured different elements of poverty. The World Bank defines poverty as a state where people starve and have no place to live. Poverty means having no access to medical care and education facilities and hence being sick and illiterate. Poverty is being jobless and getting sick for not having access to drinkable water and seeing one's child die for want of money. The rigors of poverty are not confined to these aspects only: inability to decide for oneself and speak for oneself is also Poverty.¹⁰ As a matter of fact, there is hardly any single definition that fully describes poverty and its dynamics. Nevertheless, levels of income or consumption provide a reasonable proxy for poverty and its impact. Therefore, most common and acceptable definition of poor and poverty delineates that one is poor when her earnings or consumptions don't meet the lowest level to fulfill the fundamental requirements of life. Economists call this lowest level as the poverty line.¹¹

Each country has its own lowest level or poverty line. Therefore, poverty lines differ from place to place and country to country. In fact, poverty lines are established in line with development level of the country. However, in order to create a common measure and unit that is acceptable and understandable to all internationally, the World Bank has set the poverty line as \$1.25 per day. World Bank has reported 17% people living below the poverty line in 2011 as compared to 43% in 1990 and 52% in 19981 respectively.¹² Although the world has definitely lesser number of poor now than a few years back, yet still millions moan under the burden of poverty.

Furthermore, poverty is a convoluted and complex concept with many faces and aspects that are linked in a number of ways. World Development Report (1990) observes poverty as a state of deficiency of only material resources that can be better understood by level of income or consumption of individuals.¹³ However, World Development Report (2001) goes further and takes into account the poor indicators of education and health while describing poverty and the poor.¹⁴ Poor indicators of education and health indeed, do carry great concern however; their impacts and significance can best be explained and understood when these couple with inadequacy of material resources. In fact, World Development Report (2001) expands the scope of poverty and further highlights the negative outcomes of being poor and living in poverty. One is poor if she faces the risk of being rendered poor, helpless and unaided and when she is not allowed to take decisions even for herself. These faces of poverty take us to a higher level of discussion and philosophy of life, poverty and development. In fact, these barriers and limitations further constrain the human beings to enjoy the real freedom of life that AmartyaSen (1999) expounded years ago that real development and freedom of life is the ability or the option to live a life of one's own choice and freedom.¹⁵

Needless to highlight the fact, with this expanded scope of and approach to poverty, the policymaker as well as the development practitioner have indeed, enhanced their understanding of the concept of poverty, its causes and impacts as well. This better comprehension of the concept of poverty has definitely helped them formulate better policies and programmes nationally and internationally to effectively respond to mitigate the impact of poverty. In fact, in order to make evidence based policies and action plans, proper understanding and diagnostics of the public issues always remain a priority for policymakers. Hence policies and programmes have to be broad and holistic to be able to respond to most of the dimensions and dynamics of poverty. Every facet and side of poverty

is linked with each other. Improved access to safe drinking water not only improves health outcomes but also improves education indicators and income levels as well.¹⁶ Similarly improved education outcomes improve health of people and subsequently their income levels. Moreover, increased income level improves both health and education outcomes.

Protecting poor people from poverty shocks reduces their exposure to the negative impacts of poverty. It also helps them move further into the life without being halted and missing opportunities.¹⁷ Moreover, involving poor people in the process of decision making leads to informed policies that are more responsive to the needs of the poor and the needy in all sectors including health, education and water supply and sanitation. This also helps reduce the deprivation of the poor people. Understanding these linkages is the key to designing and implementing need based policies and programmes to pull up the poor above the poverty line.

Research studies have discovered that gender discrimination poses similar challenges to both poor and non-poor families across all provinces of Pakistan. However, due largely to lower education level and meager incomes, gender discrimination hits poor families very hard and results in low learning and enrolment rates among the poor women. This consequently leads to poor social and economic development as elaborated in the following paragraphs.

Given the complexities attached to the poverty and its impact, various programmes and initiatives have been launched nationally and internationally to reverse the impact of poverty and deprivation. Resultantly various methods, measures and milestones have been established nationally and internationally to see progress on these initiatives. Various covenants and agreements have been signed to keep track of efforts being made to end poverty in this world. Millennium Development Goals (MDGs) are one such effort by the international community to fight against poverty. Pakistan has been a devout signatory to MDGs.

