



Causes And Impact Of Poverty On The Economy Of Pakistan

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Abstract:

Poverty define comprehensively as absence of options to shape one's life according to one's own preference, come closer to the concept of human development as presented in UNDP from the vantage point of the policy maker concerned with alleviation of poverty, it is crucial to know the magnitude of the existing level of poverty and identify the policy determinants of poverty as well as constraints. Standing in the way of an effective attack , on the worst form of absolute poverty. In Pakistan were much other development country poverty has emerged as a core issue on the policy agenda. The traditional measure of poverty headcount, severity and poverty gap indicated that the incidence of poverty during the previous decade have shown no sign of poverty. However there is no consensus on the poverty outcome from need to monitor poverty trend and continuously evaluate the efficiency of policies adopted by the government under the poverty reduction strategy, it is important to evolve a consensus on the use of a consistent poverty line, secures of data and data adjustment of measuring poverty.

Introduction

Poverty in Pakistan is a growing concern although the middle class has grow in Pakistanis 35 million; nearly one quarter of the population is classified poor as use October 2006. As the 2009 PAKISTAN HUMAN DEVELOPMENT INDEX is 0.572, higher than that of nearly Bangladesh's 0.543, which was formerly a part of Country itself. Pakistan's HD1 still stands lower than that of neighboring India's at 0.162.

Poverty reduction has historically been a result of economic growth as increased levels of production such as modern industrial technology, made more wealth available for those who were too poor to afford them. Investment in modernizing agriculture and increasing yields is considered the cove of the antipoverty effort.

Today continued economic development is constrained by the lack of economic freedoms. Economic liberalization includes extending property rights, especially to land to the poor and making financial services.

Spatial distribution of Poverty:

At the time of partition & independence in 1947 Pakistan inherited the most backward part of South Asia with only one university one textile mill & one Jute factory. The country has made tremendous progress and it's per Capita GNP remains the highest in South Asia. ¹

During the last decade poverty elimination program helped many of the poor to participate and use up. Poverty in Pakistan has historically been higher in rural areas and lower in the cities out of the total 40 million's living below the poverty lines.

The gender discriminatory practices in Pakistani Society also shape the distributes of poverty in the country traditional gender roles in Pakistan define the woman's places as in the home and not in the work place, and define the man as the breadwinner. Consequently the society invests for less in woman than men; women in Pakistan suffer from poverty of opportunities throughout then lives female literacy in Pakistan is 43.6% compared to male literacy at 68.2% as of 2000. In legislative bodies, woman constituted less than 3% of the legislative elected on general seats before 2002. The 1973 constitution allowed reserved seats for women in both houses of parliament for a period of 20 years thus ensuring that women would be represented in parliament regardless of whether or not they are elected on general seats.

Economic and Social Vulnerability:

ADMINISTRATIVE UNIT	BOTH	MALE	FEMALE	1981 CENSUS
Pakistan	19.68	19.68	5.05	3.1
Rural	19.98	19.98	5.50	2.3
Urban	19.13	19.13	4.49	5.2
Punjab	19.10	19.10	5.50	3.2
Rural	18.60	18.60	6.00	2.5
Urban	20.10	20.10	4.70	5.0
Sindh	14.43	14.86	4.69	3.3

¹

Rural	11.95	12.26	3.70	1.6
Urban	16.75	17.31	5.40	5.8
Balochistan	33.48	34.14	8.67	3.1
Rural	35.95	35.92	9.81	3.0
Urban	26.75	28.33	5.35	4.0
Islamabad	15.70	16.80	1.70	10.7
Rural	28.70	29.40	8.20	13.5
Urban	10.10	11.00	0.80	9.0
Kyber Pakhtunkhaw	26.83	27.51	2.58	2.2
Rural	28.16	28.64	4.00	2.0
Urban	21.00	22.34	0.74	3.7

“Vulnerability” in this case stands for the underlying susceptibility of economically deprived people to fall into poverty as a result of exogenous random shocks. Households are considered vulnerable if they do not have the means to smooth out their expenses in response to change in income. In general vulnerability is likely to be high in households clustered around the poverty line. Such diversification has not occurred in many parts of Pakistan leading to an increased dependence on credit.

