

Chapter 8

POVERTY ALLEVIATION – Human resource development and achieving MDGs

Poverty, defined as the inability to attain bare minimal living standards, is a multidimensional phenomenon as reflected in the form of low income, lack of access to resources, few opportunities for participation in the economic activities or political process, high vulnerability to risks and shocks, etc. Therefore, tackling poverty requires a holistic approach that promotes such economic growth, which creates opportunities for the poor, preparing them to be able to participate in the economic growth process, providing them the access to essential services such as education, health, clean drinking water and proper sanitation, etc. Maintaining macroeconomic stability, improving governance, consolidating devolution to the grass-roots level and protecting vulnerable segments of the society are the essential elements of any poverty alleviation programme.

A research has established that the welfare outcomes are determined by a number of factors, including cultural, political and institutional, apart from economic and social factors. Some developing countries have started to develop multi-dimensional poverty indicators in the latest discussions and researches on poverty. Even in the concept of the social service, delivery aspect that leads to short and long-term variations in public welfare and hence poverty perceptions, a number of indicators have been discussed with reference to their relevance to a particular economy, cultural and social setting.

The Household Integrated Economic Surveys (HIES) data is used to estimate consumption-based absolute poverty after converting the household level consumption to adult equivalent based on recommended nutritional requirements of 2350 calories per person per day, and providing almost equivalent amount for other basic needs. The debate in Pakistan on assessment of the consumption-based poverty at the household level is being reviewed in the Ministry of Planning, Development and Reform from various angles. Reforms in the poverty estimation methodology are being explored with the help of experts.

Characteristics of poverty

The characteristics of the poor include their low education and literacy level, larger than average household size, few physical assets, and a disproportionate reliance on informal sector employment opportunities. There is a strong correlation between illiteracy or the level of education, and the incidence of poverty. Large households are more likely to be poorer than small ones. The poor usually lack both income and assets. There is a significant variance in the amount of land per capita owned by the poor and non-poor households. Similar differences exist in the ownership of livestock, housing, and other assets. In terms employment, construction, transport and storage are the sectors in which the proportion of workers belonging to poor households is significantly high, especially in the urban areas. With regard to employment status, incidence of poverty is high among the self-employed, which includes street vendors in urban areas, and sharecroppers in the rural areas. Similarly, female-headed households are more prone to poverty for a host of reasons.

Situational analysis

The Pakistan Social and Living Standard Measurement (PSLM) data, using consistent consumption-based poverty estimation methodology, shows that poverty declined from 34.4 per cent in 2000-01 to 22.3 per cent in 2005-06. From 2006 onwards, poverty has further declined despite slow growth, high food and energy prices, power shortages adversely affecting employment and War on Terror. The analysis of household consumption behaviour demonstrates an improvement in the well-being of households. However, further in-depth analysis shows that though average consumption might have improved, the causes will be cultural and political rather than economic. This has created an enigma for the researchers to ponder on and come up with valid explanations, supported by the empirical evidence.

Apparently, overall poverty situation in 2010-11 appears to have improved. Poverty headcount, based on consistent consumption-based estimates, comes to around 12.4 per cent; 7.1 per cent in urban areas and 15.1 per cent in rural areas¹ in 2010-11, down from 17.2 per cent; 10 per cent in urban areas and 20.6 per cent in rural areas in 2007-08. This has also been reflected in the poverty statistics, as shown in Table 1. The decline was the highest, that is, 5.1 percentage points during 2005-06 to 2007-08, while the magnitude of decline is estimated to be 4.8 percentage points during 2007-08 to 2010-11. The decline, during the later period, can be associated with a number of factors including better output prices of the agri products, which helped improve the poverty situation in the rural areas, better varieties of crop seed resulting in better agri output and improvement in the inflow of remittances. Targeted interventions, including the Benazir Income Support Programme (BISP) cash disbursements, subsidies, increase in individual and corporate philanthropy, and increase in the female labour force participation rate in the rural areas, are other factors, which have contributed to the decline in consumption-based poverty headcount.

Table – 1: Poverty indices by region
(% of population living below national poverty line)

Year	2000-01	2004-05	2005-06	2007-08	2010-11
Poverty line	Rs723.40	Rs878.64	Rs944.47	Rs1,141.53	1745
Overall	34.4	23.9	22.3	17.2	12.4
Urban	22.6	14.9	13.1	10	7.1
Rural	39.2	28.1	27	20.6	15.1

Source: Planning Commission estimates using PSLM data of the respective years

During 2007-08, inequality in consumption expenditure between the rich and poor, measured in terms of the consumption-based Gini coefficient, reduced in the country, more dominantly in the rural areas. The Gini reduced in all provinces, with more prominent improvement in the urban areas of Balochistan. Other social indicators also support this as these show improvement. Annexure-I shows some of the selected human development indicators representing the improvement.

