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Poverty and Environment: From pure survival to subsistence and beyond

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There is little consensus that the interests of the poor and of the environment are mutually compatible despite a link between poverty and environmental concerns at the macro policy and local level. Ambivalence about this relationship exists amongst those whose prime concern is environment, as well as amongst those whose concern is poverty eradication. The environment is the source of what every one of us needs to survive - air, water and food. It is also the source of the materials we require to take our lives from pure survival to subsistence and beyond - shelter, clothing, tools and the infrastructure of collective human settlement. The absence or denial of these basic necessities constitutes absolute poverty. Unequal access to basic necessities and other environmental resources is the foundation of relative poverty. In addition to being excluded from access to basic resources,

the poor are also most likely to be subjected to the degrading or polluting impacts of the consumption patterns of others. In industrial and post-industrial societies this may take the form of exposure to higher levels of toxicity in air, water and earth.

Whilst the linkage between social, economic, environmental and political dimensions of sustainable development is clearly acknowledged in Agenda 21 and the need for poverty eradication is recognised, this is only rarely carried forward into integrated development programmes. For one thing, barriers exist between those most concerned with these issues. Environmentalists are concerned that meeting

the demands of poorer people for improved standards of living will contribute to increases in the unsustainable consumption that they are seeking to reverse. The poverty activists, both in North and South, are concerned that universally applied demands for reduced energy consumption will serve only to further exclude the poor from the benefits that the wealthy have already achieved.

Is poverty to blame for environmental degradation?

When the people living in poverty are asked to identify their priorities, care for the environment or the need for sustainable development are rarely at the top of their lists. Housing, feeding and clothing the family, education for their children and care in their old age are much more significant concerns. Both production (or employment) and consumption patterns are determined more by these basic needs

than by any consideration of their long-term impacts. The poorest people are sometimes seen as complicit with those forms of economic activity in which the environmental costs of production are displaced onto the public purse or into the future.

This ignores the extent to which the people living in poverty are able to exercise choice in their productive or purchasing behaviour and the degree to which this is determined by more powerful players in the local and global markets. Poor people are attracted to more environmentally sustainable activities when they see that adopting them will enable them to improve their standards of living through the use of their

The North is given to excess consumption. Its emitters in the South, namely the multinational corporations, deplete national resources to feed this insatiable hunger. The extractive development policies instituted by southern governments are an integral part of this calculus. The poor are the victims of such unsustainable development practices. It is, therefore, wrong to blame them for environmental degradation. If they are culpable, it is because they are vulnerable, insecure and have limited choices.

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The purpose of the *SDPI Research & News Bulletin* is to communicate to the development community, private sector, government agencies and concerned citizens, SDPI's research and other activities in the area of sustainable development. It also provides information on major national and international events and issues relating to the environment and development.

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own, self-directed, labour and through improved co-operation with other members of their community. A major part of the experience of Local Agenda 21 and of more specific anti-poverty initiatives have been that the poorest people can be the most willing to explore and adopt new ideas and ways of organisation and work. But there are real barriers making this common sense a reality.

By definition, the poor lack capital in the form of land or investments and are excluded from many financial services; patterns of settlement, travel to work and the changing demographics of family and social life can make collective endeavour more difficult; systems of welfare and taxation, through the operation of 'poverty traps' can penalise initiative and undermine prospects for long term success. Each of these barriers is capable of being addressed. However, to do so requires significant changes to be made in the current distribution of resources and power, including gender relations in households and the wider economy. The challenge to the promoters of sustainable development is whether or not they are prepared to take on board the vested interests that sustain the inequitable and unsustainable status quo.

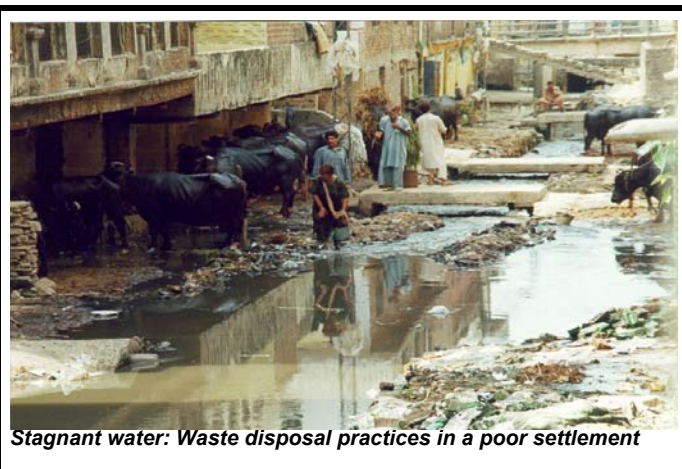
The absence of sustainable human development (SHD) in Pakistan

Pakistan's development history smacks of several negative features described above, namely, the marginalization of poor communities, lack of capital, denial of property rights and marked gender disparities. It reflects ignorance of the central tenets of sustainable human development (SHD). SHD is an embracing concept, which defines and integrates development, sustainability and equity (DSE) in relation to the three central pillars of sustainable development - economic, social and environmental. In simple terms it means development which is efficient, equitable and sustainable in terms of resource use, resource access and resource resilience. The term 'resources'

is used in its generic sense and refers to capital, human and environmental resources.

The contrasting reality has been 'extractive development', an entirely different paradigm with unprepossessing features. The development process has failed to bring the environment into the policy mainstream. Moreover, it has limited the beneficiaries of development to a limited subset of people. Also, modernization, in and of itself, contains impulses for degradation; for instance, when economic opportunity and mobility depreciates the value of the resource base for communities drawing their sustenance from it, or when national legal and regulatory systems over-ride traditional, community-based resource management – in fact, are misused to exploit such resources unsustainably.

Social sector neglect is an unavoidable appendage of such development policies. Its impacts on the environment are indirect, through the medium of poverty. Despite impressive GDP growth, averaging in excess of 5% over the past three decades and ensuring a steady increase in per capita income, the effect of growth on poverty reduction is more ambiguous. The proportion of the population below the poverty line fell from 46% in 1984/85 to 40% in 2000/2001 (World Bank: 2001). Less clear is whether the improvement in consumption poverty was accompanied by a reduction in the absolute number of people falling below the poverty



Stagnant water: Waste disposal practices in a poor settlement

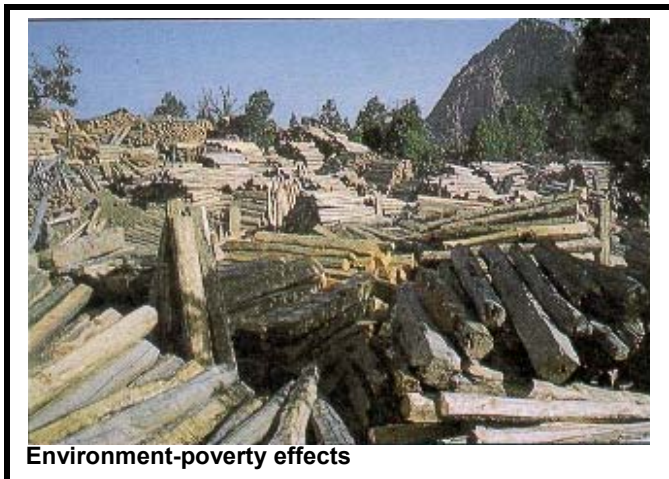
line? Pakistan did not perform well by another measure of poverty, namely,

income inequality - as represented by the Gini coefficient. From 0.43 in 1984-85, the coefficient has decreased to 0.31 at present.

