

**UNDERSTANDING DIMENSIONS OF HUMAN DEVELOPMENT: A CASE OF
PAKISTAN**

By

Naeem Ullah Tufail

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

MASTER OF PUBLIC POLICY

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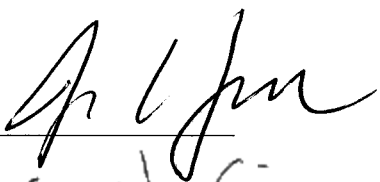
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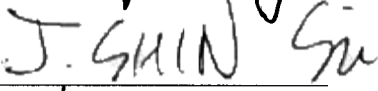
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ABSTRACT

UNDERSTANDING DIMENSIONS OF HUMAN DEVELOPMENT: A CASE OF PAKISTAN

By

Naeem Ullah Tufail

In the analysis of development, human concerns about development are increasing rapidly at country, region and global level. These concerns include; developing capacity of humans, enhancing their choices and creating favorable environment for utilizing their potential. This is reflected in latest policies, programs and projects of governments and also of international agencies. Internal and external pressures on governments are incessantly pushing them to improve human conditions. Strategies to fight against poverty and environmental degradation are increasingly relying on participatory approaches. The 'human development strategy' for achieving socio-economic goals, is gaining much attention than other strategies of development like; import substitution, developing secondary and tertiary industries, foreign direct investment, trade and business, imports & exports, institutional development, good governance and so on. In Pakistan, in spite of some achievements, essential human development indicators present gloomy picture including water, food, shelter, health, education, sanitation, security and all others. Pakistan has become a security-centered state rather than a development state. So priorities have also changed from development to security. A people centered strategy offers viable solutions to policy makers in Pakistan for overcoming poverty and improving human development indicators on sustainable basis.

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Dedicated to my wife Ghazala Tabassum and
children including Hadeed, Ahmed & Ibrahim

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Review and Summary

In the analysis of development, concerns about development of humans are increasing rapidly. These concerns include human capacity development, enhancement of their choices and creation of favorable environment for utilizing their potential. This is reflected in new policies, programs and projects of governments and also of international agencies.

Internal and external pressures on governments are increasing incessantly to improve human conditions. This phenomenon at global scale is much faster than ever before in the history of governments. Strategies to fight against poverty and environmental degradation are also becoming more and more dependent on participatory approaches. So, in future the whole scene of development seems to be centred around the 'people', rather than on production of goods and services. This discussion suggests that 'human development strategy' is gaining much attention for achieving goal of prosperous future for all societies.

Human development strategy can be supported on various humanistic grounds and for strong economic reasons. Three arguments justify the priority to be given for Human Development strategy. First, returns on investing in people are as high as the returns on other forms of investments. Second, it contributes in economizing the use of physical capital and exploitation of natural resources. Third, the benefits of investing in people are more evenly spread than any other investment.

This thesis provides a succinct understanding of concept of 'human development' in first chapter. Second chapter is about literacy and primary education in Pakistan. Third chapter deals with primary health care. Fourth chapter tries to explore the potential causes behind deteriorated human condition in Pakistan. Fifth chapter which is the final chapter presents a people-centered

strategy for economic growth and poverty alleviation in Pakistan. The strategic model presented here is mainly based on the model presented in fifth chapter of National Human Development Report 2003 about Pakistan by UN i.e., 'A Strategy of Economic Growth and Empowering the Poor'.

In the following section very brief review of all chapters is being added. The review is not alternative to the whole content but gives a simple idea about the content.

Chapter 1

First chapter is 'Review of Relevant Literature' which presents the theoretical and conceptual foundations of the concept of human development as a strategy of economic growth. Effort has been made to put together the interconnected theories and ideas developed by major advocates of human development. The references have also been taken from various Human Development Reports of UN and some other institutions working for human development. After developing the theoretical foundation, attention has been diverted to describe some specific aspects of strategy to put theory into practice. At the end a summary and conclusion summarizes the whole discussion.

Development influences all aspects of life and environment. In contrast to early development approaches which focused on economic development alone, modern intellectual trend is to conceive development holistically including economic, social, cultural and political aspects. It is believed that no other but human development has the maximum capability to tackle development holistically.

What is Human Development strategy? In very simple words, the Human development strategy focuses on building human capabilities and utilizing those capabilities. It is known fact that

‘development process’ generates opportunities in all fields together with economic, social, cultural and political fields. It is highly desirable that those opportunities are utilized appropriately for overcoming various constraints. It is believed that, human development strategy weaves development models around people rather than people around development models. Furthermore, the concept of freedom is equally important and relevant in the debate of human development. Professed as ‘end’ in itself, human development is about enriching human lives. Defined as ‘means’ for development, it considers humans as the best mean. For clear understanding, it is important to differentiate human development strategy from other strategies like human resource development and sector approach.

How Human Development can be justified in comparison to other strategies? It can be justified on three grounds. First, the returns on investing in people are in general as high as, if not higher than, the returns to other forms of investment. Second, that investment in human capital in some cases economizes on the use of physical capital and the exploitation of natural resources. Third, when people are truly a priority, the benefits of investing in people are in general more evenly spread than the benefits from other forms of investment.

In any economic system, incentives offer options for investment which in turn act as fuel for economic system to move on and take shape. Structure of incentives is a ‘set of relative prices’ that prevail. Two things are important to get acquainted with while defining the structure of incentives. One, people are most valuable asset. Second, the sets of incentives encourage the acquisition of specific skills and knowledge by the members of society. It is the composition of incentives that leads to efficient or inefficient use of labor and also the distribution of income.

The ‘set of relative prices’ does not fully explain the structure of incentives. In addition to this, the discrimination also makes the part of structure of incentives. It hampers the human development in following two ways. One, it restricts the choices and keep them limited to a privileged minority.

Second, it reduces opportunities for the un-privileged majority. Governments can play key role in designing and implementing the human development strategy, in developing countries. The size of government is of secondary importance, important concern is what functions state performs, and how well it performs them.

Education and health are the fundamental for promoting human development. Education sets economic growth in motion and has positive impact on poverty reduction. It also influences positively the social and political spheres. The attainment of highest standard of health is considered basic human need and fundamental human right of every citizen. Health plays key role in developing human capital.

The developing countries need to reduce non-developmental expenditures and increase human development expenditures gradually. For promoting human development, it is important to complement the incentives structure with structural reforms. These include guaranteed employment and minimum subsistence wage rates.

Chapter 2

Second chapter ‘Understanding Primary Education in Pakistan’ has been devoted to understand the literacy and education in Pakistan. The focus is on three things; achievements made by Pakistan, the system of education and policy initiatives. Main effort in this chapter has been made to develop understanding about institutional challenges that can hamper the achievement of targets of MDGs by 2015. Therefore, the discussion revolves around institutional capacity, literacy and primary education. A review of national context has also been presented for developing better understanding of dynamics of education system in Pakistan. Then major initiatives have been presented to understand the future directions. In the end of chapter, summary & conclusion gives a quick review of content of the chapter.

In Pakistan access to education remains out of reach for many of the poor. Last few years show significant improvement in literacy and education on the whole. The overall literacy rate was 45 percent in 2001 which has increased to 54 percent in 2005-06. The drop out rate of children decreased from 15 percent in 2001 to 10 percent in 2005.

After independence in 1947, Pakistan started from a very low base of about 16 percent gross enrollment rate. Amongst various diverse factors – like high population growth rate of about 3 percent, resource constraints, inadequate institutional incentives, organization and management problems – the achievement of universal primary education (UPE) remained a great challenge.

The political instability since independence has been a major hindrance in holding back the capacity of the primary education system to respond effectively in achieving this goal. Various military and political regimes have been influencing the education system in their own ways. However, as a participant in EFA Conference (1990), Pakistan committed itself to the goal of UPE by the year 2000 but failed. Later on, Pakistan signed the MGDs and committed to achieve universal primary education (UPE) by 2015.

After almost 50 years of its birth i.e., by the end of 90s, the proportion of GDP spent on education had not risen as expected and was 1.8 percent in 2001-02 versus 2.1 percent in 1991-92. The big push for education was provided around early 1990s by initiating the first Social Action Program (SAP-I) and followed by second Social Action Program (SAP-II). Unfortunately, the results of both were disappointing. Over the years, the goal of UPE has been repeated in number of national conferences and policy papers. It is presently set for the year 2015 in agreement with the education MDGs.

Under the first Constitution of Pakistan in 1973, education became a provincial subject. The education in Pakistan can be divided into five levels. Despite many implementation problems that arose during 1990s, primary enrollment did increase. But overall results in the education sector remain disappointing.

The analysis about literacy and education indicates that national literacy GPI of Pakistan is 0.64. While for Punjab it is 0.67, for Sindh it is 0.89, for NWFP it is 0.46 and for Baluchistan the GPI is 0.37. Therefore smaller provinces deserve special consideration by the policy makers.

Pakistan did a lot of effort, but the comparison with other South Asian countries reveals that even more effort is required. According to Education Census 2005, main focus of government has been on primary education. The overall student-teacher ratio at the primary level is found 1:31, at secondary level it 1:21 and middle the ratio is 1:23. However, the condition of physical infrastructure of educational institutions is not very encouraging in Pakistan. It is becoming one of the major causes of low enrollment and high drop out rates in the country. Currently, the private sector is also working hand in hand with the public sector for providing the education to the masses at all three levels i.e., primary, secondary and tertiary.

In Pakistan during the past several years the education budget has been around 2 percent of GDP. In the provinces we can clearly observe a downward trend of educational budgets from 1998 to 2003 in all provinces. In addition to internal resources, Pakistan receives a lot of support from donors for education in form of loans and grants. Government has taken several strong initiatives to improve and overhaul the education system.

Various challenges are to overcome for UPE in Pakistan. They include: To increase the spending on education; Increase institutional capacity for quality and quantity of education; To make incentive structure appropriate; Ensure availability and dissemination of high quality, reliable and

standardized data and its dissemination on regular basis with consistency. There is no other way to get rid of poverty and underdevelopment, except focusing on human development.

Chapter 3

In third chapter 'Primary Health Care in Pakistan' focus has been put on developing understanding about health achievements, health care system, health issues and initiatives. Discussion mainly covers the health indicators which are also targets in MDGs. Therefore, the description and analysis has been done in the context of MDGs targets. Obviously, primary healthcare system and indicators have been reviewed in detail for the specific requirement. National context and future dimensions have also been discussed along with issues and challenges.

With over 158 million population Pakistan is having current population growth rate of 1.8 percent per annum. The figures of government for years 1992 ~ 2003 show that percentage of deaths attributed to communicable diseases have decreased to 26.2 percent from 49.8 some years ago. Communicable diseases include; i) – Communicable Infectious Diseases; ii) – Reproductive Health Problem; and iii) – Nutritional Deficiencies. Equally important is the prolonged harsh lack of preventive and curative health infrastructure. The gravely flawed preventive measures include inadequate sanitation, unsafe drinking water, improper reproductive healthcare facilities for women and no food safety regulations with respect to raw and cooked food available outside the household. Inequalities do exist among richest and poorest.

The reasons for child mortality and infant mortality are malnutrition, acute respiratory illnesses and other communicable and vaccine preventable diseases. Prevalence of bad practices due to ignorance and illiteracy and the overwhelming burden of poverty have hampered achieving significant reduction in CMR. The budget is mainly spent on salaries and management instead of on

development of healthcare system and service delivery. Maternal mortality is as high as 350~400 per 1,000 live births in Pakistan. It is mainly attributed to low skilled birth attendance rate, insufficient access to care services, illiteracy, malnutrition and socio-cultural practices which limit women's mobility.

Government spent 0.57 percent of GDP on health sector amounting to Rs. 50 billion. In fact, health is not a priority area for government in Pakistan. Spending on health is optimistic but not promising. Under the Constitution of Pakistan, health is primarily the responsibility of provincial governments like education. The federal Ministry of Health is responsible for implementation of some vertical programs on AIDS and malaria, and extended program of immunization. Both public and private sectors provide the healthcare in Pakistan.

At the bottom of primary healthcare system are Basic Health Units (BHUs) with no beds and labor rooms, they provide basic health services. Then come Rural Health Centers, Tehsil Headquarter Hospitals, District Headquarter Hospitals and finally, Divisional Headquarter Hospitals with all kinds of facilities. Various studies indicate that these facilities remain underutilized. The human resources available for improving the quality of primary healthcare services are of two main types. They can be categorized into two main categories i.e., allopathic and non-allopathic. There is no central information about the private hospitals like their exact number, human resources, equipment, financial records and quality of their service.

At the time of its independence in 1947, Pakistan inherited a health care delivery system that was a legacy of British colonial period. The systematic approach to improve healthcare system was adopted after 1955. It was done under broad policy framework of Five Year Plans (FYPs). Careful review reveals that major infrastructure of public healthcare was set during 1970s and have been improve afterward. In recent programs the government has aimed to bring about Programmatic and

Organizational and Management Reforms. Planning in healthcare is highly centralized. The manifestation of *public health model* is rarely reflected in theory and practice.

There is hardly any system for service operations and practices in the country for healthcare sector. Pakistan made three national policies for health in 1990, 1997 and 2001. Among current government initiatives, the most important is 'National Health Policy 2001'. The policy aims to integrate with poverty alleviation, focusing on primary and secondary care and good governance. The policy focuses on ten key areas for intervention. If we analyze the guiding principles and key focus areas, it becomes evident that the healthcare system in Pakistan is still in its early stages.

Chapter 4

In fourth chapter, effort has been made to analyze factors which are responsible for deteriorated situation of human development in Pakistan. Chapter starts with introduction to the dismal state of human development. Then a background and historical information has been given to make understand the context of state and society. Then the analysis of weak democracy and governance has been presented. After that an analysis has been presented for clarifying the vital link of various factors.

The location of Pakistan has great geo-political importance for the country and makes it vulnerable for various international influences. Created in 1947 could not maintain its integrity and as result of civil war in 1971 country was broken in two parts. Pakistan's history is characterized by repeated military rule and political instability. First in 1956 and then the final

Constitution adopted in 1973 and according to this the country is semi-presidential, federal democratic republic with Islam as the state religion.

Since its independence on 14th August 1947, the peculiar perception of 'insecurity', rather than human development, dominated the rulers and it became the determining factor for setting priority of national agenda, in Pakistan. The military acquired the role of the guardian of the country's sovereignty and overall security and viewed domestic political crises from the perspective of the external threat of India. For having reliable security and its maintenance, the state was in natural need of strong army, allied civil bureaucracy political parties and politicians. Hence, the state gradually evolved into a unique security state, in stead of development state.

The deliberate effort of state for introducing hard line 'Islamization' happened during Zia's military rule (from 1977 to 1985), when Pakistan was aligning with USA against USSR in Afghanistan. Various changes introduced during Afghan War era, helped state in successfully shaping the structure of state centered on security rather than human and social development. Later on, a particular brand of Islamic ideology has been reinforced, whenever there was need to gain the public support for carrying out military adventures.

With careful examination of socio-political and economic factors, one can conclude that it was 'security paradigm' of state which ultimately influenced every facet of state and society. The security here does not imply the physical and territorial security, but in Pakistan 'security' enshrines all kinds of securities ranging from life security to social, economic, financial and

political securities. This has always reinforced by creating clients in bureaucracy, civilian and political spheres.

It is also important to note that military did not accidentally gain power but was led to do it, albeit inadvertently, through the relationship of the dominant classes with force. Every stakeholder, other than military, became primarily concerned with two main interests; first to safeguard the interests of prime institution and secondly individual interests. Consequently, it leaves human and social development unattended in the priority list of national agenda.

All this became possible by making 'security' a supreme national concern. The most recent military intervention took place in October, 1999 when the Army General, Pervaiz Musharraf, throw out the elected government of Nawaz Sharif. Becoming ally of US in so called 'War on Terror' deepened the security considerations into state, society and economy.

The Afghan war of US against USSR can be marked as one of the most important events in the history of Pakistan which determined the course of state and society of Pakistan in coming years. Apparently the Afghan war was a military adventure, but it involved economy, politics and culture as well.

On the other side, weaknesses of democracy and governance have also given space military to develop into a monopolistic institution. To understand the shortcomings in the governance and the democracy in Pakistan, one must find explanations for the weaknesses in political tolerance and identity. Despite the revival of democracy from time to time, it is predictably held in

suspicion. One of the tenets of civil society, the concept of a legitimate opposition, naturally won little acceptance among competing political elites or within the larger public.

Zulfiqar Ali Bhutto provided the strongest hope for a politics that would involve the masses and socialize them to democratic and socialist ideals. The issues of the day were articulated forcefully and clearly, such that voters had meaningful choices to make. Yet Bhutto shed much of the regime's populist ideology and strongly personalized his rule rather than working through participatory institutions and educating the public to their value.

In general, opportunities for a fair governance, true democracy and civil society in Pakistan would have flourished if the democratic practices were allowed to prevail under the supremacy of unchanged constitution. The repeated dismissal or overthrow of elected regimes, alterations in the constitutions that suit to existing ruler, left no positive memory and little chance for institutions to adapt and supportive values to root.

The land reform is also another important issue which would have brought a harmony in the country's social, political and economic system. Although the need of land reforms have always been felt by the various governments and some steps have also been taken, but these steps more cosmetic in nature and could not produce expected socio economic and political results. All efforts of land reforms did not prove efficacious for bringing any significant change in socio-economic and political sphere.

Another important factor responsible for low human development is the population size and its growth rate. The rapid population growth in Pakistan, one of the highest among developing countries, has been offsetting the gains in social and economic development.

The democratic and political institutions were not allowed to grow and flourish during first decade and remained influenced by the British Crown. From 1947 to 1958 Pakistan had seven prime ministers and eight cabinets. The first military coup in 1958 was a result of a political alignment between the civil and military bureaucracy. First military take over was beginning of shift in paradigm of state from human development state to a security state. After 1958 to 1971, remained a military government. A lot of industrialization coupled with 'green revolution' in agriculture boosted the economic growth. During the 1960s, the famous 22 families who owned about 68 per cent of Pakistan's industries and 87 per cent of its banking and insurance assets were sympathetic to their source of power, the army.

Chapter 5

In the final chapter 'Strategy of Economic Growth' has been presented in the context of Pakistani economy. The strategy keeps the human development in centre and finds the prospects for implementing it. The strategy remains within the scope of four broad parameters which has been defined under the concept of human development. At the end of the chapter, summary and conclusion present a succinct but comprehensive review o the chapter.

The chapter starts by presenting an outline of an economic strategy to achieve growth and greater poverty alleviation. It has two broad driving forces: (1) A restructured economic growth for higher GDP growth and poverty alleviation. (2) Direct attack on poverty by empowering them.

Then chapter offers us to understand the aims of economic growth strategy. These are: (a) change the composition of investment; (b) Enhance the employment generation capability of economic growth; (c) Accelerate the growth rate of exports; and (d) Transform low skill and low productivity into high skill and high productivity. In the light of these strategic parameters, a four pronged strategy has been proposed which focus on: 1- Rehabilitation of irrigation system; 2- Produce high value added products of milk, marine fisheries, fruit, vegetables and flowers; 3- Develop infrastructure; and 4- Accelerate the growth of small scale enterprises. For achieving these objectives the establishment of Industrial Support Centers can play central role.

The other driving force is to attack poverty directly. It can be done through increasing their participation in planning and decision making. Establishment of their organizations can play very instrumental role, specially the establishment of women organizations. How this kind of strategy can be incorporated in the existing system of local government? The effort has been made to answer this question.

The chapter also reviews the comprehensive set of reforms introduced by current regime. These include: (a) More efficient and transparent financial management; (b) Growth with poverty reduction; and (c) Better governance through civil service reforms.

Chapter One

Review of Relevant Literature

1.1 Introduction

In rapidly globalizing world, the development has become a very dynamic and complex process which has to deal with many economic, social and political challenges simultaneously. To meet these challenges, various models offer partial solutions but ‘human development model’ gives more comprehensive solution to meet these challenges. This chapter will focus on describing and explaining the salient features of this model.

Development influences all aspects of life and environment. With the passage of time, the modern intellectual trend has started conceiving development holistically including economic, social, cultural and political aspects. Various powerful actors contribute in determining the course of development in a country. Among these actors, the government/state play most important role in giving shape to development, generation & spread of its outcomes and finally sustaining the development process. These are policy makers which articulate development priorities into policies and devise strategies to implement those policies for translating them into reality. In this way, public policy and its implementation constitute the basic elements of planned change in a country.

Public policy takes guideline from the goal it wants to achieve. Therefore, conceptual orientation and rationale of policy are important areas to concentrate in the beginning. If the conceptual orientation of policies is to improve quality of individual and collective life, then it can serve individual and collective needs. But if the policy is devoted to serve the privileged minority it will not cater the needs of unprivileged majority – as is the case of developing countries. The allocation of physical, natural and human resources will also be made in the corresponding manner. In addition to formulation of policy, its implementation matters a lot.

For implementation we need resources – financial, physical, natural and human. But resources are not unlimited and free rather they are limited and controlled by someone. Consequently the factors such as amount of resources available and who controls those resources also influence formulation and implementation of policy. Various powerful actors – including public, private and civil society sectors – exercise control over those resources. The developing countries suffer from asymmetric power relationships and control over resources. The ruling elites exploit the resources mainly for their own benefits. In addition to that, developing countries lack capacity to formulate policy and also its implementation within scarce resources. They do have to bear the burdens of debts, corruption, insecurity and lawlessness. The developing countries, however, have edge to take the advantage of others' experiences. They can choose, modify, combine and adopt suitable models.

Mentioned above are serious challenges for policy makers in developing countries. Various development models offer unique opportunities to overcome these challenges in peculiar ways. Nonetheless, human development model is gaining relatively more popularity among the critics of public policy and also the policy makers.

1.2 The Concept of Human Development

The ultimate objective of economic development is the betterment of individual and collective human life. For improving the quality of life through development, human also play the role of 'means'. These two aspects can be summarized as 'development for the people and by the people'. This implies that humans have central importance in both cases, whether we talk about the outcomes or process of development. The concept of human development acknowledges this fact and offers viable options for achieving this objective of development. Therefore, human development is believed to have two sides: one it builds the human capabilities; second it creates opportunities to use those capabilities.

What does development do at the end of the day? In fact, development influences the life of people by generating opportunities which, if availed appositely, can assist in improving the quality of life. It is always desirable for every country and state that development should benefit human beings at large, for a longer period and across the generations. Without understanding the development in the context of its human needs, a country will achieve only economic indicators. The social and political indicators will remain unachieved which are equally important for achieving the goal of development.

The development process generates opportunities in all fields together with economic, social, cultural and political fields. But the creation of opportunities is one part and appropriate utilization of those opportunities is other complementary part. Utilization of opportunity by human beings depends on two conditions; the availability of opportunity and the capability to utilize that opportunity. Creating and providing opportunities indiscriminately and building suitable capabilities are two interlinked separate processes which need to be addressed simultaneously. Otherwise the created opportunities are exploited only by 'capable minority'

consisting on elite groups. In developing countries there is a wide gap of capabilities and access to opportunities, between ruling elites and the general public. Having very limited access to opportunities and lesser capabilities, general public can take benefit of barely some opportunities. Building human capabilities and providing matching opportunities indiscriminately are vital for achieving sustainable development. Keeping in view this concept, only human development strategy offers a workable strategy. It is 'human development strategy' which gives central importance to people and is capable to cover all other dimensions, too. It gives primary importance to people as 'means' and 'ends'. This does not imply that human development strategy undermines other strategies like industrialization, foreign direct investment, trade, import substitution, export promotion and so on. Rather, it takes benefit of all other strategies by keeping human concerns in the centre. Therefore Dr. Haq states that, "The concept of human development weaves development models around people rather than people around development models."¹ It gives us a clear understanding about the central importance to human beings, whether we talk about means or ends of development.

