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Mohammad Ishfaq*
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Pakistan

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Dynamics of Agricultural Productivity and Poverty in Pakistan

S.M. Turab Hussain & Mohammad Ishfaq

Abstract

This paper addresses two topics which essentially compliment each other. The first is the empirical investigation of the relationship between aggregate agricultural productivity and poverty in Pakistan through the course of time. The second is the estimation of the central inputs or determinants of agricultural production, again on an aggregate level and through time. The main empirical findings of this research suggest that increases in agricultural productivity have alleviated poverty in Pakistan but not to the extent to which the negative forces of a high population growth and increasing food prices have worsened its incidence. In the case of the determinants of agricultural productivity, the results show that accompanied with the size of the cropped area, fertiliser off-take has played the most significant and powerful role in increasing agricultural productivity through time in Pakistan, especially at the onset of the Green Revolution — the introduction of High Yield Variety crops and seeds in the late sixties.

Introduction

I.I Agriculture and Poverty in Pakistan - A Brief Overview:

The urgency of development and poverty alleviation in Pakistan has resulted in the inevitable dilemma of whether or not industrial growth should take precedence over agricultural development. It is now widely held by development economists¹ that industrialisation cannot achieve the goal of prosperity without the simultaneous transformation of the agricultural sector — the source of sustenance of the bulk of the nation's people. Therefore, in the presence of an ever increasing population a rise in agricultural/food productivity is imperative to support the growing needs of the people. Even though the last decade has seen a concentration of development in the urban manufacturing sector, Pakistan is still essentially an agricultural economy. Agriculture today contributes about 24 per cent of gross domestic product, accounts for half of the employed labour force and is the largest source of foreign exchange earnings. Unfortunately, since the inception of the country this sector has been severely mismanaged by both the government planning authorities and owner inefficiencies, not to

¹ Southworth & Johnston. Page 10.

mention the negative effects of the high degree of corruption prevailing in the system at large.

In spite of the fact that Pakistan has the largest single contiguous gravity flow irrigation system in the world, and from once being a granary of the sub-continent, it has become chronically deficient in food grains such as oil seeds, pulses etc. Instead of striving towards self sufficiency in the production of food—major cash crops, the country's import bill of wheat and edible oil alone has soared to Rs.60.0 billion per annum² — a heavy drain on the national exchequer. A fitting example of the degree of inefficiency and misallocation within the agricultural sector is the indiscreet setting up of sugar mills and plantation of sugar cane in prime cotton and rice areas. This has resulted in a significant decline in the area and productivity of these crops, which happen to be the country's main export crops. All these deficiencies in the agricultural sector have had an adverse effect on the general economic health of the country, which cannot be better reflected than from the persistent high degree of poverty levels existing in the rural areas (31 per cent of the rural population in 1994 below subsistence)³.

Review of Literature

2.1 Summary of Analysis of Selected Literature

One of the most prominent papers on the subject of poverty and agricultural productivity is Ahluwalia (1978)⁴. In this paper, Ahluwalia specified the following model to examine the impact of agriculture performance on rural poverty:

$$\text{Pov}_t = c_0 + c_1 \text{NDPARP}_t + c_2 T$$

Where "Pov" represents an index of rural poverty, NDPARP stands for net domestic product in agriculture per rural person and T is for time. This particular model was tested on all-India data spanning the period 1956-57 to 1973-74. Ahluwalia employed three alternative measures of poverty in his analysis. For the explanatory variable NDPARP, two year values. A sample of the results is shown below:

² *Pakistan Economic Survey* 1996-97.

³ *Trends in Developing Economies*, 1994, Page 395.

⁴ Ahluwalia, M.S., 1978.

Table-1

$PovI_t$	$= 136.12 - 0.55NDPARP_t - 0.141T,$	$R^2 = 0.50$
	(4.84) (-3.2) (-0.64)	
$PovII_t$	$= 127.24 - 0.451NDPARP_t - 0.021T$	$R^2 = 0.62$
	(5.80) (3.64) (0.09)	
$PovIII_t$	$= 0.770 - 0.0033NDPARP_t - 0.0024T$	$R^2 = 0.52$
	(461) (348) (152)	

From the above results, Ahiuwalia inferred that rural poverty is inversely related to the measure of agricultural productivity NDPARP and there is no residual time trend in poverty after allowing for changes in NDPARP. According to Ahiuwalia the above results suggest that there exists a certain amount of trickling down of benefits from increases in agricultural productivity.

G.M. Desai in "Trends in Rural Poverty in India: An interpretation of Dharm Narain"⁵, has given a reconstructed version of Dharm Narain's⁶ model which is essentially a modification of Ahtuwalia's model. This has been done through the inclusion of nominal prices of commodities consumed by the rural households as an exogenous variable along with agricultural productivity. The price variable has been specified in two alternative ways, the consumer price index for agricultural labourers (CPIAL) and the index number of wholesale prices of food grains (FPI). The following two models were hence formulated after logarithmic transformation of the variables.

$$\log Pov_t = a_0 + a_1 \log NDPARP_t + a_2 \log CPIAL_t + a_3 \log T$$

$$\log Pov_t = a_0 + a_1 \log NDPARP_t + a_2 \log EPI_t + a_3 \log T$$

The above models were tested for a period ranging from 1956-57 to 1970-71, and the following estimated equations were obtained:

Table-2

$\log Pov_t$	$= 4.592 - 0.631 \log NDPARP_t + 0.582 \log CPIAL_t - 0.174 \log T,$	$R^2 = 0.93$
	(-3.595) (8.537) (-5.595)	
$\log Pov_t$	$= 6.072 - 0.841 \log NDPARP_t + 0.499 \log FPI_t - 0.025 \log T,$	$R^2 = 0.91$
	(-4.837) (8.022) (-7.029)	

⁵ Desai.G.M.. 1985.

⁶ Pioneerins researcher in this field.

In both the estimates NDPARP, the agricultural productivity variable, has a negative significant coefficient, corresponding to the findings of Ahiuwalia. The price variables have a positive coefficient, signifying the indirect effect of a rise in agricultural production on the alleviation of poverty through a reduction of good prices during the period of the Green Revolution in India. The negative time trend indicates a reduction in poverty through time due to exogenous variables which have not been included in the model.

Development economist Ashwani Saith has ascribed the negative time trend to the increased rural-urban migration which according to his study, might have reduced the impact of rural poverty in India during this particular period of time⁷. Saith, estimated a model similar to that of Narain's over the same time period, but took the percentage deviations of the index of both agricultural productivity and price index of agricultural labourers from their fitted trend values as the explanatory variables. His results shown below indicate that price rises accentuate poverty more than increased agricultural production alleviates it.

Table 3

$\text{Pov}_t = 43.08 - 0.28 \text{DIAP}_t + 0.32 \text{DCPIAL}_t + 0.64T,$	$R^2 = 0.93$
(21.64) (-3.32) (4.66) (3.31)	

2.2 Literature on the Determination of Agricultural Productivity

The first paper reviewed in this section deals with the greater efficiency in production generated through the education of the farmer in the case of the cultivation of High Yield Variety crops (HYV) which represent the introduction of new technology in the wake of the Green Revolution in Pakistan. The author of this paper, Rauf A. Azhar⁸ hypothesises that in the case of the new HYV crop varieties, the difference in the farmers' educational background has a significantly greater effect on the technical efficiency of production, than compared to the traditional crop type. In other words, education coupled with new technology results in greater production, than education combined with traditional methods of production. For each of the crop varieties a modified Cobb-Douglas production function is estimated, using cross sectional farm data for 1976-77, from a WAPDA⁹ survey. The reason behind taking this particular period is the widespread adoption of the HYV varieties in the late 70s in Pakistan.

⁷ Saith, Ashwani., 1981.

⁸ Azhar, Rauf A., 1985.

⁹ Water and Power Development Authority of Pakistan.

The modification on the usual Cobb-Douglas function done by Azhar is through the introduction of shift variables, which are inputs other than land and labour which are non-essential and can obtain a zero value. The estimated equation is the following:

$$\ln y = C + a_0 \ln N + a_1 \ln l + \beta_1 r + \beta_2 n + \beta_3 p + \beta_4 m + \beta_5 s.$$

When:

Y = farm crop output (maunds)

N = farm crop area (acres)

I = Labour unit (man days/acre)

r = irrigations (number of water applications/acre)

n = nitrogenous fertiliser (kg/acre)

p = phosphorous fertiliser (kg/acre)

m = farmyard manure (maunds/acre)

s = years of schooling of the farmer.

The following are a sample of the results, with wheat crop output (HYV and traditional), as the dependent variable after using Ordinary Least Squares (OLS) methodology:

Table 4

Wheat (HYV):

$$\ln Y = 2.03 + 0.875 \ln N + 0.0081 \ln l + 0.093 r + 8.31E-04 n + 0.0015 p + 5.89E-04 m + 0.0128 s \quad R^2 = 0.604$$

(17.99) (31.880) (0.400) (10.887) (2.818) (2.929) (1.893) (2.325)

Wheat (traditional):

$$\ln Y = 1.58 + 0.948 \ln N + 0.0251 \ln l + 0.103 r + 6.75E-05 n + 8.22E-04 p + 3.76E-05 m + 0.0077 s \quad R^2 = 0.573$$

(5.76) (13.721) (0.436) (4.494) (0.061) (0.158) (0.036) (0.356)

The above results according to Azhar, show that education in the case of the HYV variety has a positive significant effect on production as compared to the traditional variety for which education is insignificant, hence corroborating the main hypothesis. Moreover, the results also show

that HYV variety is more efficiently employed by small farmers as indicated by the lower coefficient of elasticity of cropped area for the HYV estimates. Also, the labour coefficient in both cases are positive and insignificant, while the elasticity coefficients of fertilisers and manure are positive and significant only for the HYV variety crop. Azhar maintains that the latter results show that the effect on production of new technology during the Green Revolution was stimulated primarily by fertiliser off-take.

The second study reviewed here deals with the estimation of technical efficiency in agricultural production in the North West Frontier Province of Pakistan. This study carried out by A. Parikh and K. Shah¹⁰ measures technical efficiency using a translog frontier production function on cross sectional data from 397 farms in the area, for the year 1988-89. Through the estimation of the following translog function and applying the Stochastic Production function¹¹ the authors have constructed an efficiency index, which is then employed as the endogenous variable to get the determinant of technical efficiency.

$$\text{Translog function: } \log y = \beta_0 + \sum_{i=1}^5 \beta_i \log x_i + \frac{1}{2} \sum \sum_{ij} \gamma_{ij} \log x_i \log x_j + \epsilon$$

Where y and x are output and input per acre respectively. Where the inputs (x_i 's) are the costs per acre of manure, fertiliser, wage, bullock and tractor. The only variable found to be significant after using the Maximum Likelihood estimation method was fertiliser with a marginal productivity of 0.38. The index of efficiency obtained by applying the stochastic production function approach yielded a high level of efficiency on an average (mean level 96.2 per cent), suggesting the well-developed infrastructure of the region and the usage of advanced inputs e.g. HYV, irrigation and chemical fertilisers for many years. The next step by the authors was to identify the determinants of technical efficiency. This was done through the OLS estimation of the following model:

$$TE = \alpha + \beta_1 FS + \beta_2 AG + \beta_3 ED + \beta_4 OE + \beta_5 AS + \beta_6 WT + \beta_7 CD + \beta_8 FG + \beta_9 EX + V_1$$

The above variables of the model are, in order, technical efficiency (TE), family size (FS), age of the head of household (AG), education of the

¹⁰ Parikh, A. & Shah, K 1994.

¹¹ Stochastic Prod. Function: $y=f(x_i, b)e^\epsilon$ where $\epsilon = u + v$.