As discussed earlier, poverty has many faces hence; each aspect of poverty needs to be confronted independently and with different approach. Poverty estimation allows nations to understand poverty in broader and holistic perspective, going beyond the individual experiences. It helps counties to formulate realistic and comprehensive strategies and actions plans to eliminate poverty while pursuing clear and quantifiable targets.

Millennium Development Goals (MDGs):¹⁸

Skewed distribution of resources always remains a major drag on eliminating the curse of poverty in this world. Developed and rich nations enjoy all the privileges of life while poor and resource-constrained economies lag far behind and many in the developing nations fall below the poverty line. Result is unabated miseries and misfortunes. Despite great riches and technological advancement world still faces severe poverty, hunger, disease and uneven distribution of world economic wealth. In order to eliminate poverty, international community years ago agreed on certain targets and a framework to reach those targets.

In pursuit of this milestone, the nations aimed to make this world amenable for all; where all have access to basic necessities of life. The signatory nations also resolved to uproot poverty from this world and push it to record rooms only. Subsequently 189 countries signed and agreed to the achievement of eight Millennium Development Goals (MDGs) by 2015.¹⁹

1. Remove extreme poverty and hunger

2. Achieve universal primary education.
3. Promote gender equality and empower women
4. Reduce child mortality.
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability.
8. Develop a global partnership for development.

MDGs required halving the proportion of the poor living in extreme poverty and also to ensure that all in the world attain universal primary education. Discrimination to women and girls and reduction in child and mother mortality were also among the agreed MDGs. Fight against HIV / AIDS, malaria and other such disease also figured out very prominently in the MDGs. The participating nations also agreed to ensure environmental safety and sustainability for posterity and development. It was also committed that information and communication technology (ICT) should be used to create networks and linkages for developing a better world for all.

However, despite lapse of many years, many nations are found off track against a number of goals.²⁰ In fact, despite giant leaps of progress and advancement, the dividends of economic development have not reached the poor of the world. The story is not very different in Pakistan.

Resource constrained economy of Pakistan is unable to reverse the incidence of poverty in the country. Ever increasing rate of unemployment, inflation, food security issues, energy crisis and ever worsening income inequalities are the major drags on national resources to deliver quality social service to the people of Pakistan. Punjab is no exception to this reality; it lacks resources to meet the ever-growing needs of its citizenry.

Last few decades have seen enormous progress in means of human development. However, the challenge still holds as to how to translate the result of the economic development into concrete benefits for the poor. All nations in one or the other way, are working to end poverty however, progress remains meek and modest. We still lack the means and ways to fully realize the potential of human beings, which is the real freedom and development.²¹ There are definite improvement in certain areas such as education, health and water supply and sanitation however; still a lot needs to be done. It is high time that nations should aim at strengthening human capacities, ensuring peoples' honour and expanding the opportunities and options that fully actualize the human potential and development.²²

Pakistan and Poverty:

First MDG required Pakistan to reduce poverty from its 1990-91 level of 26.1 to 13 percent by 2015.²³ However, due largely to resource constraints, political instability and security situation Pakistan has always struggled to attain this goal. Given that in Pakistan poverty is predominantly a rural phenomenon, the war against scarcity and hunger will largely be won or lost in the rural areas of Pakistan where more than 70 percent of Pakistan's poor live. Available evidence suggests that poverty headcount ratio increased to 36.1 percent in 2008-09, which essentially means that about 62 million Pakistanis lived below the poverty line and of these, about 48 million lived in rural areas of Pakistan.²⁴ Rural

poverty in Pakistan is recognized to be multi-dimensional in its causes and manifestations, including lack of income, productive resources and genuine participation in social and economic development as well as in decision making. Rural women in Pakistan face double burden of deprivation. They are not only women but also poor. Their contribution to agriculture, livestock and other activities, although quite significant, remains unnoticed, attracting least social and economic recognition. Although rural woman is responsible for about 60 to 80 percent of livestock care, yet its potential remains far from being realized and acknowledged effectively.