Putting humans in the centre of development is to acknowledge the importance of all aspects of human life including material and non-material. Perceived in this way, development becomes a value laden concept. Its value is derived from 'freedom' which is considered main 'objective' of development and also an 'instrument' of making progress. Human freedom breeds a process that enables people to participate in their development. Consequently they become partners, instead of becoming the passive recipients of a biased development process. It is a comprehensive strategy with a holistic view of development. Explaining interrelatedness and instrumental role of freedoms, Amartya Sen states, "The instrumental role of freedom includes several distinct but

interrelated components such as economic facilities, political freedoms, social opportunities, transparency guarantees and protective security.”²

Professed as an end in itself, human development is about enriching human lives and defined as means for development, it considers human beings as the best mean. It recognizes and establishes a viable connection among all forms of capital whether natural, physical or human capital. The question of sustainability also pertains to the nature of inter-relationship among various forms of capital. It is only the human development model which recognizes vehemently the central importance of human beings in policy formulation and implementation.

It is also necessary to differentiate human development strategy from some similar strategies, like human resource development (human capital formation) and sector approach (health, education, agriculture etc.). Foremost approach ignores the human participation in growth process and later approach overlooks the integration of various sectors. But human development strategy, in addition to well being of individuals, takes into account the multi-sectoral and macroeconomic policy concerns. It brings together ‘developing human capabilities’ and then providing a wide range of ‘choices’ for utilizing those capabilities.

The objective of development is not to produce more ‘stuff, more goods and services, but, rather, to increase the capabilities of people to lead full, productive, satisfying lives.”³ It should not be understood as undermining the importance of increased output per head. Rather, the increased output may multiply the capabilities of people, and thus should be warmly welcomed in some cases. But increased output should be seen as, "an intermediate product that under appropriate circumstances can enhance human well-being.”⁴ It highlights the fact that ultimate concern is the ability of people to lead a long life (measured perhaps by life expectancy at birth), to enjoy good health (measured perhaps by morbidity rates), to have access to the stock of accumulated

knowledge (as approximated by enrollment and literacy rates), to have sufficient income to buy food, clothing and shelter, to participate in the decisions that affect (directly or indirectly) their lives and their community.

Integrated programs and policies provide more chances for entertaining disadvantaged groups for a longer period of time. The human development approach does not replace one aggregate statistic (GNP) by another (HDI) and then seek to maximize the numerical value of the replacement. But as Griffin states, objective of development should be looked as "inherently multi-dimensional."⁵

The two concepts 'human development' and 'human resource development' may blend together easily. For better understanding, it seems necessary to clarify the distinction between two, a slight more. Let us elaborate the concept of development by examining the outcomes of development. Irrespective of the nature development strategy to be followed, we witness generation of manifold economic and non-economic benefits – opportunities and choices. Not all benefits are beneficial for society as a whole and for a longer period. The importance of these benefits can be derived from their capability to improve human lives. The economic benefits – income, goods and services – are regarded as most important benefits. These benefits are distributed among people through formal means like state, market and other institutions. Distribution of benefits is also made through informal means like social and personal relationships. Questions like how these benefits are generated and distributed are also very important to answer while devising the development strategy. Human resource development concentrates on developing human capital. Along with developing human resources, human development also takes into account the participation of human resources in development. It

ensures the inclusion of human beings in decision making, which is considered equally important as the benefits of development.

Economists believe that economic benefits received by people are ‘flows originated from the stock of capital’. Let us try to understand the stock of capital. For better understanding, the stock of capital can be divided into three categories: (i) the stock of natural capital, (ii) the stock of man-made physical capital and (iii) the stock of human capital. Stock of natural capital includes all kinds of natural resources available to us. The stock of physical capital includes ‘produced mean(s) of production. i.e., the plant and equipment used in the agricultural, industrial, and service sectors, roads, bridges, ports etc. and the stock of dwellings.

The stock of human capital consists on the knowledge, skills, experience, energy, and inventiveness of people. “It is acquired in a variety of ways: through training and apprenticeship programs; while on the job through learning by doing; in the formal education system; through informal contacts by word of mouth; through newspapers, radio, and the internet; in institutions dedicated to pure and applied research; and through private study and reflection.”⁶ The stock of human capital, like the stocks of physical and natural capital, will deteriorate if it is not maintained. Hence the importance of a wide range of programs – including, pre-natal and maternal care, school lunch programs, and other nutritional programs, the provision of safe drinking water and sanitation facilities, public health and disease-control measures, and guaranteed employment schemes – are recognized as very important.

It is now acknowledged that human capital plays a central role in the development process and this has heightened interest in the economics of education, health economics, labor economics, and related sub-disciplines. It is important to repeat here that human capital is just one component in the stock of total capital. Human resource development focuses on human capital

formation. But, human development goes beyond this. It emphasizes formation of human capital, as well as, natural and physical capital. Furthermore, it also advocates the integration of capital in such a way that development becomes sustainable.

Compared with other economic growth strategies, is there any rational and scientific ground for giving priority to human development strategy? Why human capital formation should be given priority than other forms of capital (natural and physical)? According to Pronk and Mahbub ul Haq, the justification for this change in priorities is; first, that the returns on investing in people are in general as high as, if not higher than, the returns to other forms of investment; second, that investment in human capital in some cases economizes on the use of physical capital and the exploitation of natural resources; and third, when people are truly a priority, the benefits of investing in people are in general more evenly spread than the benefits from other form of investment. Thus a greater emphasis on human capital formation should result in "as fast and perhaps even a faster pace of development, more sustainable development and a more equitable distribution of the benefits of development."⁷

The strategy helps us to translate policy into practical reality for bringing planned change. Previous paragraphs have been throwing light on the philosophical and general aspects of human development strategy. The next paragraphs will focus on concrete and specific aspects of human development, as strategy. Only the most important features of human development strategy have been focused. These include; structure of incentives, role of government, education, healthcare, public expenditures and structural reforms.

1.3 The structure of incentives

In any economic system incentives offer options for investment which in turn act as fuel for economic system to move on and take shape. Structure of incentives is a 'set of relative prices that prevail'. Incentives help the private sector to decide about; what to produce; how much to produce; and what methods of production be used. That means incentives help the investor to choose among various options of investment. Investments are made in those enterprises which offer relatively certain returns and investments are gradually pulled back or reduced from those enterprises which do not offer certain returns. Incentives guide both producers and consumers to undertake economic activity. In this way incentives guide the economy to grow in a particular manner and take specific shape. The sector wise allocations are made both by public and private sectors. Therefore, it is very important to understand the structure of incentives in any economy. If the structure of incentive is pro human, it will promote human development. Otherwise, the structure of incentives will not promote human development and may and may not strengthen the economy but increase the disparities and discriminations.

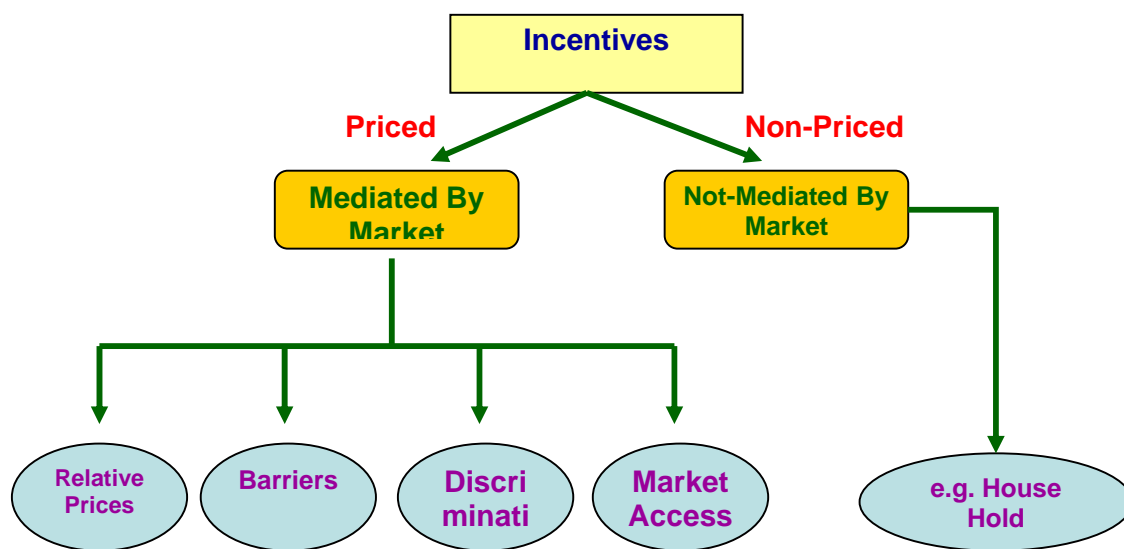
The structure of incentives is very central policy concern in human development strategy. Policy makers can establish an incentive structure which can promote human development and vice versa. Two things are important to be acquainted with while defining the structure of incentives. One, people are most valuable asset, which should be deployed sensibly. The prevailing relative prices in economy should encourage the efficient use of human resources. Second, the sets of incentives encourage the acquisition of specific skills and knowledge by the members of society. That means incentives also encourage discovery and dissemination of knowledge.

It is the composition of incentives that leads to efficient or inefficient use of labor and also the distribution of income. Incentives encourage and discourage various kinds of

investments which can and can not promote the human development. For promoting the desirable growth in the economy with respect to human development, 'relative market prices' and 'market access' are important factors. For discouraging the undesirable growth of economy, 'barriers' and 'discrimination' are important factors. For example, licensing regulations, restricted access to businesses (e.g. small businesses, credit markets etc.), discriminations, missing markets, they are manifestations of barriers. These are all priced and market mediated economic activities.

In the real economy many economic activities took place which are neither priced nor mediated through market. They do have great impact on the state of economy and on human development in the society. Therefore the structure of incentives includes non market mediated activities, too. In words of Griffin and Mckinley, "... the structure of incentive includes all activities, whether mediated by the market or not."⁸ The typical examples of non-priced and non-market mediated activities are nurturing infants, teaching pre-school children, caring for sick and old, collecting water and food and managing house. These activities are not priced, but they have great economic and social value. These are, in fact, back-up supports which are extremely helpful for poor to survive. The interpersonal relationships are not priced but they can trigger a lot of economic activities. Hence the incentives can be categorized into priced and non-priced categories. Priced incentives are those which have some price value and are mediated by the market. The non-priced incentives are neither mediated through market nor do they have any price value. The following figure helps us to understand the structure of incentives.

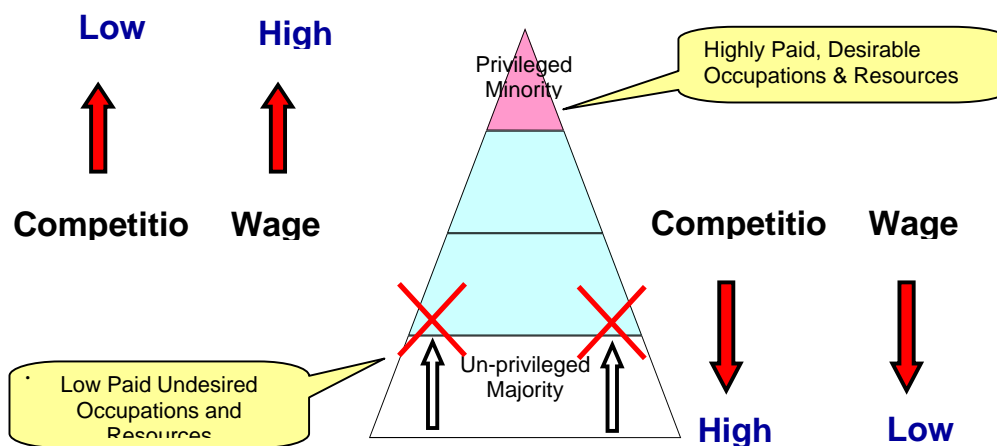
Figure 1: Structure of Incentives



Discrimination reduces the chances of human development and increases disparities in the society. It hampers the human development in following two ways. One, it restricts the choices and keep them limited to a privileged minority. Second, it reduces opportunities for the un-privileged majority. Most important manifestation of discrimination is evident in employment and access to resources. At top of the employment ladder, we observe that desirable and highly paid jobs are available only to a privileged minority, because they excel in education and skills. They do not face high competition due specialized requirements of such jobs. High demand and low competition gives

them leverage to bargain for higher salaries. At bottom of the employment ladder, we observe the inverse trend. At bottom of the employment ladder, there are undesirable, low paid and less specialized jobs. These are the jobs, which usually require simple skills and are accessible for majority of the population seeking jobs. Supply of large number of needy workers creates a high competition and the job givers enjoy the leverage for choosing the best worker. Because many individuals are always available to work on lower wages, therefore wages are kept low. Following diagram helps us to understand the situation more clearly.

Figure 2: Discrimination and Employment



It is clear from the above diagram that specialized and highly paid jobs and opportunities are at the top of this ladder. Unspecialized and low paid jobs are at the bottom of this ladder. The choices are restricted for minority at the top and opportunities for upward mobility are very less at the bottom. Discrimination reduces the upward occupational mobility of the unprivileged groups, increases competition among them for the jobs. Thereby increases the supply of labor at lower end of the job ladder and reduces the wage rates.

Another example of discrimination is access to finance where various groups of society are treated differently. Mainly, the two sectors provide access to finance i.e., formal sector and informal sector. “The formal credit markets differ from informal markets in terms of price and ease of access.”⁹ Formal markets include commercial banks, insurance companies, development banks, government banks, housing and finance institutions etc. Here the prices or charges of credit are low (sometimes below the inflation). They address needs of large, well established industrial and service enterprises, rich and middle class, rural rich, companies etc. There is always excessive demand (credit rationing) for credit from these types of institutions and the finance is consumed by using mechanized techniques of production to economize.

On the contrary, the informal credit markets include money changers, small shopkeepers, rural money lenders, large land lords, relatives and friends etc. They serve majority of population, small businesses, urban informal sector, peasant farmers and the poor etc. Price and credit range varies from zero to very high but mainly higher than public sector. There are always strong incentives for using labor intensive methods of production (due to cheap labor). These methods of production reduce the productivity of labor and earning of working people.

Different kinds of credit prices produce different kinds of adverse impacts on human development and environment. Low credit price provides incentive to use highly mechanized methods for more profits and ignores the employment aspect. It creates environmental degradation, absorbs extra resources at cost of human development and also promotes inefficient use of resources. On the other hand, high credit price pushes the borrower to use more labor intensive methods by keeping the wages low. Maximum efforts are made to earn more and by extensively using the natural resources. So, it creates hazardous environmental and human development impact. However, the trend of resource utilization in human development strategy is different. As described by Griffin and

Mckinley, "... a human development strategy relies on an incentive structure which is more compatible with protection and enhancement of the natural environment."¹⁰

Discrimination of one type breeds the discrimination of other types which are mutually supportive. In the words of Griffin and Mckinley, "...economic discrimination often is reinforced by discrimination in the political and social spheres of life."¹¹ It becomes evident when we compare the groups enjoying economic benefits with those who are not. In developing countries, these are economically advantaged groups who form the ruling elites and enjoy social prestige. This is also other way round and can be described as, that politically strong groups have better access to economic means and they keep on consolidating their social position.

In conclusion, the incentives created by government have following four unfortunate effects;

- a- They damage the environment and decrease the natural capital through soil salinity, deforestation, water pollution etc.
- b- Absorb public revenues heavily which would support human development, otherwise.
- c- Inefficient use of resources which has entrapped the developing countries in a pattern of production which is economically disadvantageous. So, the countries adopt wrong comparative advantages by concentrating on natural capital and not giving due attention to human capital.
- d- Inefficient resource allocation and investment;
 - Inefficient resource allocation and pattern of trade that fails to reflect long-run comparative advantage.
 - Inefficiency in resource allocation which leads to a pattern of investment that tends to perpetuate the status quo.

1.4 Role of Government

In addition to structure of incentives, speed of response to economic opportunities depends on factors like “initial conditions, institutional arrangements, the capabilities of people and the government initiatives.”¹² Governments can play key role in designing and implementing the human development strategy, in developing countries. The governments are sole players and gather a lot of authority vested in state institutions. “Many developing countries have highly centralized governments, often inherited from the colonial period, when the primary concern of the authorities was to maintain control over a subject population.”¹³ Due to lack of opportunities and to gain popular support, there is over employment in the government institutions and unemployment otherwise. This is a common phenomenon observed among the developing countries. But the size of government does not matter much, as Griffin and Mckinley state, “The size of government is of secondary importance: what matters for human development is what functions the state performs, and how well it performs them.”¹⁴ Therefore, if governments focus on human development, they can make difference in very cost effective manner to the lives of people.

The most important strategic turn, which the governments can take to promote human development, is to allocate more budgets in favor of human capital formation. Unlike to social policy of developed countries, it should be done as a part of growth and development strategy intended to improve the well being of people in short time, as much as possible. If we summarize the recommendations from human development literature, they constitute the following main points:

1. Reduce budget of non-developmental expenditures (military, bureaucracy, debts etc.);
2. Elaborate a comprehensive pension and social security system. This should be indigenous and should not cover only urban elite;

3. Demarcation of selected beneficiaries and leakage to non-beneficiaries should be avoided, to the maximum extent. But it has following problem;

A- Practically difficult to avoid the non-beneficiaries;

B- Selectivity is costly. Because large administrative structure is required (Bureaucracies); and

4. The supported programs are rather better to be universal for being politically advantageous. They should be, rather attractive to intended beneficiaries.

Implementation is the major trap of developing countries which potentially reduces the chances of making progress for human development. Two mistakes are considered to be committed by the governments while implementation i.e., E-mistakes and F-mistakes. E-Mistakes mean excessive coverage of population i.e., non-intended beneficiaries receive the benefits. F- Mistakes imply that government programs or projects failed to cover intended beneficiaries. Usually, in reducing E-mistakes, a lot of F-mistakes are conducted by the policy makers. These mistakes invite our attention to three policy implications given in the following.

A- The enhancement of capabilities of all people should be the guiding principle of public policy.

B- Due to F-mistakes, the future productivity of target beneficiaries will be lower than otherwise. Therefore, it needs to be calculated realistically and rectified.

C- Policy maker should have a bias in favor of broadly-based schemes and not become excessively pre-occupied with designing narrowly targeted schemes.

While devising human development strategy, we need to take proper care for not making any trade between 'efficiency' and 'growth'. The efficiency and the rate of growth of

professional incomes properly measured should increase. Per capita cost for 'primary healthcare' against 'urban hospitals' and 'first twelve years of education' than 'university education' should be compared. In globalization age the comparative advantage for developing countries rests on skills, education and technical competence of their labor force and will affect the transfer of technology and technical knowledge. It is obvious that a healthy, well educated nation plays a role to the social unity of a country and imparts dynamism to all aspects of life and culture.

While implementing human development strategy, governments need to address external shocks and internal macroeconomic disequilibrium through tactical means like adjustments, stabilization, restructuring etc. The human development strategy requires a political support to sustain but the status quo opposes. It is opposing minority which wins most of the time. The reason is that status quo constitutes an articulate, well organized and powerful opposition. They also have fear of 'virtual certainty of immediate loss. But the favoring majority often fails for powerfully supporting the human development efforts. The reasons are that they are less articulate, unorganized and politically less influential. Their incentive is uncertain and long delayed expectation of gain. It is important to minimize opposition and avoid alienating those who are in the middle.

HD objectives should be selected on the basis of rigorous technical analysis of: benefits and costs; potential supporters and opponents; and feasibility and desirability using some of benefits to compensate losers. As a result of HD strategy, if income distribution changes, then compensation should be given to avoid political opposition.

1.5 Education

Education sets economic growth in motion and has positive impact on poverty reduction. It also influences positively the social and political spheres. Education needs appropriate importance

for high priority to primary education and due importance to other levels of education. It is important to create inter-linkage between three tiers of education like primary, secondary and tertiary. For creating complementarities among different levels of education, social rate of return should be calculated at different levels. The objective of education should be “to mobilize local talents, skills and energy to accelerate human capital formation in the locality for the benefit of everyone, children and adults alike.”¹⁵ There is no doubt that realization is increasing about the economic aspects of education and education “often is and certainly could be a low-cost industry in developing countries”¹⁶

The size and composition of education expenditure is extremely important for gaining required results of human development strategy. Firstly, developing countries spend very less budget on education than required. Secondly, there exist imbalances in the budgets allocated for different levels of education. Thirdly, composition of budget is inclined to physical resources than human resources and support material. Explanation of second and third points is given in next two paragraphs.

Imbalances in the budgets allocated for different levels of education need to be corrected during implementing human development strategy. In many cases primary schools lack funds, while universities enjoy heavy subsidies. Majority, especially poor, may lack adequate educational facilities. First two tiers, receive fewer funds than third level, in developing countries. Usually the structure of education expenditures is more inclined to tertiary and secondary education than primary education, Griffin termed it as “inverted educational expenditure pyramid”¹⁷ It is necessary that composition of expenditure among different levels of education is made appropriate. This can be done by using analytical techniques. No doubt, it is not easy to measure the benefits of education in economic terms. Therefore, guesses and intuition should be used very carefully. Education suffers various biases against women, the poor and rural areas. The female

education is receiving how much attention in the budget, is also an indicator of importance given to education. Under human development strategy if developing countries want to take maximum benefit of education system, they need to orient the education system for human capital formation.

The composition of budget matters a lot for providing quality education. Usually the budgets are consumed more on physical capital (buildings) and administrative costs. Furthermore, “there is a bias in favor of spending on physical capital and against human capital – teachers, lecturers, instructors, professors.”¹⁸ The capacity building of human resources (teachers and others), adequate support material and quality of curriculum are more crucial aspects. In short term, it is appropriate to use existing facilities but provide additional training to teachers. Therefore, excessively, ambitious targets of establishing new schools should be avoided.

Community participation and utilization of educated people are important aspects for increasing the number educated workers in relatively short period. Participatory approach is ideal vehicle for promoting literacy and basic education. In developing countries, highly educated people lack opportunities to apply their skills. Poor utilization of highly educated people lowers both private and social rate of return on expenditures of tertiary education.

1.6 Health

The attainment of highest standard of health is considered basic human need and fundamental human right of every citizen. Health plays key role in developing human capital. Better health contributes in improving the efficiency and productivity of labor force and ultimately contributes in economic growth and leads to human welfare. Therefore, health is valued not only for its own right but also for positively contributing to economic and social development. It is also an indicator of good quality of life and definition made by WHO conceives health in a broad way by referring it to “a state of complete physical, mental and social wellbeing not merely the absence of disease or

infirmity”. This is comprehensive understanding of health signifying the comprehensive impact of health, too. Accepting this viewpoint, it can be concluded that inequalities and deficiencies in health, thus affect betterment of individual, as well as betterment of society.

It is believed that human health is the most important element of maintaining the human resource available for advancement and productivity. It should be regarded as contributing to human capital formation. Contrasting most educational deficiencies, the early life health deficiencies can not be corrected later on and “their negative effects on productivity, income and general well being can last indefinitely.”¹⁹ Water, sanitation and nutrition make the essential part of health debate. Undoubtedly, these are very important aspects which should be focused to promote human development. Usually health systems in developing countries suffer from lack of funds and same inverted expenditure pyramid as mentioned in education.

For maintaining health of populace certain conditions and prerequisites are necessary to maintain. These include clean drinking water, sufficient food & nutrition, adequate hygienic surroundings, appropriate shelter, availability of affordable health facilities, awareness about importance of health and positive attitude toward healthcare. Developing countries can not achieve these conditions together. Rather they need to achieve these conditions gradually by starting from the most important and boosting the others. Health indicators show that developing countries have been unable to achieve these inevitable conditions for ensuring the maintenance of health. The most important condition is the availability of accessible, affordable and efficient healthcare facilities. In view of increasing population, prevailing poverty and income inequalities, it becomes more difficult for governments to provide affordable and efficient healthcare system to all people.