Measure of Technical efficiency for each farm: $TE = \exp\{E\{u/\epsilon\}\}$

where $E(u/\epsilon) = \sigma_u \sigma_v / \sigma [f(\epsilon/\sigma)/1-f(\epsilon/\sigma)]$ and $\sigma = \sigma_u / \sigma_v$

head (ED), off-farm work (OE), value of farm assets per acre (AS), value of non-farm assets per acre (WT), credit per acre (CD), degree of fragmentation (FG) and meetings with extension service (EX). The results of the above model indicated that family size (due to shortage of labour in the area), education and credit per acre increase farm efficiency while fragmented land decreases it significantly.

Empirical Analysis

3.1 Theoretical Foundation to the Model

3.1.1 An Overview

The theoretical analysis of agricultural productivity and its effect on poverty in a dynamic framework (changes through time in a traditional society and the transformation to a progressive society) divulged certain variables which provide the linkage effects between poverty and productivity. These variables were essentially agricultural population, labour force and the price levels. Rapid population growth intuitively worsens poverty, by quickly exhausting both the land and existing income sources, while increase in the labour force or employment through enhanced productivity in rural areas lessens its incidence. If prices received by farmers is considered, then increases in it benefit the farmer and the effects can also trickle down to the landless labourer through higher wages and increased employment. On the other hand a rise in prices paid would have an adverse effect on the landless labourers by forcing down their real incomes possibly below subsistence level. Therefore the effect of productivity on poverty through prices is mainly an issue of the degree to which agricultural productivity affects prices and the specification of the price variable. The following section deals with the empirical investigation of the effect agricultural productivity, prices and population have had on poverty levels in Pakistan.

3.1.2 Agricultural Productivity, Prices, Employment and Poverty:

All Pakistan Analysis

Based on the theory and the past empirical work on this subject the following two models, with two separate agricultural commodity price variables, have been specified to test the relationship between agricultural productivity and poverty.

$$\log \text{POV}_t = \alpha_0 + \alpha_1 \log \text{IAGR}_t + \alpha_2 \log \text{ASPI}_t + \alpha_3 \log \text{POP}_t + \alpha_4 \log \text{TIME}_t + u_t \dots\dots(1)$$

$$\log \text{POV}_t = \alpha_0 + \alpha_1 \log \text{IAGR}_t + \alpha_2 \log \text{ASPI}_t + \alpha_3 \log \text{TIME} + u_t \dots\dots\dots(2)$$

where¹²

POV_t Head count index (Average Poverty line: Exp. 100-109 Rs./cap/rmonth in 1979 prices and subsequent changes in accordance with *World Bank Report 1990* on average rural poverty reductions in Pakistan).¹³

IAGR_t Index of Agricultural Production.¹⁴

ASPI_t Procurement/Support Price Index of Agricultural Commodities. (Rs/40Kg.)¹⁵

ACPI_t Agriculture Consumer Price Index.¹⁶

POP_t Rural Population. (Millions)¹⁷

The hypothesis to be tested or the expected sign of coefficients as postulated by the theory for both the models above are the following:

- α_1 (IAGRP) < 0
- α_2 (ASPI) < 0, α_2 ACPI > 0
- α_3 POP . 0
- α_4 TIME > 0 or < 0

In other words, the central hypothesis to be tested here is that agricultural productivity not only increases the revenues of the land holding class, but also increases the real incomes and employment levels of the landless labourers, in short it reduces the incidence of rural poverty. The above two models were tested for the period 1970 to 1996 and 1973 to 1993 respectively on the all Pakistan data described above. The following are the estimated equations obtained through Ordinary Least Squares regression procedure:

¹² The data on agricultural productivity, prices and population was obtained from Pakistan as it was not available in the UK.

¹³ Sources: "The incidence of poverty in developing countries: An ILO Compendium of data. 1992" pages 34-35 & *World Development Report, 1990* (And relevant years)

¹⁴ Source: *Economic Survey of Pakistan 1996-97*.

¹⁵ Ibid.

¹⁶ Source: *World Tables 1995, IBRD Publ.*

¹⁷ Source: *Economic Survey of Pakistan, 1996-97*.

Table-5: Agricultural Productivity and Poverty

Model I				
(1) Estimate with Agricultural Procurement/Support price (ASPI _t)				
LogPOV _t = -2.86 - 0.18 log IAGR _t + 0.50 log ASPI _t + 1.54 log POP _t - 2.06 log TIME				
-2.224	-2.248	2.8176	3.8871	-6.344
(***)	(***)	(***)S*	(****)	(****)
R ² = 0.87		F-stat = 36.26		D.W =- 1.80
Model 2				
(2) Estimate with Agricultural Consumer Price Index ACPI _t)				
Log POV _t = -2.32 - 0.02 log IAGR _t + 0.52 log ACPI _t - 0.47 log TIME				
-2.266	-0.225	2.316	-3.531	
(***)		(***)	(****)	
R ² = 0.67		F-stat = 11.88		D.W =- 1.76
Model 2 Modified				
(3) Estimate with lagged Agricultural Productivity				
Log POV _t = -0.04 - 0.33 log IAGR _{t-2} + 0.30 log ACPI _t - 0.38 log TIME				
-0.041	-4.4854		1.450	-2.571
	(****)			(***)
R ² = 0.83		F-stat = 24.95		D.W =- 2.34

Note (****) indicates significance at the 1% level.

(***) indicates significance at the 5% level.

The above results indicate that all the explanatory variables have a significant effect on poverty in the first equation. In the estimate of the first equation the central variable, agricultural productivity, is significant at the 5 per cent level, with a negative coefficient (-0.18), according to which an increase of 0.18 units in the agricultural productivity index results in a 1 per cent decline in the poverty index. Hence the central hypothesis that agricultural productivity reduces rural poverty is accepted. In the second estimate agricultural productivity is insignificant, while in the third it becomes significant with a negative coefficient (-0.34), almost twice more powerful than in the first estimate, after it is lagged far two years to provide a cushioning effect.¹⁸

¹⁸ A fall in productivity might not affect poverty levels immediately as the rural poor resort to the selling of assets etc. to meet subsistence requirements at least for a short period of time.

The above results suggest that the trickle down effect of increased agriculture productivity has been present to a certain degree during the past couple of decades in Pakistan. Though it was argued in the theoretical analysis that in the presence of large disparities in land ownership, increased productivity can result in greater inequalities as the benefits of it are biased towards the land owners, the results show that productivity increases have benefited the subsistence farmers and the landless labourers also. These benefits are essentially through the direct effects of productivity increase which, as mentioned in the theory section, are increased wages and employment. Though the analysis on the effects of agricultural productivity on labour wages could not be carried out due to data problems, the following model was estimated over a period ranging from 1970 to 1996, to see the effect agricultural productivity has had on rural employment:

$$\ln \text{LAB}_t = \alpha_0 + \alpha_1 \log \text{POP}_t + \alpha_2 \log \text{ACRP}_t + \alpha_3 \log \text{ASPI} + u_t \dots\dots(3)$$

Where:

LAB_t .Agricultural Labour Force (Millions)¹⁹

Table6: Agricultural Productivity and Rural Employment

Model 3				
(1) Estimate with Agricultural Consumer Price Index ACPI_t				
$\text{LogLAB}_t =$	-1.31	$+ 0.32 \log \text{POP}_t$	$+ 0.26 \log \text{AGRP}_t$	$- 0.38 \log \text{ASPI}_t$
	-1.616	-2.674	2.323	0.0172
		(***)	(***)	
$R^2 = 0.96$	$F\text{-stat} = 220.27$	$D.W = -1.95$		
Model 3 Modified with lags				
(2) $\text{LogLAB}_t = -1.77 + 0.20 \log \text{AGRP}_t + 0.14 \log \text{AGRP}_{t-1} - 0.24 \log \text{ASPI}_t$				
	-2.765	-1.966	1.227	-1.9080
	(****)	(****)		
$R^2 = 0.97$	$F\text{-stat} = 235.20$	$D.W = -1.96$		

Note (****) indicates significance at the 1% level.

(***) indicates significance at the 5% level.

The above results, of both the estimates, indicate the presence of positive trickle down effects of an increase in agricultural productivity. According to the results, increased agricultural productivity has had a significant positive effect on the agricultural labour force or employment level in Pakistan in the past couple of decades. Therefore, productivity

¹⁹ Source: *Economic Survey of Pakistan, 1996-97.*

increases have not been characterised completely through the displacement of labour with mechanisation, and the positive effects on employment have filtered down to the poor and reduced poverty levels. In addition to this it has to be noted that population growth, as seen in the estimates, has a significant and a bigger impact on growth (0.32 and 0.2-1) of the rural labour force than the absorption capacity of the agricultural sector (0.26 and 0.20). Therefore, there is a constant pressure on the agricultural sector to absorb the growing surplus labour, which if not employed would not only worsen the existing rural poverty levels but would also dampen the productivity of the urban manufacturing sector due to continued migration. According to a recent, study, the percentage of rural immigrants living in unserviced areas of cities was about 2) percent in the mid-1980s and is expected to rise to 60 per cent by the end of the century in Pakistan.²⁰

Referring to Table I, the procurement/support price variable in the first equation is significant and has a high positive coefficient (0.50) as opposed to the negative coefficient postulated by theory. This reflects the fact that even though the government of Pakistan has been providing farmers with price supports²¹ to check the fluctuations in agricultural commodity prices, the large landless and subsistence farming class has been severely affected by the increasing food price trend, which is somewhat reflected in the support or procurement prices. The second estimated model with agricultural consumer price index as an explanatory variable confirms the detrimental effect prices have had on rural poverty in Pakistan. The variable is significant and has a positive coefficient of 0.52 as hypothesised. Thus in both the estimates, price has a much more powerful adverse impact on poverty than agricultural productivity has in its alleviation.

In the theoretical analysis, the indirect effects of agricultural productivity were mainly attributed to the change in food prices. Higher productivity is supposed to reduce the prices of agricultural commodities hence increasing the area of the entitlement mapping of the poor subsistence farmer and landless labourer. This results in the reduction in poverty levels through the increase in the real incomes of the poor. In order to empirically investigate the degree of the indirect effect of higher agricultural productivity on poverty through food prices, the following model was estimated:

$$\log ACPI_t = \alpha_0 + \alpha_1 \log AGRP_t + \alpha_2 \log AGRP_{t-1} + \alpha_4 \log APOP + \alpha_2 \log TIME + u_t \quad (4)$$

²⁰ Hussain, Akmal, page 4.

²¹ The support price acts as a minimum guaranteed price for growers, and safeguards their interest if the open market prices tend to fall during the post harvest season.

Table 7: Agricultural Productivity and Food Prices

Model 4				
$\text{LogACPI}_t = -3.14 + 0.05 \text{logAGRP}_t + 0.07 \text{logAGRP}_{t-1} + 1.70 \text{logAPOP}_t + 0.22 \text{logTIME}$				
-4.597	1.369	-1.851	11.104	5.4108
(****)		(***)	(****)	(****)
$R^2 = 0.99$		$F\text{-stat} = 1024.27$		$D.W = -1.75$

Note (****) indicates significance at the 1% level.

(***) indicates significance at the 5% level.

In the above model, the lagged agricultural productivity variable has been included to capture the latent effects of fluctuations of productivity or price levels.²² The results indicate that increases in agricultural productivity lower food prices with a time lag of one year. The coefficient of productivity in relation to prices is quite low (0.07), especially if it is compared to the population coefficient (1.7). The results corroborate the theory to a large extent. There is a trickling down of benefits through the price variable, but due to the much bigger impact of population growth on prices (demand pull inflation) these positive effects are more or less neutralised. Moreover food price increases in the case of Pakistan in the past couple of decades have not only been characterised by demand pull inflation, the increasing input costs of modernising the methods of production e.g. use of fertiliser, pesticide, renting tractors etc. has also resulted in cost push inflationary pressures on food prices.²³ Furthermore, in the past couple of years there have been serious shortages in food supply due to low cotton, sugar cane and wheat production which has pushed up food prices considerably.²⁴ These inflationary effects are extremely detrimental to the rural landless labourer, as the results of Table I show prices to be much more powerful than mere productivity in affecting poverty.