There is another method to measure the poverty line, which is by identifying the needs of a household and then determining the minimum earning level to meet the set of basic needs as identified earlier. This definition is however; quite subjective given that basic needs differ from person to person, from place to place and even from time to time. Experts have also attempted to measure poverty through using health, education and income levels of the people; they call it 'poverty of opportunity index'. Mahbub-ul-Haq Human Development Center in Pakistan has used this index as well while discussing poverty.²⁵

In Pakistan, the following three explanations of poverty are highlighted in Pakistan Poverty Reduction Strategy Paper – PRSP (2003). Firstly Pakistan has set income of Rs.750 per capita per month and consumption of 2350 calories per person per day as the poverty line.²⁶ Secondly the Calorific requirement method wherein all those families (or individuals) are classified as poor who do not have adequate income to be able to have the least calorie requirements. It is also expected that the families' incomes is inadequate to meet the caloric as well non-caloric requirements.²⁷ Finally the basic necessities method wherein the needs of a household are identified through surveys or interviews and subsequently a minimum income level is worked out that meets the set of basic needs as identified earlier. However, personal biases enter into this explanation of poverty given that the opinion of several persons concerning basic requirements may differ considerably.

Pakistan, like other developing countries has been focusing on attaining the twin objective of increasing progress and decreasing poverty through various development policy frameworks, programmes and projects. Pakistan was comparatively successful in its struggle during the 1980's as the poverty level dropped significantly. The matter however, became more difficult and disturbing as the poverty level in the country increased during the 1990s. As a result, reviving economic development and improving access to such basic services as primary education, better health care and population welfare facilities, along with strengthening governance turned out to be very critical to reducing poverty.²⁸ As a matter of fact, in Pakistan, poverty is a main social problem; people are deprived of the basic necessities of life. When compared to other countries, per capita income has been very low.²⁹ The government of Pakistan has tried its best to reduce poverty but it is not successful in defeating poverty, only the severity of the problem could be reduced.

Although the economic development is not the only condition to lessen poverty and bring about progress in the country, yet it is one of the most important ways to reverse the prevalence of poverty in the county. Standard growth rate of GDP has been around 4.6 percent in 1990s as against 6.5 percent in the 1980s hence high poverty rates were recorded at the end of 1990s. Government of Pakistan reacted to increasing poverty by developing a Poverty Reduction Strategy Paper (PRSP) in 2003. Consequently macroeconomic stability, strategies of liberalization and deregulation and positive exterior circumstances led to a renewal of growth in the following years. Considerable growth in pro-poor expenditures was also a vital element of the poverty reduction strategy.³⁰

Poverty in Punjab (1999-2006):

Punjab was and still is Pakistan's biggest province in terms of populations and economic development with a population just over eighty two million or fifty five percent of the total population during the study period. Similarly Punjab shared almost half of total (GDP) in the country. About 75% of the total irrigated land in Pakistan existed in the province of Punjab. During the period in discussion, Punjab contributed over 80% of the country's wheat and cotton, 94% of rice of super quality, and approximately 65% of its sugarcane. Overall it contributed about 68% of the yearly food grain production in the country during the study period.³¹ Despite this economic progress, rural urban disparities and regional imbalances in Punjab have been just similar to those across the country. One explanation for this obvious enigma has been the fact that a majority of population of Punjab is rural as compared to the rest of the country. Therefore, general picture of Punjab resembled closely with that of Pakistan as a whole and prevalence of poverty has been nearly 33% percent, which was higher than it was a few years ago.³²

Punjab had been overwhelmed with the curse of poverty. In spite of substantial economic gains, and considerable injection of economic and technical support from the international development agencies, poverty continued to increase over the last few decades.³³ Though the province is not as industrial as Sindh, with just about thirty percent of the population living in urban areas, it housed a large number of Pakistan's large and small-scale industry, much of it in simple textiles and food processing.

Like other provinces, Punjab also faced a dilemma of having no dedicated and implementable policies and plans to reduce poverty and socio economic degradation, weak public sector economic and financial administration and poor social service delivery. Having huge population in the province, and the amount of economic activity it had generated, Punjab's development progress has an important effect on Pakistan's economy nevertheless, and it has never been good enough to pull up all above the poverty line.³⁴

Poverty in Punjab Analyzed:

Punjab PRSP discussed poverty in terms of earnings, consumption, and extent of availability and accessibility of social services and basic needs in rural and urban areas of the province. However, a deeper exploration and indulgence seems imperative to understand the dynamics and patterns of concentration of poverty across regions and areas in the province. Such analyses always help inform public policy and recognize needs of the people effectively for better policy making.