To attain skilful, efficient and more productive human capital, governments have to subsidize healthcare facilities for its people. Public sector pays whole or some part of the cost of utilizing healthcare services. The amount of spending on health varies from country to country. But critics of development focus more on the productivity and effectiveness of spending than its size.

Primary healthcare is very important focus area for improving the health of people at large. But it is estimated that in health about three-quarters of all public health expenditures are made on expensive medical care that benefits a minority of the population living in urban areas. As high as 80 to 90 percent in some countries is spent on hospitals almost all located in the cities. Similarly, access to primary healthcare is also very limited for poor. In addition to immediate, direct effects of public health programs, there are long term benefits in the form of increased productivity due to good health. The adverse consequences of poor health are sometimes irreversible, persisting over an entire lifetime.

Other distinctive feature of a human development strategy is the importance of complementarities among the various kinds of human capital expenditures." For example, expenditure on primary health care services should result in better health for the poor. This in turn should expand nutrition effectiveness, thereby increasing the benefits of maternal and child nutrition programs, school lunch programs and public food distribution schemes. Improved nutrition increases the ability of children to learn and is likely also to result in higher rates of attendance at school.

The need for reallocating public expenditures for inexpensive preventive healthcare is higher than costly curative care (hospitals and doctors). Expansion of preventive health measures reduces the need for expenditure on curative healthcare measures. Therefore, reallocation of resources in favor of primary healthcare is preferable than secondary and expensive tertiary healthcare. There are strong complementarities between primary education and primary healthcare. Provision of clean water, adequate nutrition and improved sanitation are equally important to make the healthcare efforts effective.

1.7 Public Expenditure and Structural Reforms

Gradually the developing countries need to reduce non-developmental expenditures and increase human development expenditures. The areas which should be reviewed for reducing expenditures include debt servicing, expenditure on military, internal security, public sector enterprise and subsidies to rich. The expenditures should be increased in favor of human capital formation and creating supportive infrastructure for utilizing the human capital.

For promoting human development, it is important to complement the incentives structure with structural reforms. These include guaranteed employment and minimum subsistence wage rates. In macroeconomic context programs should be designed in such a way that they become “self-financing in the long run.”²⁰ Another important aspect which can hamper the pace of human development is the unequal distribution of income-generating assets, especially the ownership of natural and physical capital. Arrangements for equitable distribution of benefits and labor-intensive projects’ will add significantly to human development. Land reforms would be worth mentioning in this regard. Countries which introduced land reforms have been very successful in accelerating the pace of development. “Land reform has been most successful in countries such as Japan, China, South Korea and Taiwan province, where the rural population is well organized and is able to implement the reform after it has been adopted as national policy.”²¹ Food security should also be looked upon as an integral part of human development strategy.

1.8 Summary and Conclusion

This chapter offers us the opportunity to understand the concept of human development. We can understand the various theoretical foundations of human development. Starting from underlying logics, chapter takes us to the aspects which are directly related to strategy.

In rapidly globalizing world, human development model seems capable to response the challenges of globalization. Development influences all aspects of life and environment. Therefore, modern intellectual trend is to conceive development holistically including economic, social, cultural and political aspects. Public policy takes guideline from the goal it wants to achieve. The allocation of physical, natural and human resources is also made in the corresponding manner. In addition to formulation of policy, its implementation matters a lot. As the resources are limited, we need to understand, how much resources are available and who controls those resources. Along with many challenges of capacity and resources, the developing countries suffer from asymmetric power relationships.

The development process generates opportunities in all fields together with economic, social, cultural and political fields. Appropriate utilization of those opportunities is very important to overcome various constraints. It is believed that, human development strategy weaves development models around people rather than people around development models. The concept of freedom is equally important and relevant in the debate of human development. Freedom is believed to include several distinct but interrelated components such as economic facilities, political freedoms, social opportunities an so on.

Professed as an end in itself, human development is about enriching human lives. Defined as means for development, it considers human beings as the best mean. It is also necessary to differentiate human development strategy from some similar strategies, like human

resource development and sector approach. The human development approach does not replace one aggregate statistic (GNP) by another (HDI) and then seek to maximize the numerical value of the replacement.

The stock of human capital consists on the knowledge, skills, experience, energy, and inventiveness of people. The stock of human capital, like the stocks of physical and natural capital, will deteriorate if it is not maintained. Compared with other growth strategies, human development strategy can be justified on three grounds. First, the returns on investing in people are in general as high as, if not higher than, the returns to other forms of investment. Second, that investment in human capital in some cases economizes on the use of physical capital and the exploitation of natural resources. Third, when people are truly a priority, the benefits of investing in people are in general more evenly spread than the benefits from other form of investment.

In any economic system incentives offer options for investment which in turn act as fuel for economic system to move on and take shape. Structure of incentives is a 'set of relative prices that prevail'. Two things are important to be acquainted with while defining the structure of incentives. One, people are most valuable asset. Second, the sets of incentives encourage the acquisition of specific skills and knowledge by the members of society. It is the composition of incentives that leads to efficient or inefficient use of labor and also the distribution of income.

Discrimination also makes the part of structure of incentives and hampers the human development in following two ways. One, it restricts the choices and keep them limited to a privileged minority. Second, it reduces opportunities for the un-privileged majority. Similarly access to finance matters a lot. Privileged classes enjoy easy and cheap access to finance. Unprivileged classes have to rely on informal credit markets including money changers, small shopkeepers, rural money lenders, large land lords, relatives and friends etc. Different kinds of credit prices produce different kinds of adverse impacts on human development and environment.

Governments can play key role in designing and implementing the human development strategy, in developing countries. The size of government is of secondary importance important concern is what functions the state performs, and how well it performs them. The most important strategic turn, which the governments can take to promote human development, is to allocate more budgets in favor of human capital formation.

Human development strategy offers various solutions for successful implementation. Two mistakes are considered to be committed by the governments while implementation i.e., E-mistakes and F-mistakes. E-Mistakes mean excessive coverage of population i.e., non-intended beneficiaries receive the benefits. F- Mistakes imply that government programs or projects failed to cover intended beneficiaries. The human development strategy requires a political support to sustain.

Education and health are the fundamental to promote human development. Education sets economic growth in motion and has positive impact on poverty reduction. It also influences positively the social and political spheres. Education needs appropriate importance for high priority to primary education and due importance to other levels of education. The attainment of highest standard of health is considered basic human need and fundamental human right of every citizen. Health plays key role in developing human capital. Better health contributes in improving the efficiency and productivity of labor force and ultimately contributes in economic growth and leads to human welfare.

Gradually the developing countries need to reduce non-developmental expenditures and increase human development expenditures. For promoting human development, it is important to complement the incentives structure with structural reforms. These include guaranteed employment and minimum subsistence wage rates.

Chapter Two

Understanding Primary Education in Pakistan

2.1 Introduction

Education is a basic human right, acts as driving force and has positive impact on economic growth and poverty reduction. It also influences positively the social and political spheres. The multidimensional impact of education on human life makes it an essential area of policy concern. At macro economic level education contributes heavily for generating positive growth through technological adaptation, innovation and increased human productivity. A clear relationship between educational attainment and increased individual income has also been detected at microeconomic level.

Owing to its contribution for increasing human productivity immensely, education becomes the most viable option for policy makers when there are scarce resources and opportunities. Most of the developing countries need to maximize human productivity through education and health. The benefits of education range from being pure human to political, economic, social and cultural. Education increases self-esteem along with confidence which lead to empowerment. The bulging population of Pakistan offers a perfect opportunity – by growing and channeling its human resource – toward growth, development and for utilizing opportunities of today's global economy.

In Pakistan access to education remains out of reach for many of the poor even though the literacy has improved at a moderate rate for decades. Last few years show significant improvement in literacy and education on the whole. The overall literacy rate was 45 percent in 2001 which has increased to 54 percent in 2005-06, indicating a 9.0 percentage point increase over a period of only five years²². The Economic Survey 2006-07 of Federal Ministry of Finance (Government of Pakistan), shows the positive aspects of growth rate for literacy. It indicates that percentage increase in literacy for poor and females is higher than non-poor and males. Through the period of 2001 to 2006 the literacy rate for poor increased 10 percentage points (from 30 to 40 percent) and for non poor it increased 8 percentage points (from 51 to 59 percent). Similarly for the same period, the literacy rate for females increased 10 percentage points (from 32 to 42 percent) and for males it increased 7 percentage points (from 58 to 65 percent).

We can also notice improvement in enrollment rates and deterioration in drop out rates of children (of ages of 10-18) before completing the primary school education. The drop out rate of children decreased from 15 percent in 2001 to 10 percent in 2005. The significant improvements made during last few years, have encouraged the government to increase the education budget. Recently, Government has decided to double the education budget in percentage of GDP term as envisaged in *Fiscal Responsibility and Debt Limitation (FRDL) Act, 2005*²³. This will imply an extra spending of 1.8 percent of GDP in coming 5 years. The substantial part of this increase will be spent on primary and secondary education.

In the following sections effort has been made to review the national context, prevailing situation of educational attainments, resources for education, initiatives and the challenges of Government.

2.2 Prevailing Situation of Educational Attainments

2.2.1 Outcome Indicators

Under the first Constitution of Pakistan in 1973, education became a provincial subject. All academic institutions are the responsibility of the provincial governments. The federal government is responsible for policy, planning and promotion of educational facilities like curriculum development, accreditation and some financing of research. The education in Pakistan can be divided into five levels: primary (grades one through five); middle (grades six through eight); high (grades nine and ten, leading to the Secondary School Certificate); intermediate (grades eleven and twelve, leading to a Higher Secondary School Certificate); and university programs leading to graduate (undergraduate) and advanced (post-graduate) degrees.

Despite many implementation problems that arose during 1990s, primary enrollment did increase. But overall results in the education sector remain disappointing. A World Bank report prepared for Human Development Forum in 2002 indicates that Pakistan's net primary enrollment rates were well below than its neighbors in South Asia: net primary enrolment rate was 51 percent in Pakistan, 75 percent in Bangladesh, 77 percent in India and close to 100 percent in Sri Lanka²⁴.

Primary enrollment, measured as the gross enrollment rate (GER) showed some improvement in between 1991 and 1995/6 (from 65 to 70 percent) but none thereafter (falling to 69 percent in 1998-99)²⁵. The trend of enrollment in urban areas is generally more positive and report finds that income does have very important influence on making decisions about sending children to schools. The report of World Bank on 'Improving Human Development in Pakistan', finds "a strong correlation between household income and school enrolment, with upper income

groups having markedly higher school enrollment rates”²⁶. Therefore, a close scrutiny of different income groups shows different trends of enrollment during a specific period.

During the nineties inequality in enrolment rates increased, with enrolment rates among households in the bottom half of the income distribution actually declining whilst those in the top quintile continued to improve²⁷. The study also reveals that, “Literacy for the whole of Pakistan in 1998-99 is estimated at 43 percent. Both female and male literacy rates have increased during the nineties, but at 27 percent the female literacy rate lags that of males 58 percent by a significant margin²⁸”.

The acquisition of essential life skills is crucial for addressing the challenges of life. Therefore, literacy signifies an essential step in basic education. In Pakistan literacy is increasing slowly but steadily for the last few years. According to following data given Economic Survey of Pakistan 2006-07, the literacy rate has reached 54 percent as compared with 33.3 percent in 1990.

Table 1: Literacy Rate of Pakistan

Description	PIHS*	PSLM**	PSLM
	2001-02	2004-06	2005-06
Male	58	65	65
Female	32	40	42
Total	45	53	54
GPI	55	62	65

* Pakistan Integrated House Hold Survey

** Pakistan Social Standard Living Measures Survey

A considerable change is evident in the Gender Parity Index (GPI) over the last few years. If we compare the progress of provinces for improving the GPI during the recent years, we find that two provinces Punjab and Sindh showed better performance than the smaller provinces NWFP and Baluchistan. The analysis about literacy and education presented in Economic Survey (2006-07) indicates that national literacy GPI of Pakistan is 0.64. While for Punjab it is

0.67, for Sindh it is 0.89, for NWFP it is 0.46 and for Baluchistan the GPI is 0.37. Therefore smaller provinces deserve special consideration by the policy makers.

Pakistan did a lot of effort, but the comparison with other South Asian countries reveals that even more effort is required. For example, a comparison of literacy rates of 1960 and 1996 among Pakistan, India Sri Lanka and other low income countries (see National Human Development Report of Pakistan 2003) reveals that Pakistan needs to speed up its efforts. The figures given in the following table help us to understand the comparative achievements.

Table 2: Cross Country Comparison of Achievements in Literacy

Countries	1960	1996	Percent Point Difference
Pakistan	15	38	23
India	75	85	10
Sri Lanka	28	91	63
Other Low Income Countries	23	50	27

Source: National Human Development Report 2003 for Pakistan p.17

The above table shows that Pakistan had lowest literacy rate of 15 percent in 1960 as compared with India, Sri Lanka and other low income countries. Pakistan could increase its literacy from 15 percent to 38 percent over 30 years with a difference of 23 percent points in 1996. This increase is 4 percent point less than expansion made by other low income countries for their average, as they increased their literacy by 27 percent (from 23 to 50 percent) during the same period.

The institutional capacity in delivering education also matters a lot for achieving UPE and other required objectives of secondary and tertiary education. According to Education Census 2005, there were total 227,791 institutions in the country. About students, it states that

out of total 33,379,578 students, 57 percent were male and 43 percent females. The data shows that main focus of government has been on primary education and out of total 227791 institutions 53 percent were primary institutions. The overall student-teacher ratio at the primary level is found 1:31, at secondary level it 1:21 and middle the ratio is 1:23.

However, the condition of physical infrastructure of educational institutions is not very encouraging in Pakistan. It is becoming one of the major causes of low enrollment and high drop out rates in the country. The infrastructure conditions vary from one province to other. Among total public institutions, 6 percent were without building, 31 percent were without drinking water supply, 35 percent were without boundary wall and 54 percent were without latrine. For availability of school buildings, Sindh province presents a gloomy picture, where 41 percent of total schools were found without building as compared with 35 percent in Punjab, 12 percent in NWFP and 6 percent in Baluchistan.

The availability of clean drinking water to the whole population is still a national challenge for Pakistan. But the educational institutions are more deprived. In Punjab 29 percent schools are without proper arrangements of clean drinking water compared to 25 percent in Sindh, 21 percent in NWFP and 12 percent in Baluchistan.

Currently, the private sector is also working hand in hand with the public sector for providing the education to the masses at all three levels i.e., primary, secondary and tertiary. A study conducted by Andrabi, Das and Khawja (2001-02) indicate that private schools are contributing significantly for reducing gender gap and also urban rural disparity for enrollment. They found that, "More than 36,000 private institutions in Pakistan attend to the educational needs of 6.3 million children."²⁹. This trend seems to be increasing and the National Education Census Pakistan 2006, records that there are 80,103 private institutions.

The mentioned study examined various aspects of private education sector including its growth, affordability and its role. About the affordability, it concludes that “private schools are not an urban elite phenomenon but not only are they prevalent in rural areas but the fees charged in private schools make them affordable to middle and even low income groups”³⁰. About quality issues, the study examines teachers’ qualifications, expenditures per student, teacher-student ratio and facilities and concluded that, “on many counts, private schools fared better than public schools”³¹.

2.2.2 Resources for Education

To make desirable advancements in any sector we need will, commitment, system and resources. The countries which followed these principles made significant improvements in very less time. In Pakistan situation is grave in all four aspects, especially for education and health. However, we shall focus the resources for education in Pakistan. During the past several years the education budget has been around 2 percent of GDP.

Table 3: Expenditures on Education in Pakistan

Year	As % of GDP	In Billion Rs.
2000-01	1.82	75.9
2001-02	1.79	78.9
2002-03	1.86	89.8
2003-04	2.20	124.3
2004-05	2.13	140.0
2005-06	1.92	148.2
2006-07	2.42	211.1

Source: Economic Survey 2006-07

We can see a steady increase in education budget during last few years. It increased from 1.82 percent in 2000-01 to 2.42 percent in 2006-07. This shows firm commitment of government for providing education to every man, woman and child in the country. In comparison to other

South Asian countries, Pakistan needs to enhance its efforts and following comparison highlights this fact.

Table 3.4: Expenditure on Education in South Asia³²

Country	As % of GDP	
	1990	1998-2000
Bangladesh	1.5	2.5
India	3.9	4.1
Maldives	4.0	3.9
Nepal	2.0	3.7
Pakistan	2.6	1.8
Sri Lanka	2.6	3.1

In the table, in 1990 Pakistan was only behind Maldives and India in terms of allocation of resources. Over the decade, Pakistan lagged behind every country in the region. That indicates that Pakistan allocates least proportion to education relative to its neighboring countries.

It would be highly relevant to review the trends of spending on education at provincial levels. The following table presents a comparison of provincial budgets.

Table 4: Expenditure on Education in Provinces

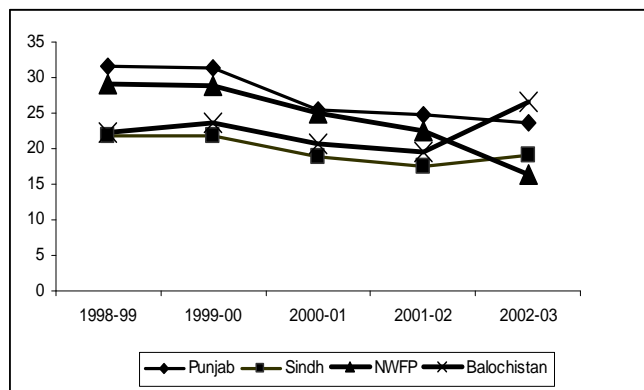
Provinces	1998-99	1999-00	2000-01	2001-02	2002-03
Punjab	31.58	31.44	25.36	24.82	23.59
Sindh	21.75	21.87	18.95	17.46	19.01
NWFP	29.18	28.89	24.96	22.42	16.41
Balochistan	22.18	23.53	20.6	19.64	26.69

Source: Journal, The Pakistan Development Review, 42: 4 Part II

We can clearly observe a downward trend of educational budgets from 1998 to 2003 in all provinces. The highest spending among all four provinces is of 31.58 percent in Punjab during 1998-99 and the lowest spending of all provinces is 16.41 percent of NWFP in 2002-03. If we note the difference of highest and lowest spending during this period, we find the highest difference of 12.77

in NWFP. Spending in NWFP went down from 29.18 in 1998-99 to 16.41 in 2002-03. The minimum difference of spending can be observed in province Sindh which remained 2.74 during this period. That means a consistency can be found in the education spending of this province. The following graph presents the trends of education spending in terms of percentage of GDP.

Graph 1: Trends in Education Expenditures in Provinces



As given in Table 3.5, Baluchistan shows a deviation in the trend at the end and allocation goes to 26.69 percent in 2002-03 from its lowest allocation of 19.64 percent in 2001-02. The overall downward trend in expenditures of education is a matter of concern. If we examine the allocation of budgets on education at districts levels, it is revealed that literacy has a positive correlation with spending on education. Hussain, Qasim and Sheikh found that, “The positive and significant correlation between district’s allocations of funds to education implies that without a significant increase in allocation of funds to education especially, for development purposes, the attainment of EFA goals would be a nightmare.”³³

In addition to internal resources, Pakistan receives a lot of support from donors for education in form of loans and grants. According to official document of Ministry of Finance, Government of Pakistan (Economic Survey 2006-07), loans are received from three multilateral organizations namely Asian Development Bank, the World Bank and the Islamic Development Bank. Grants are made by six organizations, like ILO, UNDP, UNESCO, UNFPA, UNICEF and

WFP. The same document reveals that there are also bilateral organizations extending grants and they include AusAid, CIDA, DFID, EC, GTZ, JICA, NORAD and USAID.

2.3 National Context of Education

After independence in 1947, Pakistan started from a very low base of about 16 percent gross enrollment rate. Amongst various diverse factors – like high population growth rate of about 3 percent, resource constraints, inadequate institutional incentives, organization and management problems – the achievement of universal primary education (UPE) remained a great challenge. These factors accompanied with many political and economic factors and kept the progress very slow for improving enrollment rates. Even though the first National Education Conference in 1947, recognized strong role of education and established UPE as a prime goal.

The political instability since independence has been a major hindrance in holding back the capacity of the primary education system to respond effectively in achieving this goal. In 1950s, political instability led to first military regime of General Ayub Khan, who governed throughout most of the 1960s. The civilian government of Zulfikar Ali Bhutto came to power in early 1970s after the civil war, resulting in the loss of West Pakistan (Bangladesh). Prime Minister Bhutto attempted many policy changes under the banner of an Islamic Socialist regime, including the nationalization of many private educational institutions. During this period, one major achievement was the making of first Constitution of Pakistan in 1973. The constitution helped to improve the role and functioning of state in all aspects including education.

Then comes the era of General Zia ul Haq, who overthrown Bhutto's civilian government in 1978 and introduced privatization and deregulation policies to counter his socialist policies. It is the time when the emergence of private schools is clearly distinguished and a change in

enrollment is also recorded. Since then the private schools are playing very important role in increasing enrollment and reducing gender gap at primary level across the country including urban and rural areas. This does not imply that priority changed for private schools and they were affordable rather they were the only choice available. In fact, the inability of public sector for providing access to affordable quality education to the masses significantly contributed in emergence and growth of private sector.

General Zia also introduced comprehensive changes in education policy, including his version of Islamization of education. These included establishing mosque/maktab primary schools, supporting madrassas (religious seminaries beyond the primary school level), and revising all subjects in conformity with Islam and requiring teaching of Islamiyat up to grade 14 (early years of university). The opening of mosque / maktab schools was an attempt to increase dramatically access to primary education. Strategy was to add regular primary school subjects in traditional religious instructions provided to young children in the local mosque. Later the program was disposed of for being ineffective at teaching academic subjects, partially because of untrained teachers and insufficient infrastructure.

The regime of General Zia came to an end with his tragic death in 1988, leading to a decade of elected civilian governments. The next decade of 1990s is referred as decade of political instability and economic stagnation. There was an alternation of elected civilian governments between Benazir Bhutto (daughter of Zulfikar Ali Bhutto) and Nawaz Sharif, leaders of the two main political parties. But there alternation was not a result of smooth democratic process and completion of defined tenures of five years. Rather the governments were dissolved by the then presidents with many charges of corruption, failure, inefficiency and

so on. Political corruption was on the rise in the provinces, affecting primary education through processes such as political patronage in the appointment and deployment of teachers.

As a participant in EFA Conference (1990), Pakistan committed itself to the goal of UPE by the year 2000 but failed. Later on, Pakistan signed the MGDs and committed to achieve universal primary education (UPE) by 2015. Education is important not only for itself, but also for the achievement of all other MDGs such as poverty reduction, gender equity, child and maternal health, lowering HIV/AIDS and other communicable diseases, and environmental stability.

After almost 50 years of its birth i.e., by the end of 90s, the proportion of GDP spent on education had not risen as expected and was 1.8 percent in 2001-02 versus 2.1 percent in 1991-92. The big push for education was provided around early 1990s by initiating the first Social Action Program (SAP). This initiative (supported by donors) was aimed at making rapid improvements in Pakistan's social indicators (education, health, and poverty). This was followed by a second Social Action Program (1998). Unfortunately, the results of both were disappointing. The causes of failure are believed to be the complexity of projects and poor design in terms of mechanisms for implementation. For example, there were many donors involved, and supervision missions were large and unmanageable. Likewise, the disbursement mechanisms were too complex and placed an unduly large reporting and documentation responsibility on an educational administration that could barely handle its normal day-to-day responsibilities. Over the years, the goal of UPE has been repeated in number of national conferences and policy papers. It is presently set for the year 2015 in agreement with the education MDGs.