The scepticism over the Planning Commission methodology for estimating poverty headcount increased since 2008 as some experts regard poverty estimates inappropriate in giving a representative picture of the incidence of poverty in the country. Important questions were

¹ The poverty headcount figures for 2007-08 and 2010-11 represent interim indication of poverty situation in the country. A Technical Group on Poverty is reviewing official methodology in order to find out possible causes of variance in poverty numbers and recommend final official estimates.

raised about the adjustment procedure, the choice of deflators to represent price changes in the poverty line, and use of a fixed consumption basket over time. A committee of independent experts is working on improving the official methodology of poverty estimation in the Planning Commission.

According to the PSLM representative survey at the national level, overall literacy rate of the population (having age of 10 years and above) has slightly improved from 57 per cent in 2008-09 to 58 per cent in 2010-11, and gross enrolment rate at the primary level moved from 91 per cent in 2008-09 to 92 per cent in 2010-11. The health indicators also show improvement, like the infant mortality decreased from 75 per 1,000 live births in 2006-07 to 72 per 1,000 live births in 2010-11. Immunisation of children of age 12-23 months increased from 78 per cent in 2008-09 to 81 per cent in 2010-11, and the maternal mortality rate (per 100,000 live births) remained stagnant at 276 during the same period.

Safe drinking water supply and sanitation play an important role in preventing the poor from illness since the sick persons not only become unemployed, but have to incur expenditure on treatment as well. The sustainable access to safe water appears to have slightly declined from 89 per cent in 2008-09 to 87 per cent in 2010-11. However, access to sanitation has also increased from 63 per cent in 2008-09 to 66 per cent in 2010-11. In spite of some improvement in the social indicators, serious gaps still exist, which impede departure from the poverty trap.

The BISP emerged as one of the largest social safety nets, which gave cash grants to the female heads of vulnerable households, qualified on the basis of asset-based poverty scorecard. The Programme is being implemented all over the country with a specified and successfully piloted exit strategy. The Waseela-e-Haq provides interest free loans up to Rs 300,000 as seed money for self-employment for an eligible beneficiary family member to start a business, and then exit the Programme. Other conditional cash transfer initiatives include health insurance, skill development and education stipends for the eligible families.

Other social protection initiatives include Pakistan Poverty Alleviation (PPAF), Small and Medium-sized Enterprises (SMEs), micro-finance programmes and various initiatives of the Pakistan Bait-ul-Mal (PBM). In addition to the above, the provincial governments launched a number of programmes including food stamps, tractor subsidy, Ashiyana Housing for the low income families, ensuring medical facilities to the masses through health insurance, rehabilitation of the people affected by 2010 and 2014 floods, steps for women empowerment, providing short-term interest free loans to the youth, and establishing sasta bazaars in all districts to provide affordable shopping facilities. The government has increased pro-poor budgetary expenditures from Rs427 billion (4.9 per cent of the GDP) in 2007-08 to Rs1,911 billion (8.5 per cent of the GDP) in 2012-13.

Vision and objective

The Plan outlines a new direction as it attempts to move towards sustained and inclusive growth, which will enable equal opportunity for all. Inclusive growth caters to the needs of the poor, marginalised, vulnerable and minorities to integrate them in the society. Adequate access to basic and essential public services is critical for the survival and welfare of majority of population. The human resource development also supports the growth process itself in the long-run by enhancing potential of the income generating people. It also attempts to remove inter and intra provincial, and regional disparities.

Strategy of the Plan

The poverty alleviation strategy of the Plan has been prepared around the lessons learnt from the implementation of the MTFD (2005-10), PRSP-I & II (2003-09), Framework for Economic Growth (FEG), global financial crisis and structural imbalances lingering on since 2006-07. The strategy has been devised in the backdrop of strong commitment of the government to the human resource development by investing in people and social safety net programmes to provide relief to the poor segment of the society against rising inflation, unemployment, ill-health, illiteracy, poor housing, sanitation and lack of drinking water facilities.

The pro-poor policies cannot be effective without creating strong outreach mechanisms in each village through which people can interact with the government. Building social capital through a sustained process of social mobilisation is essential for any poverty reduction programme. The development strategy of the Plan envisages poverty reduction through supporting social mobilisation programmes. Also, the Plan offers poverty alleviation strategies, shaped around the MDGs, while keeping in view the upcoming new development agenda, that is, Sustainable Development Goals (SDGs), for sustainability and inclusivity of all disadvantaged classes.