Pakistan's performance on its social indicators does not compare well with the average performance for middle-income countries. Not surprisingly, Pakistan was relegated from the medium to the low human development category in 1999. In this context, it is little comfort to know that its social indicators fare better than or are equal to the average for low-income countries. Also, these indicators mask rural-urban differences, where the access to and quality of rural services and infrastructure tend to be far below those available in rural areas. Further, in the latter case, enclaves of prosperity co-exist in stark juxtaposition to the surrounding sea of poverty.

The poverty-environment trap

The malign interface of development-poverty-degradation gives rise to a phenomenon referred to as



Environment-poverty effects

the poverty-environment trap. It describes a downward spiralling relationship between poverty and environmental degradation. In the first place, poverty increases the vulnerability of the poor to degradation. Second, by restricting choices and entitlements for the poor, it turns them into potential predators of natural resources. The poverty-environment nexus has a cross-cutting as well as a sector dimension. Its more overarching manifestation known as 'resource capture' reflects a combination of development, population growth and natural resource scarcity. The emerging imbalance between a growing population and finite natural resources imparts a premium to such resources. In turn this induces the appropriation of these resources by vested interests. A consequence of such appropriation is 'ecological marginalization', which forces resident communities to migrate to marginal areas.

An aspect of ecological marginalization is accelerated intra-rural migration. In the NWFP, land-hungry rural

populations have moved into marginal lands, into erosion prone hill areas and into fragile semi-arid areas, which have traditionally served pastoral groups and their herds. This has resulted in conflicts over land access, its intensive use and its eventual degradation.

The poverty-environment cycle also has a sector dimension, highlighted by the presence of vulnerability.



Poverty-environment effects

Selective instances are:

Air Pollution: Low-income neighborhoods mushroom around industrial areas and power plants where exposure to air pollution is high. Traffic congestion and resulting vehicular emissions are becoming an increasingly serious problem in the big cities. Poor communities are the most exposed to auto-emission and other toxic fumes, as they tend to live close to the main trunk roads. The incidence of respiratory diseases and lead poisoning (predominantly among children) from mobile and stationary source emissions is escalating rapidly. Factors, which further increase the vulnerability of the poor, are poor nutritional intake, crowded living conditions (which increases the risk exposure) and lack of access to good medical facilities. Ultimately, those who are the most disadvantaged are made more so.

Water pollution: Although water pollution caused by organic and chemical discharges is widespread, its impacts are predominantly on the poor, a result of the skewed distribution of sewage, sanitation and piped water facilities, both across the rural-urban divide and in poor urban slums.

Deforestation: Historical pressure on natural resources and ambiguously defined property rights, overlain with rigid and increasingly corrupt management, have contributed to rapid deforestation. Community management traditions, already fragile, have eroded further with new opportunities for employment and out-migration. The situation contains the seeds of conflict, with communities forced to act as predators rather than as guardians of the commons.

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Poverty Reduction and Environment Nexus

Human Capital: Poverty

Asif Zaidi and Usman Iftikhar

The debate on poverty-environment nexus generally concludes that environment matters greatly to the people living in poverty. This issue itself speaks of livelihoods, health and vulnerability of the poverty stricken people. In essence, this should be the principal message coming out of this debate that there is a need to bring this issue to the forefront. The relatively well-known elements of poverty-environment nexus included:

Environment and Livelihoods

The basic idea here is that poor people are most dependent upon the environment and direct use of natural resources (NR). The 65% of the population lives in rural areas where poverty levels are higher and even a large proportion of urban population is dependent on the direct use of NRs such as fuel wood. Therefore, these people are most severely affected when the environment is degraded. Though the ongoing debate gives several examples of environmental degradation in Pakistan, it would be good to highlight the impact on the poor or on their access to natural resources, which is limited or denied. The forests in Pakistan are a classic case of limiting access.

Environment and Health

The poor people suffer the most when water, land, and air are polluted, and environmental risk factors are a major source of health problems in developing countries.

Environment and Vulnerability

The poor are the most often exposed to environmental shocks such as natural disasters, stresses and environment-related conflicts, and are least capable of coping when they occur. What is less well known is the fact that there has been considerable theoretical and empirical research on various aspects of the poverty-environment nexus. Several papers have contributed to a better understanding of the poverty-environment relationships (see, for example, Tim Forsyth et al, 1998; Eckbom and Böjo, 1999; and Jodha, 1998). One particular paper that has contributed significantly to this debate is by Eckbom and Bojo (1999), and they have done this by breaking down explicit and implicit hypotheses in the literature to its component parts. These hypotheses are:

H1: Poor people are agents of environmental degradation

H2: Poor people are the main victims of environmental degradation

H3: Incomplete property rights reinforce the vicious poverty-environment interaction

H4: Population growth causes both poverty and environmental degradation

H5: Higher per capita income increases environmental pressure

With respect to H1 (Poor people are agents of environmental degradation), Dasgupta (1997) challenges this argument that the poor degrade their environmental resource base because poverty forces them to discount future incomes at unusually high rates (see Bardhan 1996). Dasgupta does not find much empirical support for this argument, and infers that this should apply to the poor in the past as well. However, evidence suggests that many poor people and societies have been able to generate remarkably stable and resilient institutions for coping with the income variability that being poor implies (Dasgupta 1997; Ostrom 1990; Swanson 1995). Dasgupta instead says usually institutional failures are responsible for this situation.

There has been overwhelming support for hypothesis-2 that the poor people are the main victims of environmental degradation. Indeed, Songsore and MchGranahan (1993, p. 33) capture the essence of the hypothesis by saying, "environmental risks go hand-in-hand with socio-economic deprivation". This hypothesis includes issues such as: *poor people are vulnerable to loss of biological resources; extreme environmental stress can force the poorest to migrate; inequality reinforces environmental pressure; and government policies can create or reinforce a vicious cycle of poverty-environment interaction.*

With respect to H3 (Incomplete property rights reinforce the vicious poverty-environment interaction), there is also empirical evidence that supports the hypothesis that tenure security is correlated with the quality of environmental management (Saxena, 1988; Hoy and Jimenez, 1996; Southgate, Sierra and Brown, 1989). However, there is a need to exercise extreme caution with respect to policy prescriptions. The issue is not about the privatisation of rights rather the community rights to manage common property resources (Dasgupta, 1997; Ostrom, 1990; Forsyth, et al, 1998). Literature suggests that privatisation of common property resources works to exacerbate inequalities and hence degradation (Dasgupta, 1997).

