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Situation of Poverty in Pakistan and its commitments with respect to Sustainable Development Goals: prospects and challenges

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Abstract: This article focuses on situational analysis of poverty and economic growth in Pakistan. It discusses Pakistan's commitments and achievements with respect to sustainable development goals (SDGs). The methodology used in this paper is qualitative and the analytical method is followed. The argument developed throughout the article is that Pakistan, as an underdeveloped country, needs further improvement with respect to formulating policies and implementing said policies for the fulfillment of SDGs. The paper concludes that special measures may be taken into consideration by government in order to progressively realize the implementation of norms pertaining to poverty alleviation and economic instability and for the protection of basic human rights in the country.

Key Words: Poverty Alleviation, Pakistan's Commitments, Sustainable Development Goals, Economic Instability

JEL Classification:

Introduction

The United Nations (UN) has always remained vocal and concerned about the sustainable development and economic well-being of countries across the world. Such an effort led to the popular agenda of global development, consisting of 17 goals with the broad aim to "mobilize global efforts to end poverty, foster peace, and safeguard the rights and dignity of all people" agenda thus pledges to transform the world by 2030, and formally these goals are

known as "Sustainable Development Goals (SDG)."

The SDGs are a global call to "take such measures as to protect the planet and to improve the lives and prospects of individuals across the globe." The SDGs were adopted by UNGA on September 25, under Resolution 70/1. The historic 2015 document contains various targets and strategies as part of the 2030 Agenda for Sustainable Development (SD), setting out a 15-year plan to achieve the

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Goals. The resolution commences with a declaration that states:

"On behalf of the peoples we serve, we have adopted a historic decision on a comprehensive, far-reaching and people-centered set of universal and transformative Goals and targets. We commit ourselves to work tirelessly for the full implementation of this agenda by 2030".

The set of 17 SDGs is "built on the earlier Millennium Development Goals (MDGs)," with some new areas being introduced, such as "climate change, economic inequality, innovation, sustainable consumption, peace and justice, etc." The broad objective of SDGs has been to create a set of global aims and objectives/goals that meet the crucial global challenges such as environmental, political and economic issues.

A UN study on SDGs reveals that even though progress with respect to the said goals has been reported in many areas, however, "action to meet the Goals is not yet advancing at the speed or scale required." It can be commonly understood that while countries across the globe have been facing various challenges with respect to achieving the targets set in SDGs, the situation is even more complex for the countries with low economies and scant resources. In this scenario, the position of Pakistan is no different.

Right from its inception in 2015, Pakistan has been committed to the 2030 Agenda for SD. Pakistan adopted SDGs through Resolution in February 2016. It has adopted it as a part of the National Development Agenda. Since then, Pakistan has tried hard to make effective progress in achieving the aim of the 2030 agenda. While all the goals remained equally important for Pakistan, SDG 1, which aims to "end poverty in all its forms everywhere," has always remained its crucial focus, owing to its utmost importance and persuasive connection with all other goals. Hence the country has made concrete efforts in the form of various laws, policies, strategies and other national and international commitments to end poverty and thereby to achieve the border aim of prosperity, peace and dignity for individuals. However, despite

all these efforts, the situation is anything but satisfactory. The miseries of COVID-19 have adverse it further. In this context present paper is an effort to analyse the situation of poverty in Pakistan. The study intends to explore the reasons behind poverty. It will also examine the efforts of Pakistan with respect to SDG 1 and will investigate the challenges and hurdles that the country is facing in this regard. This paper also highlights and brainstorms various policies, proposals and interventions that government, civil societies and non-government organisations can adopt to overcome these challenges.

Discussion and Analysis

Poverty is considered as: "The lack of basic human needs such as clean water, nutrition, clothing, healthcare, education and shelter, because of the inability to afford them."

Poverty according to International Labour Organization (ILO), is: "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). Poverty is a global phenomenon that expresses pronounced deprivation in the well-being of people."