The poverty alleviation and sustained growth can be achieved by developing an institutional framework for providing productive assets, both physical and human, to the poor. By engaging in investment, innovation and productivity increase, the poor can become active subjects of the economic growth rather than being mere recipients of the trickledown effect. The design to achieve the objective of poverty reduction includes:

- Provision of productive assets inclusive of micro-finance
- Capacity enhancement of the people through human development programmes, such as education, health, population welfare and skills development
- Organising communities in order to enable them pool their capacities and resources
- Providing enabling environment such as clean water and sanitation and gender mainstreaming for contribution to the society and economy
- National cohesive social protection policy to protect the vulnerable, including those suffering from natural or manmade disasters
- Provision of adequate resources for financing the poverty reduction programmes
- Reforming and strengthening institutions for better delivery of the public services

Provision of productive assets

The agriculture land distribution in Pakistan is highly skewed as only five per cent of the agricultural households own 64 per cent of farmland. On the other side, over 80 per cent of farmers own less than five acres of land and women's share of ownership of land is less than two per cent. For accelerated agri growth and to improve yield, the government plans to provide state land to landless peasants. Provision of funds to the needy to enable them buy land is also envisaged for which institutional changes in the land market are also imperative.

An institutional framework will be established to provide productive assets to the poor. Small corporations, owned by the poor and managed by professionals under the public-private partnership will be established by the provincial governments in collaboration with the district

and local governments with a view to facilitate the small landowners to increase agricultural productivity. All farmers, owner-cum-tenant and tenant operating on less than 25 acres of land, will be offered equity stakes in the institution. Potential areas for stimulating the GDP growth and reducing poverty are: milk and its products, livestock, production of meat and its products and marine fisheries. Concerted efforts will be made to boost these activities by provision of the needed infrastructure and credit.

The SME potential for generating employment and producing commodities to meet local demand needs to be exploited. The industrial parks, both for large and small industries, will be developed and expanded, particularly in the under-developed areas of the country. To restore the confidence of the business community, the government intends to engage the business community in decision-making. Allied issues for the SME development include steady supply of energy, improved credit availability, and reducing cost of doing business. The SME have the potential to support local economy, particularly of the rural and backward areas. This sector can absorb about one million persons a year. The SME clusters in each district will facilitate the government in achieving the poverty reduction targets.

Through participatory development process involving the poor at the village and mohalla levels, human, natural and economic resource base needs to be built to alleviate poverty. Through social mobilisation, institutions of the poor will also be constituted to organise communities making demands upon the system for improved service delivery and accountability. Provision of workfare, through small public works and development schemes under a social mobilisation programme, will have a positive impact on poverty situation. Financial and administrative powers have been devolved to the districts in order to empower the poor at the grassroots, and to associate them with the process of growth.

Microfinance

To specifically target the landless of the rural areas and the poor of all areas generally, microfinance has proven to be a powerful empowering instrument and works well if combined with education and skill development. The microfinance helps the poor to engage in productive activities or start their small businesses. Over time, the microfinance has come to include a broader range of services like credit, savings, insurance, etc. The poor have limited or little access to traditional formal financial institutions, while the former require different financial products for increasing their income, develop workable businesses, and hence reduce their vulnerability to the external shocks.

The current penetration of the microfinance outreach in Pakistan is approximately 2.4 million active borrowers, whereas there is still considerable potential to expand the market for microfinance services. The market can become vibrant and provide access to the poor if an enabling environment is created. The PPAF, Rural Support Programmes (RSPs) and several other institutions and civil society organisations are actively involved in different areas including enterprise development, water, infrastructure, health and education, livelihood, social mobilisation, social protection and empowerment as well as capacity-building through training and skill development.

The existing micro-credit institutions will be strengthened to enhance women's access to credit. First, the Microfinance Bank Limited, Khushhali Bank, Finca Microfinance Bank, Pak Oman Microfinance Bank, Tameer Bank, Apna Microfinance Bank, NRSP Bank and others will resurrect their microfinance facility for women. The microfinance coverage will be expanded both

vertically and horizontally to strengthen the legal framework of financial services and to reduce the leakage of collateral benefits and transaction costs. The interest rate in the sector also needs to be rationalised by devising mechanisms for reducing cost of transactions; thereby making the whole operation potentially profitable.

The microfinance providers need to recognise that growth in outreach can be achieved in parallel with institutional strengthening aimed at the financial sustainability, improved productivity and efficiency, establishment of strong governance practices, designing internal control systems, and putting in place a human resource management structure that recruits competent individuals. The government will help in measuring and tracking poverty levels through some transparent yardstick and ensure sustainability to meet non-agriculture demand for financial services. Priorities will be established for an effective extension of rural credit. The following priority areas are seen as the most relevant:

- Emphasis on the establishment of agro-based industries in order to create jobs in rural areas, reduce post-harvest losses of agricultural products so that possibilities of export expansion increase
- Efficiency-based extension of the rural credit to non-traditional crops (both field and tree crops) be given due emphasis to improve land productivity and technical efficiency
- Focus on the neglected fisheries, horticulture and livestock sectors, capacity-building of service providers in the rural non-farm sectors
- Capacity-building of the educated unemployed youth of the rural areas in livestock, fisheries and horticulture sectors so as to fill gap of the public sector service providers
- Microcredit linked with entrepreneurial skills training

Rapid increase in population and lack of employment lead to increased poverty of non-agricultural population in the rural areas. An increase in labour productivity in agriculture releases surplus labour, which aggravates the situation. An extension of the rural credit through non-agricultural investment enterprises to encourage and promote self-employment outside agriculture in the rural areas will help in redressing rural income disparities and poverty.