Economic Vulnerability is a key factor in the rise of poverty in Pakistan. Vulnerability also arises from social powerlessness. Political disenfranchisement and ill-functioning institutions and these also are important causes of the presence of Vulnerability among the poor.

Other causes of Vulnerability in Pakistan are the everyday harassment by corrupt government officials as well as their underperformance, exclusion and derailment of basic rights to many in Pakistan. Also, lack of adequate health care by the state leads the poor to seek private sources which are expensive but still preferable to the

possibility of medicines in state run medical facilities also the failure by the state to private adequate law and order in many part of the country is a factor in the rise of vulnerability of the poor.

Environmental Issues:

Environmental issues in Pakistan such as erosion, use of agro-chemicals deforestation etc. Contribute to rising poverty in Pakistan .Increasing pollution. Contributes to increasing risk of toxicity & poor industrial standards in the country contribute to rising pollution.

Lack of Adequate Governance:

By the end of the 1990s the manner in which power is exercised in the management of a country's social and economic resources for development emerged as Pakistan's foremost development problem. Corruption and political instabilities such as various separatist movements in Balochistan's and "Waziristan" result in reduction of business confidence deterioration of economic growth reduced public expenditure poor delivery of public services & undermine of the rule of law. The perceived security threat on the border with "India" has dominated Pakistan's culture and has led to the domination of military in politics, excessive spending on defense at the expense of social sectors and the erosion of law and order.

Pakistan has been run by military dictatorship for large period of time alternating with limited democracy. These rapid changes in government led to rapid policy changes and reversals and the reduction of transparency and accountability in government. The onset of BALOCHISTAN and KHYBER PAKHTUNKHWA has rendered the region poverty stricken Political instability and macroeconomic imbalances have been reflected in poor credit worthiness rating. Even compared to other countries ,similar income level with resulting capital flight and lower foreign direct investment inflows. The current government of Pakistan has professed commitment to reforms in this area.

Feudalism:

Pakistanis home to a large feudal landholding system where families held thousands of acres and does little work on the agriculture themselves. They enlist the services of their serfs to perform the laba of the land 51% of poor tenants owe money to the landlords. The landlords pixilation of power allows them to exploit the only resources the poor can possibly provide their own laba.

Poverty & Support for Islamic Militancy:

Poverty and the lack of a modern curriculum have proved destabilizing factor for Pakistani society that have been exploited by militant organization banned by the government to run School and produce militant literature. Though many madras as are benign. There are those that subscribe to radicalizes branches of Sunni Islam.

Militant Islamic political parties have become more powerful in Pakistan and have considerable sympathy among the poor.

In Equality and Natural Disaster:

The recent 2010 Pakistan floods have accentuated difference between the wealthy and poor in Pakistan .Pakistan's diplomat to the United Nations has alleged that wealthy feuda and landowners in Pakistan have been diverting funds and resource away from the poor and into their own private relief effort.

There are also allegations that local authorities colluded with the warlords to divert funds. The floods have accentuated the sharp division in Pakistan between the wealthy and the poor. The wealthy with better access to transportation & other facilities have suffered for less than the poor of Pakistan.

Conclusion:

The evidence suggests that Pakistan's economy since the sixties showed steady improvement in term of major macroeconomic indicators. The GNP an indicator of overall Economic activity. Fostering credibility in social protection is therefore on important task government in developing countries not only home limited means to establish broader social protection poverty is not early gained and government in poor developing countries faces an uphill struggle against poverty.

In shat the development of rural areas bear's primacy importance for the development of country like Pakistan. There is growing recognition that the neglected non-farm and non-crops sector can play an important role in alleviating rural poverty and can benefit the rural population.

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