The impoverished people struggling with poverty suffer from undernutrition, fragile health, little or no literacy, poor access to basic needs, vulnerable circumstances and lack of decent jobs and living. They often live in environmentally impoverished areas and tend to have a very limited political voice. Poverty is likely to increase the ratio of evils in the society like unbridled crime, moral degradation, frustration, corrupt practices and bribery. It can also increase the ratio/percentage of malnutrition and infectious diseases etc.

It is also argued that "Though academically poverty is measured on the basis of income and the consumption level, but in real terms, it includes much more; hunger, the poor state of basic civic provisions, lack of medical treatment, non-accessibility to electricity, water supply, children education, and

deprivation of other essential needs and opportunities which any human being is supposed to be entitled to make its living leads to the development of poverty phenomenon."

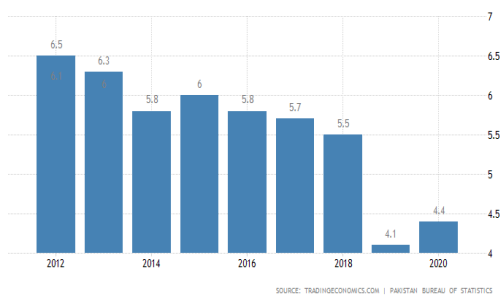
According to a recent report, "about 9.2% of the world, or 689 million people, live in extreme poverty on less than \$1.90 a day. According to World Bank estimates, COVID-19 has driven an additional 97 million people into extreme poverty in 2020". While poverty has been a serious issue for countries across the globe, the poor states that are already facing the challenges of economic stagnation and falling living standards are at the worst hit. In this context, the situation in Pakistan is no different. According to a recent report, "in 2018-19, the poverty at the national level stands at 21.5 percent". The UN's Human Development Index (HDI) 2020 has ranked Pakistan 154th among 189 countries. The HDI rankings are measured by combining key indicators like health, education, and standards of living etc. A similar report claims that the economy of Pakistan fluctuates daily. The Covid 19 has worsened the already complex economic situation, thus adding to

the miseries of the public. The pandemic has had drastic effects on every aspect of life.

The situation of poverty is alarming in Pakistan, and it is a matter of growing concern. While there can be various causes of poverty in Pakistan, the most significant are argued as a largely uneducated populace, imbalanced taxes, unemployment, higher level of inflation, trade deficit, political instability, unequal distribution of resources, corruption, malpractices, poor law and order situation, internal and external debts, and issues regarding good governance and effective working of public institution etc.

Economic vulnerability is one of the main reasons behind the social evils, according to a recent report, around "24% of Pakistan's population lives below the national poverty line, with individuals having limited access to fundamental needs, such as food, water, sanitation etc." These vulnerable individuals are also exposed to grave challenges when it comes to other crucial factors like "access to education and healthcare. Almost half of the population lives at a wage below \$2/day".

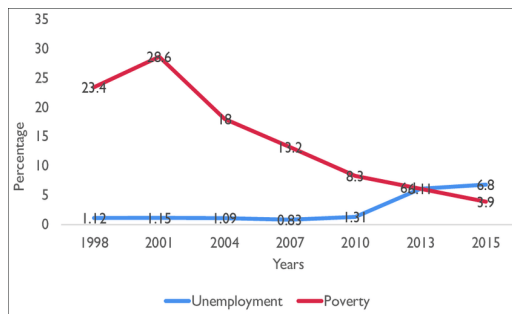
The report has termed unemployment as "highly dangerous" for the country.



Graph 1: Pakistan Unemployment Rate

Source: The Trading Economics: Pakistan Bureau of Statistics

While Covid-19 has drastically affected every aspect of life, the economic well-being of individuals has probably remained the worst hit. According to the "Special Survey for Evaluating Socioeconomic Impact of COVID-19 on Wellbeing of People", in Pakistan, around 20.7 million people are left out of work.