The decade of civilian rule came to an end in 1999 when General Pervez Musharraf, who was Chief of the Army Staff under Prime Minister Sharif, took over the government. Broad education policy remained the same, and Pakistan participated actively in the EFA follow-up conference in Dakar, Senegal, in April 2000, again signing on to the goal of UPE, this time by the year 2015.

The events of the September 11, 2001, and the ensuing war on terror proved helpful for the government of General Musharraf. He associated his government with the war against terror and opposed the Taliban regime, previously allies of Pakistan. Partly as a result of this, aid flows have increased dramatically and the economy has shown an improvement compared to the stagnation of last decade (1990s). Education also benefited from this in the form more resources.

2.4 Recent Major Government Initiatives

Government has taken several strong initiatives to improve and overhaul the education system.

1- Education Sector Reform Action Plan 2001-2005

The Education Sector Reform Plan 2001-2005 was developed to overhaul the education sector. The plan envisages the devolution of responsibility of delivery of education to the local governments including improving literacy, enrollment and access to education.

2- National Education Census 2005

Reliable, accurate and comprehensive data is always prerequisite for any type of planning. The Pakistan Social and Economic Survey gave 84.3 percent for the GRE in 2000-1 while the Pakistan Integrated Household Survey described 72 percent in 2001-02. However, the two surveys were closer for net enrollment rates (NERs), with the Pakistan Social and

Economic Survey giving 48.6 percent and the household survey giving 42 percent for the same years. The reasons for these differing measurements are not clear. However, the availability of accurate data is lacking in every sector of Pakistan. But for the first time in the history of Pakistan, Ministry of Education conducted National Education Census (NEC) 2005 in collaboration with Academy of Educational Planning and Management (AEPAM) and Federal Bureau of Statistics, Statistics Division. It is hoped that data will be refreshed periodically and will help in making sound plans for improving literacy and education indicators.

3- Review of Curriculum and Examination System

To meet the challenges of modern world and become competitive in job market, government has started reviewing curriculum and examination system. The review of examination system is expected to promote uniform educational standards through in the country.

4- National Education Policy 1998-2010

This is an initiative of government for ensuring the ownership of all stakeholders in various national programs of education.

5- Human Resource Development through Higher Education Commission

Under a well thought out strategy of poverty alleviation through human resource development, Ministry of Education introduced an independent Higher Education Commission (HEC). Government claims that “implementation of this strategy over the past four years has resulted in a doubling of enrollment in higher education”³⁴. Similarly, a twenty percent yearly growth in internationally indexed research publications, award of more than 200 domestic and 1,200 international PhD scholarships and so on are attributed to the efficient role of HEC.

6- Initiatives At Provincial Levels

At provincial level, UPE has always been focus of government policy for primary education, but the targets keep on shifting constantly. Government policy also has always cited quality and equity goals, including the poor and girls' education. During the 1990s a number of provincial education projects were initiated which were aimed at creating the capacity to achieve policy goals. Consequently there were the Sindh Primary Education Project (1990), Balochistan Primary Education Project (1993), the Northwest Frontier Province Project (1995), and the Northern Education Project (1998).

7- National Commission For Human Development (NCHD)

To promote the public-private partnership in efforts for human development, government established the National Commission for Human Development (NCHD) in 2002 with the directive of President of Pakistan. It helped in mobilizing a lot of resources in education. Starting from very few districts, currently NCHD is operating in more than 90 percent districts of Pakistan and assisting the efforts of increasing literacy. A research study conducted by Shell Pakistan in 2005 found that, "NCHD's Universal Primary Education (UPE) has resulted in significant increase in net enrollment and decline in drop outs".

2.5 Challenges

After the careful study of available literature, we find following as major challenges for education in Pakistan.

- **Resources:** The current spending on education is about 2.42 percent of GDP (2006-07). The spending on education has been below this percentage for most of the period after the independence of country in 1947. This is due to limited resources available and also because of different national priorities than education.
- **Institutional Capacity:** The capacities of institutions are lacking for quality and quantity of education like number of institutions, infrastructure and trained teaching staff, periodic improvements in curriculum, monitoring & evaluation systems.
- **Incentive Structure:** The incentive structure in public sector and specifically for education does not correspond to the increasing inflation in the country. This is one of the major causes promoting corruption, inefficiency and hindering the optimum utilization of existing resources in education.
- **Standardized Data Collection and Dissemination:** Ensure availability and dissemination of high quality, reliable and standardized data and its dissemination on regular basis with consistency.
- **Cost of Education:** To keep the cost of quality education affordable and accessible for majority of the population.

Careful review of literature on education and human development guides us to take sound policy modifications and measures for achieving the targets of UPE till 2015. There is no other way to get rid of the poverty and underdevelopment, except focusing on human development.

2.6 Summary and Conclusion

In this chapter effort has been made to review the attainments literacy and primary education. The national context of education system has also been presented for understanding prospects and limitations. Finally, the policy issues, major challenges and initiatives have been reviewed at national level.

In Pakistan access to education remains out of reach for many of the poor. Last few years show significant improvement in literacy and education on the whole. The overall literacy rate was 45 percent in 2001 which has increased to 54 percent in 2005-06. The drop out rate of children decreased from 15 percent in 2001 to 10 percent in 2005. Recently, Government has decided to double the education budget in percentage of GDP term as envisaged in *Fiscal Responsibility and Debt Limitation (FRDL) Act, 2005*³⁵. This will imply an extra spending of 1.8 percent of GDP in coming 5 years. The substantial part of this increase will be spent on primary and secondary education.

After independence in 1947, Pakistan started from a very low base of about 16 percent gross enrollment rate. Amongst various diverse factors – like high population growth rate of about 3 percent, resource constraints, inadequate institutional incentives, organization and management problems – the achievement of universal primary education (UPE) remained a great challenge. The first National Education Conference in 1947, recognized strong role of education and established UPE as a prime goal.

The political instability since independence has been a major hindrance in holding back the capacity of the primary education system to respond effectively in achieving this goal. Various military and political regimes have been influencing the education system in their own ways. General Zia also introduced comprehensive changes in education policy, including his

version of Islamization of education. The decade of 1990s is referred as decade of political instability and economic stagnation.

As a participant in EFA Conference (1990), Pakistan committed itself to the goal of UPE by the year 2000 but failed. Later on, Pakistan signed the MGDs and committed to achieve universal primary education (UPE) by 2015.

After almost 50 years of its birth i.e., by the end of 90s, the proportion of GDP spent on education had not risen as expected and was 1.8 percent in 2001-02 versus 2.1 percent in 1991-92. The big push for education was provided around early 1990s by initiating the first Social Action Program (SAP-I) and followed by second Social Action Program (SAP-II). Unfortunately, the results of both were disappointing. The causes of failure are believed to be the complexity of projects and poor design in terms of mechanisms for implementation. Over the years, the goal of UPE has been repeated in number of national conferences and policy papers. It is presently set for the year 2015 in agreement with the education MDGs.

Under the first Constitution of Pakistan in 1973, education became a provincial subject. The federal government is responsible for policy, planning and promotion of educational facilities like curriculum development, accreditation and some financing of research. The education in Pakistan can be divided into five levels. Despite many implementation problems that arose during 1990s, primary enrollment did increase. But overall results in the education sector remain disappointing. A strong correlation is found between household income and school enrolment. During the nineties inequality in enrolment rates increased, with enrolment rates among households in the bottom half of the income distribution actually declining whilst those in the top quintile continued to improve.

The analysis about literacy and education indicates that national literacy GPI of Pakistan is 0.64. While for Punjab it is 0.67, for Sindh it is 0.89, for NWFP it is 0.46 and for Baluchistan the GPI is 0.37. Therefore smaller provinces deserve special consideration by the policy makers.

Pakistan did a lot of effort, but the comparison with other South Asian countries reveals that even more effort is required. Pakistan needs to speed up its efforts. The institutional capacity in delivering education also matters a lot for achieving UPE and other required objectives. According to Education Census 2005, there were total 227,791 institutions in the country. The data shows that main focus of government has been on primary education and out of total institutions 53 percent were primary institutions. The overall student-teacher ratio at the primary level is found 1:31, at secondary level it 1:21 and middle the ratio is 1:23.

However, the condition of physical infrastructure of educational institutions is not very encouraging in Pakistan. It is becoming one of the major causes of low enrollment and high drop out rates in the country. The infrastructure conditions vary from one province to other. In Punjab 29 percent schools are without proper arrangements of clean drinking water compared to 25 percent in Sindh, 21 percent in NWFP and 12 percent in Baluchistan.

Currently, the private sector is also working hand in hand with the public sector for providing the education to the masses at all three levels i.e., primary, secondary and tertiary. The affordability of private schools is in the reach of rural middle classes and in few cases by lower classes.

In Pakistan during the past several years the education budget has been around 2 percent of GDP. We can see a steady increase in education budget during last few years. It increased from 1.82 percent in 2000-01 to 2.42 percent in 2006-07. In the provinces we can clearly observe a downward trend of educational budgets from 1998 to 2003 in all provinces. If we examine the

allocation of budgets on education at districts levels, it is revealed that literacy has a positive correlation with spending on education. In addition to internal resources, Pakistan receives a lot of support from donors for education in form of loans and grants. Loans are received from three multilateral organizations namely Asian Development Bank, the World Bank and the Islamic Development Bank. Grants are also taken by six organizations, like ILO, UNDP, UNESCO, UNFPA, UNICEF and WFP. Government has taken several strong initiatives to improve and overhaul the education system. Education Sector Reform Action Plan 2001-2005, National Education Census 2005, Review of Curriculum and Examination System, National Education Policy 1998-2010, Human Resource Development through Higher Education Commission, establishment of National Commission For Human Development (NCHD),

Various challenges are to overcome for UPE in Pakistan. They include: To increase the spending on education; Increase institutional capacity for quality and quantity of education; To make incentive structure appropriate; Ensure availability and dissemination of high quality, reliable and standardized data and its dissemination on regular basis with consistency; To keep the cost of quality education affordable and accessible for majority of the population. Careful review of literature on education and human development guides us to take sound policy modifications and measures for achieving the targets of UPE till 2015. There is no other way to get rid of the poverty and underdevelopment, except focusing on human development.

Chapter Three

Understanding Health in Pakistan

3.1 Introduction

Like other South Asian countries, Pakistan has made progress during last 60 years in improving health indicators. But the progress has been slower compared with other neighboring countries. High level of income inequality, illiteracy, poverty and poor health status of most Pakistanis tell the story. Wide spread disparities of gender, income level, geographic location, class and social status make it extremely difficult to have access to healthcare for majority of population.

The quality of primary healthcare provided, especially in rural areas is very poor. Government policy, over the entire period of independence, has not been able to address these grievances. Following sections present brief overview of achievements of health and healthcare, national context and future course.

3.2 Health Achievements

With over 158 million population Pakistan is the sixth most populous country in the world. Its current population growth rate is 1.8 percent per annum³⁶. Health indicators in Pakistan have shown improvements during the last fifteen years, slowly but steadily. The figures of government for years 1992 ~ 2003 as given in Pakistan Demographic Survey (PDS) show that percentage of deaths attributed to communicable diseases have decreased to the level of 26.2 percent from 49.8 some years ago. However, international sources do not agree to these figures fully. Fact of the matter is

that Pakistan lags behind from many countries for making improvements in health conditions of its people.

The National Human Development Report of Pakistan (UNDP-2003) finds that three factors account for 60 percent of burden of disease in Pakistan, when measured in terms of life years lost. They include; i) – Communicable Infectious Diseases; ii) – Reproductive Health Problem; and iii) – Nutritional Deficiencies. All these three factors are preventable and treatable, but the incidence of disease and mortality remains high in Pakistan. Important adverse factor causing this poor state of health is the poverty in the form of malnutrition and unhygienic living conditions. Equally important is the prolonged harsh lack of preventive and curative health infrastructure. The gravely defective preventive measures include sanitation, safe drinking water, reproductive healthcare facilities for women and food safety regulations with respect to raw and cooked food available outside the household.

According to the National Human Development Report of Pakistan (UNDP-2003) female life expectancy of women has increased 15 years from 49 years in 1970 to 64.1 years in 2000. The increase in male life expectancy over the same period is 13.4 years from 49.6 to 61.9. In Pakistan the trend longer life among females has just started to emerge. Mortality rates among children and mothers are still very high.

To understand the inequalities among richest 20 percent and poorest 20 percent, we can compare some key indicators. For example, the percentage of skilled health personnel attending births for richest 20 percent (i.e., 55.20 percent) is 12 times greater than poorest 20 percent (i.e., 4.60 percent). Infant mortality rate – per 1,000 live births – among richest 20 percent (i.e., 62.50 percent) is 26.27 percent points less than poorest 20 percent (i.e., 88.77 percent). If we compare under-5 mortality rate (for 1,000 live births) among richest 20 percent and poorest 20 percent, it is 50.70 percent points greater among the poor. However, these inequalities are relatively less than Brazil and India, as shown in the following table.

Table 5: Cross Country Comparison of HDI Rank and Mortality

Countries	HDI Rank	Survey Year	Birth Attendants by Skilled Health Personnel (%)		Infant Mortality Rate (per 1,000 live births)		Under 5 Mortality Rate (per 1,000 live births)	
			Poorest 20 %	Richest 20%	Poorest 20 %	Richest 20%	Poorest 20 %	Richest 20%
Brazil	63	1996	71.60	98.60	83.20	28.60	98.50	33.30
India	127	1998	16.40	84.40	96.50	38.10	141.30	45.50
Pakistan	135	1990	4.60	55.20	88.77	62.50	124.50	73.80

Source: Human Development Report 2005

The official report of government of Pakistan about the achievement of MDGs in 2004 indicates improvements in reducing child mortality (goals 4) and improving maternal health (goal 5). While explaining the reasons for child mortality and infant mortality, it finds that two third deaths are caused by ‘problems in prevention and control of malnutrition, acute respiratory illnesses and other communicable and vaccine preventable diseases’³⁷. It further elaborates that, ‘prevalence of bad practices due to ignorance and illiteracy and the overwhelming burden of poverty have hampered achieving significant reduction in CMR’³⁸.

The same report analyses the most pressing challenges to reduce child mortality and they are summarized in the following. According to this official report, biggest challenges include lack of integrated management of childhood illness as well as (availability, affordability) unawareness, the population growth rate and inadequate allocation of budget. This small budget is mainly spent on salaries and management in stead of on development of healthcare system and service delivery.

The preventive programs are not integrated at lower levels of service delivery such as district or tehsil. Inadequate social sector services delivery (including safe water and sanitation), professional and managerial deficiencies, drug pricing, and high prevalence of communicable diseases have also

been identified as other major challenges. Similarly, serious institutional deficiencies, lack of equipment and staff in BHUs and RHCs intensify the problem. But, malnutrition can be considered a major determinant of the death and disease rate in country.

One of the most significant indicators of women health and availability of effective healthcare is maternal mortality. It is as high as 350~400 per 1,000 live births in Pakistan³⁹. It is mainly attributed to low skilled birth attendance rate, insufficient access to care services, illiteracy, malnutrition and socio-cultural practices which limit women's mobility. According to the same report only 31 percent of the female population seeks antenatal care. It is believed that two-thirds of pregnant women deliver at home and most (80 percent) deliver without assistance from skilled birth attendants. Lack of safe delivery services are thought to be the biggest challenge. The challenges in the way of reducing maternal mortality are almost similar as in the case of child mortality.

3.3 Resources for Health

According to Economic Survey of Pakistan (2006-07), during fiscal year 2006-07 government spent 0.57 percent of GDP on health sector amounting to Rs. 50 billion. In fact, health is not a priority area for government in Pakistan. Spending on health is optimistic but not promising. The total expenditure on health in 2006-07 was Rs. 50 billion which is double of 24.28 billion in year 2000-01. We can see a gradual increase in the health budget every year. The record change in health budget occurred between fiscal years 2005-06 and 2006-07 which is record 25 percent increase from the previous year.

Table 6: Year Wise Public Expenditure on Health in Pakistan

Fiscal Year	Public Sector Expenditures (In Rs. Billion)			Percentage Change	Expenditure as % of GDP
	Total	Development Expenditure	Current Expenditure		
1999- 2000	22.08	5.89	16.19	6.10	0.58
2000-2001	24.28	5.94	18.34	9.90	0.58
2001-2002	25.41	6.69	18.72	4.70	0.57
2002-2003	28.81	6.61	22.21	13.40	0.59
2003-2004	32.81	8.50	24.31	13.80	0.58
2004-2005	38.00	11.00	27.00	15.80	0.57
2005-2006	40.00	16.00	24.00	5.30	0.51
2006-2007	50.00	20.00	30.00	25.00	0.57

Source: Economic Survey of Pakistan 2006-07

This percentage of health expenditures is significantly less than most of the south Asian countries. Human Development Report of South Asia for 2004 show that Maldives, Nepal and India spend more in terms of percentage of GDP than Pakistan.

3.4 Public Health Care System

Under the Constitution of Pakistan, health is primarily the responsibility of provincial governments like education. The federally administered territories remain out of the provincial scope. The Federal Government is responsible for planning and formulating national health policies. The federal Ministry of Health is responsible for implementation of some vertical programs on AIDS and malaria, and extended program of immunization. Both public and private sectors provide the healthcare in Pakistan. Nearly 70 percent population is served by the private sector which is 'fee for service' system and covers a long range of healthcare provision. The range of healthcare provisions comprise on trained allopathic physicians at one side, and faith healers operating in informal private sector on the other side. No regulatory framework is in place for public or private sector. Like education, little authentic data is available about health

indicators, services and resources involved. The Economic Survey of Pakistan (2006-07) gives following picture.

Table 7: Year Wise National Health Establishments

Year	Hospitals	Dispensaries	BHUs Sub Health Centers	Maternity & Child Health Centers	Rural Health Centers	TB Centers	Total Beds	Population Per Bed
1990	756	3795	4213	1,050	459	220	72,997	1444
1995	827	4253	4986	859	498	260	85,805	1416
2000	876	4635	5171	856	531	274	93,907	1456
2006	924	4712	5336	906	560	288	102,073	1508

Source: Economic Survey of Pakistan 2006-07

According to this data, in 2006 there were 924 Hospitals, 4,712 Dispensaries, 5336 Basic Health Units, 906 Maternity and Child Health Centers, 560 RHC, 288 TB Centers and 102,073 Beds. It is clear that a trend of steady increase prevailed for Hospitals, BHUs, Maternity & Child Health Centers, Rural Health Centers, TB Centers and Total Beds. We also see a steady annual increase in the number of dispensaries since 1990 (3,795) to 2006 (4,712). Almost 1000 number of dispensaries increased during last fifteen years.

The dispensaries increased since 1990 from 3795 to 4712 in 2006. Although the number of beds increased with a steady rate, but number of beds per population almost remained same or even decreased. In 1990 there were 72,997 beds and persons for one bed were 1444. In 2006 there were total 102,073 numbers of beds and persons for one bed were even more than 1990 i.e., 1508. During 15 years, number of beds increased by 29,076 but number of persons per bed also increased because of rapid population growth.

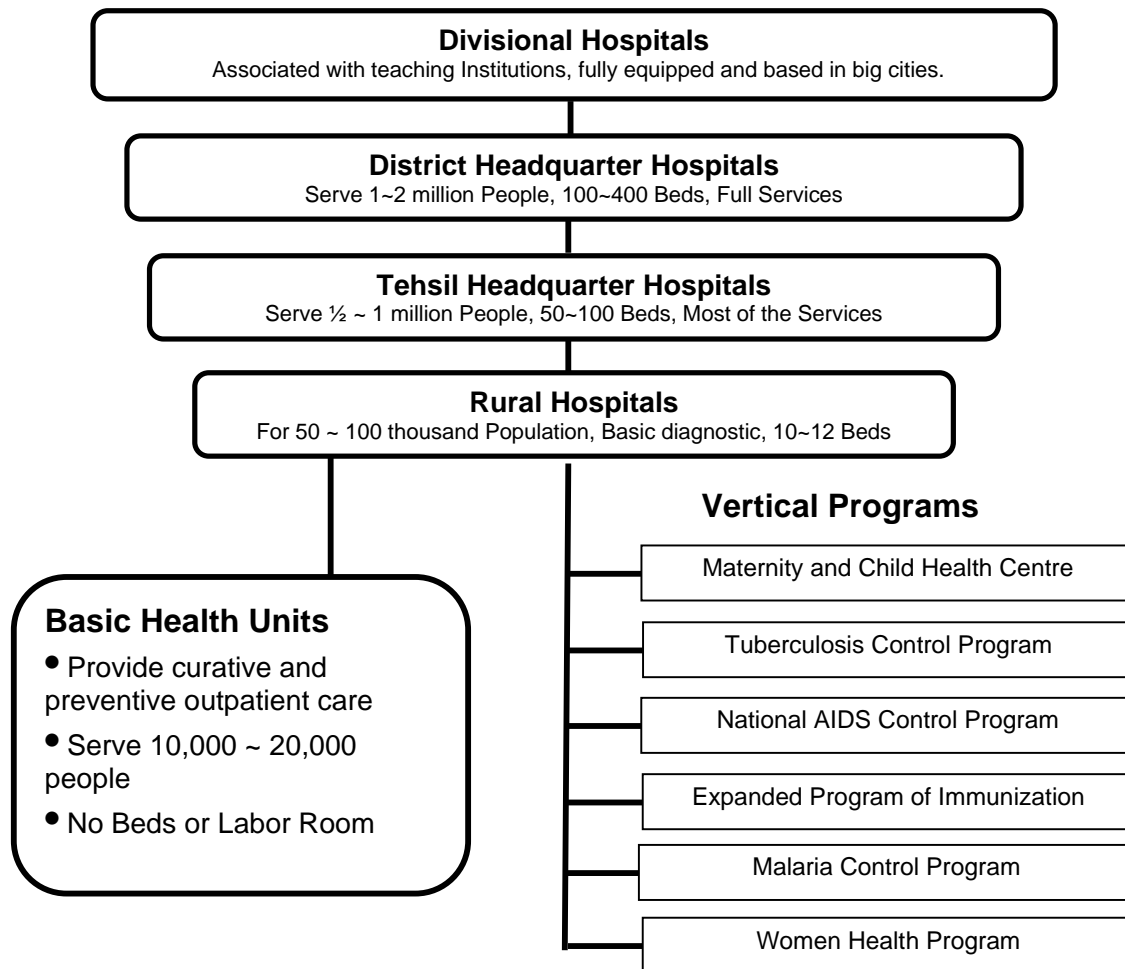
It always remained a challenge for government to cater the needs of ever increasing population. If we compare the number of health facilities, we find that it is in line with other

developing countries. But the problem has been the management of these institutions⁴⁰. Most of these RHCs and BHUs have been constructed on political considerations for earning popular support during elections. In effect a constructed facility is an evidence of serving the people and helps in gaining popular support for votes. On government side, it is also easy to grant funds for a building rather than to ensure improvement in its management.

Let us now examine the structure of public health infrastructure in Pakistan. It is organized in a hierarchical order. At the bottom are Basic Health Units (BHUs) with no beds and labor rooms, they provide basic health services including maternal and child care and family planning services to 10,000 ~ 20,000 population. Rural Health Centers form the next tier. They provide basic health services to 50,000 ~ 100,000 population and act as referral centers for BHUs. The RHCs have 10 to 12 beds in-patient services and they are equipped to handle some emergencies as well. They have basic diagnostic facilities (X-ray and Laboratory), two or three medical officers, nurses, dispensaries, lady health visitors, dental technicians and a vaccinator. But they do not have specialists.