In urban areas, majority of the poor in slums lack education and skills. They are left with little options to work except in the informal sector, and thus they remain under constant uncertainty of employment. There is a need to promote microfinance facilities for small businesses and home improvements for urban slums.

Human resource development

Demographic transition and dividend

Reaping benefits of the demographic dividend depends on a number of coordinated efforts, including market-led education, employable skill development and sound socio-economic policies that boost markets. The current phase of demographic transition offers an incredible opportunity to lift the economy and move towards improved productivity and greater economic growth. There is a need to address the future employment and training requirements of the youth bulge.

Millennium Development Goals and beyond

Pakistan's commitment to the MDGs is reflected in the development strategy of the Plan. Goals and indicators, under the MDGs for 2015, are presented in Annexure-1. Efforts are underway to achieve the targets through appropriate development allocations and relevant human development policies, which will be reflected in the MDG Acceleration Framework. In order to achieve education targets, the Framework has been prepared in consultation with the provincial governments, whereas similar framework for health sector is being prepared, which will identify areas to focus and take measures to accelerate efforts in order to achieve maximum attainable targets during the remaining period of 2015.

The 2012 UN Conference on Sustainable Development came up with the Sustainable Development Goals (SDGs) for the post-MDGs, while discussions at the global and national levels have already been initiated with all stakeholders with a focus on achieving the SDGs. Consultations with the stakeholders, including federal and provincial governments, academia, researchers, development partners and development practitioners, will be initiated in order to develop consensus and generate the input required in the post-MDG scenario. The proposed consultations with the federal ministries, departments and provincial governments are part of efforts of the Planning Commission for developing a forward-looking strategy for achieving the MDGs and moving forward beyond 2015. The consultation will seek to:

- examine the relevance and goals to Pakistan's economic, environmental and social priorities, jobs and livelihoods and exports, and the urgent imperatives of food, water and energy security.
- review the ongoing efforts of the provincial governments to achieve the MDGs, sustainable development and poverty reduction targets. A discussion on the post-MDG agenda with an aim to arrive at some consensus on the future of social and environmental issues, and the paradigm shaped by the national circumstances; the challenges, priorities and lessons for Pakistan from the MDGs experience.
- achieve an informed understanding of the role and contribution of the key stakeholders, including the government at the federal, provincial, and local levels, and non-state actors, private sector, civil society and scientific community to promote green economy with a view to achieve sustainable development and poverty reduction.

Human Development Indicators

The poverty reduction has backward and forward linkages with the performance of human and social development indicators. The HDIs for 2010-11, the MDG targets (2014-15) and the Plan targets for 2018 are presented in Annexure-I.

Education

After the 18th Constitutional amendment, control and management of the education sector has been devolved to the provinces. In the recent years, though the net enrolment rate at the primary level has increased, it still lags significantly below the average of other South Asian countries. The gender gap in the literacy rate is high though it has narrowed down in the recent years. Achieving 100 per cent literacy rate over the next five years will mean not only achieving full coverage of the school age children, but also adult literacy programmes.

The government intends to achieve the target of universal primary education on war footings. In order to bring all children of age between 5-9 years to school by 2018, access to primary education, especially for the girls will be expanded. Girls' schooling requires a much greater stimulus with the challenge of mobility and lack of female teachers. This will entail targeted interventions for the poor children.

Attaining gender and regional parities in terms of opportunities for education and employment are major challenges due to large regional variations and low female enrolment and retention. The instruments for a change will be dissemination of wide-ranging education, skills upgradation and training of the workforce to enhance its employability, productivity and competitiveness. Interventions with an emphasis on increased enrolment will help in achieving universal primary education by 2018, if not by 2015. The issue of access and affordability will be addressed by not only providing more female schools and increasing facilities in the existing schools, but also enhancing coverage through the education foundations. Further, greater thrust of the education to its relevance and quality in both rural and urban areas will be a major aim of the Plan. This will reduce dropout rates.

Health

Pakistan needs to align its health sector goals with the MDGs. Challenges in the health sector include low coverage, affordability, providing safe drinking water and sanitation facilities and reducing burden of the communicable diseases. Inadequate coverage and poor quality of healthcare in Pakistan are attributed to insufficient public sector expenditure. Poor health indicators reflect long standing health problems.

