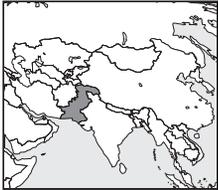


## The long distance between promises and realities



Despite the lofty promises made by successive governments, the socioeconomic situation in Pakistan remains dire, with the gap between rich and poor growing ever wider. Social development indicators in every sector are alarming, and women and girls are hit especially hard because of their lower social status.

### Social Watch Pakistan

Aijaz A. Qureshi / Mushtaq Mirani / Jhama Hirani

The socioeconomic situation facing Pakistan is daunting. After having fallen from 31% in 1979 to 17% in 1988, the poverty rate rose to 33% in 1999, and today an estimated 38% of the population lives below the poverty line. Poverty and the gap between the rich poor continue to grow alongside high rates of inflation.

For many years, Pakistan's development budgets were not fully executed, and many of the resources allocated for social expenditure – resources collected from the country's taxpayers – were instead siphoned off to corrupt government officials, bureaucrats and contractors. This rampant corruption has given rise to a neo-feudal class in Sindh and Punjab, the two major provinces of Pakistan.

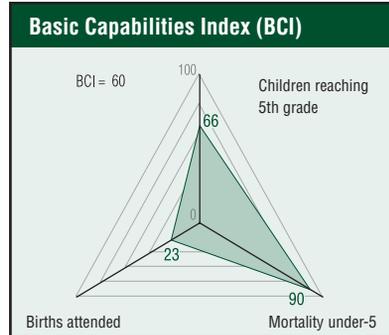
### Social Indicators

#### Education

The education sector in Pakistan is immense but fragmented and famously resistant to change. Of the approximately 18 million children in Pakistan, only 42% are enrolled in school, and historically, less than half of those enrolled complete five years of schooling. On any given day, close to one quarter of the teachers in public schools are likely to be absent, and this is in a country where the pupil to teacher ratio is already extremely high, with an average of 55 students for every trained teacher.

It is therefore no surprise that illiteracy is a huge problem in Pakistan. Despite the improvement in literacy rates since the country gained independence in 1947, its overall literacy rate of 45% (56.5% for males and 32.6% for females) still lags behind most of the countries in the region. Moreover, it may be true that literacy rates have risen in general terms, but due to the increase in population, the number of illiterate Pakistanis has more than doubled since 1951, while the number of illiterate women has tripled.

In addition to marked gender disparities in educational attainment, there are also heavy disparities between rural and urban areas and among the country's different provinces. The literacy rate in urban areas is 58.3%, while in rural areas it is 28.3%, and only 12% among rural women. The in-



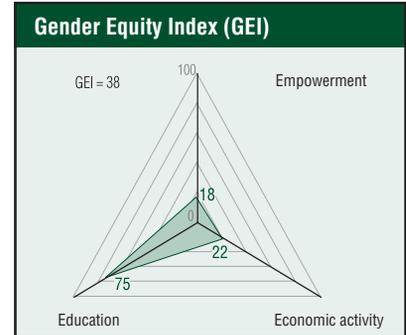
equalities in literacy rates among the four provinces are particularly influenced by the disparities between men and women.

#### Health

It is estimated that every 20 minutes in Pakistan a woman dies from complications related to pregnancy and childbirth, while four out of five women are anaemic. Four out of seven children are malnourished at some point in their lives, and three out of seven are chronically malnourished. This proportion is nearly one in every two in the rural areas of the southern province of Sindh. One out of every ten children born dies before his or her first birthday, while one out of nine dies before the age of five.

The health status of women in Pakistan is directly linked to women's low social status. Pakistan's poor position internationally is reflected in the 2004-2005 Gender-Related Development Index (GDI) compiled by the United Nations Development Organization (UNDP), on which Pakistan ranks 129th out of 174 countries. Some 30,000 women die each year due to pregnancy complications, and 10 times more women develop life-long pregnancy-related disabilities. The health of rural women tends to be especially poor, due to the lack of health facilities and skilled health care providers. For example, the maternal mortality ratio in predominantly rural Balochistan is 800 deaths per 100,000 live births, compared to the national average of 340 per 100,000.

There is a wealth of examples of the marked differences between the health status of women and men in Pakistan. For instance, malnutrition is a major public health problem in Pakistan that disproportionately affects women and girls. More girls



than boys die between the ages of one and four; the female mortality rate is 12 percentage points higher than for boys. This is a direct consequence of the lower social status accorded to women and girls, who as a result tend to eat less and face additional barriers when accessing health care. Women, girls and infants most often die of common communicable diseases such as tuberculosis, diarrhea, pneumonia and tetanus.

Essentially, the poor health status of women in Pakistan is as much a social as a medical problem. The underlying factors are the lack of awareness of and attention to women's health needs; women's lower educational and social status; and social constraints on women and girls, including the practice of seclusion.

