

RURAL POVERTY IN PAKISTAN

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Poverty is not simply a state of deprivation of certain goods and services, just as richness is not simply a surfeit of them. Aristotle saw the richness of life in terms not of commodities (which are merely useful) but in the sense of activity. He thus argued for human functioning as the object of value. It is in this sense that a substantial strata of our society by being denied the minimum of food and basic necessities are made incapable of actualizing through creative activity their full human potential and are thereby impoverished. "Poverty has come to be seen as a deficiency in resources that significantly hamper or prevent participation in events and relationships that give a meaning to life".¹ The International Labour Organization (ILO) policy draft says "Pakistan has reached a critical juncture in its development as poverty has risen from 18 percent in 1984-85 to more than 35 percent in 1998-99 and the income inequality appears to be increasing".²

More recently the idea of poverty has been closely allied to that of inequality which is very true in the case of Pakistan. Nutrition Cell of Planning Division suggests the poverty live on the basis of caloric requirement of an adult per day. Thus poverty line is the ability to afford expenditure for a minimum calorific intake of 2550 calories per person per day.

The Caloric based poverty in Pakistan has been increased from 17.03 percent in 1987-88 to 22.4 percent in 1992-93 and to 32.6 percent in 1998-99. The number of people living below the poverty line or a dollar a day increased from 17.6 million to 44 million, said the official Economic Survey 1999-2000. Thus the conditions of the

poor have worsened since then and their number must be 15 million now. The poor are proportionally located in rural areas and their number must be 15 million, which is evident from the following indicator:

1. The average monthly income in urban areas is 60% higher than that in rural areas.
2. Rural per capital income is 36% less than the urban per capita income.
3. Literacy rate in rural areas is only 21.5% against 50% in urban areas, literacy rate in rural areas is only one-fourth of their counter-parts in the urban areas.
4. Only 16% of the total physicians are located in the rural areas.
5. Approximately 8% of the rural areas have access to electricity which is only 36.5% of total villages having electricity.
6. Only 22% of rural population has access to potable water as against 77% in urban sector.
7. Only 9% have sewerage facilities.³

The numerous anti-poverty and employment promotion programs have been given by the successive past governments which include mandatory Zakat and Usher also. Then, there was the public work program for special employment, farm-to-market roads to open up the country, promote agricultural activities and provide employment in the rural areas. Then Yellow Cab Scheme was introduced to provide jobs to unemployed. Alongwith that came land for the landless peasantry. Tractors were also given to small growers on easy

installments. More loans for agricultural sectors and then came the food stamps, Bait-ul-Mal program and micro credit banks to combat poverty in low income groups living in the rural areas of Pakistan. Most recent scheme is Regional Development Finance Corporation (RDFC) for women living in the backward areas of the country. Strong hopes were pinned up with all these schemes to reduce poverty and then with the introduction of Pakistan Poverty Alleviation Fund established in 1997 to which the World Bank was to provide 90 million dollars, the Federal Government 8 million dollars and the beneficiary communities themselves 7 million dollars.

As a result of the frequent change of governments, change of policies, variations in programs, misdirected assistance, bureaucratic mishandling and rampant corruption have instead of improving the situation brought greater misery to the poor and have increased the number of poors beyond the poverty line to almost 40 percent population living in the rural areas of Pakistan. Speaking on Pakistan regarding poverty, the World Bank said: "the performance of successive Governments in Pakistan had been disappointing due to bad governance that ultimately increased poverty in the country and there has been deterioration in revenues and governance. The situation in 50s and 70s was good as there was eradication of poverty to a good extent. But in 90s things were bad due to bad governance. The hudgetary resources in Pakistan were 15 percent of the GDP, out of this, 5 percent goes into civil administration, 4 percent to defence and the rest to debit servicing. And therefore nothing is left for poors".⁴

The table given below showing the existing status of rural urban disparities in Pakistan in laid manner:

TABLE - 1

RURAL URBAN DISPARITIES

No.	Sector	Rural	Urban
1.	Per Capita Income (Rs.)	1,538	2,390
2.	Education: Literacy rate (%)	21.5	49.9
	Female Education (%)	9.6	39.2
	Primary Education (%)	58.2	77.4
3.	Health		
	Doctors (Nos.)	8000	28,000
	% of total	22.0	78.0
4.	Water supply sewerage access to potable water (% of population)	22.0	77.6
5.	Sewage facilities (% of people)	10.01	52.0
6.	Banking and saving facilities (Population per Bank Branch)	20,000	3000 - 8000
7.	Saving of the total	25000	75.0
8.	Energy (Access of Electricity % of population).	10.0	80.0
9.	Electricity Consumption (% of total population).	10.0	90.0
10.	Transport and Communication (% of total population)	6.0	94.0

Source: 7th Five Year Plan 1988-93 and Perspective Plan 1988-2003.⁴

The statistics clearly indicate the sight of the

rural population representing 71.7% of the national population.