Referring to Table 1, population, as postulated by theory, has a highly significant positive coefficient (1.54), and thus has played a leading role in increasing the incidence of rural poverty in Pakistan. Furthermore, in the analysis of the indirect effects of agricultural production, with population in the back drop, the estimated models in both Tables 2 and 3 strongly suggest that population counters all the indirect positive effects of production increase. It not only raises the price levels through time but also

²² Formulation based on Raghav Gaiha's model in Poverty, agricultural production and prices in rural India - a reformulation. Page 346

²³ *Economic Survey of Pakistan*. 1996-97 page 9.

²⁴ *Ibid.*, page 15.

puts employment pressures on both the rural and the urban sector, hence leading to greater poverty. In the past three decades the growth of population in Pakistan has been on an average 3 per cent per annum while agricultural growth has been stagnant at a growth rate of 4 per cent per year during this time.²⁵

Lastly, the negative significant coefficient of the time variable in all three estimates in Table-1 suggests that poverty has also been reduced by other factors not included in the model. This is in conformity with the findings of Ashwani Saith²⁶, who has ascribed the negative time trend to the increased rural - urban migration in developing countries, which to a certain extent has mitigated the impact of rural poverty. In Pakistan the rural labour force has declined by 16 per cent in the past three decades due to increased migration to urban areas though agriculture will remain the largest source of employment in the country.²⁷

3.2 Determinants of Agricultural Productivity in Pakistan

3.2.1 The Model

For the purpose of analysing agricultural production through the course of time, the following dynamic Cobb-Douglas production function, presented in detail in the theory section, is employed for the estimation of the agricultural production function:

$$Y(t) = N(t)^{b_1} L(t)^{b_2} \sum_{i=1}^n K_i(t)^{b_i}$$

Where Y(t) represents total production, N(t) is the cropped area, L(t) is the labour force and K(t) stands for the capital inputs. The implicit assumption in the estimation procedure of the above model is that the level of technology in Pakistan improved significantly in the late 60s in the wake of the Green Revolution, but has since then remained fairly constant, though the combination and degree of intensity of inputs has changed through time. This assumption allows us to estimate a time series production function, which in the scenario of constantly changing technology can only be employed for a time period representing a specific state of technology. After simplification the following model is obtained:

$$\Delta Y/Y = b_1 \Delta N/N + b_2 \Delta L/L + \sum_{i=1}^n b_i \Delta (K_i/K_i)$$

²⁵ Ibid., page 15-16.

²⁶ Saith, Ashwani., 1981.

²⁷ *Economic Survey of Pakistan*. 1996-97. Page 22.

By simply denoting $\Delta Y = \Delta N/N$ and so on, the model to be tested is:

$$\Delta Y = b_0 + b_1 \Delta N + b_2 \Delta L + b_3 \Delta K_{Fert.} + b_4 \Delta K_{Trac.} + b_5 \Delta K_{Irrig} + b_6 \Delta K_{Cred.} + u_t$$

Where:²⁸

- Y Total Food Grains (tonnes)
 N Total Cropped Area (million hectares)
 L Labour Force (million)
 K_{fert} Fertiliser off-take (000 N/tonnes)
 K_{trac} Area irrigated by all sources (million hectares)
 Y_{irrig} Total Tractor Supply (nos)
 K_{cred} Total Credit Disbursed (Rs. million)

3.2.2 The Determinants of Agricultural Production 1968-1996

The results obtained through the Ordinary Least Squares regression procedure of the entire sample period 1968-1996 are shown in the table below:

Table 8: Estimation of Agricultural Production 1968-1996

Model 4							
$\Delta Y =$	-0.02	$+0.66\Delta N$	$+0.24\Delta L$	$+0.43\Delta K_{Fert.}$	$+0.003\Delta K_{Trac.}$	$-0.17\Delta K_{Irrig}$	$+0.01\Delta K_{Cred.}$
	(-1.306)	(2.196)	(0.893)	(6.257)	(0.124)	(-0.858)	(0.332)
				(***)		(****)	
Scale Coefficient – $\Sigma b_1 = 1.09$ (Increasing returns to scale)							
$R^2 = 0.71$ F-stat = 8.776 D.W = - 1.75							

Note (****) indicates significance at the 1% level.
 (***) indicates significance at the 5% level.

The above estimation of the agricultural production function over the entire period 1968-96 indicates that there are only two inputs which have significantly affected the growth of production in Pakistan. Cropped area with an elasticity coefficient of 0.66, is significant at the 5 per cent

²⁸ Source: *Economic Survey of Pakistan, 1996-97*. (For all variables listed below).

level, while in the series of capital inputs fertiliser off take is significant at the 1 per cent level with a coefficient of elasticity of 0.43. The scale coefficient of 1.09 shows that the sector has experienced an aggregate, increasing returns to scale. In other words a 1 per cent increase in both fertiliser off take and cropped area results in a 1.09~ per cent increase in total agricultural output. The insignificance of Labour is probably due to the presence of a large labour force in rural areas, which has a marginal productivity of near zero and therefore at a marginal level has an insignificant effect on total product. This reflects the theoretical foundation of the Arthur Lewis model of surplus labour, in which a zero marginal productivity of labour is assumed. In Figure I presented in the theory section, the production point of the agricultural sector of Pakistan can be associated with point C, where the marginal productivity of labour is zero, but total product, given a particular state of technology, is at its maximum.

The other capital inputs namely tractors, irrigation and credit disbursed are insignificant in affecting aggregate agricultural productivity in Pakistan. In the case of tractors, only a small proportion of the farming community has access to them or can afford its costs of purchase and use. Government experts estimate that about 25 per cent of farmers still use traditional methods such as oxen and hand ploughs, about 55 per cent use a mix of traditional and modern methods and the remaining 20 per cent have adopted modern technology and equipment such as tractors.²⁹ Therefore, as a consequence of the scant use of tractors it could not have played a significant role in productivity during the past three decades. The irrigation variable has been insignificant during this entire period due to the continued inefficiency and misallocation of the water resources in the country. In spite of the presence of the world's largest contiguous surface water distribution system with 36,000 miles of canal conveyance which irrigates 78 per cent, is water logged.³⁰ Therefore, mismanagement of the irrigation system has literally resulted in a loss of crop productivity rather than any significant increase in it.

Lastly, the insignificance of the rural credit variable reflects the inefficient and highly inequitable distribution of agricultural loans. Even though the Agricultural Development Bank of Pakistan has now been in existence for thirty years, most of the credit distributed is directed towards the large landholding families exerting political influence.³¹ Foreign aid and loans targeted towards the small farmers fail to even reach their target

²⁹ "The state of goods and agriculture. 1996' F.A.O. Agriculture Series. 1996

³⁰ *ibid.*

³¹ It should be noted that in rural areas there is a large informal sector, and, and most of credit obtained by small farmers is through the informal credit market which is not accounted for in official statistics.

groups. According to the Swiss Development Corporation Mission, at most 5 to 15 per cent of the target group of small farmers benefit directly from development loans.³²

At this stage the agriculture production function for the period of the Green Revolution and post-Green Revolution is estimated. The graph below clearly indicates the two time periods in agricultural productivity. The 1960-1980 (Green Revolution) is a period of fairly high growth, while the following years have seen a significant fall in productivity.

Table 9: Estimated during the Green Revolution 1968-1980

$$1) \Delta Y = -0.13 - 0.04 \Delta N + 1.28 \Delta L + 0.70 \Delta K_{\text{Fert}} + 0.03 \Delta K_{\text{Trac}} - 0.27 \Delta K_{\text{Irrig}} + 0.07 \Delta K_{\text{Cred}}$$

$$(-2.355) \quad (-0.079) \quad (0.923) \quad (6.331) \quad (1.503) \quad (-1.334) \quad (2.092)$$

$$(***) \quad \quad \quad (****) \quad \quad \quad \quad \quad \quad \quad \quad \quad (***)$$

Scale Coefficient - $\Sigma b_1 = 0.77$ (decreasing returns to scale)

$$R^2 = 0.92 \quad F\text{-stat} = 11.542 \quad D.W = -2.67$$

$$2) \Delta Y = -0.003 + 1.99 \Delta N + 0.59 \Delta L + 0.43 \Delta K_{\text{Fert}} + 0.04 \Delta K_{\text{Trac}} - 2.30 \Delta K_{\text{Irrig}} + 0.01 \Delta K_{\text{Cred}}$$

$$(-0.237) \quad (2.662) \quad (1.955) \quad (2.692) \quad (-0.909) \quad (-1.889) \quad (0.170)$$

$$\quad \quad \quad \quad \quad \quad \quad \quad \quad (***) \quad \quad \quad \quad \quad \quad \quad \quad \quad (****)$$

Scale Coefficient - $\Sigma b_1 = 0.71$ (decreasing returns to scale)

$$R^2 = 0.61 \quad F\text{-stat} = 2.654 \quad D.W = -2.02$$

Note (****) indicates significance at the 1% level. (***) indicates significance at the 5% level. (**) indicates significance at the 10% level.

The above results, in the case of the period of the Green Revolution, show that fertiliser off take is significant and has a very high coefficient of elasticity (0.70). This indicates the fact that coupled with the new high yield variety crops and seeds, new technology such as fertilisers was very effective in terms of their marginal productivities. The second variable which is significant is the credit disbursed, with an elasticity coefficient of 0.07. As mentioned before, the Agricultural Development Bank of Pakistan was established in 1961, with the central aim to incorporate and facilitate the wide spread change in the method of "production in order to increase the efficiency and productivity of the agricultural sector. This was achieved during the period of the Green Revolution through the provision of easy credit to small farmers so that they could mechanise their farming techniques in step with the introduction of the high yield variety crops. This is the primary reason behind the

³² Hussain, Akmal., page 24.

significance of the credit variable, indicating that the provision of easy loans to small farmers did have a significant impact on overall agricultural productivity. The rest of the input variables are insignificant, the reasons behind their ineffectiveness have been outlined in the previous section with the exception of cropped area which in this case is insignificant, probably due to the lack of utilisation of cultivable area during this period of time. Overall, the returns to scale in the period of the Green Revolution are decreasing, reflecting the fact that the momentum of the new technology was not kept up and hence the potential benefits of the changes were never exploited fully.

The estimate for the post Green Revolution period reveals four inputs to be significant in the production process. Labour, which was insignificant in the past, is significant with a positive coefficient of elasticity (1.955). This is mainly due to the excessive rural-urban migration during the last decade which, to a great extent, relieved the pressure of surplus unproductive labour from the rural areas of Pakistan. Statistics indicate that the share of labour employment in agriculture has dropped from a staggering 60 per cent in the 60s to 46 per cent in the 80s and 90s.³³ The marginal productivity of fertilisers during this period has dropped to 2.69. This is due in the main to the unavailability of fertilisers to the small farmers, high costs, *and* adulteration of the product in domestic production, which has an adverse effect on production.³⁴

Though cropped area in this period has a positive significant effect on productivity, the variable of irrigation has interestingly a negative significant elasticity coefficient (-2.30). This high coefficient, representing negative marginal contribution to productivity reflects the high degree of inefficiency and misallocation of the water resource in the country during the past two decades. According to the FAO report of 1996, the efficiency of the irrigation system in Pakistan has been given a rating of 35 per cent to 40 per cent. Water logging and salinity as mentioned before, are a major problem caused by the sub-optimal usage of water. These problems have claimed 35 per cent of the cultivable land in Pakistan. The credit variable is insignificant (the reasons behind this were mentioned in the last section) the central reason being the inequitable distribution of loans by government agencies.

In conclusion, it can be said that through the course of agricultural production in Pakistan fertiliser is the only 'input which has consistently played a significant role especially during the time of the Green Revolution,

³³ *Economic Survey of Pakistan*, 1996-97, page 22.