The hypothesis-4 (Population growth causes both pov-

erty and environmental degradation) is probably the most contentious of these issues. The origins of the *population growth thesis* detrimental to the environment began with Malthus. Malthus basically postulated that population growth will tend to rise exponentially, while food production will tend to rise linearly. The net result of his analysis is that population growth will eventually outstrip the supply of food resulting in famines, deprivation and chaos. A basic policy proposal is to limit population growth. Mink (1993), for example, argues that because of the poor living environment, and hence, lower productivity provides incentives to raise large families. This, he argues, would contribute to pauperism in an adverse, dynamic pattern. However others (such as Prakash 1997) while recognising that growing population does exert pressure on productive lands and resources, it is not necessarily the case that population causes the damage.

The complex of locally-specific, social, economic, environmental and governance circumstances, in which increasing population takes place that in turn can be strongly influenced by external policy and institutional factors, are usually the driving forces behind poverty-environment interactions (DFID, et al, 2002). In fact, there is much evidence which shows that the increasing population growth has led to rehabilitation and profitability of degraded, unproductive lands (Tiffen et al., 1994). Moreover, research in the middle hills of Nepal has shown that farmers adapt organisational and land management practices to reduce the impact of population growth and environmental change, such as by using local landslides to increase soil fertility (Ives and Messerli, 1989). A simple question comes to mind: would environment cease to be degraded if population growth is checked? Or in fact would environment cease to be degraded if poverty is reduced or eliminated?

Finally H5 (Higher per capita income increases environmental pressure) has been presented as a counter-hypothesis to H1 that looks at the relationship at macro-level between environmental degradation in poor versus rich economies. While it is clearly recognised that some environmental problems decline with rising incomes such as sulphur dioxide emissions, others such as CO₂ emissions and municipal waste per capita increase. Hence, the idea that economic growth in and of itself will lead to environmental improvement is not based on sound empirical evidence. The reason for decline in some problems is more often due to policy and institutional response than the rising incomes (Ekbohm and Bojo, 1999). Having said that, more important question is what to do if we are more or less convinced of the significance of poverty and environment nexus.

Pakistan has embarked on the development of a Poverty Reduction Strategy Paper (PRSP), which repre-

sents the country's mainstream development policy framework. Now if we were to look into the Interim Poverty Reduction Strategy Paper (IPRSP), we would expect to find that it is reflective of the poor's priorities and the issues that matter most to them including poverty-environment links. However, disappointingly, the IPRSP has overlooked the poverty-environment relationships. This is particularly odd as results from the Asian Development Bank (ADB)'s "Poverty in Pakistan – Issues causes and Institutional Responses" indicates that the major poverty determinants identified by the poor themselves are ecological fragility; resource rights; vulnerability to natural disasters; access to water and sanitation; and mismanagement of natural resource base. The poor themselves speak of how the environment matters to them as they depend heavily on a range of environmental goods and services for their livelihoods; suffer most from environmental degradation; and are highly vulnerable to environmental disasters. Hence the question is, if the environment does matters to the people living in poverty, then shouldn't environmental management be an integral part of the (final) PRSP?

environmental management be an integral part of the (final) PRSP? The point is that, not only are the environmental determinants of poverty missing, but more crucially in terms of how they cut across and compound economic, social and governance determinants of poverty.

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Poverty alleviation and sectoral policies: Putting the people at the centre of development

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Forests across the world are known for accommodating communities in terms of securing their subsistent livelihoods thus addressing the issue of poverty to some extent; and hence generate a debate whether or not the dependence of these communities over forest resources cost heavily on the environment and conservation. Forests resources directly contribute to the livelihood of 90 percent of the 1.2 billion people living in extreme poverty and indirectly support the natural environment that nourishes agriculture and the food supplies of nearly half the population of the developing world. In Pakistan, NWFP is the poorest province

with a rural poverty estimate of 44.3 percent. Fortunately it contains 40 percent of the natural forests of Pakistan. Hence the forest policies of Pakistan and especially those of NWFP have a direct impact on local livelihoods. A livelihood comprises the capabilities, assets (material and social resources) and activities required for a means of living.

Understanding the interface between local livelihood and state policies is of vital importance for developing sustainable local natural resource management. State policies and regional and international institutions impact sustainable livelihood practices and strategies of local communities and institutions developed by them, though informally, due to national economic priorities, market forces and processes of globalisation/global changes. On the other hand, these institutionally shaped livelihood strategies have an impact on the sustainability of resource use. Taken together, policies and institutions form the context within which the individuals and households construct and adapt livelihood strategies. They determine the freedom with which the people have to transform their assets into livelihood outcomes.

In most of the developing countries including Pakistan, policies and institutions generally tend to discriminate against those who have few assets (social as well as economic) and are disadvantageously poor people. Forest policies and laws enacted from time to time to implement these policies are not an exception to this general rule. Such discriminatory policies and institutions not only exclude the marginalized groups such as women and children, but also lead to unsustainable natural resources management. Due to few choices available, the poor are forced to adopt short-term survival strategies and unsustainable natural resources management practices.

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To utilize the potential of forests in poverty alleviation, forest policies of many countries as well as international lending institutes are being revised to be more of a "policy on forestry for rural development and poverty alleviation". In a way, forestry has become an instrument instead of an object of policy. This new trend in shaping forest policies has a potential to maintain a balance

among four pillars of sustainable development and secure sustainable livelihood. Pakistan is also attempting to adopt this trend with the financial assistance of some international development agencies as well as with a loan from Asian Development Bank (ADB). The initial loan period was lapsed last year without any significant achievement and ADB had to extend the NWFP forest sector project by another year. Thus forestry sector in Pakistan makes an interesting case study to assess the role of environmental policies in fostering sustainable development and poverty alleviation.

The forests in Pakistan have four important functions: protection of natural environment, regulation of atmos-

pheric conditions, production of goods and to ensure a sustainable livelihood of people who are directly or indirectly dependent on it through agriculture, animal husbandry, and logging etc. In this context, we have to maintain a balance between sustainable production and sustainable consumption of the forests. However we are unable to strike the right balance neither are able to conserve our forests, nor to secure the livelihood of forest dwellers.

Pakistan's forest policies are tied to its British colonial past. At the time of independence, the policies, procedures, and structures that administered the new nation's forests were largely left intact. The first forest policy of independent Pakistan was declared in 1955; it was revised and updated in 1962, 1975, 1980, and in 1988 as well as in 1991 as part of the National Agricultural Policy. Analysing the consequences of forest policies adopted till 1992, the Forestry Sector Master Plan (FSMP) 1993 found that while the policing powers of the Forest Departments, exercised through restrictions on the use of forests, helped to conserve them, public apathy towards forests also developed as a consequence. People's participation in plantation and management of forests was not given sufficient attention and social and cultural aspects of forest management were ignored. In fact it was indirectly admitted in this analysis that policy initiatives cannot achieve their objectives unless and until the sustainable livelihood of stakeholders is not taken care of.