The coverage of population and number of facilities available in the tehsil and district hospitals are more than BHUs and RHCs. The tehsil headquarter hospitals serve to a population of almost half million. They provide indoor services with almost 50~ 100 beds. The district headquarter hospitals are fully equipped with specialists. At the top, there are Divisional Headquarter Hospitals with all kinds of facilities. These hospitals are associated with teaching institutions and are located only in metropolitan cities. Following diagram helps us to understand the hierarchy of healthcare facilities. This has been drawn after reviewing relevant material including human development reports.

Figure 3: Public Health Infrastructure of Pakistan



Various studies indicate that these facilities remain underutilized due to relative lack of healthcare professionals specially women, high rates of absenteeism, poor quality of services and inconvenient locations. In addition to this, Pakistan Army, Railways, department of local government and autonomous organizations provide healthcare to their employees, who form a significant portion of the population.

The federal government keeps on funding vertical programs. Among these the most prominent programs are: The National Program for Family Planning and Primary Healthcare; The Extended Program for Immunization; The National HIV/AIDS Program; The National

Tuberculosis Control Program; The National Malaria Control Program; The National Nutrition Program; The Women Health Project; and recently started The Program for Prevention and Control of Blindness; National Program for Prevention and Control of Hepatitis; and National Neonatal, Maternal and Child Health Program.

Pakistan needs to increase the budget but more importantly needs to improve the efficiency of existing healthcare system for its optimum utilization. The benefits of regular healthcare services under the scope of provincial governments and vertical programs of federal government can not be obtained to the maximum level. One of the most important reasons is the less institutional capacity of health department. Various reasons explain the lack of institutional capacity including, lapses in system, insufficient incentives for health personnel compared with private sector, corruption, political exploitation and so on.

The urban and rural bias is also evident in investment and making improvements. It is common practice that rural areas always remain neglected for resource allocation and effective implementation of any health policy. But almost 70 percent population lives in the rural areas. In this way existing health infrastructure remains incapable for significantly contributing in producing quality human capital in rural areas.

The human resources are available for improving the quality of primary healthcare services are of two main types. They can be categorized into two main categories i.e., allopathic and non-allopathic. Among non-allopathic service providers include homeopathic, traditional Hakims and spiritual healers. Brief review of these healthcare service providers is given in the following paragraph.

Allopathic human resources are divided into three categories. Firstly, there are qualified service providers including MBBS and specialists. They are mostly providing services at private

hospitals, medical centers/nursing homes and at their clinics. They are not allowed for dispensing at their clinics but this practice is very common in Pakistan. Secondly, there are semi qualified health care providers which include LHVs, LHWs, etc. They are having some training and diploma as recognition. They are trained for specific purposes and have their limitations with respect to health care service provision. But it has been observed that they are mostly performing the functions of qualified doctors without enough knowledge. Thirdly, there are unqualified service providers including dispensers, ward boys or any other person having some experience of working with qualified healthcare provider. Unfortunately, they earn a lot of money by providing healthcare services in remote areas.

According to government figures given in Economic Survey of Pakistan 2006-07, there has been steady increase in number of health related human resources. The trend is ever increasing as is clear in following table. The increase in number of human resources was better during last five years (2001 to 2006) period than previous five years i.e., between 1995 to 2000. For example, in 1995, there were 70670 doctors during next five years they increased by 31 percent and became 92804.

Table 8: Health Professionals in Pakistan

Skilled Human Resource	1995	2000	Addition	Percent Increase	2006	Addition	Percent Increase
MBBS Doctors	70,670	92,804	22,134	31	122,798	29,994	32
Dentists	2,747	4,165	1,418	52	7,388	3,223	77
Nurses	22,299	37,528	15,229	68	57,646	20,118	54
Midwives	20,910	22,525	1,615	8	24,692	2,167	10
Lady Health Visitors	4,185	5,443	1,258	30	8,405	2,962	54

Source: Economic Survey of Pakistan 2006-07

Among non-allopathic service providers include Homeopaths and others. They got homeopath degrees from regular institution, mostly from private institution. In second category of non-allopathic service providers are included Hakims. Traditionally they get training in the families and very few proper institutions are available for their training. This is categorized in ‘Unani’ (Pertaining to Greek) and ‘Ayurvedic’ systems of medicine came to the United India via Arab physicians. However, the Unani medicine currently practiced in Pakistan is vastly different from its Greek roots. Finally, there are spiritual healers who treat the health problems through religious approach.

For providing healthcare in Pakistan the private sector is primarily a fee-for-service system. It is less organized sector with no structure and weak regulations. In private sector, there is a wide range of disparity in health care provision. Following is the brief description of healthcare facilities in private sector.

There is no central information about the private hospitals like their exact number, human resources, equipment, financial records and quality of their service. Therefore, we have to rely on subjective information about these hospitals. With respect to size of the facility, highest in rank are regular hospitals in private sector. They are in fact like ‘hospital business’ and are registered under

company's ordinance. Few of these are fully equipped with necessary staff, supplies & equipment, transportation and skilled staff and can be compared to any teaching hospitals of public sector.

Majority of hospitals in the private sector are under staffed and lack modern equipment. In spite of that, about 80 percent of the population seeks services from private sector as people are unaware about quality standard of services. Other than hospitals, are the nursing homes or centers. Some have all necessary provisions and skilled staff providing quality service to the public. But most of them have non-qualified and semi-qualified personnel adding to the increased risk of maternal deaths. They are also not fully equipped with supplies and equipment.

Major portion of private facilities comprise on clinics owned by a single person who is sole-proprietor of this healthcare providing structure. But clinics established on partnership basis are also found. The clinics are of various types, some are day clinics, some are part time and some remain open for 24 hours. With respect to facilities there are few clinics which are well-equipped and provide quality service. Conditions of most of the clinics are pathetic due to weak regulatory system and are not providing required quality service. There are also clinics using the names of some qualified doctors but most of the times not having the person around. These clinics generally lack supplies and equipment.

3.5 National Context of Health Care & Policy

At the time of its independence in 1947, Pakistan inherited a health care delivery system that was a legacy of British colonial period. This elementary system was in the form of public health services and some curative services. It was basically designed to prevent large scale epidemics and provide curative services for the population. The system was limited to large and medium sized towns, many of which were selected under considerations of accessibility, political importance and having strategic consequences.

Various problems were surrounding the healthcare system from the very beginning. During preliminary phase (1947-1955), the most important first problem was the replacement of technical staff which could not be tackled immediately. However some important initiatives were taken with the help of donors like UNICEF including BCG vaccination campaign. At that time two medical schools were also opened in the West Pakistan. The systematic approach to improve healthcare system was adopted after 1955. It was done under broad policy framework of Five Year Plans (FYPs). In the following few paragraphs brief review of gradual growth of healthcare system has been presented.

First Five Year Plan was started in 1955 which focused on producing technical human resource. During this period six new medical colleges, including one for women, were opened in both parts of Pakistan (East and West). A nursing school was attached to each of the medical college. In second FYP (1960-65) the institutional capacity was increased for providing primary healthcare service and also the technical human resource. The output was the establishment of Rural Health Centre scheme to cover 50,000 population by each unit, two Health Technicians' Training Institutes were opened, family planning program, and a malaria eradication program were also launched. The third FYP (1965-70), in addition to continuation of the aforementioned initiatives, launched Tuberculosis Control Program and Small Pox eradication programs. After fourth FYP (1970-75), quota of medicines was substantially increased for major hospitals. A generic drug system was introduced to bring down the prices of medicines and eight state-owned fair price drug shops were opened. Similarly, six medical schools, three nursing schools and one Public Health School were also opened.

The fifth FYP (1978-83) was in fact for the period 1975-80. But it could not be launched in a regular time period. We see a break of almost 3 years i.e., from 1975 to 1978. In this plan, effort was made to improve the planning and management. It was recommended that coverage of rural health centers be increased by 50 percent. Similarly, communicable diseases, malnutrition, food adulteration

and industrial hygiene were highlighted. During sixth FYP (1983-88), government focused on rural development and strengthened base of health system which helped in Health For All initiatives. Under seventh FYP (1988-93), health facilities were increased in rural areas including Basic Health Centers (BHUs) and Rural Health Centers (RHCs) and a female medical technician school was also established. Other significant improvements were the development of linkages between health facilities and semi-skilled, trained paramedics termed as Community Health Workers (CHWs), betterment in Mother Child Health (MCH) services, and initiating second Family Health Project.

In eighth FYP plan (1993-1998) significant interventions were made which included establishing Health Management Information System (HMIS) and Prime Minister Program for Family Planning and Primary Healthcare. During ninth FYP (1998-2003), decentralized planning, public private partnership, privatization of health facilities remained the prominent features. Underlying orientation was to create a balance of preventive and curative services and removal of management weaknesses of the health system.

Careful review reveals that major infrastructure of public healthcare was set during 1970s. Pakistan endorsed the “health for all by 2000” initiative of World Health Organization. Government launched extensive infrastructure and policy building initiatives. From village to Tehsil (sub-district) and Tehsil to district an up-gradation of healthcare system was introduced by creating inter-linkages of these three tiers. In villages, Basic Health Units were established for providing primary healthcare services. The Tehsil Headquarter Hospitals represented secondary healthcare and District Headquarter Hospitals represented tertiary care. Similarly, the teaching and referral units represented the tertiary care. Along with this, a significant public health campaign was launched for the first time, keeping in view local needs and WHO guidelines to meet the target. These included: An expanded program of immunization to eradicate the prevalent infectious diseases; Malaria Control Program; Tuberculosis Control Program; Family Planning Program; Diarrhea and Pneumonia Control

Program; and many others. To monitor all these and to achieve further improvements National Institute of Health (NIH) was established, too.

In recent programs the government has aimed to bring about Programmatic and Organizational and Management Reforms. These are to foster alleviation of poverty efforts of government, under health sector reforms, devolution has acquired immediate importance and major thrust is on district health system. A policy analysis and reform unit is being established at federal level. The new Health policy 2001 considers health sector investment as a part of government's Poverty Alleviation Plan. It gives more importance to primary and secondary health services as opposed to tertiary level health services in the past. Good governance is seen as basis of health sector reform to achieve quality healthcare.

3.6 Policy Making

3.6.1 Planning

Planning in healthcare is highly centralized. The planning agencies including Federal Planning Commission, Provincial Planning and Development Departments and Planning Cells in provincial health departments carry out task of planning. Recently, some efforts have been made to carry out the planning at districts level. An additional complication in the planning process is the lack of knowledge and orientation of bureaucrats in public health. A *medical model* is followed by both public and private sector which is characterized by an emphasis on curative health services. The manifestation of *public health model* is rarely reflected in theory and practice. The later model focuses on preventive interventions, obtaining maximum impact on the health status of communities for resources available, the use of appropriate technology and measurement of outcomes in terms of changes in health status.

There is hardly any system for service operations and practices in the country for healthcare sector. There is lack of team work among various cadres and no standardized operating procedures are available. Some degrees of standardized procedures are found for requisition supply, transport, inventory and dispensing but these are not integrated. There is no system of systematic monitoring and evaluation for the performance of healthcare services. The newly introduced Health Management Information System is a major step toward improvement. Similarly, no comprehensive and systematic information on public health care is available. Even some of the surveys are not done regularly.

Pakistan made three national policies for health in 1990, 1997 and 2001. The National Health Policy 1990 advocated need for extensive primary healthcare. The target was set for universal primary care within ten years through active participation of private and public sector. It also emphasized on improvements on BHUs and RHCs and health management system. An innovative program of Lady Health Workers was also started in 1993 to provide preventive and basic curative care to traditionally neglected groups. This program has been termed as success. The program seems to have addressed the issues of equity, urban bias and access of marginal groups to curative care. Then the initiatives for health were taken under Social Action Program 1 (SAP I), 1993-1997 for driving primary healthcare. Similarly, in SAP II during 1997-2002 initiatives were taken on primary healthcare, basic education and water & sanitation.

3.6.2 National Health Policy 2001

Among current government initiatives, the most important is 'National Health Policy 2001'. The policy has been developed on three guiding principles for improving the healthcare in Pakistan. These are:

- A) – Health sector investments are viewed as part of Government’s Poverty Alleviation Plan;
- B) – Priority attention is accorded to primary and secondary sectors of health to replace the earlier concentration on Tertiary Care; and
- C) – Good governance is seen as the basis of health sector reform to achieve quality health care.

In the light of these guiding principles, National Health Policy for 2001 identifies ten key areas for intervention. These key areas include;

- i- Reducing widespread prevalence of communicable diseases;
- ii- Addressing inadequacies in primary/secondary health care services;
- iii- Removing professional/managerial deficiencies in the District Health System;
- iv- Promoting greater gender equity;
- v- Bridging basic nutrition gaps in the target-population;
- vi- Correcting urban bias in health sector;
- vii- Introducing required regulation in private medical sector;
- viii- Creating Mass Awareness in Public Health matters;
- ix- Effecting Improvements in the Drug Sector; and
- x- Capacity-building for Health Policy Monitoring

If we analyze the guiding principles and key focus areas, it becomes evident that the healthcare system in Pakistan is still in its early stages. Recognizing investment in health sector as part of poverty alleviation efforts is an evidence of poor condition of human development in the country. After more than 50 years in 2001, government realizes that primary and secondary

care should be focused more. Similarly the question of good governance is clear indication of less institutional capacity of every sector including health. If we look at the ten key areas they all pertain to fundamental aspects.

3.7 Summary and Conclusion

The chapter focuses on capturing the current state of primary health indicators, features of healthcare system, its growth in national context and major policies and programs. Pakistan has shown slow progress in improving health indicators. High level of income inequality, illiteracy, poverty and poor health status of most Pakistanis tell the story. Wide spread disparities of gender, income level, geographic location, class and social status make it extremely difficult to have access to healthcare for majority of population. The quality of primary healthcare provided, especially in rural areas is very poor.

With over 158 million population Pakistan is having current population growth rate of 1.8 percent per annum. The figures of government for years 1992 ~ 2003 show that percentage of deaths attributed to communicable diseases have decreased to 26.2 percent from 49.8 some years ago. According to international sources three factors account for 60 percent of burden of disease in Pakistan which are actually preventable and treatable. They include; i) – Communicable Infectious Diseases; ii) – Reproductive Health Problem; and iii) – Nutritional Deficiencies. Equally important is the prolonged harsh lack of preventive and curative health infrastructure. The gravely defective preventive measures include sanitation, safe drinking water, reproductive healthcare facilities for women and food safety regulations with respect to raw and cooked food available outside the household. Inequalities do exist among richest and poorest.

The reasons for child mortality and infant mortality are malnutrition, acute respiratory illnesses and other communicable and vaccine preventable diseases. Prevalence of bad practices due to ignorance and illiteracy and the overwhelming burden of poverty have hampered achieving significant reduction in CMR. Biggest challenges include lack of integrated management of childhood illness as well as (availability, affordability) unawareness, the population growth rate and inadequate allocation of budget. This small budget is mainly spent on salaries and management instead of on development of healthcare system and service delivery. The preventive programs are not integrated at lower levels of service delivery such as district or tehsil. A lot of gaps are found in institutional capacity.

Maternal mortality is as high as 350~400 per 1,000 live births in Pakistan. It is mainly attributed to low skilled birth attendance rate, insufficient access to care services, illiteracy, malnutrition and socio-cultural practices which limit women's mobility. Only 31 percent of the female population seeks antenatal care. Lack of safe delivery services are thought to be the biggest challenge.

Government spent 0.57 percent of GDP on health sector amounting to Rs. 50 billion. In fact, health is not a priority area for government in Pakistan. Spending on health is optimistic but not promising. A gradual increase in the health budget is evident every year. This percentage of health expenditures is significantly less than most of the south Asian countries.

Under the Constitution of Pakistan, health is primarily the responsibility of provincial governments like education. The federal Ministry of Health is responsible for implementation of some vertical programs on AIDS and malaria, and extended program of immunization. Both public and private sectors provide the healthcare in Pakistan. Nearly 70 percent population is served by the private sector which is 'fee for service' system. Like education, little authentic data is available about health indicators, services and resources involved.

At the bottom of primary healthcare system are Basic Health Units (BHUs) with no beds and labor rooms, they provide basic health services. Then come Rural Health Centers, Tehsil Headquarter Hospitals, District Headquarter Hospitals and finally, Divisional Headquarter Hospitals with all kinds of facilities. Various studies indicate that these facilities remain underutilized due to relative lack of healthcare professionals specially women, high rates of absenteeism, poor quality of services and inconvenient locations.

The human resources are available for improving the quality of primary healthcare services are of two main types. They can be categorized into two main categories i.e., allopathic and non-allopathic. For providing healthcare in Pakistan the private sector is primarily a fee-for-service system. It is less organized sector with no structure and weak regulations.

There is no central information about the private hospitals like their exact number, human resources, equipment, financial records and quality of their service. Therefore, we have to rely on subjective information about these hospitals.

At the time of its independence in 1947, Pakistan inherited a health care delivery system that was a legacy of British colonial period. Various problems were surrounding the healthcare system from the very beginning. During preliminary phase (1947-1955), the most important first problem was the replacement of technical staff which could not be tackled immediately. The systematic approach to improve healthcare system was adopted after 1955. It was done under broad policy framework of Five Year Plans (FYPs). In the following few paragraphs brief review of gradual growth of healthcare system has been presented. Careful review reveals that major infrastructure of public healthcare was set during 1970s and have been improve afterward. In recent programs the government has aimed to bring about Programmatic and Organizational and Management Reforms. Planning is healthcare is highly centralized. A *medical model* is followed by both public and

private sector which is characterized by an emphasis on curative health services. The manifestation of *public health model* is rarely reflected in theory and practice.

There is hardly any system for service operations and practices in the country for healthcare sector. Pakistan made three national policies for health in 1990, 1997 and 2001. Among current government initiatives, the most important is 'National Health Policy 2001'. The policy aims to integrate with poverty alleviation, focusing on primary and secondary care and good governance. The policy focuses on ten key areas for intervention. If we analyze the guiding principles and key focus areas, it becomes evident that the healthcare system in Pakistan is still in its early stages. Recognizing investment in health sector as part of poverty alleviation efforts is an evidence of poor condition of human development in the country.

Chapter Four

Why Pakistan Lags Behind In Human Development

4.1 Introduction

The state of human development in Pakistan presents a very dismal picture. In Human Development Report 2007, Pakistan's rank is 136 out of total 177 countries. The value of its Human Development Index is 0.551 points⁴¹. Among neighboring countries China, Iran, Tajikistan and India having HDI ranks of 81, 94, 122 and 128 (with HDI of 0.777, 0.759, 0.673 and 0.619 respectively), Pakistan is lowest in rank except Afghanistan. If we compare it with countries having highest and lowest ranks, it helps us to further evaluate the performance of Pakistan. On the highest rank is Iceland (HDI is 0.968) and on lowest rank is Sierra Leone (HDI is 0.336).

If we compare HDI values of countries from developing world, South Asia and Africa, Pakistan is found very close to low human development Sub-Saharan African countries. The average of HDI of these countries is 0.493 which is only 0.058 points less than Pakistan. While the average of developing countries (with HDI of 0.691 points) is more than Pakistan by 0.14 points and average of South Asian countries (with HDI of 0.611 points) is greater than Pakistan 0.06 point. Undoubtedly, this presents very gloomy picture of overall human development indicators.

Why Pakistan is lagging behind in human development indicators, not only from rest of the developing world, but also from its neighboring countries? This is important question to answer for formulating policy and for bringing any significant improvement in human development indicators. The gloomy picture of human development in Pakistan might be result of combination of many factors.

The most suitable manner in which a country can be evaluated is to examine its history and to look how and what kind of social system has evolved through what processes. And what is the underlying logic and linchpin of the system and responsible for pushing or driving the whole system into a certain dimension.

The following paragraphs will focus on exploring the important factors responsible for bad human conditions in Pakistan. The chapter starts with historical background of state and society for helping to understand social, political, economic and formal context. It also helps to know what kind of state 'liabilities' kept it 'indifferent' to constantly deteriorating state of human condition. Furthermore, it gives understanding of political processes which constantly kept on evolving and kept the state away from its primary responsibility of serving the people. This portion focuses on description and analysis of various factors and presents an overall picture.

Next, then comes the analysis of weak democracy and governance. It helps us succinctly the causes and condition of democracy and governance in Pakistan. Then the chapter offers analysis explicating the vital link of various factors and its comprehensive impact on the current state of

human development. Effort has also been made to explore the underlying logic of non-human development character of state. In the end a summary and conclusion has been presented.

4.2 Historical Background of State and Society

Pakistan officially the Islamic Republic of Pakistan, is a country in South Asia. It is sixth most populous country in the world with high levels of poverty and illiteracy. It has the second largest Muslim population, more than 160 million, in the world after Indonesia. It is bordered by Afghanistan and Iran in the West, India in the east and the People's Republic of China in the northeast. Tajikistan also lies close to Pakistan but separated by a narrow corridor. Thus, it occupies a crossroads between south Asia, Central Asia and Middle East. This location has great geo-political importance for the country and due to this location various international events have imposed 'liabilities' on country's state, politics, economy and society. These 'liabilities' have consequently adversely affected the human development in country. In the next part of this chapter, effort will be made to establish link of human development with mentioned factors above.

The region forming Pakistan was at the heart of ancient Indus Valley Civilization and then later was the receiver of Vedic, Persian, Turco-Mongol, Indo-Greek and Islamic cultures. There has been invasion by Aryans, Persians, Greeks, Arabs, Turks, Afghans, Mongols, Sikhs and British.

In addition to Indian independent movement which demanded an independent India, the Pakistan movement, sought an independent state for the majority populations of the eastern and western regions of British India. British granted independence to Pakistan in 1947 comprising

on four provinces (Sindh, Punjab, North West frontier province and Baluchistan), independent Kashmir and East Bengal. In 1971, civil war in East Pakistan broke the country into two parts. The East Pakistan became Bangladesh and West Pakistan became Pakistan.

Pakistan's history is characterized by repeated military rule and political instability. The first Constitution of Pakistan was adopted in 1956, but was suspended in 1958 by General Ayub Khan. The last Constitution, under which the country is running its affairs, was adopted in 1973 and is regarded as the country's most important document. It was result of a broad based consensus among various state organs, political parties, provinces, ethnic groups and people of Pakistan. According to the 1973 Constitution of Pakistan, the country is semi-presidential, federal democratic republic and Islam is the 'state religion⁴²'.

For developing better understanding of the socio-political process of the country, we can divide the whole 63 years period (from 1947 to 2009) in various eras, on the basis of political or military rule.

From 1947 to 1958: Non Military Rule

Immediately after its creation in 1947, Pakistan was bound to face multiple problems of political, social, economic nature. Most important hurdles included the settlement of immigrants from India, problems of state & governance. These were immense challenges to tackle sagaciously for a newly born country. Lack of sufficient human resource intensified the problems. According to 1951 census, the literacy rate was only 16.4 percent and majority of population was residing in rural areas i.e., 82.2 percent.

The country was more like a less developed country in terms of industry, market size, labor force and infrastructure. As Zaidi states, “After independence in 1947, Pakistan was predominantly agrarian, underdeveloped, newly independent nation, with a little industry, few services and no infrastructure. The initial decade was devoted to survival and laying foundations rather than economic or human development. In the first five years, Pakistan’s main concern was one of survival, where adverse international conditions and precarious domestic situation, with millions of refugees, made the provision of very basic necessities the primary task of the government⁴³.” All these problems bound the country to align with some super power. Leadership of Pakistan, at that time, aligned with US alone unlike India who developed and maintained relations with both super powers i.e., US and USSR.