³⁴ "The state of goods and agriculture. 1996." FAO. Agriculture Series.

when these were coupled with the HYV variety seeds. Moreover, due to the expense and inviolability of other forms of capital, the largest segment of the rural population - the subsistence farmer has not been able to transform the method of production significantly. This is indicated by the insignificant contribution to aggregate production of the otherwise productivity enhancing variables such as tractors. Finally, the government planning agencies have not utilised and distributed resources such as water and credit efficiently in the past three decades resulting in its lack of effectiveness in the production process.

3.3 Policy Implications

Though an entire array of policies aimed to alleviate poverty and enhance agricultural productivity can be listed, here we would restrict ourselves to only the most relevant. The first aim of the government of Pakistan should be to enhance the productivity of the agricultural sector through the provision of the required capital inputs which would speed up the transformation process. These inputs range from efficient provision of easy credit to the small farmer, availability of unadulterated fertiliser and pesticide, tractor and harvester services, improvement in the effectiveness of the vast irrigation system, utilisation of cultivable wastes and finally farmer education.

Furthermore, the high rate of population growth needs to be checked in order that the increased agricultural productivity has any significant effect on poverty. The prices of inputs in the production process have to be subsidised to reduce the ever increasing costs of cultivation, which inevitably push up food prices. In addition, the development of the non-agricultural mainly service sector of the rural areas is imperative in order to absorb the pressure of surplus labour. Lastly, the existence of the powerful informal sector with the big land/ holders exerting control over rural labour and the capital market has to be abolished in order for the transformation mechanism to have any effect in the first place.

The central problem in this research was the unavailability of data, this resulted in the aggregate estimation of models rather than province or regional based estimation. The effect of this is the inevitable generalisation of the results especially in the case of a country like Pakistan with a diverse agricultural sector with profound regional differences in both structure, soil quality-produce and techniques of farming. Therefore, any analysis on the effect of agricultural production on poverty should be either on a particular region over time or a cross-section of an area at a particular point in time. Moreover, the estimation of poverty level (Head Count Index) in this research does not directly indicate the inequalities in income resulting from

increased agricultural production. Hence, a measure of inequality such as the Gini coefficient or an alternate measure of poverty such as the Sen Index for rural areas should be employed. Unfortunately data on the measures, for a reasonable time span is currently not available for Pakistan. Lastly, the aggregate estimation of the dynamic production function has I problems as it tends to overlook the technological changes through the course of time and can lead to hybrid estimates of the actual production function. Therefore, for such an estimation cross-sectional data give more accurate results as it does not assume away implicit changes in technology.

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Globalisation

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Abstract

The crisis in East Asia has tempered the loud enthusiasm of many economists, magazines and multilateral institutions for unbridled international flows of capital. Since its start some prominent economists and financiers have expressed doubts that market mechanisms, left to themselves, necessarily end with a desirable outcome. Perhaps this is the first step to questioning whether free flows of capital between countries are desirable at all.

Oddly enough, despite all that has been written in textbooks and journals extolling international capital flows and all the romanticisation of 'globalisation' in television advertisements, there appears to be no systematic examination of the gains and losses to be expected from them. One reason may be that economic theory, as it stands now, is ill suited to carrying out such an examination. International economic theory has two strands, the one to explain how trade in finished products and raw materials is determined by comparative advantages and the other, using quite separate assumptions, to explain the balance of payments. In the former it is assumed that capital flows are negligible, in the latter they do little more than accommodate trade imbalances. Neither address the question of what determines capital movements or what their effects might be.

Another reason may be that the success of certain East Asian economies over the last two decades was to a great extent the result of or at least made possible by foreign direct investment (FDI). Seeing how few successes there had been in economic development over the last half century, economists, especially development economists, were not inclined to be critical. The owners and managers of capital had even less motive to ask questions; it was, after all, their freedom of action that was being enlarged. It is also they who have the most influence over the media and, consequently, over the public's views. Such dissent as has been expressed has come mainly from labour movements and left wing circles, whose influence over the media and policy is not great, though the distinction between the effects of trade and those of capital flows is rarely made.

A number of basic questions can be asked about capital flows. To the most basic one, what are their determinants, there is as yet no satisfactory answer. It is a matter of observation that the simple formula so often put forward, sound macroeconomic policies, is neither necessary nor

sufficient, though such policies are sure to be helpful. The next question is, from whom and to whom does capital flow? It makes a great difference whether one speaks in net or gross terms. Developing countries are most concerned with net flows and the net sources of capital are a few European countries and Japan. By far the largest net absorber of capital is the US, although it is one of the biggest sources in gross terms. Of what remains, China has been absorbing about a third and some ten other countries almost all the rest. What are the gains and losses for different countries and social groups? If the conditions are right, FDI and long term loans bring jobs and income to the recipient country. But it seems logical to suppose that they must then have the opposite effect in the source country. FDI, in particular, by creating productive capacity and jobs in the host country implies investment, and therefore jobs and income foregone in the source country. The high rates of unemployment in Europe are more likely to be the effects of capital outflows than the stringency of the Maastricht targets. Portfolio capital seems to offer no benefit to the recipient country compatible with prudent macroeconomic management, if it is regarded as severing the link between savings and investment, as advised by the World Bank, that is imprudent management. Can capital movements be controlled? Despite all that has been said and written to prove that they cannot, controlling them is not difficult and many countries apply their controls quite effectively. It is true that some capital escapes and that corruption can render controls ineffective, but that is true of most laws.

The Meaning of Globalisation

The growing mobility of financial capital is one of three distinct trends that have interacted to enhance each other and are comprised under the broader term 'globalisation'. Of the other two, one is the dispersion by enterprises of their production capacities over different economies, with the output going to yet other destinations. The other is the rise in the speed and ease and the fall in the cost of transmitting information around the world. It is the interaction of these three trends that has given present day globalisation its special character.

The dispersion of production has been rendered possible by declining costs of transport and packaging, which have multiplied the opportunities for reducing the costs of goods by distributing the production of different components or the different stages of the production process over different economies. This trend first became significant in the 1960s, when the European subsidiaries of US motorcar manufacturers began to supply each other with components, but it has since then been especially pronounced with the products that have been most prominent in East Asia's development, apparel and electronics, where the relatively high value in

relation to bulk has made the costs of transporting work in progress or components count for little in total costs. The different stages in the making of a business suit, design, weaving of the cloth, cutting and assembly, can be spread over different countries and often are. Similarly, the various components of an electronic apparatus may be produced in different locations and assembled in yet another place.

The consequence has been that international trade has grown in a manner orthodox theory did not anticipate and has found hard to accommodate, though it is not necessarily in conflict with the facts. The proportion of trade in manufactures that is actually delivery between subsidiaries of the same firm (intra-firm trade) is estimated to have grown to about 30 per cent of all international trade. In contrast, the theory had always been couched in terms of final products and their ultimate markets. There were two reasons for this. One was that it was implicitly assumed that the costs of transport and trade barriers were too great for firms to disperse the production of a good over different countries. The second was that a basic assumption of orthodox trade theory has been that international flows of capital are insignificant, whereas this dispersion has been largely the result of foreign direct investment. The main implications for theory have been that the flow of capital, and therefore comparative advantages, have become consequences of the extent to which the production of goods can be broken down into discrete components and stages and the costs of transport, and that the explanation of the pricing of goods produced and used by the same firm is, to some extent, detached from the actual costs of production and comparative advantages by complications such as the effects on transfer pricing of taxes and financial structure.

Dispersion of production has been helped by advances in the transmission of information. Along with the ease of maintaining contact through oral communication, with better telephone links and devices like cellular telephones, the transmission of data in numerical and graphical form has become instant and cheap. Thus, the design of a business suit and the weave of the cloth can be prepared in one place and transmitted by satellite to distant countries. The same methods have made common the dispersion of numerous services, such as the processing of airline reservations or insurance claims. Travel has also become cheaper, faster and simpler; the comfort and needs of the business traveler are catered to by major industries that are, in themselves, examples of globalisation.

International Capital Flows and their Consequences

Since the late 1970s, gross private international financial flows have been growing much faster than anyone would have predicted in the early

1970s and a considerable part of the growth has consisted of movements on the capital account. Much of the success of the developing East Asian countries, Thailand, Malaysia and Indonesia, is attributable to their inflows of foreign private capital and it has given rise to the widely held belief that similar success was within the grasp of other developing countries that emulated these countries in managing their macro-economic balances prudently, opening their economies to trade and foreign capital and confining the government to necessary activities that the private sector could not perform.

Flows to the Developing Countries

Which countries benefit? Not many

But, however fast capital flows have been growing, there are at any time limits to the net amounts that can flow out of the capital exporting economies, essentially a few European countries and Japan. Countries importing capital must, therefore, compete for it and the competition is more intense the closer the amounts come to these limits. The winner, by a long margin, has been the US, whose annual current account deficit has averaged over US\$ 115 billion since 1984 and is expected to approach US\$ 300 billion in 1998. In comparison, the cumulative net flow of long term capital to developing countries (excluding Korea) from 1990 to 1996 is estimated to have been almost US\$ 950 billion; the estimate for foreign direct investment over the period 1990-97 being US\$ 595 billion [World Bank (c)]. In 1996 long term capital flows to developing countries (including Korea) are estimated to have been US\$ 265 billion.

The result of the competition has been that the distribution of the capital flows has been skewed. For instance, 80 per cent of the long term flows from 1990 to 1995 went to 12 countries, including Russia and Hungary, and one third of the total from 1990 to 1996 went to China [World Bank (a)]. It is not evident that these countries have better records as regards macro-economic prudence, openness or limits to government activity than many countries that have tried and failed to attract foreign investors on a large scale. More comprehensive data would probably show still greater skewness; although the figures given here for long term capital are for net flows, they disregard many forms of capital flight, which have been considerable from Latin America, Africa, South Asia and the former Soviet Union. And the picture would be even worse if the return home of flight capital, especially of the wealth held abroad by nationals of Latin American countries resident in their home countries, were to be excluded from the flows to the developing countries.

What are the benefits to the developing countries? FDI

The economic consequences for a developing country of foreign capital inflows depend on the form that the inflows take. The customary distinction is between foreign direct investment (FDI) and portfolio capital. FDI occurs when productive capacity is set up in the host country with foreign equity financing. The host country incurs no obligation on the financing of the capacity, though it will have an obligation to allow the repatriation of earnings. Portfolio investment comprises everything else by which foreign capital is brought into the host country, including bank loans, bonds, purchases of equity in the host country's enterprises, short term loans and bank deposits in the host country. Global and American depository receipts, although usually classified as portfolio investment, can partake of the character of FDI when used to finance new productive capacity in the host country.

FDI is the form most sought after by developing countries since it results directly in increased productive capacity. It also has little immediate net effect on the balance of payments, since it consists largely of financing of plant and equipment which are imported. So it creates no discernible pressure on the exchange rate. If the investment is in an export activity or one that is not highly protected against competition, there is a net income gain to the economy, even if gross profits are repatriated. But if it is in a highly protected activity, the profit repatriated may be greater than the economic gain. Because of this, highly protected economies such as Pakistan and India until fairly recently, have tried to control foreign investments.

FDI also brings indirect benefits, through externalities. One of them is that it often increases the host country's stock of technical and management skills. When a firm from a developed country makes a direct investment in a developing country, it often employs more advanced technology and management practices than the firms of the host country are likely to have and it trains the locally hired employees in them. The training may be limited, but it can also be substantial, including sending the locally hired staff to the parent company's other units or to its own training facilities. Such training can consist both of basic training and frequent updating courses. A second externality is that the foreign investment can create opportunities for backward links, whereby other firms in the host country supply it with inputs. In combination, these two externalities have been the stimulus to considerable industrial growth in East Asia. Japanese firms, in particular, invested heavily in the training of their employees, and set up subsidiaries as suppliers of inputs for their initial investments. The

pattern of US firms appears to have been to encourage the development of local suppliers (Gereffi in Campbell, Parisotto, *et al.*).