Graph 2.

Source: World Development Indicators (WDI)

In addition to the economic vulnerability, unemployment can also lead to numerous social evils like an increase in crime rate, drug addiction, corrupt practices and violence etc. It can also prove drastic for the physiological well-being of an individual. According to a recent report, around 136 people committed

suicide because they were unemployed. Unemployment remains a significant reason contributing to poverty. A 2021 study claims that in-state the rate of unemployment had reached 16pc, contrary to the government's claim.

The rule of law is linked directly to economic growth and is an effective tool for reducing poverty. Adherence to the rule of law is the primary step to fighting the social evils and politico-economic issues behind poverty. However, the situation of the rule of law in Pakistan is a matter of grave concern "The World Justice Project's Rule of Law Index 2021" ranks Pakistan at 130th out of 139 nations in adherence to the rule of law.

Among the various social evils that are likely to come with poverty, corruption remains paramount. A study titled "Poverty and the fight against corruption in the Council of Europe member states" has discussed fighting against corruption as an important means to effectively combat poverty, especially in poor countries where corruption is generally believed to be a major obstacle behind socio-economic development. Corruption adversely affects the performance of institutions and management of public wealth and resources, and hence the increase in corruption in a region can influence the ratio of poverty. The alarming situation of corruption can be analysed from the 2020 report of the Corruption Perception Index (CPI) which ranks Pakistan at 124 among 180 countries.

Inflation also shares a close link with poverty in the sense that inflation lowers the purchasing capacity of individuals and reduces their real income, thus leaving more people likely to fall below the line of poverty. In this regard, a report recorded that the ratio of inflation in Pakistan remained on the higher side compared to other regional states for almost four years, from 2018 to October 2021.

Various countries see foreign aid and debt as a measure to support the failing economies therefore, while the reasons for foreign debt mostly are to bring reforms in the country and to tackle the economic crisis, in many cases, the result may not turn out as expected, and

hence the higher interest on the loan, the inability of the country to pay it back in time etc. can cause serious economic problems, particularly for poor countries. According to a recent report, Pakistan's external debt and liabilities will climb to \$122.1bln in the fiscal year 2021. Raise in external debts and a falling economy are also argued to have a great influence on poverty. The inefficient use of foreign aid and debt crisis can definitely lead to economic stagnation.

It has been discussed that though poverty is academically calculated keeping in view income and consumption level yet, it is argued that its includes much more than that. Similarly, the consequences of poverty too can be unlimited. It can deprive people of "the means to satisfy their basic needs that are mandatory to their survival," such as food, water, shelter, clothes, medicines etc. It can also preclude their "access to services such as education, health, credit, water and hygiene ."It can also hurdle their access to social safety nets and it is likely to make them vulnerable to the phrases like political power, participation, and dignity. Hence in Pakistan, too, the term "poverty" comes with various grave challenges. At present, one out of every 20 children dies before age five. According to a 2019 study, 64% do not have access to safe and clean drinking water. Another 2019 study reveals that more than 50% of individuals in Pakistan don't have "access to basic primary healthcare service ."According to the 2020 report, the maternal mortality rate is as high as 186 deaths per 100,000 live births. The Economic Survey 2020-21 mentions that the literacy rate is 60 %. Moreover, "out of all children in Pakistan between the ages of five to 16 years, 32 percent, i.e. one third, are out of school".

Mismanagement of resources is argued as an important reason behind poverty, along with other earlier discussed key factors. Hence it is often maintained that "Pakistan is rich in natural resources but poor in managing them" thus, it is asserted that the country has plenty of water and mineral resources and huge oil and gas reserves; however, it is facing serious challenges with water, and gas crisis, inflation

and poverty. A number of reasons behind this include mismanagement of natural resources, lack of technical expertise and political will, misuse of public money, and other corrupt practices that are argued to be significant. Pakistan has further shown full commitment to reducing poverty to at least 19% by 2023.