Thrust of the health strategy of the Plan is to pursue 'health for all' goal. The Health Policy 2009 delineates nine objectives to be achieved by 2018. These are:

- Strengthening primary healthcare, especially the in rural areas at the BHU level
- Improvement of mother and child health through capacity-building at the local and referral levels
- Functional integration of population and health programmes at all levels – from facility to the national programmes
- Focus on mobile health units for enhancing access to the remotest areas
- Provide health insurance, especially to the poor, exempt the poorest families from premiums, and complement the health insurance system with tax-based funding
- Provide basic health services to rural areas and urban slums on priority
- Control communicable and non-communicable diseases
- Public-private partnership to ensure health delivery
- Increasing public expenditure on health to two per cent by 2018

Drinking water and sanitation

Availability of the safe drinking water and sanitation facilities is beset with a large number of problems emerging due to the population growth, contamination of the water bodies, extensive system losses due to weak operation and maintenance, and unhygienic disposal of the solid

waste. The development of water supply and sanitation has direct bearings on the quality of life. Measures for achieving this are:

- Adopt differentiated and targeted approach to accelerate access to sanitation and safe drinking water for the disadvantaged and excluded groups of people and geographical regions
- Invest in the development of technology, practices and delivery mechanism in the areas prone to natural disaster
- Involve non-state players, private sector and Non-Governmental Organisations (NGOs) in provision of management for the execution of water projects in urban and rural areas
- Link and integrate sanitation programme with city and regional planning policy, health, environment, housing and education
- Increase mass awareness and community mobilisation to bring behavioural change, and institutional development on use of clean drinking water and sanitation facilities
- National Drinking Water Policy 2009 and National Sanitation Policy 2010 to be implemented by the provincial governments

Gender mainstreaming

The Plan will take steps to resolve gender-related issues and enable women to become more productive members of the society. In the post-devolution arrangement, the provincial governments need to take concerted efforts for improving the situation of women.

Majority of women are informally employed as home-based workers in agriculture, livestock, forestry and fishing. Efforts will be made to enhance access to assets and resources for women. Similarly, women ownership of officially distributed land through the landless distribution schemes and provision of jointly-owned homestead land to the landless will also be ensured.

The Plan includes strategies for building capacity, impart skills and create opportunities to make women more productive. In order to address the issues of women health and education, quality of the primary health will be improved to provide them health services and save them from long travels to avail such services.

The Plan will strategise strengthening of the social protection institutions and mechanisms to counter the increasing feminisation of poverty. The targeted interventions of social protection for the female-headed families will further improve the situation.

The Plan will accord high priority to empowerment of women in social, economic, political and legal fields to move towards a gender balanced society. Participation of women in the national development by recognising their role as the agents of change will be promoted. Accordingly, the gender mainstreaming will provide guidance for taking into account gender specific approach to all policy planning, decision-making and monitoring processes.

Since larger proportion of the non-domestic functions and economic activities of women is not accounted for, the issue of women empowerment will be addressed through greater and effective access to capital and microfinance, and assisting women through skills development schemes. Further, all informal workers, including home-based workers, will be registered at the local level, which will enable them to access social security and health facilities from the existing

duly strengthened state labour welfare mechanism. Old-age benefits have already been universalised in terms of old age pensions granted through the Employees Old-Age Benefits Institution (EOBI).

Skill development

At present, the quality and coverage of vocational training provide only limited skill base, which is not sufficient for sustainable high growth in the country. The Plan intends to move the country out of the low skill and low productivity traps, which permeates mostly in all spheres of the national activity.

A new initiative of the Plan is to prepare national workforce for a large scale district-based national skills development, which will produce technically-trained and employable manpower. This HRD programme envisages a social transformation through new skills provision, and upgradation of skills of the existing trained work force with an aim to enhance the employability, productivity and competitiveness of the middle class and poor. The initiative is expected to provide a trained human resource base for placing the economy on the path of a diversified, broad-based and sustainable economic growth.

The district-level organisational structure for this initiative will be quickly established with a small, but highly professional, motivated and appropriately incentivised team to implement this programme, which is also designed to reap the demographic dividend, as 60 million additional people enter the productive age group over the next two decades.

There is a need to move for a more comprehensive national strategy for skill-based uniform curriculum in order to meet the challenges outlined in the Plan and build on the existing strengths and opportunities. Also, it is required to reform the skill development human resource development system, which includes providing relevant need-based skills for industrial and economic development, and improving access, equity and employability.

The informal sector is an important provider of employment for the bulk of Pakistan's labour force. However, the crucial role of this sector has largely been overlooked in the policy-making. There is a need to undertake effective interventions in the informal training system to enhance the quality of skills and incomes of all such workers. Initiatives for appropriate skill-based training and certification of the informal workers are necessary for this purpose.

