

The poverty in pakistan economics essay



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The word poverty derived from Latin word pauper means poor. Poverty refers to the condition of not having the means to afford basic human needs such as clean water, nutrition, health care, clothing and shelter. Poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages. Poverty is one of the major social problems which Pakistan is facing. It is one of the most important and sensitive issue not only for Pakistan but for the whole world. Poverty can cause other social problems like theft, bribe, corruption, adultery, lawlessness, injustice etc.

It is the fundamental duty and responsibility of the country to fulfill the basic needs of its people. Basic needs of man comprises of shelter, food and clothing. When these needs are not fulfilled they bring about problems termed as socio-economic problems. Pakistan has also been suffering from these problems. The real issue is not the presence of these problems in the society. But the extent to which they are being paid attention and solved. When these problems are not met timely the results in the form of deviant behavior, drug abuse, smuggling, corruption, poverty, illiteracy and many other social evils.

Poverty has been one of the biggest problems that Pakistan faces today. It is rightly said that poverty anywhere is a threat to prosperity everywhere.

Nearly 60 per cent of the population of Pakistan lives in villages. According to an analysis, poverty has increased roughly from 30% to 40% during the past decade. It means that 40 per cent of the country's population is earning their livelihood below the poverty line. In such condition people are depressed of their basic necessities of life. Proper education and medicine are becoming

distant from them. They are forced to think of their survival only of due to poverty and unemployment, parents instead of sending their children to schools, prefer child labor for them. They make them do so to support their family and use them as earning hands from the early age.

A situation in which a person or household lacks the resources necessary to be able to consume a certain minimum basket of goods. The basket consists either of food, clothing, housing and other essentials (moderate poverty) or of food alone (extreme poverty). The most common method used to define poverty is income-based.

According to Homer

“ This is misery! The last, the worst that man can feel”.

According Jean Guenon

“ He is poor who doesn't have enough; he is poorer who cannot get enough”.

“ A person is considered poor if his or her income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the poverty line”.

International Organizations Reports about poverty in Pakistan

- UNDP (United Nations Development Program) Report

According to a UNDP report, 65. 5 percent population of Pakistan earns less than 2\$ per day.

- SPDC (Social Policy Development Centre) Report

According to the SPDC, 88 percent of Baluchistan's population, 51 percent of NWFP, 21 percent of Sindh and 25 percent of Punjab's population is prey to poverty and deprivation.

- World Bank Report

According to the 2011 statistics of the World Bank, due to the global financial recession poverty ratio is increased especially of USA and the EU countries have pushed millions of people around the world into deeper poverty. Almost 40% of 107 developing countries are highly exposed to the poverty. Pakistan is ranked among the 43 countries who are most exposed to poverty.

- Asian Development Bank Report

According to the ADB report, poverty is spreading in Pakistan due to the rising population, Pakistan's internal situation, agriculture backwardness, unequal income distribution, defiance expenditure, and increase in utility charges and rise in unproductive activities.

- Pakistan's Planning Commission Report

Pakistan's Planning Commission (2011), poverty rate has jumped from 23.9 to 37.5 percent in the last three years. The commission has estimated that in 2007 there were 35.5 million people living below the poverty line but in 2010 their number increased to over 64 million.

It is difficult to point out all causes of poverty in Pakistan but the major causes of are given below:

Government is not well aware of present conditions of country. The policies of government are based on the suggestions of officials which do not have awareness about the problems of a common man. After implementation of the policies do not get effective result. After the failure of one policy, government does not consider its failure and announces another policy without studying the aftermaths of last one. Heavy taxes and unemployment crushes the people and they are forced to live below poverty line. The suitable medical facilities are not provided to people and they are forced to get treatment for private clinics which are too costly.