Key Initiatives

Poverty is an issue of global concern. It invites a number of political and socio-economic issues. It is also one of the significant reasons behind intolerance and extremism. Hence eradication of poverty remains at the top of the global agenda for sustainable development. Pakistan, since its independence, has been facing serious challenges with respect to poverty. While the factors contributing to poverty like inflation, unemployment, corruption, mismanagement, illiteracy etc. have always remained a grave concern for Pakistan however it is continuously struggling to take such steps to improve the socio-economic condition of people and to reduce poverty. In this regard, several efforts have been made. The most recent efforts include Pakistan's multi-sectoral poverty eradication strategy, which includes "targeted interventions, such as the *Benazir* Income Support Programme (BISP), alongside private philanthropy and improved access to microfinance for rural communities." Other leading measures include the *Ehsaas* programme, *Sehat Insaaf* Cards, *Khidmat* Cards, the *Zakat* and *Ushr* programmes, Pakistan *Bait-ul-Mal*, provincial employees' social security institutions and the worker's welfare funds.

Poverty at the national level stood at 61.6 percent in 1998-99. Later, in 2018-19, the poverty at the national level stood at 21.5 percent. Moreover, a special focus has also been given to eliminating the key factors contributing to poverty; thus, the government is showing great concern to reduce corruption, eliminating the inequalities prevailing in society, ensuring greater political stability, and improving the law and order situation of the country etc. In addition to these, other planned initiatives like "investing in green and sustainable agricultural

infrastructure to shorten the value chains" are also believed to be of great help in reducing poverty. The government thus plans "to work on areas of credit, capacity building of farmers and improving access to and availability of high-value crops and varieties clubbed with investment in the agricultural value chain."

BISP, which is one of the leading programmes in the country designed to provide economic assistance to individuals in need, has been continuously making splendid progress. Over the period 2011 to 2019, the BISP has produced impressive poverty reduction results that have given real improvements in welfare. A 2018 report shows that since 2008 the BISP has distributed about PKR 267 billion to the neediest population of Pakistan. Further initiatives include:

"the *Waseela-e-Taleem* programme for education, through which over 2.2 million out-of-school children between 5 and 12 years of age, from some of the country's poorest families, have been enrolled in schools."

Creating efficient working opportunities for people is also a leading strategy incorporated to reduce poverty. Flagship programmes in this regard include "KP Youth Employment Program (KPYEP)" and *Kamyab* Jawan Programme which aims to "provide employment and business opportunities to the youth in the country." Recently the Government of Punjab has initiated the Rs9.5 billion "Punjab *Rozgar* Scheme" to provide employment opportunities to the youth. Moreover, the government has also "approved the creation of a national job portal to create new employment opportunities for the youth," a "mega-development package for South Baluchistan to create 120,000 new jobs and offer digital skills training program to more than 35,000 youth" has also been announced. China-Pakistan Economic Corridor (CPEC) is considered to be one of the highly significant steps to "facilitate long-term socio-economic uplift." "The new government has broadened the scope of CPEC by including poverty alleviation and agriculture development."

Additionally, development in education, housing, health sectors etc. has also been the prime focus of the government to improve the

circumstances of people. According to poverty Alleviation and social safety division, "Ehsaas Undergraduate Scholarship Program is the categorised at largest needs-based undergraduate scholarship program in Pakistan." "Under this, every year, around 50,000 students from low-income families will be awarded scholarships for 4 to 5-year undergraduate degree programs. The scholarship covers 100% of the tuition fee and a living stipend of 4,000 per month. The geographical spread of the program covers all four provinces, AJK and GB". Covid-19 has jolted the whole world and has pushed countries into serious socio-economic challenges. The situation in poor countries was even worse. However, Pakistan has faced these challenges with great potential and the government has developed excellent strategies to cope with these challenges. Pakistan's efforts in this regard were also acknowledged by World Health Organisation (WHO). The WHO appreciated Pakistan's response to the COVID-19, stating "the country managed to fight the pandemic while allowing its economy to pick up as the country stabilises". A slight improvement has also been noticed with respect to maternal mortality ratio (MMR), in the sense that it has decreased from 276 deaths per 100,000 LB to 186, according to the latest Pakistan Maternal Mortality Survey (PMMS). In the health sector, initiatives like "Sehat Insaf Cards and Khidmat Cards" also got great appreciation. Similarly, "Naya Pakistan Housing Society and development scheme" is also a ray of hope for many. The famous "Panahgah" (Shelter Homes) too is a remarkable scheme for homeless and impoverished segments of the state.