For laying multiple foundations of new born country, politicians and early bureaucracy played important role. In the beginning, military was away from exercising any influence in state affairs. Large landowners were sharing power with those who were in top decision making ranks of civil bureaucracy. The bureaucracy was dominated, basically, by migrants from India. The bureaucrats along with politicians shaped the state and economy in a way which could serve their interests for a longer term in contrast to the interests of people. But the leading role was in hands of bureaucrats and they were not fully aware of the issues of people of land. As describes Zaidi, ‘Since much of the bureaucracy was composed of urban migrants from India, it had little knowledge of or interest in agriculture, and felt that manufacturing should receive far greater state patronage⁴⁴’.

At initial stages, the strategy was not made on the principle of 'building on built', but a policy of extensive industrialization was adopted. This was not compatible with existing structure agro-based economy and available labor force. As stated by Zaidi, "At the beginning politics was in hands of large number of big landowners, mostly feudal, and an equal number of tribal leaders. Since there was no industry, there was no class of individuals related to industrialization process. Bureaucrats were also having influential role in decision making..... essentially, bureaucrats dominated the political scene on Pakistan for the first few years, with collection land owning politicians, nawabs [lords] and sardars [Feudal Lords] comprising the political equation'⁴⁵."

The state of economy was more agrarian and almost 80 percent population was living in rural areas. "The economy was predominantly agro-based, so was the labor force and productive relations. But the bureaucracy was not fully sensitized to the gravity of prevailing economic, political and socio-cultural realities. They were more inclined to industrialization and hence under utilized the potential of agro-based economy. So we find very low growth rates in agriculture. The growth rates in agriculture, for example, were dismal in the first decade, emphasizing the belief of bureaucracy that the way to develop was through industrialization, even at the cost of agriculture and rural areas, where almost 80 per cent of population lived'⁴⁶."

Unfortunately, the governance, democracy and political institutions were not allowed to grow and flourish during first decade and remained influenced by the British Crown. The poor performance, might have been the outcome of intentional efforts of Pakistani 'establishment' [It is a common word in the analysis of Power politics of Pakistan and these are those groups or factions who always remain in power] for pursuit of their perceived 'notions' and also for their

ulterior motives. At the same, it might be result of less 'capacity' of all those who were ruling country and were making key decisions.

The early death of founder of Pakistan Mohammad Ali Jinnah in 1948 and murder of Prime Minister Liaqat Ali Khan in October 1951 – both were among high rank champions of freedom movement – kept the vision of new state a dream and nothing significant could be done for translating it into reality. Hence the planning and implementation for general purposes and especially for human development remained short sighted and inefficient. Furthermore, the repeated crises of political governments created an impression of incapability of politicians and undermined their image and also the efficacy of political institutions.

As described by Siddiqi, "From 1947 to 1958 Pakistan had seven prime ministers and eight cabinets. Furthermore, the extravagant and viceregal behavior of the political elite set it apart from the common people. The issue was not just the use of colonial practices by the political leadership, such as keeping military secretaries and *aides de camp*, but their inaccessibility to the general public. This behavior undermined the image of politicians⁴⁷."

From 1958 to 1971: Military Rule

On the whole weak performance of political governments on one side and enhanced institutional capacity of military on the other side, provoked military to take over and rule the country directly. This was done with the help of bureaucracy as described by Siddiqi, "The military rode into prominence on the shoulders of the civil bureaucracy. The first military coup in 1958 was a result of a political alignment between the civil and military bureaucracy⁴⁸."

Military always justified its interference into the 'business of state' – of course, this interference was unconstitutional – for the reasons like; building national economy, improving administrative efficiency and for ensuring more trusted security. Nonetheless, first military take over was more than just administrative take over rather it was also the beginning of shift in paradigm of state from 'human development state' to a 'security state'. The coming of military into power strengthened the image of Pakistan, within and outside the country, as 'security state' and image of military as the only 'credible institution' for fulfilling that purpose. This is proved with subsequent political developments in the country and from dynamics of foreign relations so far.

The military was concerned with the politico-economic instability and weak governance of last decade and perceived that as a 'threat' to national security, integrity and survival. Lack of political consensus and weak political institutions never enabled politicians for demonstrating good governance and assertive political governments. Hence, this undermined the efficacy and importance of democracy.

During this military rule we also see development and economic growth, which also needs to be understood. Though, it did not generally contributed in enhancing the human development in the country. It is important to mention that the decade is also labeled as 'decade of development'. Having central command in hand, it was relatively easy for military government to deliver for the economic development of country. A lot of industrialization coupled with 'green revolution' boosted the economic growth. Zaidi analyzes the situation in following words, "the very high growth rates in the economy and in large scale manufacturing would not have been possible

without a central command, and the only institution capable of providing that sense of order at the time was the military⁴⁹. But it should also be acknowledged that military made this possible by creating a support for itself among politicians and privileged affluent class.

Hence the political nature of the regime, or the political settlement in the Decade of Development, was one where the military and bureaucracy governed Pakistan, assisted by allies in industrial and agricultural sectors⁵⁰. In spite of high economic growth, the benefits were restricted mainly to a distinguished minority and contributed in concentration of wealth and power in few hands, who were strong allies of military government. During the 1960s, the famous 22 families who owned about 68 per cent of Pakistan's industries and 87 per cent of its banking and insurance assets were sympathetic to their source of power, the army⁵¹.

At the end of this period in December 1971, a civil war took place in the East Pakistan and country was divided in two parts i.e., Pakistan and Bangladesh. It was an immense tragedy for a country and nation. Half of the country had gone and rest should have learnt lessons from that and the rights of people for human development must have been recognized and mistakes should have been corrected. Unfortunately, no lesson was learnt and the human conditions kept on deteriorating even further.

From 1971 to 1978: Political Rule

In 1971, breaking of Pakistan, defeat of army in civil war and leaving 90,000 soldiers as captives of India, put nation into new crisis. The nation was bound to face the consequences specially the unprivileged sections of society. The situation remained very precarious, but ultimately the crisis

was overcome by holding general elections in 1973. The government during 1973-77 is considered the first democratic government of people which represented the aspirations of people. It contributed in creating an environment relatively conducive for human development in terms of popular pro-human development policies and budgetary allocations. The then popular leader, of Zulfikar Ali Bhutto from Pakistan Peoples Party, is considered responsible for making that possible.

“Bhutto’s government also laid the foundations for future growth and development from which his successor benefitted. Basic industries were set up and a base for a capital goods industry was established which resulted in subsequent growth⁵²”. This period also witnessed high economic growth, in spite of policies of nationalization. Many from lower and lower middle classes found opportunities of employment in the country and also to go abroad for employment in Persian Gulf and Arab countries. This factor helped in bringing a lot of remittances from abroad to the country and people also privately invested more on basic human development. Remittances from the Middle East and aid from abroad helped launch Pakistan’s second economic revolution, where the middle class emerged as a formidable economic and political category⁵³.

One of the hallmarks of this period is the making of Constitution of Pakistan with consensus of all political parties in 1973. It was a new beginning in country after a disgusting defeat and loosing half of its territory. The main crux of last constitution is the recognition of right of people for development vehemently. It was a broad based consensus of representatives of the people for driving country in a direction which would ensure human development. It was a sufficient broad consensus which could modify the state’s orientation from security to pro-people human

development. But one did not find significant change in the very character of state which remained aloof from human development. The second worth mentioning development of this period is the gaining of nuclear capability, which the state has always propagated as a balance of power in region and important for maintaining deterrence for India. It is also claimed by various strategic analysts that Pakistan remained safe from India for any further attack after 1971 till to date.

It can not be concluded that everything was alright during Bhutto's reign, but this was the first period which can relatively be marked as the beginning of recognition of people's right of development. Bhutto is blamed from his critics for many reasons ranging from his dictatorial attitude to unwise policies of nationalization. But, there is no doubt that Bhutto is recognized as the only popular leader, in the political history of Pakistan, who challenged the establishment and finally lost his life for this cause. He was hanged in April 1979 by the military dictator General Zia.

From 1977 to 1988: Military Rule

The eleven years between 1977 and 1988 are the second prolonged direct military rule which was established by General Zia-ul-Haq. He imposed martial law after sacking the political government of Zulfiqar Ali Bhutto in 1977. Later on, Bhutto was hanged in April 1979 on the bases of criminal case of murder – although the decision is considered the most controversial decision in judicial history of country.

This period bears great political importance in the history of Pakistan for three main reasons: first, enabling the military government to consolidate its institutional strength; second, inculcating hard line religious doctrine across the state and society; and third for creating a middle class which helped in creating mass support for these changes. These three aspects affected human development directly and adversely. Incidentally, the international political situation also helped the then military regime to run the state in its own security-oriented fashion. In this regard, the most important event was the US war against USSR in Afghanistan, in which Pakistan was bound to become a frontline state for being an old 'friend' of US and for its geo-political importance in this region.

Becoming an ally of US put gigantic liabilities on the state for maintaining a warlike environment to facilitate the war against USSR. In other words, the notion of 'security' was glorified and it dominated every affair of state and society. The whole structure of state and society was modified in favor of war against Russia. For keeping high level of motivation, a matching ideology was required which was extracted from religion. The religious leaders particularly propagated importance of desirable version of 'Jihad' – the wholly war against evil and enemies of Islam – vehemently amongst masses and kept the socio-politico and cultural environment conducive for that. The politico-religious groups and parties were allowed to nurture and they promoted 'typical religious education' which could indoctrinate the extreme religious ideology and Jihad easily. 'The religious parties were encouraged to open madrassas (informal religious schools) and recruit common people to fight in Afghanistan against Soviet forces. A relationship also developed with the urban-based trader-merchant class, which was socially conservative.'⁵⁴,

Desirable interpretation of religion by a typical intelligentsia and ruling elites – though not a new phenomenon – helped in developing great motivation and gaining popular support in masses and in creating a required ‘extremist mind-set’. This sort of ideological orientation was propagated as inevitable step to ensure the achievement of short and long term ‘security’ of country and Islamic Ummah – the whole Islamic brotherhood. It proved highly beneficial for military for various reasons of obtaining ideological strength. It also helped the regime in obtaining a better bargaining position for getting ‘price’ of strategic partnership with US.

They did it well and a lot of military and financial aid was provided by the US. The Military and overall ‘security institutions’ consolidated their powers, but the society suffered a lot in terms of worsening human development in the country. “By becoming the capitalists world’s ‘front line’ state against all things Soviet, and especially Soviet expansionism in the region, Pakistan’s government gained in terms of financial aid and resources. However, General Zia’s martial rule inflicted deep-rooted damage to Pakistani society⁵⁵”. The focus of state remained on ‘security’ not on human development during this period.

Along with state, the society of Pakistan also transformed into new social order, which was quite different from the order which was at the time of independence in 1947. The most disastrous social trends emerged which spread like epidemics during this period. These include; fatal terrorism, sectarian violence, linguistic and regional disparities, arms and heroin smuggling and high segregation within the society. All this did not happen just as a matter of chance rather it was result of a deliberate effort by creating a ‘favorable environment’ and making available the

‘social space’ for that. It was benefitting the state by one way or another in pursuit of their self-imposed and narrowly defined notion of ‘security’.

This new social order brought very far-reaching social, political and economic implications. These included indoctrination of war oriented brand of Islam – against peace oriented Islam – and emergence of new rightist middle class. This new class is strong enough even today and is supporter of hard line religious philosophy. Zaidi highlights the characteristics of this middle class in his book ‘Issues in Pakistan Economy’ in these words, ‘This is Pakistan, and Pakistan’s corrupted, rent seeking, inefficient, and pampered middle class which is socially conservative and fragmented, contradictory in nature and in its working, with both highly traditional religious and conservative sections belonging to this social category, as well as indigenous and modern groups⁵⁶’.

The Zia’s rule is also notorious for promulgation of negative trends in the society. Perhaps, it was their strategic need for fighting war against Russia and to keep such loop holes in the system which could be exploited anytime for various intelligence and tactical reasons. All this could not be done ‘openly’ for maintaining secrecy of war tactics. Hence it was covertly done in camouflaged fashion. There is extensive evidence of corruption, smuggling, and the emergence of a drug and arms mafia and economy due to fallout from Soviet invasion of Afghanistan⁵⁷.

With the passage of time, military government was required to gain popular political face for people of Pakistan and for international community to gain legitimacy of their actions and for gaining diplomatic and financial support. Therefore, in 1985 martial law was lifted and general

elections were on non-party basis. As a result an 'obedient' political government was established. Zia remained the president of the country in uniform and also introduced the controversial constitutional amendment of 58-2B. This amendment bestowed unprecedented 'absolute power' to president for dissolving elected national and provincial assemblies and sacking the governments.

The military ruler could not afford any interference in exercise of absolute power and hence the national and all provincial assemblies were dissolved in May 1987. It was pledged by the military ruler Zia that new elections will be conducted within 90 days. Although the promise was not honored in due time but election took place little later, but on party basis.

The heavy financial, social, economic and political investment for so called 'security paradigm' failed in saving the General Zia, along with other high rank army officials and US Ambassador, from a plane crash in August 1988. It is believed that crash was not an accident rather a result of terrorism.

From 1988 to 1999: Political Rule

After end of Afghan war, the political and moral justification for remaining in power diminished for the military. Internally, country was also in need of a political government in view of emerging political pressure. The death of Zia on August 17, 1987 in a plane crash, along with US ambassador and top army officials, pave the way for restoration of democracy. Elections were held in 1988 and new political government was established. Benazir Bhutto, daughter of Zulfikar

Ali Bhutto, became the first female prime minister of Pakistan and also of the whole Islamic world.

Establishment of political government and withdrawal of Soviet forces from Afghanistan reduced the importance of military. It was another beginning of new democratic Pakistan with a hope of human development. But military remained 'behind the curtain' and played important role in sacking these governments. During these 10 years, four political governments were dismissed on charges of corruption and inefficiency. No single government was allowed to accomplish its five years term, as had been defined in Constitution of Pakistan. Each government completed almost only half term. While mentioning the severity of these ten years of restored democracy from 1988 to 1999, Siddiqa states, "During these ten years, Pakistan saw eight prime ministers, including four caretaker prime ministers, one of whom was brought from the World Bank to mind the country for a period of three months.⁵⁸" One can easily judge the strength of democracy in the country.

It is also important to mention that restoration of democracy during 1988 to 1999, was not only the result of internal political situation. Rather the international situation made military to realize that, it was better to hand over the government to political government. In this regard, the signing of Geneva Accord is also important. "With signing of the Geneva Accord in April 1988, which facilitated the withdrawal of Soviet troops from Afghanistan, Pakistan's significance as a front-line state diminished. As a result its military did not remain vital to US interests.⁵⁹"

From 1999 to 2008: Military Rule

The political government of Nawz Sharif was dismissed by The General Pervaiz Mushraf in October 1999. This was the third military rule in the country. This helped in consolidating the military its institution in terms of institutional and financial strengthening. The period of General Musharf, reinforced the security paradigm in another sense, by becoming front line ally of US in 'War Against Terror'.

Post 2008: Political Rule

In 2008, the elections were held and new political government was formed, which continues till to date.

4.3 Weak Democracy and Governance

Unlike India, democracy in Pakistan has not 'delivered' for the betterment of people and human development, in a convincing manner. There are many understandable reasons which did not allow democracy to flourish in the country. One of the main reasons is again the perception of so called 'security' of the Islamic Republic. So the military of Pakistan has played influential role in mainstream politics throughout Pakistan's political history.

In 2009, the age of Pakistan has become 62 years but more than half period (almost 33 years) has been under direct control of military dictators and rest of the period is a situation of almost political turmoil. The years during 1958-71 (almost 13 years), 1977-1988 (almost 11 years) and during 1999-2008 (almost 9 years) were ruled directly by military presidents. In the remaining

period of political rule, whether the democratic process was derailed through direct intervention of military or it was controlled indirectly by creating clients in political leadership, but the outcome is that democracy itself could not flourish to become strong enough. While writing book in 2004, Ziadi wrote, 'Twenty-eight out of Pakistan's 57 years have been ruled out formally by three military rulers at different junctures of its history. From 1947 to 1985, only one free and fair election was held, and even then....⁶⁰'.

Weak political institutions and weak democratic traditions are among responsible factors for weak democracy. Pakistan was without a formal, written constitution until 1956. The democratic myths that so often sustain a system were thus only weakly instilled, and precedents were created that undermined those few parliamentary and democratic norms that could be drawn upon. In the early years non-party prime ministers were appointed by the head of state rather than by those who had to appeal to an electorate. Mass involvement in politics, if defined by rallies and periodic opportunities to vote, certainly increased over the years. In fact, street demonstrations helped to bring down governments, namely Ayub's in 1968, Yahya Khan's in 1971, and Zulfikar Ali Bhutto's in 1977. Yet while these actions strengthen feelings of efficacy, none can be easily equated with democratic processes.

Historically, the pre-partition British Rule determined the political culture in Pakistan. The so-called viceroy system, that made little or no provision for popular awareness or involvement, remained the frame of reference for political leaders. The system was intended to rule over population and to keep order and collect taxes. Ideals of representative government and equality before the law could not be transformed fully. The socio-cultural differences within the country,

territorial issues and border conflicts with India and the early death of the founder of Pakistan Mohammad Ali Jinnah are those realities which politicized the policy-making elites and their willingness in introducing the fair democratic procedures but also encouraged the non-democratic elements including the army. Consequently, even after sixty two years (In 2009), the country could not get cleaned from the feudal and tribal systems and sectarian segregations. Not only this, but the public has been left inexperienced in the kind of vigilance usually needed to hold political leaders accountable.

The weakness of democratic practices in Pakistan can be explained in many ways. Some observers may stress constitutional and electoral provisions among institutional factors undermining the democratic process. Others may point to the quality of Pakistan's leadership over most of Pakistan's history, namely, that Pakistan has been let down by unprincipled political figures motivated by raw ambition, material gain and vested interests. But the subsequent education of people to accept democracy through meaningful participation in their political affairs remained at minimal levels. It was even more dangerous trend than absence of true participatory democracy.

Without wide public awareness and an effective public opinion, the political system gave birth to only ambitious and corrupt political leaders. Instead of including a broad citizenry in the political process, power was concentrated in the hands of an elitist bureaucracy and over-ambitious military. The country's semi-feudal system with its sets of obligations and hierarchy provided similarly inhospitable soil for building a democracy. The traditional power brokers, the wealthy,

large land-holding families, were always ready to give their allegiance to anyone who promised to protect their material interests and way of life.

Democracy also means a mechanism where aspirations of people are translated into policy and implementation through its representatives, by building a credible system of accountability and transparency. All these things can also be enshrined in most discussed concept of 'governance'. Neither democracy nor good-governance in Pakistan has been able to take roots. In addition to democracy, governance in Pakistan has been extremely poor whether it was military rule or political governments,

The governance kept on deteriorating throughout during the history of Pakistan. Giovanni Cronia mentions that main obstacle to the achievement of comprehensive development in Pakistan has been the crisis of governance. He explains this as the governance crisis, "...of the government's ability to design and implement policies, particularly policies which require targeting, selection or judgment. Such crisis manifest itself in the fact that over the years the GOP [Government of Pakistan] has become excessively centralized; that participatory institutions have eroded, and are virtually non-existent today; that the hostility towards participatory institutions and local level democracy has led to the gradual erosion of the self confidence, the skills and the system of grass-root institutions needed for organizing collective action; that the breakdown in professional standards, lax supervision and growing corruption of large sections of the civil service (including those dealing with education, tax administration, law and order) and arbitrary procedures are causing a severe crisis of legitimacy of government institutions which are no longer perceived as acting in the public interest⁶¹."

Due to ever increasing foreign debt always bound various political governments to accept unfavorable financial and economic sanctions. “The reasons why Pakistan’s governments run to the IMF to borrow on any pretext is that they, along with the ruling elite, are not willing to undertake the extensive reforms needed to restructure the economy, for those reforms will hurt the interests of the ruling elite. It is far safer to borrow, delay the inevitable, and pass on the debt burden to the unsuspecting general public⁶²”.

4.4 Analysis

Let us try to understand and analyze the factors responsible for present gloomy state of human development indicators of Pakistan. Due to complexity of social and state system and unavailability of sufficient reliable data, it is not easy to present a concrete analysis by reducing it to a few factors. To find final causes and their interrelationships which can explain the deteriorated situation of human development, is a pain taking scholarly work. But there is possibility of tracing some macro factors which can help us to understand the major causes and their interconnectedness.

The factors like ‘peculiar’ security orientation of state, weak democracy and deficient governance in Pakistan, made people to sacrifice the future of their children and human development. Why Pakistan could not make progress, as it could, by connecting security paradigm with the development of people, strengthening democratic institutions for translating people’s aspirations into reality and by improving governance for improved service delivery.

In next section, we try to explain the peculiar security paradigm which drove the state and created a state which became security oriented instead of human development.

Security Paradigm

Since its independence on 14th August 1947, the peculiar perception of ‘insecurity’, rather than human development, dominated the rulers and it became the determining factor for setting priority of national agenda, in Pakistan. The ‘insecurity’ was perceived as prevailing in all spheres of state and society, including economic, political and social. One of the main reason for this may be the presence of neighboring enemy i.e., India. Since the military has acquired the role of the guardian of the country’s sovereignty and overall security, the organization tends to view domestic political crises from the perspective of the external threat⁶³.

Pakistan got freedom from the British colonial rule but the colonial legacies of governing the ‘subjects’ persisted to date. As stated by Siddiq, “The colonial power controlled India through strengthening the state bureaucracy. This pattern persisted in the ensuing years, and the civil-military bureaucracy developed an interest in controlling the state and its politics⁶⁴” The most credible institutions were, of course, those which had been developed by the British. These include mainly the military and bureaucracy and are also responsible for developing and maintaining the typical security state. Therefore, for overcoming the ‘insecurity’, a need for ‘strong security’ has been the underlying thrust of planning, policy making, resource exploitation, institutional development, the ideology which state tried to inculcate in the people of country and foreign relations.

For having reliable security and its maintenance, the state was in natural need of strong army, allied civil bureaucracy, political parties and politicians. Similarly, it was also necessary to create and maintain a favorable socio-political and economic environment which could accommodate the successive ruling elites for achieving the 'security' objective of state. "The military attained its central role in the post-colonial state of Pakistan by being its protector. The centrality of the armed forces as the guardian of state was intrinsic, and compensated for the deep sense of insecurity that infested the state after its birth in 1947.⁶⁵"

Hence, the state gradually evolved into a unique security state, in stead of development state. The notion of security dominated every aspect of state and society, but at the cost of human development. Security of people not the people themselves became the prime objective since the independence of country. For maintaining and justifying 'security paradigm' the ideological support has always been derived from religion.

The deliberate effort of state for introducing hard line 'Islamization' happened during Zia's military rule (from 1977 to 1985), when Pakistan was aligning with USA against USSR in Afghanistan. Various changes introduced during Afghan War era, helped state in successfully shaping the structure of state centered on security rather than human and social development. Later on, a particular brand of Islamic ideology has been reinforced, whenever there was need to gain the public support for carrying out military adventures. With the passage of time, 'Military' the most organized institution of Pakistan got hold of every affair of state, politics and economy. Till to date, military has consistently consolidated its role by bringing everything under control.

With careful examination of socio-political and economic factors, one can conclude that it was 'security paradigm' of state which ultimately influenced every facet of state and society. The security here does not imply the physical and territorial security, but in Pakistan 'security' enshrines all kinds of securities ranging from life security to social, economic, financial and political securities. This has always been reinforced by creating clients in bureaucracy, civilian and political spheres. All military regimes create clients who act as the civilian face of the regime and legitimize the military's control, and are nourished by the defense establishment as a replacement for the times when the bulk of the military has to withdraw to the barracks⁶⁶.