Social welfare

The social welfare initiatives have positive impact on underlying poverty and inequality for providing access to equitable economic and social opportunities to the vulnerable segments of the society. Relevant policies have been made to guide and facilitate fulfilment of the national responsibilities and international commitments, including constitutional and legal provisions, which include National Policy for Persons with Disabilities, United Nations Convention on the Rights of the Child (CRC) and Convention on the Rights of Persons with Disabilities (CRPD). The Plan recognises the expansion and strengthening of the social welfare infrastructure to fulfil these obligations, which are aimed at mitigating and managing the socio-economic risks of the vulnerable.

Approach and strategy

The Plan's social welfare approach envisages socio-economic empowerment of the poor and marginalised population through programmes for human resource development and community development. The strategic interventions focus on new initiatives and expansion of the existing institutional welfare services for care and rehabilitation of the target population. These initiatives provide access to basic necessities of education, health, income generation, training and skills, technology, etc. and resource mobilisation through public-private partnerships and NGOs. The existing social welfare programmes, services and funds are limited, and need to be augmented in order to cater to the needs of the target population. The Plan puts forward the following strategy to improve the social welfare services, management and infrastructure:

- Secure livelihood and income opportunities for children, women, youth, PWDs, patients, senior citizen, etc. through expanding quality social welfare institutions
- Review existing social welfare policies, strategies and action plans in order to revise these for an effective need-based social services delivery
- Update and complete information and data of:
 - target population of the vulnerable, marginalised and excluded children, women, youth and senior citizens
 - mapping of the community services available and required to address the emerging social issues of disability, special and inclusive education, child rights and protection, birth registration, vocational training and skill development, etc. And
 - information of the registered NGOs and their fields of operation in order to assess the volume of their contribution
- Need-based services to the underprivileged strata of population by promoting voluntary work, mobilising local resources and community participation
- Evaluation and promotion of programmes of voluntary social welfare agencies and NGOs through technical and financial assistance with a view to enhance their capacity in achieving the targets set to address social welfare issues
- Effective implementation of the national and provincial action plans for children regarding their survival, protection, development and participation including the issues of child labour and abuse, trafficking and violence against children and compulsory birth registration
- Promotion of the inclusive education system and vocational training for special children and PWDs
- Appropriate and judicious utilisation of indigenous philanthropy, PBM and Zakat funds for social welfare and rehabilitation programmes
- Welfare and protection of the senior citizens to ensure their rights to health, participation, care, livelihood and protection to make them socially productive
- The capacity-building and institutional strengthening will require: i) availability of the relevant professionals of the social welfare fields, ii) professional training of personnel, and iii) strengthening of the social welfare organisations including:
 - National Council of Social Welfare (NCSW)

- National Council for Rehabilitation of Disabled Persons (NCRDP)
- Directorate General of Special Education (DGSE)
- Social Welfare Wing (Ministry of Capital Administration and Development), and the Islamabad Capital Territory (ICT)
- Pakistan Bait-ul-Mal (PSM)
- Staff Welfare Organisation (Establishment Division)
- National Commission for Child Welfare and Development (NCCW&D)
- Ministry of Human Rights
- Provincial and Special Areas social welfare departments