Like other provinces of Pakistan, poverty in Punjab grew in urban as well as rural areas and is increasing from the last decade. Urban poverty in Punjab increased significantly from 1993 to 1999, which was indeed, more than the increase in national urban poverty.³⁵ Meanwhile, the poverty in rural areas also increased by more than 7% during the same period however, national rural poverty head count decreased though slightly. The existing literature therefore, indicated significant surge in poverty in Punjab in both the rural as well urban areas.³⁶ While poverty in cities grew from 22% in 1993 to 24% in 2001; poverty in rural areas, which had more than 70% of Punjab's population, increased significantly from 26.5% to 44.2% during the same period. As a matter of fact, poverty in Punjab was even higher than that of overall national poverty level in 1999. Ironically even urban poverty in other provinces stood at lower levels than in Punjab.³⁷

Moreover, various dynamics and geographical distribution of poverty in the province has always needed a deeper analysis at the district; the actual service delivery units. While the trends distinctly showed increase in rural poverty since 1990, it concentrated most in the slums in urban areas. In Southern Punjab, poverty has been more than that in the central and northern districts. Out of the 36 districts of Punjab Province, Rajanpur, Muzaffargarh, D.G. Khan, Layyah, Lodhran, Bhakkar, Pakpattan, R.Y. Khan,

Bahawalpur and Jhang were more deprived nevertheless, having agrarian economic base, Punjab had not as much of food poverty as in other provinces.³⁸

During the study period, poor access to social service turned out to be the most significant drag on societal wellbeing in rural Punjab, which could be verified through the available data.³⁹ Similarly the status of healthcare services in Punjab was not very different from that of the overall condition in the country. By any means and ways, rural Punjab lagged behind from other provinces in terms of access and coverage of healthcare provision. As discussed earlier, during period in discussion, over 70% of the population of Punjab lived in villages with very poor healthcare facilities.⁴⁰ As a matter of fact, dividends of economic development had never been translated into better health and education services for the poor segments of our society. This visible inconsistency may be explained by a number of factors. Socio-cultural behaviors, mainly because they are associated to the female health and education services, coupled with insufficiency of income or wealth might have reduced demand for education and health facilities.⁴¹ We could only hope to have improved education and health indicators in the coming years.

Similarly it is an important fact that the data and statistics listed above are but inadequate measures of access to services as the presence of a facility is not enough to assure quality, or even that the facility is efficient. Barriers associated with quality of services in health and education sectors, after conducting so much research, always remain common and inadequately explored in Pakistan. Similarly the situation in Punjab has hardly been different. Efficiency of these facilities for the poor and deprived groups also happened to be low thus limiting their ability to build skills and enhance their incomes.⁴² In fact, keeping in view these limitations, P-PRSP included reform programmes to improve governance, accessibility and quality indicators of healthcare and education services in the province.

The accessibility of piped water for the low-income households in rural areas was also abysmally low than the little high-income households of rural areas. Under-5 year death rate was quite high (about 11%) due largely to poor healthcare services. Similarly children vaccination levels stood awfully low (about 60%).⁴³ Likewise while mother mortality rate (MMR) also stood high (about 350/100000) largely. Because of poor access to emergency pregnancy services, only 40% of pregnant women availed gynecological services for only once. Moreover, despite increase in age at marriage and use of family planning methods, the fertility and population growth rate had respectively been very high at 4.66% and 2.1% annually.

Deficiency of food has been a main reason to child and mother mortality. During the study period in Punjab, about 4 million children were undernourished, and about one third of pregnant women were anemic.⁴⁴ The situation was even worse among the poor with sixty nine percent higher death rates and hundred percent higher underweight children respectively than those of the better-off households.⁴⁵

Women's deprivation is always evident from their socio-political and cultural exclusion in the society. In spite of the fact that Pakistan's Constitution precludes any discriminatory treatment on the sexual grounds, deeply entrenched socio-cultural barriers push women to petty positions in all walks of life, public and private alike.⁴⁶ Devolution tried to address these challenges significantly through reserving one-third seats in the parliament for the women and in the local councils as well. But this was not good enough to uproot the centuries old informal institutions of customs and mindsets. In line with its efforts to overcome these gender barriers, Punjab also introduced many reforms under the gender reform action plan (GRAP).