Whereas the different rates of population growth experienced by the different social groups depend upon cultural factors, education level, income, security of employment, etc. This eventually exaggerates inequalities, first by increasing the number of dependants and then of lowering the wage rate because of increase in the supply of labour. Fragmentation weakens the bargaining position of the landless aspiring to become tenants thereby encouraging the transformation of tenants farming into a kind of cheap labour for the big landlords. However, high population growth is the tenant rather than disease because it merely manifests the socio-economic pressure and inequalities.

Infact access to cultivable land provides access to both income and employment. Conception of land ownership generally results in the concentration of agricultural income in a few lands. This complete with high population growth on land and the failure of the urban areas to accommodate the migration from the rural areas leads to fragmentation of holdings and finally to landlessness. In Pakistan the agrarian structure is characterized by a highly skewed distribution of land ownership and a pattern of extensive renting out of land to tenant. For example 0.5% of land owners own 30% of total cultivated area in holdings of over 500 acres. In contrast 65% of owners held 15% of land area in Units of less than 5 acres. In such a situation when the High Yielding Varieties (HYV) became available and made owner cultivation highly profitable, there emerged the tendency for a structural change in the favour of large farmers. The availability of HYV technology along with subsidized tractors, induced

large land owners to resume their formerly rented out land for owner cultivation on large factorised farms. The resultant change in the production relations generated a powerful process, growing affluence of the big farmers simultaneously with the pauperization of the poor peasantry. When the 1960 agricultural census is compared with the 1972 agricultural census, a picture of polarization in the size distribution of farms in total farm area and that of large farms had increased while the percentage share of medium sized farms had declined.⁵ This is depicted in table below:

TABLE - II

Size of the Farm Areas	Number of Farm		Farm Area	
	1960	1972	1960	1972
Less than 7.5	35.5	41.3	9.9	11.8
7.5 to <25	52.8	46.9	51.2	46.4
25 and above	11.6	11.8	38.9	41.8
Total	100	100	100	100

Source: Pakistan Census of Agriculture 1966-72, 1980, Irfan-ul-Haq.¹⁰

The availability of financial resources can be used as a tool to raise the productivity and incomes of less prosperous on the rural scene - the small farmers and the landless. But the distribution of the rural credit has been highly unequal, the bulk of the available concessional finances as siphoned away by the big farmers. The larger farmers have access to subsidized or concessional institutional credit. These are realizable value of assets offered as collateral against the loan to minimize the exposure risk element, loan servicing capacity of the borrower, the right social connections.

The recommendation from the right and powerful quarters etc. hence the procedural and allocation mechanism criteria are biased in favour of the larger and economically powerful and owners. Smaller borrowers are also discouraged because of the high administrative costs involved in processing their applications and future transactions. Moreover, the bureaucrats themselves are interested in furthering their interest of the richer farmers not only because of the identity of interests with the absentee landlords from amongst the senior bureaucrats but also because increase in agriculture production irrespective of the extent of its concentration earns glory for junior officers in the department. In Pakistan according to agriculture census 1980 households operating holdings under five areas get 90% of their credit from non-institutional sources as against 40 of those operating over 50 areas. The latter get 36% of total institutional credit although they operate 23% of farm area. These statistics confirm that access to land influences the access to institutional concessional finance.