#### Unemployment

Pakistan's labour force is calculated on the basis of all persons who are ten years of age and older and who at any given time are either working, seeking work, currently available for work or not working. Based on the current estimated population of 142.87 million and a labour force participation rate of 27.46%, there are roughly 39.23 million people active engaged in some form of employment.

On the other hand, the unemployment rate – calculated as the proportion of those who are out of work but actively seeking employment – was 6.2% in the second quarter of 2005, according to the Pakistani government's Labour Force Survey. However, it is widely considered that unemployment is in fact much higher than the official rate. In addition, it is often perceived that unemployment is greater in rural areas than in urban areas, because

of the employment opportunities offered by the larger number of industries in the latter.

### The environment and poverty

It has become increasingly apparent that a critical dimension of poverty has not been given sufficient attention, i.e., the link between environmental conditions and poverty. It is being discovered – particularly through the use of participatory poverty assessment – that many of the impacts of environmental degradation particularly affect the poor, and this serves to even further exacerbate poverty. The reason for this is partly because the poor are more likely to be dependent on environmental goods and services and partly because they have less capacity to protect themselves and hence are most vulnerable to environmental degradation.

In 2004, for example, dozens of people died and thousands contracted severe gastric illnesses due to the contamination of the water supply around the city of Hyderabad in the province of Sindh. The contamination was caused by irrigation officials mistakenly releasing poisonous water from nearby Manchar Lake into the Indus River, which passes through the province before emptying into the Arabian Sea. Although officials issued warnings advising people to boil the water or purify it with chlorine tablets, many continued to consume untreated water out of a lack of awareness or the means to protect themselves. Health officials also recognized that the hardest hit by the crisis were children who were already undernourished and thus weaker and more susceptible to disease.

### Governance and development

A wide range of non-economic factors, such as the economic sanctions on Pakistan due to nuclear testing, the difficult law and order situation, terrorism, sectarian and ethnic division, non-democratic regimes, unrest in Balochistan, the tensions with India and the negative fallout of the war in Afghanistan have adversely affected the climate for investment and growth, which has created further hardships for the poor.

The World Bank recently prepared economic reports for all of the country's provinces. The report on Sindh, historically the most developed and prosperous province in Pakistan, was especially troubling. According to the World Bank researchers, while Sindh was 55% richer than rest of the provinces of Pakistan in 1947, it is now barely 16% wealthier. Although the number of poor is growing in both the urban and rural areas of the province, the incidence of poverty is particularly high in rural areas. In the year 2001-2002, one out of every two rural dwellers was living below the poverty line, as compared to one out of every four persons in the urban areas.

A survey of key stakeholders in the province carried out as part of the World Bank report revealed that the number one challenge to development singled out by respondents was poor governance, followed by corruption. Table 1 presents the results of the survey.

TABLE 1

World Bank stakeholders survey on obstacles to development in Sindh (2004-2005)		
Overall governance	8.1	Directly or indirectly related to governance issues
Widespread corruption	7.3	
Law and order situation	7.1	
Inefficient use of public expenditure	6.9	
Inadequacy/poor quality of infrastructure	6.8	Infrastructure or fiscal issues
Water shortage	6.3	
Low level of public investment	5.8	
Feudalism and "old mindset"	5.1	Regional divide
0 1 2 3 4 5 6 7 8 9 10 Least important constraint ————— Most important constraint		

### Broken promises, rising poverty

Successive governments in Pakistan have gained support with impressive slogans and ostentatious promises, knowing full well that the country had neither the financial resources nor the human resources needed to deliver on these promises. The pledge of earmarking more funds for the power sector to reduce the gap between demand and supply has been only very partially fulfilled, and while more allocations have been made to improve access to drinking water, this has mainly benefited the urban areas.

In the meantime, poverty and unemployment rates continue to increase, and rising inflation has made life increasingly difficult for the lowest income sectors. Gross domestic product (GDP) growth has been erratic for the last five to six years. In 2005, there was 2.6% GDP growth in the province of Punjab, 2.2% in the North West Frontier Province, 1.7% in Sindh and 0% in Balochistan. While the textile sector has experienced significant growth, this has only benefited a single class of society. The same can be said for the boost in the energy sector. Privatization has increased, with a consequent toll on government revenue. The national currency, the rupee, has undergone repeated devaluations. Gas, oil and diesel fuel prices have risen sharply in the last year and a half.

Pakistan's current economic situation is obviously critical, and the challenges it poses are formidable. Nevertheless, there are a number of steps that could be taken to begin remedying the situation. These include:

- A reduction in defence expenditure
- Enhanced financial autonomy for the provinces
- Enhanced fiscal devolution by transfer of sales tax to regional and local governments for increased spending on education, health, sanitation and public welfare.
- A more effective and equitable revenue distribution arrangement between federal, provincial and local governments.

- Placing top priority on rural districts in public sector development programmes
- Concrete efforts to improve governance
- The eradication of feudalism and neo-feudalism. ■

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