In order to halt the ever-increasing rural poverty, Punjab primarily needs to focus on major issues of poor land productivity and small landholding size that are the real drags on rural poor. A comprehensive diagnosis of the real impediments to income and productivity enhancement in the rural areas of Punjab seemed imperative for any plan or programme to succeed and deliver.⁴⁷

While profiling poverty in Punjab, SPDC has used deprivation as measurement of poverty. SPDC divided the districts into three groups; low, medium and high deprivation. While Lahore was turned out to be the least deprived district of the Punjab, Rajanpur happened to be the most deprived one in whole of Punjab. In Multiple Indicators Cluster Survey (MICS), Rajanpur again sat at the bottom of deprivation index.⁴⁸ Needless to highlight the fact, Punjab government typically has lacked resources to fund its social and economic services for the people of Punjab as highlighted in its policy documents such as Medium Term Budgetary Framework (MTBF) 2006-2009. In fact, during the study period, Punjab received more than 80% of its funds from Federal transfers and 20% from its own sources. Evidence further suggested that Punjab spent even less than USD 30 per capita to fund its all development and non-development functions, debt servicing, support to local government institutions, infrastructure building, social service delivery and etc.⁴⁹ Nevertheless, despite all the financial constraints, the Punjab government resolved in P-PRSP to enhance its existing spending for the poor to another 40% by 2006.⁵⁰

Punjab government has introduced number of initiatives in the social sectors to improve delivery of public services. Therefore, a sizable increase in social sector spending was witnessed around the period in discussion. In line with overall provincial trend, Punjab spending on education, health, and water supply & sanitation services amounted to 32% of the total provincial expenditure during 2001 to 2004. However, sector growth remained mixt during these years ranging from 12.1% in education, 7.7% in health, and 8.6% in water supply and sanitation. In line with its commitment, Punjab government further increased its spending in education, health and water supply and sanitation respectively to the tune of 27.2%, 40.8% and 123.9%. Overall the social sector spending increased by 35.8%.⁵¹ In line with this trend, budget 2004-2005 significantly increased the non-salary budget for improving the social sectors' performance.

Drive against poverty has always been a top priority of the Punjab government through launch of various long and short horizon development initiatives. In fact, previously Government of Punjab had no strategy document to reduce poverty in the province. This implied that while resources were spent on different poverty reduction plans and activities, there was hardly any focus on pro-poor spending. Similarly there was hardly any relevant and reliable information available on poverty and poor as well in the province, which made it impossible to measure the impact of the development initiatives on the conditions of the poor.

The Chief Minister Punjab announced Vision 2020 on June 15th 2004. While setting the tone and tenor of reforms programme of the Punjab Government, the Vision laid down the strategy and broad framework to accomplish the development milestones of Punjab. The Vision resolved to make Punjab a modern, innovating, tolerant and prosperous province of Pakistan and envisaged ushering in an era of development and prosperity in Punjab. Vision 2020 further undertook to make Punjab a 'fully literate, fully employed, highly educated, skilled, talented, tolerant, culturally sophisticated, internationally connected, and a reasonably well off healthy society'.

The Vision foresaw an economic climate with education institutions delivering education of high quality and standards; markets booming with economic opportunities, multinationals operating at full swing, state of the art infrastructure and urban centres supporting businesses, with agriculture sector adding high value to the national GDP, last

but not least an economy attracting huge international capital; all adding to a per capita income of USD 2000.⁵² The Vision actually set very high goals and thresholds for social as well as development.⁵³

Poverty: its impact and reversal is an intricate phenomenon that all the nations on the planet are fighting with. There are numerous variables and players in the battle against poverty and deprivation. Coordination among these variables and components always remain an uphill task for the nations. With ever increasing international collaborations and interdependencies, poverty has fast become an international phenomenon and area of great concern for all, developing and developed nations. Many national and international players and stakeholders have joined the fight against this evil. As the number of actors in this fight is increasing, the coordination and integration of everyone's efforts and work, is also getting harder and harder. Therefore, effective mechanisms and plans need to be in place to ensure coordinated and integrated front against this giant. Punjab PRSP was a step in the right direction. It has provided Punjab with an effective and clear strategy and methodology to take on poverty in the province.