But the opportunity for backward linkage depends on the degree to which the foreign firm integrates into the host economy. It frequently happens that the incentives offered to foreign firms to make a direct investment in the country ensure that they will not be subject to the ordinary difficulties and costs faced by local businesses. Thus they may get special tax treatment and benefit from simplified procedures for customs and foreign exchange. If, then, a local firm wishes to supply inputs, it must compete with the foreign firm's ability to import easily and free of duty, while it, itself, faces the difficulties of which the foreign firm has been relieved. Consequently, arrangements such as EPZs in Mexico, Tunisia and Malaysia are observed to result in little linkage (Gereffi in Campbell *et al.*). The firms in them import their inputs and export their outputs, usually confining themselves, like many Mexican *maquilladoras*, to simple assembly operations. This may be one reason why the World Bank finds the indirect effects of FDI "hard to pin down". [World Bank (c). See also Aitken and Harrison]

What are the benefits to developing countries of inflows of portfolio capital? It can cause macro-economic problems and it is a dangerous way to finance current account deficits

Portfolio investment's advantages to the host country are more doubtful. In theory it "severs the link between savings and investment" [World Bank (c), e.g. pp. 23 and 165] but, in practice the conditions for that to work are rarely found in developing countries. Consequently, it is often not welcomed by the authorities of these countries. It poses three problems, especially grave when it comes in waves. It creates the base for an expansion of the money supply, it puts pressure for appreciation of the foreign exchange value of the currency and it requires that the resources for accommodating an outflow be immediately available.

To the extent that an inflow of portfolio investment accommodates the financing of a deficit on the current account, it does not add to reserves, which may, therefore, not suffice to allow foreign investors to withdraw more than a fraction of the foreign exchange they brought in. In this case, if a crisis is to be avoided, the investors must be persuaded to retain their confidence, even though they are aware that were there to be a broad movement out of the currency, the first out would come off best. This is the situation that developed in Mexico in 1994, in Thailand in May 1997 and in Malaysia, Indonesia and Korea in the following months. Their currencies fell sharply, in contrast to Hong Kong, Singapore and Taiwan, all

with substantial reserves, which were able to maintain comparatively stable exchange rates. The advice sometimes given, that an economy should hold more international reserves if investor confidence in it is not high, is of little use; reserves take years to build up, whereas confidence can change in days or weeks.

The first to foresee an impending crisis of this kind are likely to be those with the best connections with political leaders and the highest rungs of the administrative system, and these will usually be nationals, not foreigners. Thus, in the Mexico crisis in 1994 the flight of capital began with Mexicans (IMF 1994). It was to be expected, since much of the financing of the deficits of the previous years had been Mexican flight capital returning to take advantage of high interest rates and its owners were likely to be both acutely aware of the risks and well informed. Mexican capital flight during 1981-91 has been estimated by World Bank staff at around US\$ 3 billion a year, roughly the same as for Argentina and Brazil. However, other sources estimate the stock of Mexican flight capital rather higher than the cumulative flow referred to here. Flight capital may have been less important in the case of Thailand, but again much of the capital to move out first seems to have belonged to permanent residents. Once the outflow has started, foreign investors, bankers and mutual fund managers aggravate it, but by then they have mostly made losses, unless they hold foreign currency debt that is honoured or rescheduled later.

It may be desirable to sterilise foreign portfolio capital if it cannot be deterred

To the extent that a portfolio capital inflow does not finance a current account deficit, the authorities can accommodate it with policies ranging anywhere between not changing the money supply, i.e. sterilisation, and letting it expand to absorb all the inflow, or they can try to deter it. Various combinations of these policies have been tried by different economies.

Complete sterilisation results in an accumulation of foreign exchange reserves equivalent to the inflow and raises the basic question as to why an economy should wish to have an inflow of portfolio capital if it has to keep it in the form of reserves, especially since the yield on reserves is likely to be lower than the yield on the investments of the foreign investors. There can be other undesirable effects too. It may be impossible to prevent a substantial appreciation of the currency and a consequent tendency to recession, as happened to Switzerland in 1996, when there was a large inflow of German funds.

Mechanisms for sterilisation have their own drawbacks; open market operations raise interest rates, incidentally encouraging more inflows, whereas other methods cause fluctuations and uncertainties in the financial market of the host country through their effects on bank reserves, interest rate differentials, deposit movements or taxes (IMF). At the other extreme, allowing the money supply to expand freely in response to the inflow of portfolio capital results in a combination of current account deficits and inflation in the prices of goods, financial assets and property. Current account deficits raise concerns that have already been discussed, while the inflationary effects of monetary expansion are likely to be interpreted as symptoms of imprudent macro-economic management and may also cause a loss of confidence. In that case there will not be enough reserves to accommodate a rapid withdrawal. Some countries (e.g. Thailand) have off-set inflows by encouraging outflows or have used swaps to achieve the same result (Indonesia), losing, to the extent they are successful, whatever advantage the inflow is supposed to bring and incurring the additional risk that they may not be able to convert their foreign assets in time to accommodate an eventual outflow.

If the authorities prefer to deter portfolio capital inflows, they have a wider choice of instruments the less they are committed to free movements of capital. During the period of the Bretton Woods system of fixed exchange rates, Germany introduced taxes on the earnings from German securities held by non-residents as a means of deterring speculative inflows occasioned by expectations of a revaluation of the German mark or a devaluation of the Sterling or the French franc. More drastic measures would have been against the spirit of liberalisation of capital movements that was then taking place under the auspices of the OECD. More recently, funds flowing into Switzerland from Germany, on account of apprehension over the impending currency union, have caused the Swiss franc to appreciate. The Swiss authorities considered the appreciation excessive and have been concerned that it might start a recession, but, because of Switzerland's position as an international banking centre, the only deterrent they dispose of is a low interest rate.

Countries that are less committed to the freedom of capital flows have more effective methods at their disposal. Methods of adding costs to portfolio capital flowing in range from taxes on interest or transactions to the obligation to deposit part of the money without remuneration. Chile's method of requiring part of the capital to be deposited for a specified time, say a year, has the additional advantage of being selective: longer term investments are deterred less than short term inflows. Some countries that peg their exchange rates have broadened the bands in which their currencies trade to increase the uncertainties. Since this also creates

uncertainties for the domestic economy and, thereby reduces the advantage of the peg, it seems a high price to pay for something one does not want. If a country does not want portfolio capital coming in and has effective capital controls, the simplest and most effective deterrent may be to announce that it will impose restrictions on the outflow of capital.

What are the advantages to developing countries of liberalising their capital accounts? There seems to be no valid argument in its favour

The liberalisation of capital movements occurred in the developed countries during the 1950s and 1960s and has come to be taken for granted as part of normal business and everyday life. Now a similar liberalisation is expected of those developing countries that have not already taken the step. Leaders and high ranking officials of developed countries have joined institutions such as the IMF and the World Bank in considering the liberalisation of the capital account of a developing country as desirable. Though the IMF has usually been cautious in recommending it, since the conditions for such a step to succeed lastingly are hard to satisfy.

The economic benefits to a developing country from a liberalisation of its capital account are, however, doubtful. Five arguments are to be found to be given as justification, and all can be questioned. One is that markets should be allowed to function freely and a second, related to it, is that allowing resources to move to where they are most productive maximises world welfare. The third argument is that, just as a country should use world prices for goods to reach an optimal allocation of resources, it should use world interest rates. The fourth argument is that a country will not be able to attract foreign capital if it has controls over its capital account. And the fifth is that capital controls do not work in any case. Only the third and fourth arguments refer to the welfare of the country.

The argument that markets should not be hindered is simply a statement of political belief. Its adherents draw the line at allowing labour to move across boundaries with the same freedom as they advocate for capital. It is sometimes supported by the contention that the movement of capital is a substitute for migration [e.g World Bank (d), Chapter 3], though presumably it is not meant to apply to migration from Africa, South Asia or even China. The second argument is much the same, since it equates welfare with output, without regard to where the capital generates employment, and it also excludes international labour movements. It gives no reason to believe that poor developing countries will benefit from a net inflow, rather than an outflow. Instead, it leads to the conclusion that some of the poorest countries, such as those of the Sahel, where the returns on

investment are low because of difficult physical and climatic conditions, must be content to let their capital flow out. And when a ruling clique or a dictator prefers to place money pillaged from their country in foreign accounts, the banks with which the money is deposited will allocate the resources efficiently from a world-wide point of view, even if none go back to the country of origin.

When the argument is put in terms of access by domestic residents to foreign capital markets and the increase in the pool of investable funds, from which the developing countries are expected to benefit (Fischer), it either ignores the constraint that net capital flows over the whole world are zero (one country's capital inflow is another's outflow), or it assumes that supply of capital from the handful of capital exporting countries of western Europe and Japan is unlimited. Once the US inflow has been allowed for, the amounts available for developing countries may not be that great. Some developing countries are bound to be losers in the competition for foreign capital, meaning that, if their capital accounts are open, they will have net outflows. Both arguments ignore, furthermore, the effects that large outflows of capital can have on the social and economic stability of a country, especially if they continue for a long time. Neither argument would carry much weight with the developed countries if, at any time, the outflow of capital were to threaten their stability. Simplistic though they be, both are regularly put forward.

The third argument, that world interest rates should be used in the same way as the world prices for goods, is a form of economic reasoning, though it rests on two fallacies. One is that interest rates perform the same function as prices of goods. The reasoning that world prices of goods should be used is that goods can be exchanged at these prices through international trade and, hence, their use leads to an optimal allocation of resources at any time. It is not applicable to interest rates, whose importance is intertemporal. If the argument is modified to conclude that capital should be exported if world interest rates are higher than domestic rates, it is merely a repetition of the second argument. The second fallacy is the assumption of the existence of world interest rates, when it is obvious that the developed countries have different interest rates and that these rates do not even move in the same direction at any given time. The fallacy is born from enthusiasm over globalisation and "world markets", which jumps from the supposition that capital flows freely to the supposition that interest rates must be equalised around the world's financial markets. Simple observation would reverse the argument, interest rates are far from equal among developed countries, therefore capital is not completely mobile.

The fourth argument is also contradicted by experience. Foreign investors were eager to invest in Korea and Taiwan at a time when both exercised capital account controls and were selective about foreign investment. Moreover, many countries have, without abandoning control over their capital accounts, been able to reassure foreign investors that they will not be prevented from taking their funds out. Foreign investors usually prefer such an arrangement to complete liberalisation, since it gives more assurance that the country will not be thrown into a crisis by capital flight, and the recent East Asia experience might have the effect of strengthening this preference.

It is also false that countries have no choice because they cannot control capital flight

The argument that controls do not prevent capital from escaping is partly correct, but they may, nonetheless, be desirable. They may not prevent gradual outflows, but they can be made adequately effective in most countries to prevent the waves of capital flight that create instabilities, especially when the country has political or economic difficulties. Their drawback in developing countries is that they may add to the incentive for capital to escape. In any country, with the possible exception of the US because of its size and stability, wealthy individuals and firms with substantial liquid assets have an incentive to hold sound assets of other strong economies as a normal part of risk diversification. In developing countries risks tend to be greater and so does the incentive. Hence, if controls hinder assets in escaping in times of trouble, they add to the incentive to have some assets abroad at all times.

But well designed capital controls actually reduce the incentive to keep wealth abroad by reducing the risk of crises induced or aggravated by capital flight and, if a balance of payments crisis occurs, by mitigating the effect on the exchange rate. Even economies with open capital accounts need to be able to have control mechanisms at hand which they can impose quickly and effectively when necessary. The IMF recognises that drastic action of this sort may be justified and has rules to prevent them from being abused. Similarly, the Multilateral Agreement on Investment being negotiated between the OECD countries is expected to make provision for such action under the supervision of the IMF. The problems of Thailand, Malaysia and Indonesia, particularly the falls of their currencies' values, would have been less severe if, when these countries liberalised their capital accounts, they had kept control mechanisms in reserve to be imposed when the capital flight began. The absence of these controls is likely to have the perverse effect of giving a greater incentive in the future to keep wealth abroad.