Ideally, the securities other than life are provided through different organs, ministries, departments and institutions. Pakistan is one of those very few countries which is ruled still by its military and where democracy, in any meaningful and workable notion and sense of the term, does not exist⁶⁷. One wonders whether the monopolistic power which military acquired was a deliberate effort of the institution or was in response to on going changes taking place in national, regional and global context. Similarly who were those who helped military to grow in a monopolistic institution? "The military did not accidentally gain power but was led to do it, albeit inadvertently, through the relationship of the dominant classes with force. The desire of the dominant to use the military as a tool for power projection erodes the neutrality of the state and its bureaucracy, making the military a player in political contestation."⁶⁸

As far as the ever increasing influence of military is concerned, Zaidi states that, "... the growing economic and corporate interests of the Pakistan army, now also make it a key player in

decisions regarding investment, trade and distribution, and over the issue of redefining property rights. Without a doubt, Pakistan's military is the most central and most powerful of all its institutions, a fact that has been re-emphasized repeatedly in recent years within a domestic, regional and global context⁶⁹.

In Pakistan the services of providing all kinds of securities – external and internal – gradually became concentrated in single institution, the military. This institution, ultimately, superseded all other organs of state in terms of 'dictating' them. The interference of military, during military rules, in each and every department of government and even in private sector confirms this, without any doubt. So much so that military became a supreme power in the country and every political, economic and social interest group is bound to align with the military. Every stakeholder, other than military, became primarily concerned with two main interests; first to safeguard the interests of prime institution and second to safeguard individual interests. Consequently, it leaves human and social development unattended in the priority list of national agenda.

All this became possible by making 'security' a supreme national concern. "The significance of national security paradigm determined the organization's importance for the state. Successive governments failed to promote a social development agenda, and instead gave greater importance to the national security paradigm for the sake of personal political legitimacy. The authoritarian nature of politics compelled the civilian leadership to partner with the military, and to propel the armed forces to greater significance than all other institutions of the state.⁷⁰" It also influenced the fabric of society in such a way that everything became centered on it.

The most recent military intervention took place in October, 1999 when the Army General, Pervaiz Musharraf, threw out the elected government of Nawaz Sharif. Becoming an ally of US in so called 'War on Terror' deepened the security considerations into state, society and economy. A lot of dollars flooded into the country in name of this war. Was all aid utilized for the purpose described? It is a most controversial fact, as stated by Nazar, "While a lot is written about and much made of around \$ 10.5 billion in the US aid to Pakistan during Mushraf's rule, it is rarely mentioned that during the period from 1999 to 2007, the US arms sales to Pakistan totaled \$ 9.6 billion. Also forgotten is the fact that 77% of all new foreign loans obtained during the much maligned period of civilian rule during 1990-99 were used to repay the loans obtained during Zia-ul-Haq's tenure.⁷¹"

Another important factor which pushed the state to adopt a security paradigm is the link with US since beginning of its history. There is ample evidence of interference of US. The primary link was developed through military but did not remain restricted to it. In words of Siddiq, 'However, the fact remains that successive US administrations have closely cooperated with military regimes in Pakistan and other countries without any qualms, with the aim of fulfilling US strategic objectives⁷²'.

To know how the US link contributed in making the security paradigm to supersede nationalist ideology, the understanding of role of state may help us to comprehend that. Nazar explains this by stating, "... the military has been blamed for not allowing the growth of democratic institutions and practices, but military's dominance of our history is closely linked with our

foreign policy under which the army has always sought aid from US in exchange for support and help in achieving the latter's strategic objectives in region.⁷³

While writing about Ayub Khan's decision, the then military ruler, for joining in CENTO, Siddiqi states that, "... decision to join the Central Treaty Organization (CENTO) benefited the army tremendously. Washington, on the other hand, found Pakistan's army willing partner in pursuing US military-strategic objectives regarding the Communist Soviet Union.⁷⁴

The Afghan war of US against USSR can be marked as one of the most important events in the history of Pakistan which determined the course of state and society of Pakistan in coming years. Apparently the Afghan war was a military adventure, but it involved economy, politics and culture as well. So, this war laid very far and deep implications on life and society of people of Pakistan. In this war involvement of intelligence agencies has also been very important. They used all tactics and strategies to win the war and involved people in it. "The Afghan war involved the biggest covert operation ever undertaken by the American CIA, which provided nearly US \$ 700 million in secret funds to the military [during 1982-1987] to finance the jihadis. This gave birth to Frankenstein that was going to irreparable damage to the rule of law, criminalize the society and haunt the masters of the political economy of aid and patronage for decades to come.⁷⁵

Weak Democracy and Governance

On the other side, weaknesses of democracy and governance have also given space military to develop into a monopolistic institution. To understand the shortcomings in the governance and

the democracy in Pakistan, one must find explanations for the weaknesses in political tolerance and identity. The very fact that the prominent politicians continue to use the military power, and refuse to negotiate their power or power interests through democratic means, allows the armed forces to play dominant role⁷⁶.

Analytically, there appear to be sets of reasonably autonomous and enduring beliefs and values within Pakistan that have important consequences in the societal and ultimately political spheres. The civilian government succumbed to military rule that sought to legitimize itself with the public by attacks on democratic ideals and political institutions in hope of leaving them in disrepute as well as decay.

Despite the revival of democracy from time to time, it is predictably held in suspicion. One of the tenets of civil society, the concept of a legitimate opposition, naturally won little acceptance among competing political elites or within the larger public. Within politicians there were more the signs of frustration and anger than of belief in a more pluralistic, tolerant political system. Democratic civilian rulers held office in 1973-1977 and 1988-1999, but their fear of military interference kept them focused primarily on self-preservation rather than good governance⁷⁷.

Zulfiqar Ali Bhutto provided the strongest hope for a politics that would involve the masses and socialize them to democratic and socialist ideals. The mass mobilization of the electorate by his Pakistan Peoples Party (PPP) succeeded in communicating with many rural voters. People listened to Bhutto and other political leaders not only at rallies but over radio and television. The issues of the day were articulated forcefully and clearly, such that voters had meaningful choices

to make. And these masses demonstrated that they could throw off, if it really served their interests. Yet rather than to build up his popular movement on the democratic ideals of supremacy of the people, in power Bhutto shed much of the regime's populist ideology and strongly personalized his rule rather than working through participatory institutions and educating the public to their value. This is the most powerful blame which is posed against his popular leadership. Perhaps, it may also be linked with power politics.

By his 1977 re-election campaign, he had come to rely on feudals and discarded many of the political allies who had stood with him earlier. Above all, Bhutto had failed to deliver the fair governance and a true democracy. While he had opened up for the future the possibility of more participatory politics, the civic virtues that would be needed to buttress it were in the end discredited.

The country's experiences suggest that militant Islamic parties may be moderated when given a democratic option - an honest opportunity to compete. The popularity of Islamic parties in many cities and towns, according to this reasoning, is largely of a protest variety, coming from the denial of a more open political process. However, many analysts also seriously question the compatibility of Islamic doctrines with more liberal conceptions of democracy.

In general, opportunities for a fair governance, true democracy and civil society in Pakistan would have flourished if the democratic practices were allowed to prevail under the supremacy of unchanged constitution. The repeated dismissal or overthrow of elected regimes, alterations in the constitutions that suit to existing ruler, left no positive memory and little chance for

institutions to adapt and supportive values to root. As understood by Nazar, 'In Pakistan's case, however, the traditional political parties face the challenge of convincing the people that they can bring some progress to a country ravaged by poverty and corruption. This track record while they governed caused widespread disenchantment and disappointment, charges [often true] about the establishment obstructing the democratic process notwithstanding.⁷⁸' Similarly, excessive spending on security and high levels debt also tied the hands of successive political governments and the ruling elites relied on external resources. In achieving economic and human development, they sacrificed human development and pursued only personal goals. It is clear that the political process in Pakistan has been gagged and bound by the requirements and orders of IMF, the World Bank and the domestic elite⁷⁹.

Land Reforms

The land reform is also another important issue which would have brought a harmony in the country's social, political and economic system. Unlike India, where the land reforms were introduced in early years after independence, in Pakistan it remained a dream of people. The existence of large landlords in Pakistan is, in fact, a legacy of British colonial period. Before the British it is believed that society was rural and stagnant. There is a belief amongst some social scientists that pre-colonial India was a stagnant society with little progress taking place and rigid economic and social structures⁸⁰. Before the British, the land was property of state and Emperor was the owner. In pre-British period, under the Mughal Emperor, all land was owned by the king alone⁸¹.

However when British came to India, for maintaining colonial rule, they introduced system of big Landlords and every landlord was the ‘supreme lord at the village level, the ‘linchpin of system’⁸². The British adopted strategy for whole of the colonized territory, basically to serve their colonial interests. “The British in their first settlements then granted to the *zimindar* a property right that in their judgment would be stable and ensure the collection of their revenue demand through him. Essentially, then, we have the beginnings of the concept of private ownership of land and private property, protected by legal system that recognizes these property rights⁸³”.

Although the need of land reforms have always been felt by the various governments and some steps have also been taken, but these steps more cosmetic in nature and could not produce expected socio economic and political results. Following table gives details of major efforts done for land reform.

Major Land and Tenancy Reforms in Pakistan

S. No.	Year	Reform
1	1947	Hari Committee, Sind
2	1949	Muslim Agrarian Committee Report
3	1950	Punjab Tenancy Act
4	1950	Sindh Tenancy Act
5	1950	Punjab Protection and Restoration of Tenancy Rights Act
6	1955	Executive order
7	1955	Challenge to the Executive Order
8	1959	Land and Tenancy Reforms-Martial Law Regulation 64, 64A and 64B
9	1972	Land and Tenancy Reforms-Martial Law Regulation 115 and amendments
10	1977	Land Reform Act

Source: Zaidi, "Issues in Pakistan's Economy", p. 33

The above efforts of land reforms did not prove efficacious for bringing any significant change in socio-economic and political sphere. For example, quoting Nirmal Sanderatne, Zaidi states that "... 1959 land reforms were an eyewash, where the power of the ruling coalition of landowners, bureaucrats, and industrialists was left intact⁸⁴". Similarly, while evaluating the efficacy of land reforms introduced in 1959 and 1972, Zaidi states, "... they failed to make

substantial changes in the landowning structure of the country⁸⁵”. He further identifies that, “ A comprehensive land reform programme backed up with easier terms and access to water, credit, marketing, extension and advice, could address Pakistan’s poverty question as a well as remove the constraints that have emerged in agricultural sector⁸⁶”.

In fact, the land reforms were not backed up with supporting efforts and steps. “The development issues such as land reforms, the need to broaden the tax net, develop export-oriented industries were put on the back burner. A combination of aid, subsidized loans, protectionist trade policies and a lax tax regime benefitted the civil and military bureaucracy, inefficient industries and tax evading business magnets. This bought the military their support at the expense of the vital economic reforms that should have been undertaken to prepare Pakistan for 21st century.⁸⁷”

The sense of ‘life insecurity’ creates a need for safe survival on every cost, especially when it is the perception of a state institution. In this situation, it becomes necessary for the state to promote such culture and social values which support their institutional interests for being credible to maintain security and continue the role of guardian.

The sense of insecurity among people creates absolute selfish behavior for ensuring individual security.

Population growth

Another important factor responsible for low human development is the population size and its growth rate. The rapid population growth in Pakistan, one of the highest among developing countries, has been offsetting the gains in social and economic development. This has several implications for the socio-economic developments of our society⁸⁸.

“Very simple comparison can be made between Pakistan and South Korea from 1950 to 2001 with regard to per capita income and population growth. In 1950, Pakistan and South Korea has same level of per capita income, that is, 79 and 82 US dollars, respectively. In 2001, our per capita income was estimated at around 429 US dollars compared to 10,550 US dollars of South Korea. There may be several factors responsible for this large differential in per capita income. However, the basic and major factors that we could not control our fast population growth during these years, whereas South Korea has been able to control its⁸⁹,”

4.5 Summary and Conclusion

Human Development Report 2007 reveals that state of human development in Pakistan is poor with rank of 136 out of total 177 countries. Why Pakistan is lagging behind in human development indicators, not only from rest of the developing world, but also from its neighboring countries? This is important question to answer.

The location of Pakistan has great geo-political importance for the country and makes it vulnerable for various international influences. Created in 1947 could not maintain its integrity

and as result of civil war in 1971 country was broken in two parts. Pakistan's history is characterized by repeated military rule and political instability. First in 1956 and then the final Constitution adopted in 1973 and according to this the country is semi-presidential, federal democratic republic with Islam as the state religion.

Since its independence on 14th August 1947, the peculiar perception of 'insecurity', rather than human development, dominated the rulers and it became the determining factor for setting priority of national agenda, in Pakistan. The military acquired the role of the guardian of the country's sovereignty and overall security and viewed domestic political crises from the perspective of the external threat of India. For having reliable security and its maintenance, the state was in natural need of strong army, allied civil bureaucracy political parties and politicians. Therefore, military attained its central role in the post-colonial state of Pakistan by being its protector. The centrality of the armed forces as the guardian of state was intrinsic, and compensated for the deep sense of insecurity that infested the state after its birth in 1947. Hence, the state gradually evolved into a unique security state, in stead of development state.

The deliberate effort of state for introducing hard line 'Islamization' happened during Zia's military rule (from 1977 to 1985), when Pakistan was aligning with USA against USSR in Afghanistan. Various changes introduced during Afghan War era, helped state in successfully shaping the structure of state centered on security rather than human and social development. Later on, a particular brand of Islamic ideology has been reinforced, whenever there was need to gain the public support for carrying out military adventures.

With careful examination of socio-political and economic factors, one can conclude that it was 'security paradigm' of state which ultimately influenced every facet of state and society. The security here does not imply the physical and territorial security, but in Pakistan 'security' enshrines all kinds of securities ranging from life security to social, economic, financial and political securities. This has always reinforced by creating clients in bureaucracy, civilian and political spheres.

It is also important to note that military did not accidentally gain power but was led to do it, albeit inadvertently, through the relationship of the dominant classes with force. Every stakeholder, other than military, became primarily concerned with two main interests; first to safeguard the interests of prime institution and secondly individual interests. Consequently, it leaves human and social development unattended in the priority list of national agenda.

All this became possible by making 'security' a supreme national concern. The most recent military intervention took place in October, 1999 when the Army General, Pervaiz Musharaf, throw out the elected government of Nawaz Sharif. Becoming ally of US in so called 'War on Terror' deepened the security considerations into state, society and economy.

The Afghan war of US against USSR can be marked as one of the most important events in the history of Pakistan which determined the course of state and society of Pakistan in coming years. Apparently the Afghan war was a military adventure, but it involved economy, politics and culture as well. On the other side, weaknesses of democracy and governance have also given space military to develop into a monopolistic institution. To understand the shortcomings in the governance and the democracy in Pakistan, one must find explanations for the weaknesses in

political tolerance and identity. Despite the revival of democracy from time to time, it is predictably held in suspicion. One of the tenets of civil society, the concept of a legitimate opposition, naturally won little acceptance among competing political elites or within the larger public. Zulfikar Ali Bhutto provided the strongest hope for a politics that would involve the masses and socialize them to democratic and socialist ideals. The issues of the day were articulated forcefully and clearly, such that voters had meaningful choices to make. Yet rather than build up his popular movement on the democratic ideals of supremacy of the people, in power Bhutto shed much of the regime's populist ideology and strongly personalized his rule rather than working through participatory institutions and educating the public to their value.

In general, opportunities for a fair governance, true democracy and civil society in Pakistan would have flourished if the democratic practices were allowed to prevail under the supremacy of unchanged constitution. The repeated dismissal or overthrow of elected regimes, alterations in the constitutions that suit to existing ruler, left no positive memory and little chance for institutions to adapt and supportive values to root.

The land reform is also another important issue which would have brought a harmony in the country's social, political and economic system. The existence of large landlords in Pakistan is, in fact, a legacy of British colonial period. They adopted strategy for whole of the colonized territory, basically to serve their colonial interests. Although the need of land reforms have always been felt by the various governments and some steps have also been taken, but these steps more cosmetic in nature and could not produce expected socio economic and political results. All efforts of land reforms did not prove efficacious for bringing any significant change

in socio-economic and political sphere. In fact, the land reforms were not backed up with supporting efforts and steps like a combination of aid, subsidized loans, protectionist trade policies and a lax tax regime benefitted the civil and military bureaucracy, inefficient industries and tax evading business magnets.

Another important factor responsible for low human development is the population size and its growth rate. The rapid population growth in Pakistan, one of the highest among developing countries, has been offsetting the gains in social and economic development.

The democratic and political institutions were not allowed to grow and flourish during first decade and remained influenced by the British Crown. From 1947 to 1958 Pakistan had seven prime ministers and eight cabinets. The first military coup in 1958 was a result of a political alignment between the civil and military bureaucracy. First military take over was beginning of shift in paradigm of state from human development state to a security state. After 1958 to 1971, remained a military government. A lot of industrialization coupled with 'green revolution' in agriculture boosted the economic growth. During the 1960s, the famous 22 families who owned about 68 per cent of Pakistan's industries and 87 per cent of its banking and insurance assets were sympathetic to their source of power, the army. At the end of this period in December 1971, a civil war took place in the East Pakistan and country was divided in two parts i.e., Pakistan and Bangladesh.

Unlike India, democracy in Pakistan has not 'delivered' for the betterment of people and human development, in a convincing manner. In 2009, the age of Pakistan has become 62 years but more than half period (almost 33 years) has been under direct control of military dictators and

rest of the period is a situation of almost political turmoil. Weak political institutions and weak democratic traditions are among responsible factors for weak democracy. Historically, the pre-partition British Rule determined the political culture in Pakistan. Public left inexperienced in the kind of vigilance usually needed to hold political leaders accountable. Without wide public awareness and an effective public opinion, the political system gives birth to only ambitious and corrupt political leaders.

The country's semi-feudal system with its sets of obligations and hierarchy provided similarly inhospitable soil for building a democracy. The traditional power brokers, the wealthy, large land-holding families, are prepared to give their allegiance to anyone who promised to protect their material interests and way of life. In addition to democracy, governance in Pakistan has been extremely poor whether it was military rule or political governments.

Chapter Five

Strategy of Economic Growth

5.1 Introduction

Pakistan is at the cross road of globalization and faces many challenges to go ahead for a people centered sustainable development. At one side she faces the crisis of human condition and on the other side there is exploitative economic structure. The socio-political system and performance of state during last sixty years also presents a bleak picture. On the contrary, the country is rich in human and natural resources and offers a great potential for pro-people sustainable economic growth. This chapter focuses on the strategy of economic growth.

During the last decade of 20th century, structure of economy comprise on two prominent features; slowed GDP growth and increased poverty. Consequently a strategy of economic revitalization needs to have two inter-related elements. First, a higher GDP growth process which is capable to reduce poverty. Second, direct attack on poverty for enhancing incomes of poor and enabling them to participate in equitable economic growth.

For devising a strategy which is environment friendly and pro-poor, structural features of economy and process of poverty needs to be identified. Section one of this chapter will indicate some of the major structural features of economy and poverty process. In addition to this, a brief review of environmental conditions will also be presented. Section two will give an outline of

integrated growth strategy. Section three will focus on women and their participation. Section four will briefly review some of the economic policy measures initiated by the government.

5.2 Structural Features

Major features of structure of economy which need to be addressed include: governance, poverty and unemployment; asymmetric market, local power structure and poverty; institutional factors slowing the crop growth; and constraints to large scale manufacturing growth.

5.2.1 Governance, Poverty and Unemployment

Poverty and unemployment have increased rapidly during 1990s⁹⁰. This is linked with decline in elasticities of employment, labor and productivity created through decline in GDP Growth. This happened in agriculture as well as in industrial sector. Economic burden on the poor also intensified due to governance issues during the same period. These include poor financial management, failure to control budget deficits and wide spread corruption. The corruption is believed to intensify poverty in three ways: One, it created an uncertain policy environment and constrained the accurate projects' feasibilities; Second, some domestic savings transferred to corrupt politicians and government officials rather than into investment; and Third, financial cost increased simultaneously slowing the GDP growth for given investment.

5.2.2 Local Power Structure and Poverty

The poor peasants face input and output markets where they have to pay relatively higher price for their inputs and get a relatively lower price for their outputs compared to large farmers. At the same time inaccessible formal credit market bound poor peasants to borrow from the landlord. As a consequence of this, peasants are obliged to work on landlord's farm at less than market wage rates which results in loss of almost one third of income. The poor residing in urban

and semi urban areas also can not earn much income. They are predominantly engaged in micro-enterprises which have low productivity and profitability, partly because of asymmetric markets.

5.2.3 Institutional Factors Slowing the Crop Growth

The average annual growth rate of major crops in Pakistan declined during 1990s with almost 1 point compared with growth rate of 1980s. During 1980s, the average growth rate was 3.34, while during 1990s it was 2.38. The slowing down of growth and increased instability of output caused reduction in exports and accumulation in rural poverty. There are five major institutional constraints responsible for this phenomenon⁹¹. These include: reduced water on farm due to poor maintenance of irrigation system; the extended margins of irrigated acreage have been achieved; less supply of vigorous seed varieties according to local soil and environmental needs; the current ineffectiveness of agriculture research and diffusion amongst farmers; and degradation of soil due to improper agricultural practices.

5.2.4 Constraints to Large Scale Manufacturing Growth

The annual growth of large scale manufacturing sector has slowed down to 3 percent per annum from historical growth rate of 7 to 11 percent. Following factors are responsible for the decline of growth rate: slow export growth due to inability for diversifying the exports than low value added textiles; lack of ability to positively respond to the increased global demand for value added and knowledge intensive products; Non-conducive investment environment.

The policy was unable to remove the constraints responsible for prevailing non-conducive environment for investment. These constraints included continued insecurity (to life and property), less number of trained human resource, high electricity tariffs, inadequate technological base, unfavorable incentive structure for progressive entrepreneurs and finally the

influx of smuggled goods, dumping of poor quality and low priced imported goods which are fake copies of branded Pakistan manufactured goods.

5.3 Integrated Strategy

Keeping in view main factors underlying the crisis in real economy, a helpful economy strategy is required to lay the basis for sustainable and pro poor growth. Such a strategy should optimize four parameters: (i) reach higher GDP growth with relatively low investment (that is, to have a low incremental capital output ratio); (ii) create higher employment for given growth rates of GDP; (iii) produce higher export; and (iv) make greater equity and poverty alleviation. This four dimensional strategy will help to generate pro poor growth in the given constraints to growth and poverty.

5.3.1 Improve the Supply of Irrigation Water

The fertile lands of country can give significant production and help to generate a lot of employment. The irrigation system, which was included in the best irrigation systems of world, is now facing a lot of problems. Its condition is very disappointing for last many decades due to poor maintenance. A campaign is required for de-siltation of canals, strengthening the banks, and to improve the watercourses & farmlands in order to improve the delivery and application efficiencies of irrigation. Such a campaign should be labor intensive (semi skilled). In this way not only employment can be generated but also the water availability and yields per acre at the farm level can also be increased. If the campaign is professionally designed and managed, the funding for financing wage payments could be sought from multilateral agencies having similar aims. The district level development councils and autonomous associations can be engaged to implement such campaign.

5.3.2 Infrastructure Development

Infrastructure development projects which are labor intensive should also be started along with launching the campaign for improved irrigation system. Such projects will include farm to market roads, national high ways and ports, upgrading the railway system and increased production of cheaper energy through domestically available coal rather than imported furnace oil. Domestic construction companies can start these projects as joint ventures with experienced foreign firms. The government can facilitate the joint ventures.