Under NWFP forest sector project, the institutional reform process was initiated and a new forest policy was introduced in 1999, whereas at federal level a national forest policy is under preparation. However, it is widely believed that most forest policies, have viewed people as the prime threat to the forests, and have attempted to exclude groups other than government from decision-making. This approach does not only affect the sustainability of the livelihood strategies of the local people, but also increases the vulnerability of the marginalized sections of the communities. It ultimately leads to unsustainable management of natural resources and forest depletion. Thus in practice, forest resources were made inaccessible for the poor and marginalized sections of the communities, whereas the influential along with members of the timber mafia consumed these resources at their own sweet will. This dichotomy created the feelings of lack of ownership among the marginalized sections not only adding to their miseries but also encouraged them to adapt unfair means to meet their fair requirements of forest resources.

It is a proven fact that none of the policy initiatives, or the policy itself can be successful and effective without a legal cover. For decades, the only reference point for dealing with new problems in the forestry sector had been the 1927 Forest Act. The Forests Act 1927, along with the NWFP Hazara Forest Act 1936 is punitive in nature and does not provide any incentives for compliance with its provisions. Moreover non-involvement of stakeholders in management has fostered apathy, even dissatisfaction. The things have not changed in the recently promulgated NWFP Forest Ordinance (2002), which is as punitive in nature as were the previous laws. For instance this ordinance designates forest department staff a uniform force bearing arms and also enhances their police powers, which go against the intent of the forest policy that enshrines the principles of participatory social forestry. Similarly the discretionary powers of forest officers to revoke a community-based organization (CBO)/Joint Forest Management Committee (JFMC) agreement as suggested in this ordinance would result in uncertainty



People without any hope for the future have little incentive to manage natural resources well

and insecurity among different JFMCs/CBOs. Moreover, provision of existing laws relating to resource access and tenure, particularly the reserved/protected/guzara/ forest system and recognition and exercise of private rights in such forests, have been retained. This is against the recommendations of "National Conservation Strategy", "Forestry Sector Master Plan", and forest policies of the Punjab and NWFP.

One could conclude from the review of the forestry sector in Pakistan that for any development effort to be pro-poor, good governance is a must. Unfortunately, we (like other developing countries) lack good

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Mobilizing political will to address poverty, environment issues

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One may not like the former Indian Prime Minister, Ms. Indra Gandhi for political reasons, but what she had once said about poverty in the environmental perspective is worth quotable. “Of all pollutions we face, the worst is poverty” As defined by experts “poverty” is a concept that indicates absolute or relative welfare deprivation. Over decades, the correlation between poverty and environment has reportedly been leading towards mobilizing the political will to address the problems associated to both, particularly the rural poverty that is seen as a major cause and result of degraded soils, vegetation, water and natural habitats.

Estimates available in different databases, including that of *Global Forum On Environment and Poverty*, say nearly one million rural men and women -one out of every five people in the world – live below the poverty line, facing chronic hunger and malnutrition. Lacking basic resources and services, they see their harvests diminish, their environment deteriorate and their living conditions decline.

Nearly one million rural men and women -one out of every five people in the world – live below the poverty line, facing chronic hunger and malnutrition. Lacking basic resources and services, they see their harvests diminish, their environment deteriorate and their living conditions decline.

Population explosion is also linked to rural poverty and this demographic growth would continue to increase in future unless drastic measures are taken.

The population growth and poverty do have implications over natural resources such as forests, water, lands and habitats thus affecting the environment through a vicious circle. Population growth is commonly cited as a major contributor to en-

vironmental degradation on the grounds that it leads to increased consumption and a higher demand for natural resources. The poor are generally blamed for over exploitation of natural resources that cause degradation of the environment. This could be seen otherwise as some people are pushed into a degraded environment which denies them their source of livelihood, thus plunging them into poverty. With this very complex situation, the policy makers seemed to be in a fix whether to lead to policies that reduce poverty at the expense of environment, or reduce degradation at the expense of poor communities. There is a need to understand that the root cause of environmental degradation is the natural resource management system and socio-economic structure of any particular country and not the poor communities who depend on these resources for their subsistence and livelihood.

We need to understand that if we would not provide alternate means of livelihood to the poor communities and limit their access to their traditional resources, they would further plunge into abject poverty trap and lose their capacity to sustain livelihoods. A number of studies have established this fact that displacement of the poor communities, due to population explosion, construction of dams, establishment of plantation forests and creation of wildlife preserves that deprive them of using their lands, largely affect their livelihood and sustainability. This situation also forces the poor to migrate to marginal lands, such as higher and higher up hill-sides and cultivate steep slopes or into dry-lands, and to cut down forests for agricultural land and fuel-wood. These actions could lead to soil degradation, loss of soil nutrients, flooding, sinking of groundwater levels, siltation of rivers and lakes, and other ecological problems, and may be the initiation of a vicious spiral of environmental degradation and poverty.

Agriculture that accounts for most of the land use in developing countries also has a direct bearing on poverty and environment. It largely impacts and influences the environmental quality. Characteristics of agricultural production systems, such as location in the landscape, type and timing of cultivation, agrochemical input use, field burning and livestock practices, affect many environmental variables, particularly water quality and flow, soil quality and movement, natural vegetative cover and biodiversity, at regional, national and international scales. Majority of the poor depend on subsistence farming and agriculture for their livelihoods.

The environment issues were picked up a few decades ago and the world became aware of environmental destruction and attempts to achieve workable solutions. Good policies were put in place in international conferences, but less was done in practice especially in the field of environmental questions associated with poverty, and this continues to create a problem between the rich and the poor countries, and the rift on this issue between North and South is widening. Whenever the leaders of the world need to discuss environmental crisis, there is always a conflict between the rich and the poor countries. While the northern concern is on ozone depletion, endangered species, the southern concern is the survival of its people. The poor world, the Third World, to get rid of poverty adopted industry even with its inherent pollution problems. For them, the problem was and still is poverty. To tackle poverty, they are prepared to adopt Western ways and accept the environmental problems as part of the package.

The developing countries must take necessary steps to address the daunting problems they face. But it is the industrial countries, which have primary responsibility for addressing global environmental issues, caused in large part by them. In addition, the richer countries must solve their own environmental problems. We have to remember that we are the dwellers of the same planet. For developing a balanced world order, equitable development of all corners of the globe is a prerequisite. If one segment is deprived then the world as a whole is bound to suffer from imbalance. We need to have concerted efforts to keep our planet habitable.