Education sector plays a very vital role in the progress of any country. Unfortunately, the condition of education sector in Pakistan is very miserable. The lack of quality education our country is unable of dealing with the challenges of the 21st century. Due to poverty people are unable to afford quality education for their children. In addition, government's negligence is frustrating the situation further. Even though various steps taken by different governments for the promotion of education, literacy rate lingers at 56% over the decade. Owing to low investment, government run schools are poor of basic facilities like proper classrooms, water and sanitation facilities, electricity. Private sector is doing an admirable job in this regard. But the money making objective of this sector, education has been beyond poor's reach. The primary completion rate in Pakistan given by UNESCO is 33.8 % in females and 47% in males, which shows that people in the 6th largest country of the world are unable to get the basic education.

Pakistan is facing the dragon of overpopulation. The growth rate of Pakistan is very high and is among the highest in the world. Since 1947, the

population has become more than triple. Pakistan is almost touching 180 million marks. Population expansion has been a real issue of concern for all governments. With limited resources it is very difficult to control the growing population. There is a great economic disparity among the people. Poor are committing suicides out of hunger while rich are busy in buildup more and more wealth. These social problems directly affect the masses. The massively increasing population has almost outstripped the resources in production, facilities and in job opportunities.

Pakistan is poorly faced with the problem of unemployment. The existing unemployment rate is 15%. Thousands of young doctors, engineers and other educated people are out of job. There are no opportunities for youth to utilize their capabilities or abilities in right direction. Pakistan is facing the problem of brain drain due to unemployment because we are unable to utilize their precious hands in the progress of the country. The most horrible part is that it is rising every year it will show to be risky for the economy of Pakistan. It has negative impact on society. It creates frustration and revengeful attitude. It leads to an

Justice delayed is justice denied. Timely justice is the core value of a welfare society. It is the duty of the state to promote justice. But in the case of Pakistan it has always been a day dream for the poor masses. Since the independence judiciary has been in prison at the hands of establishment. Weak judiciary has been unable to redress the grievances of the masses. Under such conditions people choice to violent actions and resolve their issues by extreme methods.

Owing to poor governance, the government is losing control over law and order situation. When individuals put themselves in front of institutions, they set a bad example. Suicide attacks, target killing, robbery and other crimes have become norm of the day. And government seems helpless in this regard.

Corruption has become a major threat to Pakistani society because of four important reasons. First, the image of Pakistan has enormously suffered in the past few decades or so as the corrupt practices while awarding contracts, the launching of foreign funded projects and money laundering done by high level officials earned a bad name for the country.

In 1996, transparency international a Berlin based civil society organization, rated Pakistan as the second most corrupt country in the world. The report TI was a source of great shame for Pakistan as it not shattered the country's image but also discouraged foreign donors to support Pakistan in its developmental projects. When the culture of greed resulting into taking commission from foreign companies and agencies deepened, the trust and confidence of the world diminished. According to TI's national corruption perception NCP Survey 2010 there occurs widespread corruption in Pakistan from 195 billion rupees in 2009 to 223 billion rupees in 2010.

Some of the most corrupt institutions and areas in Pakistan identified by TI are: police, power sector, land administration, communications, education, local government, judiciary, health, taxation and custom. According to TI's survey, there has taken place manifold increase in corruption in the present government than the previous one. Neither foreign national nor over-seas

Pakistanis who may be interested in investing in this country are simply discouraged when they encounter large-scale corruption in the shape of bribery and kickbacks.

Pakistan is an agricultural country. Most of people are farmers by profession. One has land which is fulfilling the needs of his family but he has to divide the land into his children when they got young. After division the land is not sufficient to support a family. Now the families of his children are suffering and spending their lives below poverty line.

In our society social bonding are gradually becomes thinner and thinner. A race of material object has been started even no one tried to understand the problems of others. Everyone is gradually changing from human to a bioman which only know about his needs and have no concept about the limitations of others. People are not ready to help each other. At last everyone has lost his trust on others which affect our social and economic system and it is another cause of poverty.