Social protection for poverty alleviation

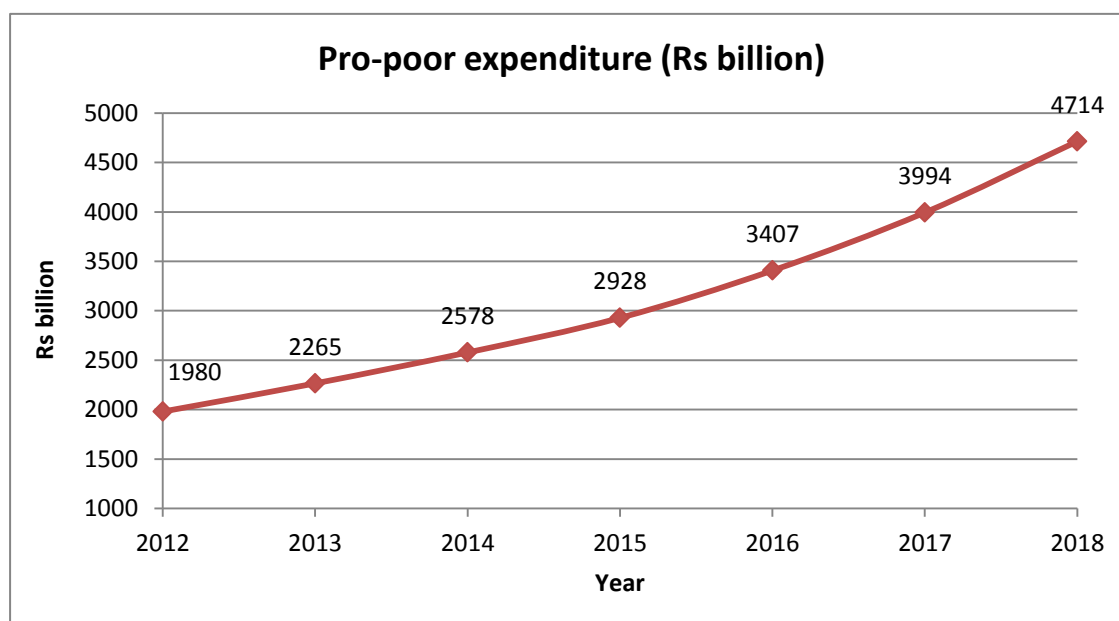
The Plan recognises social protection as means to mitigate and manage risk and vulnerability through transfers and social insurance for risk mitigation regardless of prior or future contribution. The targeted groups for social protection include: casual and informal workers, low-capital self-employed, low-rank formal sector workers, women and children without family or community support, etc. The Plan envisages targeted interventions to support such segments and bringing them under coverage. In the post-devolution situation, technical assistance is being provided to the provincial governments on their demand for preparing sustainable, comprehensive and integrated provincial social protection policies, which contain transparent, improved and easily manageable targeting system. A national framework for social protection will encompass all provincial policies and bring up national features of the national social protection system. It is planned to bring all existing social protection programmes under one umbrella with a unified and transparent inclusion criteria, better targeting system and efficient monitoring mechanism. The salient features of the policy are:

- Interventions to protect women and children – introduction of comprehensive child-centred nutritional programmes, and public health interventions
- Employment schemes and income generation opportunities targeted to casual labourers and informal workers
- Simplifying and achieving full coverage of the existing social security system so as to make social transfers to the poor, both guaranteed and predictable
- Strengthening existing social protection institutional structures including Zakat, PBM, EOBI, rehabilitation centres for the PWDs
- Provision of microfinance to the poor and marginalised with adequate coverage of the target population
- Health insurance for the poor and vulnerable for preventive and curative healthcare
- Improved access and coverage of education and training for the poor and the vulnerable sections of society
- Eradication of forced and bonded labour
- Area development schemes to provide sustainable livelihoods, health, education and transportation infrastructure in the backward areas having high poverty concentration

- Higher level of preparedness and necessary arrangements for relief and rehabilitation of disaster-stricken people, particularly children and women
- Gradual shift from untargeted cash transfers to targeted cash transfers, and establishing dynamic system for making targeting transparent and verifiable
- Integration of all fragmented safety net initiatives
- Advocacy campaigns through media for community organisation and social mobilisation for social protection

Financing poverty reduction

Poverty reduction efforts are financed through both current and development expenditures and wide range of sectors, which have impact on the lives of the poor. The pro-poor expenditures cover 17 areas of expenditure[^] (analysed in respective chapters). Poverty-related expenditures are budgeted at Rs2,928 billion in 2014-15 (9.96 per cent of the GDP), up from Rs1,934 billion in 2013-14. It is expected to rise further to Rs3,865 billion by 2017-18. Expenditure allocations for the pro-poor sectors, such as education, health and social safety net during the Plan is presented in the following chart.



Sources: *The Finance Division and Planning Commission*

The 7th National Finance Commission (NFC) award offers much larger flow of funds from the federal to the provincial governments, which will provide more fiscal space to the federating units for playing their role in addressing intra-provincial disparities. After the 18th Constitutional Amendment, the provinces have been given more responsibilities. Most of the projects, related to social sectors, are planned and implemented by the provinces, while the federal government

[^] Including roads, highways and bridges, water supply and sanitation, education, health, population planning, agriculture, land reclamation, rural development, subsidies, social security and welfare (including BISP), food support programme, PBM, peoples' works programme, natural calamities, low cost housing, administration of justice, and law and order

is able to allocate larger chunk of the budget to projects related to development of infrastructure and quality improvement of the social sector.