5.3.3 Milk, Marine Fish and Value Added Agricultural Products

Rapidly developing the export led capacity for livestock, milk, fisheries, and high value added agricultural products such as fruits, vegetables and flowers have great viability for poverty alleviation and generating pro-poor growth. Milk is the largest agricultural product and as an estimate Pakistan is producing approximately 177 billion rupees worth of milk annually for domestic consumption⁹². Wheat is currently the largest crop of country and has annual production of approximately 111 billion rupees. Unlike wheat the production of milk can be accelerated sharply within a couple of years. It is estimated that yield per animal in Pakistan is one fifth of that of European average. This can be done by increasing the institutional capacity of already existing 'livestock and dairy development department' by training the farmer for scientific feeding and marketing. Scientific experiments in this field have shown that this can be achieved through scientific feeding, breeding and marketing. Logistic support to collect milk from the farm by means of refrigerated transport will provide a great incentive for that. This can have a dramatic impact on incomes of poor peasants, exports and over all GDP growth.

Pakistan lies at the hub of milk deficient regions such a Central Asia, West Asia and South East Asia. Doubling the milk production will increase exports to a significant level and

can help in overcoming the balance of trade deficit. The most desirable outcomes of accelerated exports, higher GDP growth and improved income distribution in Pakistan can be achieved through this strategy. At regional and provincial levels 'dairy development boards' can be developed and linked with existing local government system, introduce under devolution plan.

Pakistan is also blessed with a long sea shore and offers a great opportunity for marine fish. Marine fisheries are another potential area for improving foreign exchange earnings. Improved institutional support and better management is required, rather than huge investment by government. Presently, deteriorated storage and transportation facilities, are great hurdle in scientific and hygienic exports. The existing method of storing the fish is to use the containers with ice. Fish is kept in layers with ice in between. The lower layers are crushed under the weight and bleeding is resulted due to hard and sharp edged ice which is causing putrefaction.

Therefore, it is necessary to improve the storage by providing shelves for layered storage, topped by dry ice with fiberglass covers. It will greatly help to bring the fish at European standard of minus 7° C and make it exportable. It offers an export potential of estimated 300 million dollars over the next three years if the management is improved for marine fisheries industries.

The third element is the high value added production and export of agricultural sector including the production of fruit, vegetables and flowers for export. This also requires institutional support for improved quality of output, improved grading, packaging, and refrigerated transport up to the cargo terminals for air freight to the export market.

The fourth element can be the meat production. Pakistan has great potential for providing quality meat to all neighboring countries and also to Middle East, Central Asia, South East and

Far East Asia. Facilities like butcher units, freezing and packing facilities, alone can have a very significant impact for export promotion.

5.3.4 Small Scale Enterprises

The fourth aspect of strategy would be to provide the institutional support for the rapid growth of small scale enterprises. These include high value added units of light engineering, automotive parts, moulds, dyes, machine tools, electronic and computer software. Some training and credit support can significantly induce software exports from Pakistan. This can also prove to be a potential area for export earning. Government can facilitate already existing private expert institutions (like LUMS, INFORMATICS etc.) to get linked with international software companies. The ministry of science has already made a reasonable progress during the last few years.

Small scale manufacturing also comes under this category. It is known fact that, compared with large scale manufacturing, small scale industries have a low growth period, are labor intensive, and can produce larger output per unit of investment. Therefore, a rapid growth of small scale enterprises would accelerate economic growth in medium term with relatively low level of investment. It will also help to increase exports and GDP growth. The strategic edge would be to enable the small enterprises to shift toward high value added production. A considerable growth potential exists in many small units operating in two provinces (Punjab and NWFP).

5.3.5 Constraints to rapid Growth

Following major constraints are faced by the small enterprises, especially in small towns.

(a) Inability to get vending contracts for the manufacture of components from large scale manufacturing sector. (b) Less quality control and inability to meet tight delivery schedules. (c)

Lack of specific skills like metal fabrication, advanced mill work, precision welding, accounting and management skills. (d) Lack of specialized equipment. (e) Absence of fabrication facilities. (f) Lack of capital for investment and absence of credit facilities.

5.3.6 Overcoming Constraints

To overcome the constraints in the way of growth of small scale enterprises in Pakistan, following measures can be taken. (a) Providing institutional support for credit, training in quality control, management, accounting and marketing. Already working 'Industries Department' can be revamped according to the emerging needs. An innovative idea presented in the Pakistan National Human Development Report 2003 (UN), is the establishment of Industrial Support Centers (ISCs). Such areas should be selected for developing ISCs where entrepreneurial and technical potential exists before now. In Pakistan, small scale enterprises have already demonstrated a high degree of entrepreneurship, innovation and efficient utilization of capital. It is also important to introduce a participatory and decentralized system with easy access to comprehensive package of support services like credit, skill training, managerial advice and technical assistance.

National research may also be linked with these efforts. The functional utility of industries department can be increased for following objectives. (a) Facilitate the marketing of products of small scale enterprises and streamline the continuous supply process. (b) Monitoring and quality control. (c) Training in skills development (d) Building or ensuring the building of Heat Treatment Facilities, by the private sector, for heat and surface treatment. (e) The facility of credit for small scale enterprises.

5.4 Direct Attack on Poverty

It is extremely important to enable the poor to increase their incomes, savings and investment. It will constitute a direct attack on poverty as well as contribute to faster and more equitable economic growth process. The institutional basis can be integrated in the existing local government structures in empowering women poor.

5.4.1 Autonomous Organizations of the Poor and Women

To bring a significant change, empowerment of the poor at the levels of Village/ Mohall, Union Council, Tehsil and District level is imperative. Independent organizations of poor can play a major role in this regard. These organizations can facilitate the linkage development of genuine individuals with credit institutions for starting various income generation enterprises and acquire training. It would be more advantageous if such organizations are autonomous and empowered. These organizations can help in social mobilization, increased productivity through skill training, increased income, savings and investment.

Capacity building of these organizations can help to make a real difference for poverty alleviation and for that 'Social Welfare Department' can take the responsibility, which is already responsible for registering community organizations. Poor women suffer from double burden of poverty i.e., of being poor and being women. Therefore, it is essential to ensure that poor women participate in the process of development. One additional step can be to establish independent women organizations wherever social set up allows us. It is important to mention that governments in Pakistan have been unable to protect women NGOs, even though they are recognized as stakeholders. Some areas in provinces of Baluchistan and NWFP are extremely vulnerable for any NGO activity. They are labeled as representatives of western exploiters. In stead of protecting NGOs in such areas, government advises them to shift from the area.

5.4.2 Local Government, Poverty Alleviation and Women

Recent modifications introduced in local government system, involved the decentralization of administrative responsibilities with respect to efforts for development. This has enhanced the community participation in development process for planning and implementation. It has opened up new possibilities of empowering the poor and women. The new local government structure has potential for that, but it will take time to completely transform the system for becoming pro poor.

As many as 40,000 seats (33% of total) have been reserved for women in various tiers of local government. They included women representing workers and peasants classes. But the common observation is that the women councilors were not given proper chance to participate in decision making. This puts a question mark on the efficacy of new local government system. In this connection, three problems are important to mention here: (a) The role and authority of women have neither been clearly defined; (b) There is confusion about the functional relationship of new and existing administrative system of government; and (c) The women councilors are not being treated in a mutually respectful manner by male councilors. Therefore, measures needs to be taken for rectifying these problems. These may include capacity building of women councilors, women Judges to listen their complaints, linking women organizations with these councilors, giving them some financial quota etc.

Among the elected women councilors, 79 percent of the women elected for the first time and 53 percent were illiterate⁹³. Therefore training is must for taking real advantage of these elected representatives. In this regard, a UNDP's funded 'Women's Political Participation Project' has also been launched by the Ministry of Women Development.

5.4.3 Gender Budgeting

The idea here is not 'add on' budget for women or men. But the idea is to introduce gender analysis of entire government budget. It will help to constitute and identify specific programs and projects which can put a great impact on decreasing gender discrimination and improving women empowerment in all fields of life. Gender sensitization of government officials, private sector and all elected representatives are important aspects of this gender budgeting concept. Similarly, the gender impact of direct and indirect taxes also needs to be analyzed for decreasing adverse consequences on women. Similarly, no intra household data is available on income distribution between various income groups of population. This data can be generated and used for gender budgeting.

5.4.4 Devolution versus Decentralization: The Lessons from South Asia

Decentralization reforms have been introduced in almost every South Asian country with stated goal of empowering the poor and thereby achieving good governance. Yet there are a number of vulnerabilities of implementation of these reforms. Same is the case of Pakistan in introducing new local government system. The administrative devolution has not been able to bridge the gap between institutions and the poor. The experiences under taken in South Asia teach us various lessons. The most important are given in the following:

A- The empowerment of poor requires rigorous social mobilization, in addition to decentralization of administrative powers. Otherwise, the elites will simply maneuver the decentralization for their vested interests.

B- A holistic approach is required to reap the benefits of decentralization for empowering the poor. These include political power, enhancing confidence, increasing social consciousness and administrative and fiscal devolution. It should also go down to grass root levels.

C- The political dimension of devolution must be inclusive and capable of absorbing ‘diverse ethnic and other identity groups as equal partners occupying spaces in polity’⁹⁴. The organization of poor should be strengthened through internal and external resource mobilization. Therefore a support system should be developed through civil society including NGOs and other groups.

D- In urban areas, it is relatively easy for communities to establish equitable relationship with local government institutions. An institutionalized process of consultation and coordination may be necessary between urban community organizations of poor and local government institutions to prevent them work on cross purposes.

5.5 Review of Policy Measures

The latest set of reforms have been introduced by the recent regime lead by a General (retired now) as President of Pakistan. Good governance for economic revival and poverty reduction has been taken as the strategic objective. The reform program has two main dimensions: (a) Improved governance including financial management reforms, tax reforms, civil services reforms and devolution; and (b) Economic Revival and Poverty Reduction. In the following a brief review will be presented about what has been done and what remains to be done.

5.5.1 Reforms for Better Governance

5.5.1.1 Financial Management Reforms

To curb corruption and inefficient use of the financial resources, the Financial Management Reforms were introduced. These reforms were aimed to modernize financial

procedures and introduce management information systems to improve budget decision making, achieve greater transparency and avoid misuse of funds. The specific policy actions include:

- (a) Establishment of Fiscal Monitoring Committee (FMC) to provide quarterly data on consolidated expenditure verified by Accountant General. (b) Federal control over expenditures enhanced.
- (c) Provincial Fiscal Reconciliation Committee established to improve quality and availability of expenditure data.
- (d) At provincial and federal levels, establishment of Public Accounts Committees to improve transparency.
- (e) Establishment of Pakistan Public Procurement Authority.
- (f) The Medium Term Budget Framework (MTBF), yet to be put in place.

What to Be Done

- (i)- Improve professional skills, teamwork and commitment.
- (ii)- Enactment of 'Financial Management Act' for keeping the reforms sustainable
- (iii) Currently under consideration, the 'Fiscal Responsibility Law' needs to be enacted.
- (iv) Gender budgeting concept needs to be introduced into the process of budget allocations.

5.5.1.2 Tax Reforms

Pakistan has a narrow tax base and low elasticity of tax revenue. Therefore, even when GDP growth rates were around 5 percent, the fiscal pressures forced governments to keep depending on loans. The problem intensified during 1990s when GDP growth rates declined and current expenditures remained high. Increasing tax-GDP ratio and elasticity of tax revenue is essential. This requires: (i) Broadening the tax base; (ii) Simplifying the tax structure; (iii) Increasing share of direct taxes; (iv) Improvement in tax administration; (v) Reduction in

multiplicity of taxes; (vi) Encourage domestic manufacturing industries and reduce bias against exports; (vii) Broaden the scope of the generalized sales tax and placing tax on agriculture income; and (viii) making the process of tax collection simpler and more transparent. In this regard the introduction of 'uniform self-assessment' under Income Tax Ordinance 2001 is a prominent improvement. The government also intends to improve tax collection by making it more professional, transparent and accountable.

Recent improvements in tax collection system are beginning to give modest fruit. For example, tax collection improved by over 10 percent during 1999-2000; the number of income tax payers increased by 7.4 percent and sales tax payers by 40 percent. Perhaps a potentially far reaching achievement is success in completing the tax survey and registration campaign, which has provided data profiles of 600,000 taxpayers⁹⁵.

5.5.1.3 Civil Service Reforms

Since independence in 1947, the 'civil service' has been a very rigid bureaucratic system introduced earlier by the British colonizers. The system primarily was introduced to prolong the colonial rule not to serve the people. Main role of civil service institution remained almost the same with little modification according to the need. Gradually the institutional decay started and various political intrusions caused rapid weakening during last few decades.

Since 1970, this process affected the internal integrity of its decision making procedures and individual motivation. On the other side, the centralized structure, skill composition, over staffing and low salaries seem unrelated for managing the public policy in the recent crisis. The government aims to increase its professionalism, reduce widely prevailing corruption and improve motivation and performance.

Following policy measures taken are important to mention here: (i) The Federal Public Service Commission has been given more autonomy for greater independence through an ordinance; (ii) Dismissal and retirement of corrupt civil servants have been set up through legal provision; (iii) National Accountability Bureau has also been established and given powers to investigate and prosecute corrupt civil servants, other officials and politicians; (iv) Decision making Powers have been given to line managers up to grade 19 for improving accountability, incentive and career management; and (v) Restructuring of civil service educational institutions is under process.

5.5.2 Devolution of Power

Under the theme of de-centralization, the powers and responsibilities for a variety of administrative functions are under process of devolution from federal and provincial levels to elected representative of district level authorities. Government hopes greater participation at grass roots level in development decision making and improvement in service delivery such as health, education, family planning, sanitation and clean drinking water. Grass roots organizations, like Village Councils and Citizen Community Boards, have also been introduced to involve local communities in development.

What to Be Done

- (i) Autonomous community organizations of poor, particularly of women are required to be established.
- (ii) The institutional relation of these community organizations should be established with all service delivery institutions.
- (iii) Significant improvement in functional coordination of new and existing system is highly required

- (iv) Local government representatives need to be trained in ensuring community participation.
- (v) A lot of capacity building of local government officials is required in feasibility preparation, design, management, communication, financial management and accounting,

5.6 Economic Revival and Poverty Reduction

5.6.1 Addressing Water Crisis

Government addressed the water crisis by introducing water sector plan with a budget of Rs. 86.1 billion. It has following elements: (a) – Creation of additional water storage capacity 4.5 Million Acre Feet (MAF); (b) – Improving irrigation channel for delivery efficiency by lining 90,000 water courses which are expected to have 8 MAF; (c) – Almost 2.7 million hectares are expected to be reclaimed for agricultural production under existing and new Salinity Control and Reclamation Projects (SCARPs); and (D) – A Plan to remove or reduce salt deposits on the top soil is also under preparation.

5.6.2 Infrastructure Development

Following measures have been taken to address the issue of communication.

(A) – Communications

Rapidly deteriorating Pakistan Railways is now being re-organized. Down sizing in staff by thirty thousand, reducing pilferage of gas and electricity, rationalizing the operations are under process. These measures are expected to provide rupees one billion

financial benefit to the Railways. In the development plan 2001-02 additional allocation of Rs. 6.3 billion has been made for purchasing new locomotives, increasing rolling stocks and track rehabilitation. For improving road transport, several distant areas are being linked with the National Highway Network for improving rural access to markets.

Furthermore, some of the major projects completed or being undertaken which include the Kohat Tunnel Project, Jacobabad-Sibi-Quetta Highway, Islamabad-Muzaffarabad Highway, D.I. Khan-Qilla Saifullah- Quetta Highway, Bund Road Lahore, Multan-D.G. Khan-Qilla Saifullah Road, upgrading into a dual highway the Karachi-Thatta-Hyderabad Road and the Mansehra-Naran-Jhalkad road.

(B) – Energy

The energy sector is also being revamped to meet the emerging needs. A comprehensive restructuring plan for WAPDA and KESC is in progress which is expected to reduce systems losses. In this connection private sector is being encouraged to assist in distribution, transmission and generation. A policy shift is clear in favor of cheaper hydel gas and coal in stead of expensive thermal and furnace oil. For refining petrol and LPG country is now self sufficient after commissioning of PARCO refinery. Similarly, Chashma Power Project under construction will add another 300 megawatt of electricity to the country's power supply after completion.

(C) – Telecommunications and Information Technology

The usage of Telecommunications and Information Technology is low in Pakistan, because the country has one of the lowest tele-densities in the world (2.5 per cent). However, it is increasing rapidly. Every coming year more and more population is getting access to internet facility. For rapidly increasing the number of IT Professionals, eighteen

projects have been launched for training IT professionals from blue collar IT workers to professional degree holders. The COMSATS, institute of information technology is now awarding masters and bachelors degrees in computer sciences.

5.6.3 Small and Medium Enterprises

An authority was established few years before for small and medium enterprises i.e., Small and Medium Enterprise Development Authority (SMEDA). Government is constantly re-organizing and providing extra resources to it for stimulating the process of SME Sector. The support for SME is being given in providing credit, documentation, technical, managerial and marketing areas. SMEDA has also suggested some regulatory changes for grater freedom of enterprise. It is hoped that these measures will improve the regulatory environment and access over information for primarily medium sized enterprises.

5.6.4 Direct Poverty Reduction

One of the core principles of Pakistan Poverty Reduction Strategy (PPRS) is to improve access of poor to 'productive assets, mainly housing, land and credit'. Measures taken in this regard will be reviewed in the following.

Firstly, the plan to distribute three million acres of land available with government is rather limited in scope and impact. It is not clear that how much land is cultivable and what proportion is irrigated. Supposing that whole three million acres are cultivable and irrigated, it will cover only 9.6 percent of the 6.2 million rural households that are currently below poverty line. Although the strategy is worthy but it can at best have only a fairly small impact in terms of the scale of rural poverty.

Secondly, The Poverty Reduction Strategy proposes that 'access to credit is the shortest way of empowering the poor and improving their income generating opportunities'. In addition to access to credit, organization, consciousness and sustainable increase in incomes of poor is also important. To break the nexus of local power structure and improve the access of poor to local institutions are also necessary for poverty reduction.

In Pakistan, various government and non-government institutions are working on reducing poverty. Among these two main institutions are Pakistan Poverty Alleviation Fund (PPAF) and The Khushali Bank (the micro finance bank). These are government sponsored apex institutions for micro credit. According to various reports the coverage of these institutions is very small. Considering that there are about 45 million people in Pakistan living below the poverty line, the coverage of PPAF is only 0.1 per cent⁹⁶. In fact the scale of operation of these and other commercial banks is necessary to increase for providing significant majority of poor the access to credit.

Thirdly, for providing adequate housing to the poor, government is focusing on giving proprietary rights where poor are residing for years and also provide improved service delivery to suburban and slum areas.

The country report of UN for Pakistan, National Human Development Report 2003, identifies four basic weaknesses in government's poverty reduction strategy given in the following.

- A- No attempt has been made for changing the 'power structure' at local level in favor of poor.
- B- At local government level, spending poverty reduction funds is still under top down process and is likely to cause leakage and mis-targeting.

C- It made no systematic attempt to include poor in policy formulation, implementation and monitoring of poverty reduction projects.

D- The scale of funds and micro credit directed to poor is insignificant

5.7 Summary of Policy Proposals

The Political and Social Framework

Enabling environment is required for investment, economic growth, human development and poverty alleviation. The important elements would be strengthening democracy, peace and stability.

Restructured GDP Growth

A four pronged strategy is proposed for the said objectives. These include: (i) Improve the irrigation system to increase the efficiency of water use; (ii) Develop the capacity for exporting value added products of milk, marine fisheries, agriculture and livestock; (iii) Build infrastructure for water storage and cheap energy production, ports, communication means (including railways, highways, farm to market roads etc.) and cheaper coal based energy production; and (iv) Accelerate the growth of small scale enterprises and also the Industrial Support Centers (ICS) in the private sector.

Restructured GDP Growth

The inadequate access of poor to the formal credit market makes them borrow from the landlords or informal sources. This increases the social control of landlord and similar groups. Two initiatives can be proposed to break this nexus. One is to form unions of small tenants and farm laborers within existing framework for increasing their tenancy contracts. Second is to

facilitate the emergence of autonomous organizations of the poor and their linkages with each tier of local governments.

Increasing Profitability of Micro-Enterprise

It is estimated that over 52 percent of the urban poor are engaged in micro enterprises which have low profitability. Increasing the profitability of these micro enterprises will help to alleviate poverty.

Increasing Incomes of the Poor by Increasing Productivity

The productivity of low income occupations is also low. If the productivity of low income occupations is increased, it will help to alleviate poverty. This can be done by imparting primary education of workers from poor households and then vocational training and apprenticeship.

Health and Poverty

Health is a major factor that pushes back people into poverty. Improved nutrition, preventive hygiene, drinking water, better healthcare, and adequate public transport are extremely important for poverty alleviation.

Women, Poverty and Governance

Establish the institutionalized relationship of organizations of poor and women with different tiers of local government can greatly help in poverty alleviation.

NGOs, Governance and Poverty Alleviation

The new devolution plan offers viable opportunities for making organizations of poor for asserting their point view in policy making at all levels. NGOs can play very instrumental role for organizing the poor through establishing autonomous organizations of poor and also I building their capacity for poverty alleviation.

Saving Children in Hazardous Occupations

In Pakistan, a large number of children are working in various hazardous occupations. These occupations cause repeated injuries, chronic diseases, physical and mental deformities and in some cases, death. To withdraw children from these occupations and send them to schools is highly desirable. Effective administrative mechanism is an imperative to minimize and then end the engagement of children in hazardous occupations.

Environmental Management and Poverty

Pakistan lacks capacity to implement the environmental management programs. In the coming decades, it would be particularly important to focus on environmental issues. In this regards, following measures can be recommended.

- (a)- Implement the National Environmental Quality Standards (NEQS), already in place.
- (b)- Strengthen the Environmental Protection Agencies (EPAs)
- (c)- Farmer organizations for irrigation management
- (d)- Community organizations for watersheds protection and livelihoods in Indus uplands.
- (e)- Community associations empowered for natural resource protection.
- (f)- Grass root organizations for sanitation and solid waste management among low income groups.

5.8 Summary and Conclusion

The chapter presents an outline of an economic strategy to achieve growth and greater poverty alleviation. It has two broad driving forces: (1) A restructured economic growth for higher GDP growth and poverty alleviation. (2) Direct attack on poverty by empowering them.

Therefore poor will gain a sustainable growth in their income and will also contribute in more equitable GDP growth.

The suggested economic growth strategy aims at: (a) change the composition of investment; (b) Enhance the employment generation capability of economic growth; (c) Accelerate the growth rate of exports; and (d) Transform low skill and low productivity into high skill and high productivity. In the light of these strategic parameters, a four pronged strategy has been proposed which focus on: 1- Rehabilitation of irrigation system; 2- Produce high value added products of milk, marine fisheries, fruit, vegetables and flowers; 3- Develop infrastructure; and 4- Accelerate the growth of small scale enterprises. For achieving these objectives the establishment of Industrial Support Centers can play central role.

The other driving force is to attack poverty directly. It can be done through increasing their participation in planning and decision making. Establishment of their organizations can play very instrumental role, specially the establishment of women organizations. The current reforms in government system have great potential for that. However to make it successful, four policy issues are important to consider. These include: A- Distinguishing decentralization of administrative powers and devolution of power; B- Ensuring effective role of women elected representatives with control of resources; C- Removing existing confusions in administrative system prevailing and new local government system; and D- Capacity building of local government representatives in governance, project planning, implementation and monitoring.

The chapter also reviews the comprehensive set of reforms introduced by current regime. These include: (a) More efficient and transparent financial management; (b) Growth with poverty reduction; and (c) Better governance through civil service reforms.

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