The import of Pakistan is greater than export. Big revenue is consumed in importing good every year, even raw material has to import for industry. If we decrease import and establish own supply chains from our country natural resources the people will have better opportunities to earn.

There are lot of problems regarding law and order. Terrorist attacks create uncertainty in stock markets and people earning from stock are getting loss due to which the whole country faces uncertain increase in commodity prices.

Foreign investor comes to local markets. They invest millions of dollars in stock markets and stock market gets rise in index. Then the investor withdraws his money with profit and market suddenly collapses. The aftermath always is faced by poor people.

Government is unable to manage the departments and country has low reserve assets. So to meet the requirements some companies run by government are sold to foreign investors. The commodities or services provided by the companies are becoming costly. For example if government sold a gas plant then prices for gas in country rises.

The main reason for poverty is the social dishonesty and irresponsible behavior of people. Everyone is trying to get rich by using unfair means. A shop keeper is ready to get whole money from the pocket of customer. People doing jobs are not performing their duties well. In society the man considered brave or respectful who do not pay taxes or continuously violate the laws. This irresponsible behavior continuously increases and produces loss for country.

Pakistan has been facing political crisis from its birth (1947) till now. From 1947 to 2010,

In this long period many government changed but unfortunately they all could not

Maintain the political environment stable, after ruling 1, 2 or three year that governments politically instable. Political instability is a situation when the uncertainty among the government structure expand due to some basic

causes and it eventually end up the current government¹. Army's frequent interventions have never given democracy a fair chance to flourish in our country. Our political leaders are also responsible for this predicament. They have always tried to achieve their vested interests in the garb of politics. They have never respected the norms of democracy. Judiciary has also been the victim of such political instability. That's why; our country has failed to develop healthy political institutions, a lasting democracy and impartial judiciary.

Solutions/Remedies to Overcome the Poverty in Pakistan

Policies regarding poverty reduction Marshaled by different government could not calculate the desire results. Crudely speaking, this is the gravest problem being faced by Pakistani nation, if not handled with diligent care and implicit faith, will swell and devour the entire mechanism of the state. For a welfare state to get stronger, policies as regards development of poor strata should be the top of the checklist's behold a time when we shall be steadily hauling our downtrodden economy towards heights, provided that we chalk out such policies that not only project the welfare of effected spots but also transpose their outlook . I propose following measures for extermination of this menace

1. Promote industrialization
2. Replacement of the traditional agricultural equipment with new scientific equipments in order to increase the yield.
3. Establishment of justice and equality

4. Equal distribution of resources
6. Merit should be the upshot strategy in all walks of life
7. Elimination of discriminatory policies
6. Controlling of inflation and other economic indicators and regulators.
8. Developing investment friendly environment
9. Giving more feasibilities and concessions to the foreign investors
10. Dumping extremism and feudalism
11. Establishing more and more technical institute in order to get people well skilled.
12. Prevalence of education
13. Provision of job opportunities
14. Division of agricultural lands among tenants.

Leadership has got central importance here; with proper planning and good government policies the problem can be solved. All they need to do is to appoint competent and well qualified economists to help them tackle this issue and obviously their sincerity for its solution cannot be ignored as well. A country economy is the backbone of its country with its solution when it is saved many problems will automatically. Alone leadership is not enough for its solution. People of Pakistan have too got responsibility with equal share.

People need to cooperate fully with government and should be sincere with their own country and put all their energies for eradication of poverty.

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A STUDY on poverty has brought Pakistan face to face with a reality that it will find hard to accept: every third Pakistani is caught in the ' poor' bracket i. e. some 58. 7 million out of a total population of 180 million subsist below the poverty line. This includes more than half the population in the forever remote Balochistan, 33 per cent in Sindh, 32 per cent in Khyber Pakhtunkhwa and 19 per cent in Punjab. These are daunting figures. But they are much needed for planning, especially when the government appears too embarrassed to release statistics related to poverty. The Sustainable Development Policy Institute, which has carried out this economic-mapping exercise, is justified in calling for the release of government figures and for a policy to combat acute poverty. These are facts which are being kept under wraps at great peril to the country.