Apart from such temporary controls, permanent controls can be effective as well. For this they need to make some allowance for the diversification of assets against risk that the economy's authorities cannot control. It may be prudent, as well, in times of crisis, such as the one afflicting East Asia, for controls *may* reduce the transfer of wealth to foreigners that often follow from them. Controls on the capital account belong to the category of the many laws and regulations that are desirable even though what they are intended to prevent still occurs frequently. Just as speed limits on vehicles are desirable, although drivers often break them, properly designed permanent controls can reduce the outflow of capital. (Compare Dornbusch)

Effects on Developed Countries of Outflows of Capital

Along with the discussions of the gains that FDI brings to capital importing countries, there has been considerable debate over the last twenty years over the effect globalisation might have of transferring industrial capacity and, consequently, jobs out of developed countries. Since globalisation brings the labour markets of different countries into indirect competition, at issue is whether or not the workers of developed countries lose from competition. The governments of the developed countries are not likely to let the social strains in their countries caused by globalisation become so great as to lead to economic and social decay, eventually to collapse. Sooner or later, they will take steps to shield their countries, most probably by returning to the protection of their domestic industries against imports from developing countries and to more constraints on people originating from the Third World.

A number of adverse developments in developed countries are frequently blamed on globalisation. Most striking is the high unemployment in most of the EU, which is now several times the levels that had once been considered as the highest compatible with social peace. Even as late as the 1960s, an unemployment rate of 3 per cent was considered dangerously high, now it would be considered wildly optimistic - even dangerously low. Earnings per hour, or week of work of a large part of the workforce in the US have stagnated or declined since the early 1970s, although unemployment is at its lowest level since the 1960s.

Social peace has been kept to some extent, partly because the participation of women in the workforce has increased and has enabled families to mitigate falls in living standards, and partly by the welfare states that these countries, especially in Europe, erected in the post-war years and which have allowed their populations to enjoy unprecedented well-being. But it is uncertain how effectively these mechanisms will continue to

operate, or for how long. Income inequalities have been rising, notably in the countries with the lowest official unemployment rates. In the UK, the Gini coefficient for incomes, which was 0.36 in 1979, has risen to 0.43, roughly at a par with some developing countries. And social peace has not gone unscathed, unemployment and the bleaker prospects for permanent jobs are usually blamed for rising crime rates. Moreover, the higher participation rates of the US, Europe and Japan may be difficult to maintain as their populations age.

The most serious stress on the financial viability of the welfare states of the European countries is their growing costs to the budget. The effects of the ageing of the population on pensions and expenditure for health, on the one hand, and on the tax base, on the other, have been the subject of much analysis and debate. But the possibility must also be taken into account that the present high unemployment in Europe and the ensuing costs of unemployment benefits, may not abate, at least not significantly. Even the more limited welfare system of the US has been experiencing stresses, though the present long run of economic growth has relaxed them for the time being. A recession in the US economy and, as often happens in consequence, in Europe would aggravate stresses that are difficult enough to manage already. It has been pointed out that these welfare systems have been crucial to allowing economies to accommodate the hazards of international trade, the more open the economy the more extensive its welfare system [Rodrik (b)]. The implication is that, if globalisation poses too much strain, the most open economies of Europe will have the most reason to seek shelter behind a European system of trade protection.

International trade and capital flows do not necessarily have the same effects, a distinction that is often lost in using the term 'globalisation'. There is no necessity for trade to cause unemployment, since the country that exports acquires foreign exchange that permits it to import to the same value. A form of Say's Law operates between countries. 'Hollowing-out', a term that describes a common tendency of developed countries to shift output from industry to services and which is usually attributed to international trade (e.g. Rowthorne, UNCTAD 1996), does not, by itself, imply a loss of jobs.

When jobs are lost because of a loss of demand, it occurs because countries choose to run trade surpluses. The advantages from accumulating large reserves often tempt countries to sterilise some of their export earnings, a renewal of mercantilism that Prof. Joan Robinson warned against in 1966. Even though such reserves are bought dearly, since they are the value of foregone purchases of goods and services, several countries, especially in East Asia, have shown that they are willing to pay the price,

and the East Asia crisis has shown that the price is worth paying. The deflationary effects of such practices have, however, been offset for some time by the willingness of other countries, notably the US, to accommodate trade surpluses of other countries by running deficits themselves.

Although international trade does not necessarily lead to unemployment, the argument is made that it can do so if factor prices do not adjust as required. According to the orthodox Heckscher-Ohlin theory, when a developed country enters into trade with a developing country and starts with higher quantities of capital per worker and, therefore, higher wages than the latter, free trade will result in lower wages in the developed countries and higher wages in the developing countries. (The theory actually predicts that, when two countries trade, factor prices will be equal, unless a country is completely specialised.) The argument is, then, that it is the resistance to the lowering of wages that causes unemployment in the developed countries. It is an argument often specifically directed at the non-wage costs of labour, notably employer contributions to pensions and insurance, and paid leave. It makes little difference, however, whether the costs are take-home pay or non-wage, both are current costs to the employer and parts of the wage bargain. The question is how far, according to this theory, the total cost of labour, including take-home pay and non-wage costs, must fall to restore full employment. In principle, given the difference between the earnings levels of developed countries and developing countries, the fall could be big.

The theory avoids predicting a big fall (and may allow for factor price equalisation without it) by introducing human capital and technology as factors of production. The acquisition of skills through formal education, specialised training and on-the-job learning has a cost, and becomes human capital embodied in the person, whose productivity is correspondingly raised. By this reasoning, much of what appears to be higher wages is actually a return on human capital. The implications seem far-fetched; thus the unskilled labourer in the US or Europe who earns more than the research scientist in China or Russia must embody more human capital. Sometimes technology is introduced as a separate factor of production that the developed countries have in greater abundance relative to their labour forces than do developing countries, though exactly what is meant by it, let alone how it and its marginal product can be quantified, are not clear.

The effects of foreign investment are more enigmatic since there is no established economic theory for it. The basic assumption of the theories of comparative advantages, that of Ricardo and the Heckscher-Ohlin theory, is that capital does not move in significant amounts. When it does, two views of the consequences can be taken. The more benign view from the

point of view of the worker of the capital exporting country is that the stock of capital in his country is reduced, or fails to increase, by the amount of capital exported and that his marginal product, hence his wage, falls or fails to rise correspondingly. Thus the effects of trade are augmented. The less benign view is that jobs are transferred to the capital importing country. It was this view that made opposition to the NAFTA an issue in the US election campaign of 1997 and, when unemployment becomes a problem there, as now in Europe, it is a view that may prevail politically.

Two alternative views of the long term effects of the industrialisation of developing countries are possible. One rests on the belief that the comparative advantages of the developed countries are given by their endowments of human capital and technology and that they will, therefore, be able to maintain high earning rates and low unemployment. The other is that the developed countries are faced with the prospects of more unemployment and static, if not declining, earnings for labour. Korea, China and Taiwan, among others, have proved adept at assimilating technology rapidly. The amount of foreign capital they absorb will probably rise rapidly as well. Prospects are that China will absorb capital from developed countries even faster than it has been doing. Bearing in mind that its labour force is as great as the combined labour forces of the US, Europe and Japan, by the time its income levels have risen to more than a small fraction of those of such countries, the volume of its exports and the foreign capital it will have absorbed will be large enough to have had serious effects on employment and earnings of most of the populations of the developed countries. Bring India into the picture and the effects will be even greater. It is doubtful that the developed countries will allow things to go that far.

How has the US been able to reduce unemployment?

So far the US has been successful in reducing its unemployment rate to the lowest level since the 1960s, while actually increasing the labour participation rate, despite the dire predictions of the opponents of the NAFTA and the WTO. It has enjoyed steady growth with low inflation for seven years and has steadily reduced its budget deficit to the point of running into surpluses. This success does not hold many lessons for other developed countries, since the US is a net capital importer, which most of the others are not. Its ability to grow so consistently with low saving rates stems partly from its freedom, so far, from constraints on its balance of payments, which foreigners have been willing to finance. The combination of low unemployment, low inflation and growing inequalities of income can be attributed to the weakness of its labour movement, which has been able to raise wages only in special cases, such as their successful strike against United Parcel Service. Other efforts since then to raise wages through

strikes have failed conspicuously because firms could, unlike Federal Express, relocate their production elsewhere, often abroad.

Several reasons can be given why the US attracts so much foreign capital, without their necessarily amounting to a full explanation of a phenomenon that has not been adequately studied and is not well understood. One reason has been the role of the US dollar as reserve currency and international medium of exchange (Bhaduri), a role that has resulted in large net holdings of dollars outside the US. The prime instance of such holdings is the dollar component of the official international reserves of countries (netting out the US holdings of these countries' currencies). Private holdings may be equally important. The dollar has become an accepted medium of exchange in a number of countries other than the US, mainly countries going through political or economic disturbances, and in these and many other countries it is common to hold wealth in the form of dollar bills, especially when there is apprehension about the safety of the domestic currency or there is a motive for concealment. The Federal Reserve Bank of the US mentions that several estimates conclude that at least half of US currency notes are held outside the US, and that this trend has been accelerating in recent years. In 1990 the currency notes outstanding amounted to US\$ 344 billion. (Board of Governors of the Federal Reserve System, p.97)

A second reason has been the attractiveness of US securities, especially fixed interest obligations. As the world's most powerful country, both economically and politically, the US can protect its interests better than any other. Its penchant for low inflation, even if the social costs be high, is well established and inspires confidence in foreigners seeking a safe haven or safe long term investments. And where, as has been the case in Japan, the domestic economy is stagnant and yields on government bonds low, firms and individuals will convert much of their liquid holdings into dollar securities.

A third reason for the inflow of capital to the US has been the desire of many non-US manufacturing firms to establish production capacity there. The motives for doing so are complex, but derive mainly from the size of the US market. Such FDI usually aims to supply the US market, FDI for export from the US is relatively rare. Proximity to the market has some obvious advantages lower transport costs, avoidance of border formalities, closer contact with clients, etc. but fear of trade barriers can also be a strong inducement to transfer production capacity to the market. Tariff barriers have been diminishing the world over, but the response in the US to greater import penetration has been more recourse to NTBs (Trefler),

Presumably, similar studies for other developed countries would have revealed similar behaviour.

A well known example of an NTB is the voluntary export restraints of Japanese car manufacturers, which allowed the rescue organised by the US government of one of the three major car manufacturers to be successful. Mother NTB has been the more frequent use of anti-dumping procedures. These and some political developments, such as the inability, for the moment, of the US president to obtain 'fast track' authority for further liberalisation of international trade, especially when there has been a prolonged rise in employment, raise the prospect of more barriers to imports and add to the inducement for non-US firms for which the US is a major market to transfer production there. Industries that must plan far ahead, such as motor car manufacturing, have an especially strong inducement to safeguard their market by setting up plant in the US. They are, moreover, often able to off-set some of the costs by subsidies that states offer in competition with one another to attract the investment.

The Crisis in East Asia

One effect of the present crisis in East Asia has been to raise the question as to whether the crisis is a natural result of uncontrolled international financial markets or the consequence of the mistaken policies of the affected countries. From the earlier discussion of portfolio investment it can also be argued that the policy mistake might have been to rely on international capital flows. Appearances favour this approach; among the Tier 2 countries, Thailand, Malaysia and Indonesia and, among Tier I countries, Korea had allowed their external current accounts to run into large deficits and the financing was in large part portfolio capital. In Korea's case short term borrowing by Korean banks. Once capital started fleeing from Thailand in the Spring of 1997, similar flights from these countries were foreseen by many financiers who had an overall view of their external assets and liabilities.

It is easy to find fault with a country's policies once the country is in difficulties. Thus the World Bank has asserted that the "root causes of the mounting vulnerability of the East Asian countries (the extent of which differed significantly among countries) were financial sector weaknesses and poor corporate governance, macroeconomic conditions and the policy response, and a lack of due diligence by external creditors." [World Bank (a)]. It might seem that such broad terms stand a good chance of catching the true explanation, whatever it might be, but they are too abstract to constitute an explanation in themselves. In 1997, just before the crisis started, the World Bank had argued that sharp changes in the international

environment had become less likely, that investors and borrowers were more mature, and that one reason for the improvements in credit ratings of the East Asian countries was their strengthening of their banking systems. [World Bank (d)]. To be cogent an explanation must be concrete. (To do the World Bank justice, a few years ago it was unlikely to have been guilty of such superficiality in a published work.)