The World Bank's World Development Report 1992, declares protection of environment essential to development. Without adequate environmental protection, development is undermined. Without development, resources will be inadequate for needed investments, and environmental protection will fail. In short, promoting development and protecting the environment are complementary aspects of the same agenda. Both are necessary to reduce poverty. We need to bring about policy reforms that could promote better natural resource management, provision of clean air, water, sanitation and health services to improve standard of life, agriculture research to boost productivity in an environment friendly way, active involvement of the poor in conservation of natural resources and slow down population explosion. There is a time ripe not to blame each others for environmental degradation or rise in poverty rather we should move together to ensure better livelihood opportunities for the poor and a better natural resource management to save environment from degradation.

Lullaby for the Hungry

Muhammad Mahdi Mahdi al-Jawahiri

Sleep, You hungry people, sleep!
 The gods of food watch over you.
 Sleep, if you are not satiated
 By wakefulness, then sleep shall fill you.
 Sleep, with thoughts of smooth-as butter-promises,
 Mingled with words as sweet as honey.
 Sleep, and enjoy the best of health.
 What a fine thing is sleep for the wretched!
 Sleep till the resurrection morning
 Then it will be time enough to rise.
 Sleep in the swamps
 Surging with silty waters.
 Sleep to the tune of mosquitoes humming
 As if it were the crooning of doves.
 Sleep to the echo of long speechifyings
 By great and eminent power politicians.
 Sleep, You hungry people sleep!
 For sleep is one of the blessings of peace.
 It is stupid for you to rise,
 Sowing discord where harmony reigns.
 Sleep, for the reform of corruption
 Simply consists in your sleeping on.
 Sleep, You hungry people, sleep!
 Don't cut off others' livelihood.
 Sleep, your skin cannot endure
 The shower of sharp arrows when you wake.
 Sleep, for the yards of jailhouses
 Are all teeming with violent death,
 And you are the more in need of rest
 After the harshness of oppression.
 Sleep, and the leaders will find ease
 From a sickness that has no cure.
 Sleep, You hungry people, sleep!
 For sleep is more likely to protect your rights
 And it is sleep that is most conducive
 To stability and discipline.
 Sleep, I send my greetings to you;
 I send you peace, as you sleep on.
 Sleep, You hungry people, sleep!
 The gods of food watch over you.
 Sleep, You hungry people, sleep!
 The gods of food watch over you.

(This poem of Iraqi poet Muhammad Mahdi Mahdi al-Jawahiri was translated by Issa Boullata and John Heath-Stubbs, from Modern Arabic Poetry: An Anthology, edited by Salma Khadra Jayyusi. Jawahiri, who suffered exile and oppression, achieved fame in 1930s and 1940s. His poems incited public criticism of political decadence and compromise. In this poem, he describes the temporary relief that sleep offers the hungry that are neglected by the political leadership.)

Youth and Poverty: Need to enhance skills to ensure productivity

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Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not being able to go to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom.

When we think about poverty and demographics, we tend to think about statistics and numbers. But while projections are necessary for planning and effective policy-making, we must look beyond the numbers to a vision of the future. We must realize that behind each number is a person with his/her own needs and aspirations. While there is much concern, rightly so, about water and food resources in our country, there is another vital resource that deserves increased attention, and that is our young people. Young people see the failure of national systems to meet their growing aspirations to have options in their lives, to meet their immediate needs in health, education and employment, to democratize society and to establish a viable and enabling environment for participation and assurances for human rights.

Images of what a quality life should be are projected daily on our television screens at home and in the public places. But these images prove to be illusions to the young people. They add to their frustrations because they know they will never be able to attain anything near that life. Young generation now are living in an environment in which despair, loss of identity, exclusion and poverty prevail. The young people, by nature, are idealistic and they have very sensitive antennae that pick up messages of inequality and double standards. They see social injustice and economic inequality in their own societies as well as among countries and regions of the world. They see a world where the rich and the powerful, nationally and globally, determine the fate of the poor and deprive them of opportunities to live in an enabling environment that opens doors of the present and the future for them. The much talked about negative impact of globalization is what they see and thus they resist it and even fight it.

Experiences of poverty, hardships, discrimination, abuse, complexes and that not at the very onset of their lives have an adverse impact on their personality

and therefore give rise to terrorists, thieves, murderers and beggars. Whatever the reason may be for such deplorable conditions of children, it is however the responsibility of each and every one of us to help these misfortunate children. The child labor is an outcome of poverty. This menace is very common in under developed countries such as India, Pakistan, Sri Lanka, Bangladesh, Afghanistan, Egypt and Gulf States. Child labor needs to be removed from its roots, which have been burrowed deep down. In fighting child labor each and every one needs to put his/her share and help the government and other agencies. Education plays an important role everywhere; however large families, unemployment, poverty too play an important role.

A person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the "poverty line". When estimating poverty worldwide, the same reference poverty line has to be used, and expressed in a common unit across countries. Therefore, for the purpose of global aggregation and comparison, *the World Bank* uses reference lines set at \$1 and \$2 per day in 1993 Purchasing Power Parity (PPP) terms (where PPPs measure the relative purchasing power of currencies across countries). It has been estimated that in 1998, 1.2 billion people world-wide had consumption levels below \$1 a day - 24 percent of the population of the developing world and 2.8 billion lived on less than \$2 a day. These figures are lower than earlier estimates, indicating that some progress has taken place, but they still remain too high in terms of human suffering, and much more remains to be done.

Almost half a billion young people aged 15 to 24 years, according to world population estimates for 2000, live in low-income countries, representing nearly half (46 percent) of all young people in this age group in the world. A further third of all young people aged 15 to 24 years (34 percent) live in lower middle-income countries, as defined by the World Bank. Only 11 percent of young people in this age group in 2000 live in high-income countries. In terms of the relative share of the population, young people account for a fifth (20 percent) of the population in low-income countries but only 13 percent of the population in high income countries. The following table shows the world population classified by income level of country, total youth age 15-24

years and youth share of the total population:

Income level of country	Total population 2000	Youth population age 15 to 24 years	Youth share of total population / percent
Low	2,492,712,000	486,605,957	45.91
Lower middle	2,178,021,000	362,576,779	34.11
Upper middle	487,622,000	92,755,912	8.75
High income	903,147,500	118,958,602	11.22
Total	6,061,502,500	1,059,897,250	100

Source: UN population estimates 2000 and World Bank

conditions due to overall economic situation. The widening gap between the rich and the poor globally however is creating a serious problem for children everywhere.

In the global comparison the developing countries are in a most difficult situation. Their struggle requires multiple approaches and extra efforts. Children in the developing countries can improve their situation only if action plans concentrate on family empowerment, spread of education and vocational training in multiple trades.

According to the World Development Indicator, World Bank April 2002, the eleven countries with the largest concentration of youth below the poverty lines are: India (44.2%), China (18.8%), Nigeria (70.2%), Pakistan (31.0%), Bangladesh (29.1%), Congo (66.6%), Vietnam (37.0 %), Brazil (11.6 %), Ethiopia (31.3%), Indonesia (7.7%) and Mexico (15.9%).