In order to reverse the incidence of poverty and make Punjab economically and socially vibrant and prosperous, Punjab developed Punjab Poverty Reduction Strategy Paper in 2003. P-PRSP provided a comprehensive and a very robust framework for development of Punjab. While it laid down the social and economic priorities of the province, it also provided various policy as well as operational programmes to accomplish Punjab's vision of social and economic development. Punjab termed P-PRSP as a dynamic document being updated regularly to be able to respond to changing scenarios and challenges while incorporating all the lessons and best practices learnt to achieve the set goals.

In order to assess broader parameters of needs of the citizens and poverty patterns, the Government of the Punjab in 2003 for the first time-ever carried a huge exercise Multiple Indicator Cluster Survey (MICS) in collaboration with international development partners such as UNICEF, World Bank and ADB. While setting the baseline for various social and economic indicators, the Survey collected disaggregated data at the district and tehsil level. It was principally decided to carry out MICS every three to four year. MICS not only collected data on various key social indicators, it also provided information on economic vitals on the province. MICS provided data on health indicators such as mother and infant mortality rates, under nutrition, immunization, pattern of disease etc. and education such as literacy rate, enrollment level etc. It also provided data on water supply and sanitation as well. The Survey clearly brought out the status of social and economic status of each district in Punjab and provided the policymakers with clear understanding of poverty pattern and poor social conditions of the people in various districts of Punjab. This provided them with evidence to prioritize their needs and allocate resources to achieve the set targets of poverty reduction. MICS also provided Punjab with an opportunity to monitor its progress against MDGs, regional disparities, districts' ranking in terms of social and economic indicators.⁵⁴

P-PRSP provided a broader framework to fight poverty in the province. Nevertheless, implementation on P-PRSP's reform agenda needed detailed costing of various programmes and initiatives outlined in this policy document. Punjab Government hence with the technical assistance of international development partners developed Medium Term Budgetary Framework (MTBF), which laid down financial layout of various initiatives over a period of three years.⁵⁵

As discussed above, in order to improve governance and service delivery, Punjab government launched PRMP with the assistance of ADB. Under PRMP, Punjab government

developed Poverty Focused Investment Strategies (PFIS) for health, education, water supply and sanitation, housing, SMEs and livestock and dairy development to ensure pro-poor spending for better social and economic indicators.⁵⁶ This was quite in line with the policy decisions and documents of the province such as P-PRSP and Vision 2020. It was also imperative to accomplish MDGs. PFIS laid down parameters and framework for allocation and spending of provincial resources in sectors that had the greatest impact and benefit for the poorer sections of the society.⁵⁷

Role of International Development Partners:

International financial institutions play an important role in supporting developing nations in their fight against poverty mainly through provision of much needed financial and technical assistance. Available sources reveal that from 1960 to 2002, Pakistan received aid to the tune of about USD 28 billion either as loan or grant to strengthen economy and reduce poverty.⁵⁸ Major international institutions supporting Pakistan included World Bank, Asian Development Bank, International Monetary Fund and United Nations. World Bank has been Pakistan's key partner in development since 1950. World Development Report (2004) reported that the World Bank had sanctioned 85 loans and 125 credits for Pakistan.⁵⁹ Although following 1990, Pakistan got only a very modest amount of funds from the World Bank however; Pakistan became the second biggest recipient of World Bank in 2001.⁶⁰

The Asian Development Bank followed World Bank as second biggest donor for Pakistan. Since 1968, Pakistan has got USD 12.6 billion from ADB. The size of funding further increased from 2001, which made Pakistan the biggest recipient of ADB funding.⁶¹ Pakistan and IMF started working together in 1988. Unfortunately for many reasons, relationship between Pakistan and IMF remained tense most of the time. Nevertheless, Pakistan remained the most significant recipient of IMF among developing countries with official flows of USD 2.10 billion from 1988 to 2000.⁶²