Quite clearly, the dilemma as we know is yet to be overcome. Areas such as defence get the better of development; the more affluent are able to deny the less affluent in the name of sustaining themselves; and the small change that reaches the marginalised segments is never enough to pull them into the promised mainstream. The formula that channels resources and attaches due importance to the underdeveloped is yet to be found. Worse, an earnest search for such a formula is yet to begin. Consequently, development has proceeded in the only manner it could: the gap between the more privileged and the more backward has increased with time, even as successive

governments have dangled ‘ special packages’ in front of those with the greatest need. This reflects in social, political and, quite often, ethnic tensions, in revolts and in militancy.

The SDPI study identifies the 20 poorest districts, 16 of which exist in Balochistan that has been long agitating for attention. There are no marks for guessing that the other four poorest districts are also located away from the train of progress, in Khyber Pakhtunkhwa. The exercise doesn’t identify the causes behind this continued and unfortunate disparity, but the basic factor responsible for the situation is not very difficult to list. The primary reason is the lack of proper, meaningful and non-discriminatory representation for all regions in decision-making. Those who are able to some extent participate in the running of affairs do manage to secure a better deal. Others are denied participation, and democracy for them remains an illusion. The first resource they are looking for is the space from where they can speak and be heard. This is the most essential prerequisite to progress.

“ Poverty is widespread in Pakistan and is particularly predominant in rural areas. Nearly two thirds of the population, and 80 per cent of the country’s poor people, live in rural parts of the country”

In 2004-2005 the government estimated that nearly 24 per cent of the people were living below the national poverty line. The percentage of poor people had declined about 10 per cent since 2001, but health and education indicators remained low in comparison with other countries in South Asia. Socio-economic indicators for women are the lowest in the subregion.

The recent increase in the international prices of food commodities has had a significant impact on Pakistan's poor people. It is estimated that about 17 million people have joined the ranks of the 60 million people who are food insecure. And many more are at risk. About half of the country's population lives in a condition of food insecurity.

Agriculture is at the heart of the rural economy, and most rural people rely on agriculture for their livelihoods. But for many of the poorest rural people income depends on non-farm sources.

The incidence of poverty varies between rural and urban areas, and from one province to the next. Poverty is widely and evenly distributed in the many mountainous parts of the country where communities are small, scattered and isolated, and where there are few major urban centres. The rugged terrain and fragile ecosystems make cultivation difficult. Lack of access to markets and services has contributed to chronic poverty in these areas.

Although women play a major role in the household economy and in providing care for their families, they are particularly vulnerable. Despite improvements in economic conditions after recent reforms, there are still broad discrepancies in social standing between men and women. Women own fewer assets, they have limited economic options and less access to social services. They have high rates of illiteracy. And their burden of labour increases significantly when poor levels of agricultural productivity force men to migrate to find work.

Most of the land in Pakistan is arid, semi-arid or rugged, and not easily cultivated. Water resources are scarce throughout most of the country, and

it is difficult to provide the more remote rural communities with a reliable water supply.

Large numbers of rural people are poor because of unequal land distribution. A few large landholders own a disproportionate amount of land. More than 4 million family farms have plots of less than 5 hectares, and 25 per cent of all farms consist of less than 1 hectare. At present about 50 per cent of farmers own and operate their farms, while 26 per cent are tenant farmers. Sharecroppers who work land belonging to large-scale farmers are often in debt to their employers.

The causes of poverty include lack of education, poor access to health services, large family size, gender discrimination and vulnerability to environmental degradation and deterioration of the natural resource base. A steady decrease in remittances, which now amount to less than 10 per cent of their level in 1983, was a factor in the increase of poverty that was seen in the 1990s.