The employment and income distribution effects of the non-technological innovations in Pakistan agriculture depend on the extent of the diffusion of new inputs among different classes of farmers. The use of tube-wells, tractors and new seeds require a considerable amount of new investment on the part of farmers, the ability to reap benefits of mechanized farming and new technological break-through, thus depends on the ability to mobilize enough funds either through saving or borrowing to undertake such investment. Although the technology itself is not biased in favour of large farmers. Since there are no significant scale economies and the rates of return on investment are fairly high-institutional arrangement such as access to credit and fair inputs to give large farmers an advantage. As

regards tube-well water supplies, according to a survey conducted on mechanized farms of 1968, only about 4% of the total tube-wells in Pakistan were installed by small farmers owning up to maximum of 13 acres while 70% were owned by farmers possessing more than 25 acres of lands, the relatively higher levels of cropping intensity also necessitated the use of tractors, beyond the reach of small farmers. Also use of tractors tends to reduce employment opportunities in the long run. A World Bank, A.D.B.P. joint study had revealed the introduction of a new tractor on average displaced 10 manual workers and using their displacement figure, a total of 60,000 jobs were lost by 1973.⁶

Therefore, even if land is available, stable and regular incomes are not common in agriculture. As the work is seasonal in nature productive employment opportunities are not available throughout the year, contributing to the under employment of labour force and hence to lower incomes. The labour force in the rural areas is supplied by the landless or small farm household. There are the most valuable members of society and their prosperity is intrinsically linked with the change in the demand and supply in the labour market.

The various rural development programmes were implemented in the past to raise quality of life in rural areas where majority of population is concentrated. These included:

- Village agriculture and industrial development programmes (Village Aid, 1953-1961).
- Basic democracies (1959-70) -- a programme of rural development initiated during Ayub Khan's Government through various local government institutions.

- Rural works programme (1963-71) renamed as 'people works programmes' in 1971. It was a programme for development of physical infrastructure.
- Integrated Rural Development (IRDP) 1972-80 was focussed on joint action by the former line, departments and local organization which would constitute "Marker" or 'community complex' for promotion of multidimensional facilities.
- Five-point programme of Junejo Government (1986-88) focussed on rural development.

These programmes no doubt contributed towards the improvement of rural life but there was a need to institutionalize the arrangements. Therefore, objection of Fifth Five Year Plan assigned the highest priority to the rural development. In this plan 25% of the public sector expenditure was earmarked for rural development. But this plan could not make head-aways in social infrastructure except for rural road and rural electrification. Sixth Five Year Plan allocated 46% public sector expenditure to uplift the rural scene, but still there were short falls and some of the targets, for rural development was continued during Seventh Five Year Plan and the term 'Rural Development' has become a fashionable catchword. The underlying objective of rural development programme is to create a politically stable middle peasant as a buffer between the landed aristocracy and impoverished millions of landless. The agrarian crisis that we are witnessing in the shape of the rising rate of rural urban migration, the concentration of the benefits of the technological change in agriculture in a few hands and the burgeoning ranks of the landless, as the out-come of the institutional framework. The rural communities have suffered from

centuries of neglect and efforts have to be made on all fronts to bring them into the stream of development of the country.⁷

SUGGESTIONS

"The trouble with the rural poor is that they are often disorganized, disheartened and uninformed and have been entirely dependent on the rich. They have lost their own initiative and reliance to improve their own living conditions. So it is mandatory that poor for their own survival should rely on collective efforts".⁸ They have to mobilize themselves, raise their own self-consciousness and create self-reliance for solving their own problems by forming their own organizations. In this way the local community participates in the process of providing the basic necessities for itself at the village level. Here a voluntary organization can serve as interventionist to raise their awareness self-confidence and self-reliance by encouraging them to do things for themselves. A lot can be learned from the innovative experiments of South Asian counties such as:

- Agha Khan Rural Support Programme in Northern Areas of Pakistan.
- The Grameen Bank of Bangladesh.
- The small farm programme and product credit for rural women in Nepal.
- South Korean Saemaul-undorg Movement.
- Bhoomi Sena in India.

These village programmes are planned from the bottom up starting with the poorest. The priorities are set by the poor themselves as subjects in the process. Even infrastructure projects are initiated by the organizations of the poor themselves.

Additionally, in order to reduce wide spread

unemployment in rural areas caused by mechanisation and green revolution, rural industrialization must be given the chance. This will not only absorb the additional labour force but will also affect social, economical and political dominance of the rural elite. Rural areas have been badly neglected in the past. They need to be initiated to move into progressive new way. They need to be initiated into doing on their own and on 'self help' basis. This can be done by focussing attention on things which promise a visible betterment in their life and what would be more appropriate than encouraging them into making the best of the skills traditionally known to them, by commercializing these skills.

If due consideration be given to small public work programme which is to be pronouncedly pro-poor is to be the primary tool for fighting poverty, and unemployment, a special attention must be given to the rural areas where the social indicators are very poor.

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