Two frequently given explanations lay the blame on the policies of the countries and exonerate capital markets. The first is that the currencies had become overvalued with the rise of the US dollar, to which they were pegged, especially in comparison with the Japanese yen after 1995. The inference is that the crisis was the result of fixed exchange rates. It seeks to explain the slowing down of export earnings that occurred between 1995 and 1997. The second is that lack of governance in the affected countries resulted in an accumulation of bad investments.

Exchange rates

The argument that the exchange rates had become overvalued is *post hoc* theorising; any overvaluation would have been observable to all, yet no one made the assertion before the crisis. The argument is especially unconvincing since the comparison is with the moment in early 1995 when the dollar had reached its lowest value relative to the Japanese yen and the main European currencies. It also includes the sharp rise of the dollar in the first half of 1997. A longer view leads to different conclusions. Data for real effective exchange rate movements, using the years 1988-92 as the base, are given by the World Bank for Korea, Malaysia, Indonesia, Philippines and Thailand. [World Bank (a)].

These data rule the argument out for Korea, whose currency remained depreciated in real terms for the whole period after 1992, mostly by around 10 per cent. In the case of Thailand, where the crisis started, real appreciation occurred only in 1996 and it had reached about 5 per cent by the end of that year. The same is true for Indonesia. Malaysia had an appreciation that fluctuated between zero and 1 per cent. The Tier 2 country whose currency appreciated the most was the Philippines, about 15 per cent by the end of 1996, but it was the least affected by the crisis. It is implausible to infer from these data that the current account deficits were the result of real appreciation of the currencies.

Still more implausible would be to attribute the current account deficits to the real appreciation of about five percentage points, the effect of a sharp rise of the US dollar, that occurred in the first half 1997 for all these countries, apart from Korea. It is possible to try to save the exchange

argument by arguing instead that expectations were affected, that investors lost confidence as they saw the trend of exchange rates. And there could be some truth to this, though evidence for it has not been put forward. But it is less an argument about real exchange rates than about how expectations can be formed. Moreover, it leaves unexplained the case of Korea.

Going from generalities to specific comparisons with the exchange rates of competitors and markets makes overvaluation seem a still less likely explanation. On the one hand, leaving aside Japan, which competes mostly with the US and Europe, the main competitors of the East Asian economies were themselves. It is, therefore, implausible that they, as a group, were undercut by competitors outside East Asia who allowed their currencies to depreciate. On the contrary, there has been great concern as a result of the crisis that these economies might be indulging in mutually harmful competitive devaluation. On the other hand, arguing that the overvaluation resulted from the depreciation of the yen after 199J fails to explain why the same yen exchange rates had different results before 1995. Equally implausible is the argument that real appreciation caused demand to fall, since that would only have applied to Europe, where demand was rising with the economic recovery.

Governance

The deficiencies of governance have received much attention since the start of the crisis and they did take their toll on the economies, but they do not seem to provide a good explanation of the causes either. The intertwining of political authority, administrative functions and business interests in the Tier 2 economies has led to much criticism of how investment decisions are made and to terms such as "crony capitalism". Potentially sound ventures get into incompetent hands, investments are undertaken whose benefits are outweighed by the risks and public projects are implemented for imperfectly defined strategic or prestige reasons. Those who make the decisions and stand to gain in the case of success also believe, if they are well connected, that they will escape bearing the losses in case of failure. For instance the banks financing them will roll over the loans indefinitely, transferring the losses to the depositors or, if in danger of becoming insolvent, will be refinanced with the help of the state and transfer the losses to the public. If the investor and the financier believe they are protected in this way, they have an incentive to make insufficient allowance for risk in their decisions and, if it happens frequently, there is a cumulative net loss to the economy, of which little or none falls on those whose decisions caused the loss (Krugman).

On a sufficiently large scale such behaviour can bring about a crisis. It must result in a decline in the efficiency of the economy and that can lead to the kind of precarious balance of payments that the Tier 2 economies did face before the crisis. Over time, big investment outlays without commensurate returns will either result in a transfer of resources from other uses or an increase in the resource gap and a greater accumulation of external liabilities. In the latter case, the ability of the economy to attract more private external financing will depend on the confidence both of sources of external finance and of the domestic business interests that are able to move their funds out and even speculate against their currency. Confidence may be especially fickle if the liabilities are short term. Scepticism over the future of the economy might also emerge, regardless of the balance of payments, from a sober assessment of the investments taking place, though there is nothing in the behaviour of foreign investors to indicate such foresight.

But it does not follow that the decline in efficiency resulting from these economically inefficient investments was the basic or underlying cause of the crisis. There is no reason to believe that the slowing of exports that preceded the crisis was the effect of lower economic efficiency. Although many investments, such as manufacturing motor cars or aircraft, big road projects and land speculation were questionable, they do not seem to have been obstructions to exporters. They burdened the banking system with non-performing loans, but the crisis was not initially a banking crisis. The ability of the governments to bail out banks was not in question since none of them faced budgetary problems. Nor did it result in a resource shortage that could have hurt exports since the external current account deficit was being financed by inflows of capital. The outcome would have been no different if the funds spent on questionable investments had instead been spent on consumption, as in Mexico in the period before the crisis occurred in 1994.

Terms of trade

Neither exchange rate movements nor defective governance explains why the prices of the exports of these countries fell between 1995-1997. A more convincing reason for the slowdown in export earnings is that the markets for East Asian exports were being saturated. At the speed with which exports had been growing, saturation could only have been prevented by rapid diversification into new products. Comprehensive figures for prices of exports and imports are only available for Korea and they show that its terms of trade deteriorated by 27 per cent during the three years ending in September 1997. Its exports of a wide array of manufactures, including steel, cars, electronic goods and apparel were all affected. In electronic

goods and apparel Korea was competing against the Tier 2 economies, whose exports, diverse though they were, remained overwhelmingly concentrated in these two types of goods and in raw materials, and these economies experienced similar price declines and signs of market saturation.

Failure of Policy

The puzzle is why did the authorities of the East Asian economies, apart from Japan, not take steps to reduce domestic demand to prevent the current account deficits from growing when exports slowed, especially since the IMF had been warning the authorities in Thailand? Again a complete answer must wait for detailed studies. One possible reason is that, not having acted promptly at the first sign that export growth was below expectations, the authorities felt trapped. By that time short term liabilities to foreign investors had grown large in relation to reserves and so the authorities were loath to take steps that would have betrayed apprehension and undermined confidence in the viability of the balance of payments. At the time, the assumption that the slowdown of exports in 1995-96 was transitory and that the usual growth would resume the next year seemed reasonable, as shown by the belief expressed by prominent financiers, after the crisis had begun, as late as the end of September 1997, that it was only a passing storm and not likely to have serious consequences.

To this may be added overconfidence resulting from bad advice. The success of the East Asian economies had been widely and highly praised. Works such as the World Bank's "The East Asian Miracle" presented these economies, the Tier 2 economies in particular, in such a light as to seem to imply that the solution to economic development for all countries had been found. Such works have great influence, they are widely distributed among government officials and political leaders, who rarely have the time or the training to delve into debates among economists questioning the cogency of the analyses and therefore regard them as authoritative [For some of the many criticisms by established academic economists see Rodrik (a). Wade, etc.]. Since the dangers the economies face are not given much attention in such works, it is not surprising if those who make decisions on economic policy are unaware of or underestimate them.

If such works inspired a general feeling of invulnerability that may, in the last analysis, have been the most important cause of the crisis, they were also misleading on specific questions of policy. It was misleading to advocate the desirability of capital inflows without qualification and not to warn of the attendant risks. Sound macro-economic policies have been consistently presented as the *sine qua non* for the inflow of private capital, so it seemed to follow that the East Asian economies had nothing to worry

about; they had consistently had modest budget deficits and low inflation not to mention high growth rates, and, the fact that private capital was flowing in was assurance that their economic policies must be correct and therefore, capital would continue to flow in.

Associated with this was the belief that portfolio capital inflow “severed the link between saving and investment”, a belief that proved especially pernicious by obscuring the distinction between loans with long maturity, which do in a sense have this effect, and “hot money”. If officials truly believe that the link is severed, they see no point in converting incoming portfolio capital into reserves, which are a form of saving.

The World Bank’s “East Asia Miracle” was misleading in another respect, subtler but equally dangerous. It ignored the distinction to be found in most other writings on the East Asian economies, between the Tier I and Tier 2 economies. By grouping together all the East Asian economies discussed here, with the exception of the Philippines, it could draw conclusions that would not otherwise have been possible. Economists have criticised this as sleight of hand, and it obscured some difference between the two sets of economies that ought, instead, to have been emphasised to show the Tier 2 economies to what they should next direct their efforts.

Two differences were crucial. One was the caliber of the civil service, which is taken to cover the whole administrative system, including the judicial system and specialists in government agencies and ministries. These are the backbone of any good system of governance. The second was the emphasis on education. Although the Tier 2 economies had made great progress in primary and secondary education, they still depended heavily on foreign investors to train their labour and for the higher level skills needed for research and design functions. FDI allowed the economies to develop quite far, but, in the final analysis, it was a gimmick. It worked well for a while, but did not remove the need for establishing the prerequisites for a well functioning society.

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Profile of the Rural Woman of Pakistan

Rukhsana Zia

Abstract

The majority of Pakistani womanhood belongs to the silent, invisible peasantry in the rural areas. Essentially belonging to an underdeveloped region, the rural female toils relentlessly from morning till night. Her status is highly complex. In certain roles she is exalted; on other counts her very being is negated, which, when translated to human development indicators, depicts the profile of a woman with a very disadvantaged status, in fact, one of the lowest in the world. This study collects and collates data to present the profile of the rural female of Pakistan. It clearly shows that without concrete moves to do so, the mere acceptance and recognition of her contribution to society would do much to elevate her status.

In Pakistan the role of the woman is strongly defined by religious and cultural/social norms. Due to illiteracy and misinterpretation, the latter is vastly perpetuated (UNESCAP 1997 p 3) under the garb of the former. There is “widespread misconception about the place Islam accords to women...” (Report of the Commission of Inquiry for Women 1997 p ii). Pakistan is a classic case where steady economic growth has not been accompanied by concurrent growth in the social sector. Within the confines of this phenomenon, the rural population suffers from inequitable distribution of resource availability and human development services. The condition of rural women is not hard to conceptualise, given the above circumstances.

1.1. Objectives of the Study

The study aims to provide a profile of the rural woman, by using the parameters defined by human development index indicators. The study has relied heavily on the latest statistical information. Where required, literature dealing with reports on women vis-a-vis the different provinces of Pakistan was considered. In certain instances, in-depth case studies of specific areas of social development were also assimilated.

The main aim of the report is to state the profile of the rural female within the contextual factors of Pakistan.

The specific objectives of the above were to:

- identify information and data pertaining to the Pakistani female, in general;
- establish the status of the rural woman vis-a-vis the urban woman;
- State the status of the rural woman vis-a-vis the rural man.

The latter two were considered essentially to highlight and focus on the status of the rural woman within a holistic perspective.