In the wake of changing technologies, the task of the developing countries is more complex. Efforts to eliminate child labor from the employment market alone cannot resolve the issue. Measures are required to control population growth, expand industrial base, enhance productivity and generate employment avenues for the adults including females.

In Pakistan, poverty persists due to social and economic stratification. Measured in economic terms, the poverty line is defined in Pakistan on the basis of income that can provide daily intake of 2250 calories per person, according to which the incidence of poverty has been estimated as 32.6% of the population in 1998-99. The poverty trend shows that there has been an increase in poverty over the last three decades. In absolute terms the number of poor people that cannot meet their daily nutritional requirements and fall below the poverty line are estimated at 43.9 million.

Children in the developing countries can improve their situation only if action plans concentrate on family empowerment, spread of education and vocational training in multiple trades. In the wake of changing technologies, the task of the developing countries is more complex. Efforts to eliminate child labor from the employment market alone cannot resolve the issue. Measures are required to control population growth, expand industrial base, enhance productivity and generate employment avenues for the adults including females.

The other factor, which severely affects the child labor profile in terms of pace of economic growth, is the increasing fiscal deficit. The resolution of child labor issue, therefore, does not rest in an isolated action by the government or international organizations like ILO alone but the world's financial institutions like IMF and World Bank can assist the developing countries in coming out of the poverty situations and developing the economy. These organizations must look at child labor perspective holistically from a human angle and treat devel-

oping countries with special social consideration. These organizations must also come forward to help enhance educational opportunities both technical as well as non-technical. The objective is to motivate these countries to be competitive with regard to educational levels and technical know how. This requires not only the education for all children without discrimination but also helping the entire population to direct the younger generation and the youth to learn skills and acquire education to be productive.

Poverty standards though vary from country to country, in no case are comparable with poverty in Pakistan. The poverty situation in every country whether developing or developed affects the development and growth of younger generation. In a country like Pakistan, poverty ridden children netter the labor market with low paid jobs and longer working hours whereas in developed countries they adopt different professions, comparatively with better working

The Pakistan Poverty Alleviation Fund

Aasim Sajjad Akhtar

The Pakistan Poverty Alleviation Fund (PPAF) is said to represent a pioneering effort in private-public partnerships. The initiative is funded by the World Bank, sponsored by a Rs. 500 million government endowment, and is being run almost entirely by the private sector. By their own admission, officials from the PPAF suggest that they are treading on what is generally considered government territory in terms of service-delivery on a relatively large scale. Nonetheless, they feel confident that they can meet the micro-credit needs of poor people, especially those in rural areas, and that the focus should be on efficient service-delivery rather than who does the delivering.

The PPAF experience is hardly novel. Foreign-funded non-governmental organizations (NGOs) have been operating in Pakistan, and in much of the South, for almost two decades now. Their work has encompassed a multitude of sectors including health, education, water supply, income generation, and environment. In most cases, these NGOs operate in vacuums where the state has failed to cater to the basic needs of local populations. Government-mandated programmes such as the PPAF also have a precedent in the heralded rural support programmes that have had an impact more widespread than private NGOs.

The nature of the impact of NGOs or institutions such as the PPAF on the well-being of local communities, both short-term and long-term, as well as the social phenomena of NGO intervention, are issues that can be discussed at length. More important however, is the politics of initiatives such as the PPAF, and what “public-private” partnerships of this kind really mean. Unfortunately, this is an issue that is too often glossed over by our development professionals. PPAF officials claim that donors do not interfere in the actual activities of the institution. Instead, they say, donors interfere only when the institution in question is not able to “understand the problem; doesn’t want to understand the problem or doesn’t know how to understand the problem”. And this is indeed, the crux of the issue.

PPAF officials emphasise their independence precisely because they “understand the problem” exactly the same way the World Bank understands the problem. In the PPAF set-up, there is no questioning the precepts of neo-liberalism, nor the conditionalities that the World Bank, the Asian Development Bank and other international financial institutions (IFIs) impose on Pakistan. The IFIs have loaned millions of dollars to the government of Pakistan for the Social Action Programme (SAP) and National Drainage Programme (NDP), and

observed tamely as much of this money was mismanaged. The World Bank, ADB, IMF and others will happily dole out money to institutions such as the PPAF so long as the overall policy paradigm that the government of Pakistan adopts is to their liking.

Previously, structural adjustment was the *modus operandi* for the IFIs – the principles of private sector investment, elimination of subsidies and price supports, liberalization, and downsizing, among others, were sacred. Structural adjustment has now been replaced by the Poverty Reduction Strategy Papers (PRSPs). Tinkering here and there aside, the above-mentioned precepts have emerged in the PRSPs with even more gusto. The PRSPs are newer and more refined - they are written by recipient governments so that the IFIs do not have to face the heat when the impact of anti-poor policies starts being felt. The PRSPs are supposedly “participatory”, involving “diverse stakeholders” at all stages to inform the policymaking process. This too is window-dressing. “Participation” is another catchphrase that the PPAF and other development organizations use regularly, much to the delight of the IFIs. Meanwhile, whether there is any genuine participation of local communities in the decision-making process is a question that few ask along the way.

Interestingly, the PPAF management does admit that donors do have an agenda of their own. In fact, they go so far as to criticize direct interventions of the donor community, pointing out that they are poorly targeted, and that the proponents of such programs are rarely interested in the long-term well-being of the intended beneficiaries. Nevertheless, the IFI agenda is hardly stifled even if there is no direct intervention. This is another one of those facts that the PPAF, the government, and most of the rest choose not to discuss.

The assertion that it matters little who implements development programmes in this country is dangerous and disturbing. It is disturbing not because non-state actors should not be involved in development activities – after all, NGOs have been involved in local service-delivery activities for two decades. Rather it is disturbing because the increasing influence of the donor agenda (the IFI agenda in particular) threatens the very sovereignty of the state itself. The state’s decision-making role in all sectors cannot and should not be substituted by any sub or supra-state actor. The fact that it is the government of Pakistan itself that is soliciting funding for private sector initiatives such as the PPAF indicates the extent to which the IFIs influence policymaking in this country. The state’s inability to

make independent and organic decisions about the nature of economic relations reflects a deep-rooted problem, and one that is unlikely to be solved anytime soon.

This is not a uniquely Pakistan-specific problem. Policy-based lending has become more and more wide-

The state's inability to make independent and organic decisions about the nature of economic relations reflects a deep-rooted problem, and one that is unlikely to be solved anytime soon.

spread, and many of the world's poorer countries face inordinate interference from international donors. It is in these poor and indebted countries that the private sector is given the mandate to spearhead growth strategies. Ultimately, neo-liberalism relegates the pub-

lic sector to a marginal role in a country's development, not necessarily in terms of the contribution of the public sector to GDP, but in terms of the actual decision-making power vested in the public sector, particularly in key areas.