It's a stylized fact that poor delivery and quality of public services especially in health, education and water supply and sanitation sectors further intensifies the impact of poverty on the poor. Poverty tolls further if the condition of roads, irrigation, and other infrastructure is also deplorable. Such failing social and economic indicators further weaken government's capability, administrative as well as financial to combat poverty. As discussed above, more than 80% of the Punjab's revenue receipts come from the federal divisible pool and just about 20% revenue is generated from the provincial sources. With this poor revenue base, Punjab always struggled to fund its social and economic initiatives. Besides, poor governance, budgeting, and planning also toll very heavily on the poorer segment of the society. Provincial as well as district budgets are prepared on incremental and anecdotal basis; hardly any evidence or needs assessment become the basis for allocation of precious and scarce resources in the province and district as well. A deeper analysis revealed that Punjab's more than 80% revenue was spent on debt servicing, establishment expenses, pensions, grants, and the salary bill, as well as transfers to local governments. Moreover, Annual Development Programme (ADP) has been laden with ongoing development projects. Inputs based budgeting and planning processes and the incapability to properly design development projects due largely to the incremental planning and budgeting processes has tremendously reduced the impact of public expenditures in Punjab. Therefore, Punjab needed to strengthen its financial as well administrative capacity to properly and effectively take on poverty.⁶³

Economic imperatives demand that nations should access international resources if domestic savings and reserves are too low to be adequate for economic and social development. Therefore, with ever failing social and economic indicators, decreasing resources, declining governance structures, Punjab had to access financial as well as technical assistance from the international financial institutions mainly World Bank, ADB,

DFID and UNO. International donor institutions thus became partners of Punjab in development and growth. These international development partners were already working in Pakistan but their engagement with national and provincial governments increased manifold after 9/11 and subsequent war on terrorism.

Under these dynamics of international diplomacy and imperatives, Pakistan turned out to be a key ally of the western powers in their fight against extremism. This would not be exaggeration to say that all the aid and assistance: military, financial, technical or educational – all was the result of Pakistan's assigned role in war against extremism. Pakistan voluntarily or involuntarily had to support the alliance against extremists to access international resources and assistance. Under these circumstances, Pakistan became one of the most preferred nations qualified for international assistance for strengthening of social, economic and defense base of Pakistan. Moreover, Pakistan's ambitious shift of administrative structures to the devolved setup (2001) also attracted many donors. It was a major parading swing in governance mechanism of the country that was in a big way in line with the international thinking being pushed by World Bank and IMF particularly. Therefore, all these incentives attracted donors to invest in Pakistan to pursue their social responsibility as well strategic plans.⁶⁴

Pakistan embraced aid under these conditions and readily set on to realize its long held dreams of better social and economic indicators for its citizens. Nevertheless, with it came many challenges, some insignificant and others formidable. Although the donors had their own agenda however, they did want to see their investments be successful and effective to assure their parliament and taxpayer back at home proper utilization of national resources. This strategic motive further incentivized the donors to increase the level of funding to Pakistan.

Given its size and relative peace and appetite for reform, the international organizations found Punjab a safe heaven for their initiatives and experimentation. As a matter of fact, other provinces could not afford this kind of safe and forthcoming environment to the international organizations. In order to plug in the resource gap in Punjab, various international donors have joined Punjab to complement its efforts to reduce poverty and enhance the standard of living of the people of the Punjab and a huge influx of international aid started pouring into Punjab for the uplift of its social as well economic conditions. This fact could be confirmed from the number of initiatives then running in Punjab.

Subsequently, with its forthcoming and proactive outlook and being a major site for experimentation of Devolution Plan 2001, Punjab readily became the biggest recipient of international aid and assistance. Resultantly scores of reform initiatives were started in Punjab including Punjab Resource Management Programme (PRMP), Decentralization Support Programme (DSP), Punjab Education Sector Reform Programme (PESRP), Punjab Health Sector Reform Programme (PHSRP) and Punjab Devolved Social Services Programme (PDSSP). These programmes were mainly mandated to improve poor social and economic indicators of the province.⁶⁵

In order to address urban sector challenges, World Bank also assisted Punjab government to initiate urban sector reforms. ADB also helped Punjab Government to initiate Women Health Project for better social services. United Nation Development Programme (UNDP) also helped Punjab to reduce gender disparities through initiating number of development programmes. Canadian International Development Agency (CIDA) and Japan International Development Agency (JICA) also played significant roles in development efforts of the provincial government.