Improving governance for efficient public service delivery

The focus will be on improving economic governance to achieve the MDGs, reduce poverty and enhance coverage of the social safety nets. The promotion of good governance requires strengthening of the institutions, administrative and service reforms, and improving monitoring and evaluation system. The Plan lays emphasis on the following areas:

- Quality control in delivering public services aiming at reduction of poverty; also involve reforms in the public sector.
- Consolidating devolution to ensure effective decentralisation of the administrative and the financial powers, and functions of the government for strengthening local communities to improve the delivery of critical public services
- Participatory governance in the design and implementation of policies, programmes and projects
- Strengthening the Pakistan Bureau of Statistics – a data-providing government institution – for enabling it to provide quality data, needed for analysis and effective monitoring of the MDGs
- Capacity-building of the Ministry of Planning, Development and Reform in the use of quality data for policy-oriented analysis and strategy formulation
- Addressing problematic areas of the public sector management to promote institutional transparency, open and accountable financial and administrative mechanisms

The macroeconomic stability and higher economic growth will help in creating an enabling environment for poverty alleviation during the Plan period. Greater emphasis on investing in people will not only enhance capacity of the economy for sustained high growth, but will also support government's efforts of reducing poverty. Success of the poverty reduction programmes largely depends on efficiency and effectiveness of the institutions delivering public services and efficiently managing social protection programmes. Efforts will be made to improve overall economic governance, devise social protection policy and strengthen pro-poor institutions, which will result in better implementation of the poverty reduction strategies and improving the HRD indicators.

Annexure-1

Millennium Development Goals and Plan targets 2017-18

Sr. No	Indicators	1990-91	2012-13 Benchmark	2015 MDG targets	2017-18 Plan targets
Eradicate extreme poverty and hunger					
1	Proportion of population below the calorie-based food plus non-food poverty line	26.1	12.4 (2010-11)	13	10
2	Prevalence of underweight children under 5 years	40	31.5 (2011-12)	< 20	< 20
3	Proportion of population below the minimum level of dietary energy consumption	25	30 (2001-02)	13	13
Achieving universal primary education					
4	Net primary enrolment ratio	46	57	100	100
5	Completion and survival rate to Grade 5	50	57	100	100
6	Literacy rate (age 10+ in %)	35 (M:48, F:21)	58 (M: 69, F:46)	88 (M:89, F:87)	88
Promoting gender equality and women empowerment					
7	Gender Parity Index (GPI) for primary and secondary	0.73	Primary: 0.90 Secondary: 0.81	Primary: 1 Secondary: 0.94	Primary: 1 Secondary: 0.94
8	Youth literacy GPI	0.51	0.81	1.00	
9	Share of women in wage employment in the non-agricultural sector	8.07	10.45 (2010-11)	14	14
10	Proportion of seats held by women in the Parliament	National Assembly: 2/217 (0.9%) Senate: 1/100 (1%)	National Assembly: 60/342 (22.2%) Senate: 17/100 (17%)		
Reduce child mortality					
11	Under-five mortality rate	117	89	52	52
12	Infant mortality rate	102	74	40	40
13	Proportion of the fully immunised children (12-23 months)	75	80	>90	>90
14	Proportion of under one year children immunised against measles	80	81	>90	>90
15	Proportion of children under five years, who suffered from diarrhoea and received ORT	26	9	<10	<10
16	Lady Health Workers' coverage of target population	Not applicable	83 (2008-09)	100	100
Improve maternal health					
17	Maternal Mortality Ratio (MMR)	533	276 (2006-07)	140	140

18	Proportion of births attended by skilled birth attendants	18	52	>90	>90
19	Contraceptive Prevalence Rate	12	35	55	55
20	Total fertility rate	5.4	3.8	2.1	2.1
21	Proportion of women (15-49 years) who had given birth during the last three years and made at least one antenatal care consultation	15	68	100	100
Combating HIV, AIDS, malaria and other diseases sources					
22	HIV prevalence among 15-24 year old pregnant women (%)	Not applicable	0.041 (2011-12)	Baseline to be reduced by 50%	Baseline to be reduced by 50%
23	HIV prevalence among vulnerable group (e.g., active sexual workers) (%)	Not applicable	IDU=37.4 FSW=0.8 MSW=3.1 HSW=7.3 (2011-12)	Baseline to be reduced by 50%	Baseline to be reduced by 50%
24	Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures	Not applicable	40 (2011-12)	75	75
25	Incidence of tuberculosis per 100,000 population	171	230 (2011-12)	45	45
26	Proportion of TB cases detected and cured under the DOTS	Not applicable	Detected=65% Cured=91% (2009-10)	85	85
Ensure environment sustainability					
27	Forest cover, including state-owned and private forests and farmlands	4.8	5.2 (2011-12)	6	6
28	Land area protected for the conservation of wildlife	9.1	11.5 (2011-12)	12	12
29	GDP (at constant factor cost) per unit of energy use as a proxy for energy efficiency	26,471	26,543 (2008-09)	28,000	28,000
30	Sulphur content in high speed diesel (as a proxy for ambient air quality)	1	0.6 (2010-11)	0.5-0.25	0.5-0.25
31	Proportion of population (urban and rural) with access to a improved drinking water source	53	89	93	93
32	Proportion of population (urban and rural) with access to improved sanitation facility	30	72	90	90

Sources: Pakistan Millennium Development Goals Report 2013 and Pakistan Social and Living Standards Measurement Survey 2012-13