Nation-states like Pakistan are paradoxical in many ways – on the one hand, the Pakistani state is a very small player on the world stage. Its dependence on international capital is acute. On the other hand, the state comprised powerful elite's interests that monopolise resources and decision-making within the country. And in the making of this unfortunate reality too, international capital has a very significant role. A representative of the recently reopened USAID office held a press conference in Islamabad some months ago and clearly stated that the military should have a permanent presence in any elected set-up. Donors have a distinct influence on Pakistan's political economy. It is absolutely foolish to suggest otherwise. Of course acknowledging this fact offers little to institutions such as the PPAF, and this is exactly why they go about their business quietly while more and more institutions in this mould continue to proliferate. The question is how long can we continue pretending that it doesn't matter?

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Poverty and Environment: From pure survival to subsistence and beyond

Agricultural Land Degradation: Excessive use of fertilizers and pesticides has given rise to water pollution and soil degradation. Also, a combination of inadequate O&M, and low water charges has contributed to the water logging and salinity problem. Small and landless farmers are the worst affected. Cropland degradation tends to affect more the health and nutrition status of the poor and lowers their productivity. Even in cases where the poor are healthy, labor productivity can be low due to increased time being allocated to less productive activities, such as fuel wood collection. Also, as fuel wood becomes scarcer, animal dung is substituted as fuel resulting in soils not being replenished.

Taken to its extreme, environmental degradation can create insecurity and, if not mediated, to conflict. The link between environmental degradation and insecurity is seen primarily from the vantage point of the poor. Conceptually, environmental security is shown as a part of the human security

paradigm. It is embedded in the notion that resource conflicts (actual and potential) are a direct outcome of development processes, which degrade these resources and deny people access to them. Potential flashpoints are beginning to emerge across a wide front: poor communities residing in "katchi abadis" (low income settlements) are being exposed to excessive amounts of air and water pollution; forest dependant communities in the Northern Areas and the NWFP, facing the depredations of the timber mafia and the refugee influx; provinces upstream and downstream of the Punjab, facing the threat of irrigation water shortages; the increasing incidence of droughts and floods. The litany is long and one, which the government can ill-afford to ignore.

This article could easily have slid into the realm of the prescriptive. It could have offered soft policy options, which, sometimes, are longer than the text. One could go this route in the faint hope of adding to some "critical policy mass," which translates eventually into action. It could also be seen as a glib recourse aimed at not rocking the boat – in a parody of "all's well that ends well." Have Pakistan's environmental perturbations become irreversible? It is difficult to judge. But its possibility does suggest veering from the bland. Therefore, it has been opted to highlight the somewhat more stark findings, in the hope of evoking a range of responses – from annoyance to sober reflection. If this article can manage this, it will have achieved its purpose. This is a preferred outcome compared to prescriptions premised on the ubiquitous "political will and good governance."

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Poverty Reduction and Human Capital: Poverty Environment Nexus

Two examples will suffice here. First, the IPRSP is correct to point out that it is the quality of growth that matters for poverty alleviation. However, even if the growth process impacts positively on the poor but leads to degradation of the natural resource base and environmental pollution over time, would the poor continue to be better off?

Second, IPRSP is again correct in pointing out that lack of access to health facilities is a social determinant of poverty. However, by providing access to health facilities without addressing the root environmental causes of disease would leave the poor better off? Put in another way, would it not be better that steps are taken to harmonise development activity with the goal of conservation, rather than leave it as an enemy, and concentrate attention on corrective or curative actions.

So to conclude, the poverty-environment nexus needs greater elaboration for us to better understand the relationships, and identify and prioritise the right set of policies, programmes and actions. Nevertheless, the debate on this issue is a good start. But it would be great that these discussions translate into more tangible outcomes like a well-integrated (with respect to poverty-environment issues) PRSP.

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Poverty alleviation and sectoral policies: Putting the people at the centre of development

governance as well as the political will to change the status quo. Although during the formulation of new policies, the consultation with a group of experts has become a common practice during recent past, yet the consultation process (if any) remains confined to the folds of professional circles. Thus the policies become strong on technical consideration but lack the required flexibility to make them work in real life situation presenting multiple sets of actors and factors. Consequently, the stakeholders often find themselves in a situation where state policies either do not support or have harmful effects on their livelihood strategies. It is in this scenario that policies do not meet the expectations of the people who in turn are forced to utilise the natural resources unsustainably to secure their livelihoods. Consequently neither the developmental nor the conservational objectives are met with. Forestry Sector Project in NWFP is an example of one of these situations. The project completed its actual tenure of six years in 2002. However, despite its ambitious aims and radical goals there is no let up either in the miseries of the stakeholders, or in the depleting forest stocks.

There is a dire need of putting the people at the centre of development. The focus on the people is equally impor-

tant at higher levels while considering the realisation of the objectives such as poverty reduction, economic reform and sustainable development. At a practical level, this means before formulating and implementing a policy the policy makers should:

- start with an analysis of the people's livelihood and how these have been changing over time.
- involve the people and respect their views.
- focus on impact of the proposed policy and institutional arrangements on the people/households and the dimensions of poverty they define.
- have enough flexibility in their proposed interventions to promote the agenda of the poor (a key step is political participation by poor people themselves).
- work to support the people to achieve their own livelihood goals, though taking into account considerations regarding sustainability.

Sustainable livelihood would be secured only if policies work with the people in a way that they congruent with their current livelihood strategies, social environment and ability to adapt. "People – rather than the resources they use or governments that serve them – are the priority concern". Adhering to this principle would not only ensure provision of sustainable livelihood but would also enhance involvement of all sections of society in sustainable natural resources management. In this context, it should be realized that generation of income and employment is as important as generating government revenue alone and forestry should be an instrument of sustainable forest management policy rather than its objectives, otherwise the poor would remain mired in poverty pushing us into a spiral of over exploitation in the wake of all forest policy failures.

Enigma of the Poverty Line

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Poverty is a term that brings to mind all the negative stigmas one perceives of life, like destitution, wretchedness, impoverishment, inter alia. To make matters worse, no two social scientists agree on how to define poverty and as such what the poverty line actually is and how to measure it. Some relate it to paucity of food, while others call it state of being underpaid for a given job. However, the heated debate among economists and policy makers continues on where to draw the poverty line. Should it be at less than US\$ 1/day, or at US\$ 2/day? Today, three definitions of poverty are in vogue: complete poverty, proportional poverty and social exclusion.

Complete poverty is the state when a person does not have the means to sustain his/her life and soul. A person is considered proportionally poor if his/her earnings do not support his/her participation in day-to-day social activities in a given society. The recently introduced term, social exclusion, is defined as a society, infested by unemployment, unskilled workforce, lack of housing facilities, paucity of resources, and entrenched in criminal activities, hence is socially excluded. Likewise a person with such traits would be labeled as socially excluded.