Punjab's engagement with the international organizations mainly aimed to improve its governance, financial management, income generation and private sector development all with a pro-poor focus. Punjab also tried to realign its governance structures on modern lines to take on the challenges of unemployment, deteriorating social and economic indicators, and poor economic growth and above all the security hazards. Punjab also focused on engaging with the private sector to accomplish the set goals under various policy and strategy documents. Foreign funding actually provided the Punjab government with required fiscal space through budgetary support to fund much needed governance and social sector initiatives.⁶⁶

In order to translate Punjab Government's commitment to reform and development into concrete actions and outcomes and into improved social and economic indicators, World Bank provided budgetary support and technical assistance to the Punjab government. ADB also supported Punjab in launching two initiatives in water supply and sanitation sector.⁶⁷ Similarly PRMP was Punjab's flagship policy and governance reform programme aiming at improving financial management and planning processes of provincial departments and autonomous entities and private sector development. PRMP also focused on enhancing capacity of the public sector for effective delivery of services.

Conclusion:

In today's globalized world, international development organizations have responsibility and moral obligation to help those whose lives and families are at risk in their own countries. Current study mainly highlights the existing narratives and dynamics of poverty and its impact on the people of Pakistan in general and Punjab in particular during 1999-2006. The research also briefly explores the role of international development organization such as World Bank, ADB, DFID and UNO who helped Pakistan and Punjab combat poverty and surely reach the international development goals, MDGs by 2015. Needless to highlight, the international development organizations lent great help to Punjab to improve its social and economic conditions. To what extent the international development partners proved helpful in supporting Punjab in its efforts to reduce poverty and improve social as well as economic indicators, needs a detailed and in-depth study, which has not been possible because of non availability of relevant data. Besides it is real difficult to isolate the impact of each intervention on every single indicator particularly when several interventions and plans are working together to improve the socio-economic conditions. Nevertheless, we have some information and reports that have helped us determine the direction and immediate results of the assistance from the international development partners.

In a major overturn and in line with national trends, Punjab showed an unprecedented growth of 7.1% in 2006 from a mere 0.9% in 2001. This impressive performance assisted by international assistance doubled the per capita income to around \$1,000 in 2006 in Punjab.⁶⁸ Similarly the poverty head count ratio also dropped by about 11% since 2002. While employing 'poverty reduction-to-economic growth ratios', the Punjab reported a significant drop in poverty headcount by about 11.52% between 2001 and 2006.⁶⁹

Due largely to the budgetary support from the international development partners, Punjab was able to enhance its social sector spending by 1.3% of gross provincial product during 2002 to 2006.⁷⁰ In fact, total allocations for education, health, and water supply and sanitation increase by Rs. 88.8 billion during 2002 to 2006.

Punjab also showed marked improvement in its social indicators during the study period. Girls' primary school enrollment rose to 57% in 2006/07 from 44% in 1999. Similarly the 'gender parity index' for education also rose to 0.93 in 2006/07 from 0.78 in

2002. This helped Punjab achieve a literacy rate of 62% in 2006/07 against 47% in 2002. In a similar vein, health sector also recorded remarkable progress with significant drop in infant mortality rate (IMR) to 72/1,000 in 2006/07 from 82/1,000 in 2002. Maternal mortality rate (MMR) also dropped to 257/100,000 in 2006/07 from 350/100,000 in 2002.⁷¹ During 2002 to 2006/07, immunization coverage also improved to 76% from 57%. Similarly accessibility to piped water increased and flush toilets improved by 11% and 19% respectively during 2002 to 2006/07.

In light of the above brief discussion on the impact of foreign assistance in Punjab and subsequent improvement in the socio-economic condition, it seems safe to conclude that role of international development partners has been quite productive and beneficial for Punjab during 1999 to 2006. The research also proves that the international assistance helped Punjab improve its social and economic indicators during 1999 to 2006.

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