Challenges in Eliminating Poverty

Although Pakistan has made impressive progress in tackling poverty by initiating and continuing the programmes to ensure the socio-economic well-being of people, despite all these efforts, the problem still persists. According to a recent study from 1951 till date, there "hasn't been a year when a government-led poverty reduction program wasn't

underway, the initial programmes mainly were donor-funded completely with prime focus on education and health of the rural economy. Over time, some programmes under the public-private partnership model also started with a more varied focus like housing, roads, and sanitation". Additionally, redistribution policies like "land reforms, pricing of agricultural products, subsidies, social security payments, high tax rates and direct income transfers" were also introduced. However, the challenges like corrupt practices, mismanagement, malpractices, fewer employment opportunities, illiteracy and want of technical skills, rise in foreign debts, high rate of inflation, poor law and order situation, etc. have always created impediments and hence the desired results haven't been achieved till date. Moreover, the issues like poor executing strategies, weak institutions, political disability and lack of effective targeting have also remained challenging in this regard. This is a sign that much more is yet to do by investing wisely and learning lessons from the past.

Conclusion and Recommendations

"Poverty has always been a matter of concern for policymakers and social scientists. It limits the people's access to basic necessities of life such as food, shelter and clothing and also creates a sense of deprivation among them. Poor people are generally more exposed to the exploitation by society". Pakistan has been tackling the challenge of poverty since its independence and is dealing with all evils and crises that poverty brings with it. The economic situation of Pakistan has never been satisfactory and the covid-19 pandemic has further pushed the country into crisis. However, despite all these challenges, Pakistan is affirmed to continue to improve the socio-economic circumstances of its people and to fulfill its pledge with respect to achieving SDGs, particularly goal one. While there is still a long road to go to reach the desired goal, the accomplishments attained in this regard must not be undermined. The programmes like BISP, Ehsas Programme, Sehat and Khidmat card, Kamyab Javan

Programme etc. have been very appreciated by the public generally and are recognised for making a remarkable difference in the lives of many. For instance, BISP made “disbursements in the form of unconditional cash transfers to about 5 million deserving families”. The BISP has reduced the poverty rate by about seven percent on its own. Likewise, *Sehat Insaf* Cards and *Khidmat* Cards too are “expected to provide access to quality healthcare to over 80 million people in the coming years”. Similarly, a decrease in poverty rate too has been witnessed in recent years, though Covid-19 has had a bitter impact on the efforts. Yet despite of the agonies that Covid-19 has bought with it, Pakistan managed to effectively deal with the challenges and its efforts have also been recognised by the WHO. Hence although the country is struggling hard to overcome the issue of poverty, the situation of the economy,

unemployment, falling living standard, inflation, corruption and mismanagement shows that there is much more to be done. Pakistan is facing various serious issues, and everything cannot be expected to get fixed overnight. Establishing goals and setting up priorities are of crucial importance. For this, the government, private sector, civil society groups, non-government organisations, media persons and the public at large must play their role in reducing poverty and in eradicating the evils contributing to poverty. Means and methods to develop effective strategies for tackling poverty and ensuring high and sustained economic growth must be brainstormed. Effective implementation of ongoing economic programmes and policies must be ensured, and additional programmes should be introduced where required.

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