Moreover, the UNDP defines poverty in these dimensions: deprivation of a long and healthy life, knowledge, a decent standard of living and social exclusion. The government of Pakistan's official definition of poverty is no less amusing though. The Planning and Development Division vide a letter number 1(41) poverty/PC/2002, dated 16th August 2002 suggested that Rs. 673.54/person/month be the official poverty line. The letter implied that the poverty line is being built on a comprehensive household survey conducted in 1998-99. All the economic markers, like inflation and cost of living, have risen since 1998, rendering, sustainable living an unbearable burden for the common man. It seems quite illogical to assume that a man with a family can live on a monthly income of Rs. 673.54.

Generally speaking though, poverty varies from place to place, and every country marks its line with reference to its stage of economic development and social values. According to the Scotland Poverty Information Unit, persons are deemed poor when their earnings fail to support their material needs, and as a consequence, they cannot participate in acceptable activities of a given society.

In Pakistan's case, none of the foreign monetary institutes, other than the UNDP, formulate to the concept of US\$ 2/day as the poverty line. They remain silent on this issue and follow the government figures on poverty. When asked how the World Bank defined the poverty line for Pakistan, a Bank

official suggested to refer to their website. However, in the WB report "Poverty and Vulnerability in South Asia", poverty is defined as being associated with deprivation and health, education, food, knowledge, influence over one's environment and many other things that make difference between truly living and merely living. To make things even more complicated – as if there weren't already - the BBC reported that the World Bank deems a person as living below the poverty line if he/she is unable to meet the basic and minimum needs and demands of life. Following this definition another set of question arise. What are those basic needs that one has to have in order to live a modest living? What are the minimal needs? Do they vary for different countries? If so, then surely the poverty line becomes even more dynamic and more difficult to define.

When the question was put to The Asian Development Bank, their reply was vague, quoting the government figures, stating that according to the government survey conducted in 1998, and published in 2001, a total of 32.2 percent of total population of Pakistan is living well below the poverty line, and that the ADB refers to these figures for measuring poverty line. Despite this, ADB officials are of the view that to accurately measure poverty, income should not be taken as the sole criterion. The Bank is currently working with the government of Pakistan on collecting relevant data to improve the mechanism of analysis and get a more substantive assess-

A person is considered proportionally poor if his/her earnings do not support his/her participation in day-to-day social activities in a given society. The recently introduced term, social exclusion, is defined as a society, infested by unemployment, unskilled workforce, lack of housing facilities, paucity of resources, and entrenched in criminal activities, hence is socially excluded.

ment of poverty in Pakistan. The representative of IMF, Pakistan mission, when asked about their criterion for demarcating the poverty line, stated that the IMF does not fix poverty line in any country, including Pakistan. However the Fund adopts the poverty line defined by the government reports.

According to the UNDP Human Poverty Index, 1997, 72 million people in Pakistan, nearly 50% of the total population was living below poverty line. While according to UNDP Human Development Report, 2002, this figure rose to 84.6 per cent of the total population, translating to roughly 120 million people earning less than US\$ 2/day, living an impoverished life, with no access to the basic amenities of life. It may be pertinent to note that all these institutions have their own variants for defining poverty and are often vague and ambiguous. If this is the case, then how can one expect them to alleviate poverty if they cannot agree on its definition?

Furthermore, UNDP Report (2002) presents the poverty index for the year 2000. Therefore, it may not too presumptuous to assume that the poverty figures may well encompass 90 per cent of the populous by 2003. During the past three years the economy of Pakistan has taken a nosedive, worsened by the sanctions imposed on it by the west and the deteriorating global economic scenario. This can be gauged from the fact that between the years 1999 and 2001, in the public and private sectors some 350,000 people were laid-off from their jobs in the name of "right sizing" and "downsizing".

In addition, numerous industrialist units were also closed down, during the same period, in N.W.F.P. and Sindh, rendering hundreds of thousands of workers jobless. As the demand for skilled workforce increased, so did the competition, resulting in long lines outside the offices of potential employers. Simultaneously, the employer now had a free hand to choose those workers who are willing to work for lower wages, as there was no short supply of a cheap labor workforce. At the same time a desperate worker, willing to work for less, may easily replace a disgruntled employee, seeking a pay hike. In a nutshell, the industrial sector was not helpful in alleviating the plight of the unemployed and impoverished.

To make matters worse, the situation in the agricultural sector was gloomier. Government subsidies were taken back on pesticides and fertilizers, thereby inflating the cost of crop production. Small farmers, especially, found themselves caught in the vicious circle of poverty when their crop yield could not match the cost of production, forcing them to borrow from the bank, or other sources, for both the next crop and to support their livelihood, plunging them deeper into the swelling poverty indices.

Whatever the reasons behind the deteriorating living human condition and rising poverty, such as, flawed socioeconomic policies, the dictates of the foreign donor agencies, or excessive spending on defense, what is evident is that at the end

of day the common people suffer the most and are the hardest hit, as the benefits of any improvement in economy never reach them.

Our economic "gurus" never tire of the rhetoric they churn out on the alleged growth in foreign exchange reserves, debt servicing and the strengthening of Rupee, vis-à-vis U.S. dollar. What they fail to realize is that these stopgap measures are short-term and that such temporary improvements in fiscal matters do not trickle down to the poor, or have a negligible impact on the impoverished.

Whatever the reasons behind the deteriorating living human condition and rising poverty, such as, flawed socioeconomic policies, the dictates of the foreign donor agencies, or excessive spending on defense, what is evident is that at the end of day the common people suffer the most and are the hardest hit, as the benefits of any improvement in economy never reach them.

The rulers and policy makers in Pakistan have failed to recognize the intensity with which poverty is rising in the country. This was clearly illustrated recently, when the government issued a strongly worded denial after the World Bank reported a rise in the poverty level in Pakistan. The Finance Minister, Mr. Shaukat Aziz, surprised everybody when he claimed that giving importance to reports released by foreign institutes was in vogue, even when their findings "lacked credibility" and were completely inaccurate! Was it not the same honorable Minister who, himself, praised these financial institutions for their active guidance in designing and planning the government's fiscal policies? Were they not credible then? In his rebuttal, the finance minister did emphasize the need to re-examine the data collected to analyze the true extent of poverty in Pakistan. However, he failed to give a time frame as to when the WB report will be re-evaluated.

Whether the public gets to know the truth about the nature of poverty in Pakistan is still debatable. But one thing is for certain and that is the inflation will continue to rise and the poverty line will be re-defined yet again, as the divide between the rich and poor widens. One can only hope and pray that saner minds prevail and indigenous policies, "for the people and by the people", take a lead in government legislation. Till such a time the poor will keep struggling as they wait for the promised economic uplift through the dictates of donor agencies – which have yet to materialize.