1.2. Limitations of the Report

- The rural woman can in actuality be further categorised according to her socio-economic status. It needs to be clarified that this study does not focus on the rural female belonging to the privileged class.
- One of the objectives of the study was to provide a comparison between the rural male and the rural female. It was difficult to sift through the available printed material. At a general level the male-female ratios were mentioned statistically, but no such information was available for the rural male and rural female. In many cases, latest statistical data was not available, and in certain cases, this study refers to 1981 statistics. (Undoubtedly, data pertaining to the 1990s would have been more valid and preferable.)
- Discrepancy in available data was at times very conspicuous (see Table II). The reliability of available data is a question beyond the scope of this study.
- Regional data has been drawn from the limited available material as available and added where appropriate. It is basically stated as province-wise differentiated data. It needs to be added that province-wise data needs further elaboration.
- In dealing with provincial statistics, it needs to be pointed out that statistics regarding Sindh are skewed. Karachi has very different characteristics compared to rural Sindh. A generalised estimation of Sindh is not valid for the province.
- This study has not dealt with abstract concepts such as “attitudes” towards women. Also the rural woman needs to be discussed as per her role in environment-related issues.

1.3. Format

The study tackles the rural woman and her status following a breakdown of various topics. Keeping in view the specific objective, the report establishes the status of the rural woman in comparison to the rural man. To show regional disparities that exist, the rural/urban divide has also been tackled. The study in essence concentrates on the data on the Pakistani female and with the help of sex and region wise differentiated information identifies the status of the rural female.

II. Demographic Characteristics

About 72 per cent of the country's population live in rural areas (UNDP 1996 p 171, states it as 66 per cent). Females constitute 47 per cent of the rural population.

II.1. Sex Ratios

Pakistan is one of the few countries where males outnumber females. As per the 1981 Census there are 113 males to 100 females. The difference is visible in all provinces.

Table I: Sex Ratio (males per 100 females) by province and rural/urban residence

	Urban	Rural	Total
Pakistan	115.3	108.7	110.6
Punjab	114.0	109.7	110.8
NWFP	117.1	107.3	108.7
Sindh	116.4	106.6	110.7
Balochistan	--	108.7	108.7
Islamabad	124.5	110.9	118.9

Source: GOP N.D. *Census Report of Pakistan* 1981.

One possibility of the sex ratio being significantly higher in urban areas is due to men dominating the rural-to-urban migration. (It is important to note that despite greater male migration out of rural areas, there are still more males than females.) Sex ratios also vary widely across age groups, possibly due to variations in age-specific mortality and also differential migration (UNESCAP 1997 p 16).

According to the 1981 Census data, compared to the national average there were fewer males than females between the ages 0-9 years and it became higher than the average for ages 10-19 years with the difference becoming much more at 50 years and above. Between the ages 20-49 sex ratios were lower than the average. Data show the rural population with a lower sex ratio than the corresponding urban population. Exceptions are the ages 0-4 years where females outnumber males (i.e. 95.21 males for 100 females) and the ages 35-44 years where there are less males than females (Table 2).

Table 2: Sex Ratios (males per 100 females) by age group and urban/rural residence

Age Group	Urban	Rural	Total
0-4	97.2	102.7	95.2
5-9	107.5	107.3	107.7
10-14	118.41	112.7	120.8
15-19	117.4	116.1	118.0
20-24	110.54	122.0	105.12
25-29	111.7	121.6	107.12
30-34	107.1	119.3	102.2
35-39	102.1	109.3	98.8
40-44	100.4	115.1	95.0
45-49	109.8	124.9	104.3
50-54	123.3	136.4	118.3
55-59	114.3	132.6	108.5
60-64	141.6	148.8	139.9
65-69	128.6	139.0	125.7
70-74	140.1	129.3	140.4
75+	133.xx	131.8	133.3
All ages	110.5	115.2	108.7

Source: GOP (N.D.) *Census Report of Pakistan* 1981.

II.2. Age Composition

It is evident from Table 3 that 44.5 per cent of the country's population is between 0-14 years. Coupled with elderly persons above 60

years, this means that as per the 1981 Census, dependency ratios are high and higher in rural areas while those for urban were lower than the average.

Table 3: Distribution of Female Population According to Age Groups and Area of Residence

Age	Urban Female	Rural Female	Pakistan (both sexes)
0-14	44.0	45.5	44.5
15-59	50.1	47.9	48.5
60+	4.8	6.6	7.0
Dependency ratio	97.2	108.8	106.2

Source: *Population Census Organisation* 1981

II.3. Marital Status

Table 4: Percentage Distribution of Marital Status of Population 15 years and over by sex, and urban/rural areas (1981 Census)

	Never Married			Currently Married			Widowed			Divorced		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	
Total	31.5	17.8	25.1	65.2	72.7	68.8	3.1	9.1	5.9	0.2	--	0.3
Urban	35.7	22.8	29.9	61.4	68.2	64.5	2.8	8.7	5.5	0.1	0.3	0.2
Rural	29.6	15.8	23.1	67.0	74.6	70.6	3.2	9.2	6.0	0.2	0.4	0.3

Source: GOP (N.D.) *Population Census Report of Pakistan* 1981.

It is evident from Table 4 that more men compared to women “never married”, and the situation is similar in the case of the rural areas. In comparison the “never married” for urban areas was higher. In fact in all the other categories that denote marital status i.e. “currently married”, “widowed” and “divorced”, the percentage for the rural population was similar to the overall male/female percentage. The figures were visibly different in the case of the urban population.

It is clear that the proportion of “never married” women is significantly lower in rural than in urban areas. Similarly the proportion of “currently married” women is higher than in urban areas.

In the country as a whole, the proportion of “never married” women aged 15 and above increased from 10.8 per cent in 1961 to 17.8 per cent in 1981. Similarly during this period the proportion “currently married” women declined from 76.1 per cent to 72.7 per cent. These trends are similar for the provinces of Sindh, Punjab and Balochistan. In NWFP the proportion of “never married” did increase from 11.6 to 17.2 per cent while the “currently married” women stayed constant at 73.8 per cent. Another difference among the provinces was the fact that in the case of Sindh the proportion of “never married” women in urban areas was twice the percentage for rural women.

II.4. Fertility Levels and Trends

Fertility levels have been a disputed research activity, since the various data collection census agencies such as Population Growth Estimate, Population Growth Survey, Pakistan Fertility Survey, Pakistan Contraceptive Prevalence Survey, Pakistan Demographic and Health Survey, all give different estimates for the crude birth rates and total fertility rate. One point is eminently clear. Pakistan's fertility rates are and have been very high by regional and global standards. Though the past two decades show a gradual decline (UNESCAP 1997 p 18), the fertility rates are higher than those of neighbouring countries (UNDP 1996 p 179).

Fertility levels vary according to rural/urban residence. The total fertility rate for urban women (4.90) was much lower than for rural women (5.5S). The major cities had the lowest fertility rate (4.67) (NIPS 1992).

Among the four provinces, while Sindh has the lowest total fertility rate (4.86) compared to the average for all Pakistan (5.16), while NWFP has the highest (5.30) with Punjab (5.24) and Balochistan (5.28) being closer to the average total (NIPS 1992). Higher fertility rates means that the proportion of young dependents is very high (WB 1989p xviii).

II.5. Mortality Levels and Trends

Despite the inadequacy of data available, it is clear that the crude death rate (CDR) as well as infant mortality rate (IMR) have been declining over the years. From 11.4 per 1000 persons in 1968-71 to 10.0 in 1984- 86 (UNESCAP 1997 p 19), the CDR has declined to 9.1 in 1993 (UNDP 1996 p 179). The rural CDR, though, is significantly higher than in urban areas.

Infant mortality has declined from 163 per 1000 live births in 1960 to 89 in 1993 (UNDP 1996 p 149). Infant mortality in rural areas is much higher (102.2) than in urban areas (74.6) (NIPS 1992). High infant mortality rates also prevail in low-income areas of towns and cities. Within this set

up, the infant mortality rate for boys (102) was 1.2 times higher than that for girls (85) (UNESCAP 1997, p 20).

Improved health status has brought about a subsequent rise in life expectancy of the average person from 40 years in 19~0 to 61.5 years by 1995. And while males outlived females by 2.5 years in 1975, as of 1995 Pakistani females outlive their male counterparts an average of two years. (In countries with similar levels of economic development women generally outlive men by five to six years.)

III. Educational Characteristics

III. 1 Educational Enrolments

According to data available from the Central Bureau of Education, there have been dramatic increases in student enrolment between 1981-1994 at the primary, middle and secondary levels. Female enrolments nearly trebled during this period at all the three levels, and yet the girls constitute between 31-37 per cent of all students at these levels (UN ESCAP 1997 p 21).

The above figures mask wide variations in ratios between rural/urban areas as well as across the provinces. In 1984-85 primary enrolment rates were much higher for boys and girls in urban than in rural areas. The rural girl enrolment was one third that of the urban girl.

Table 5 Enrolment Ratios at Primary (I-V) and Secondary Levels (VI-X) by Sex, Province and Rural/Urban Area (1975-76 and 1984-85)

Region	Year	Primary				Secondary			
		Urban		Rural		Urban		Rural	
		M	F	M	F	M	F	M	F
Pakistan	1975-76	62.2	58.2	49.5	17.7	52.8	30.3	16.8	2.0
	1984-85	67.3	63.5	60.0	21.1	53.9	32.0	16.4	2.5
Punjab	1975-76	64.5	66.8	54.3	23.8	59.5	31.2	20.2	2.7
	1984-85	60.6	68.1	61.5	30.2	55.3	33.7	20.8	4.0
Sindh	1975-76	72.6	53.1	43.6	6.7	44.8	32.8	7.1	1.3
	1984-85	76.0	57.8	54.8	8.9	51.4	34.6	10.9	0.7
NWFP	1975-76	57.1	28.7	45.1	7.4	44.7	18.2	19.1	0.8
	1984-85	71.8	42.0	65.9	11.6	40.1	16.4	17.0	1.1
Balochistan	1975-76	46.9	29.9	31.6	4.9	34.6	10.1	4.0	0.2
	1984-85	64.1	45.8	29.6	3.2	52.2	34.9	3.1	0.2

Source: Mahmood and Zahid 1992 p 19.

Provincial disparities are also visible in Table 5. Sindh has the highest ratio of primary and secondary education enrolment for urban males and females (evidently because of Karachi) but in rural areas only Balochistan has lower ratios, The rural female of Punjab fares the best while the rural female of Balochistan has the lowest enrolment ratio in both primary and secondary education. Between 1975 and 1995, the rural female of Punjab has shown the greatest strides in improvement in the enrolment ratios.

Pakistan's primary school enrolment rates are over-estimated and yet the lowest in the region. In the case of rural women, the low enrolment and high dropout rates are due to poor physical facilities in schools (UNESCAP 1997 p 23):

- long distance to schools (only one third of schools are within a mile radius of any village and public transport is also rare),
- shortage of teachers,
- non-availability of female teachers,
- economic and socio-cultural constraints,
- inadequate government investment in education,
- unsafe school environment.

Shortage of female teachers is the single most important constraint to the raising of enrolments at the primary level in rural areas (WB 1989 vol. II p 5). Though steady increases have been noted over the years, the overall female enrolment percent stays low i.e. in 1993-94 it was as follows:

Primary classes (I-V)	54.9
Middle (VI-VIII)	30.5
Secondary/High (IX-X)	19.4

Undoubtedly the rural female rates would be far less. Though female enrolment in 1993-94 in arts and science colleges was 41 per cent, 25 per cent in professional colleges and 13 per cent in universities, it could be safely assumed that these figures refer to the urban female.

III.2. Educational Attainment

Table 6: Participation Rates in Literacy and Educational Attainment by Sex 1996-97

Educational Level	1996-97	
	% Male	% Female
Literacy	50	25
Primary School	85	58
Middle School	56	35
High School	40	22

Source: GOP (N D.) Education Policy 1998-2110 pp 170-171

The educational status of Pakistani women is the lowest in the world. In 1990 the mean age of schooling for males was 1.9 years and for females 0.7 years. Only 25 per cent of women are literate and within this, the literacy for urban females is five times that of their rural counterparts.

Though literacy rates including female literacy rates have increased since 1961, they are still very low. Table 7 shows the differential gender-wise and area-wise in all age groups. The rural female is at the negative end of the scale.

Table 7: Literacy Rate by Age, Sex and Residence

Age Group	1981	
	Male	Female
All ages 10 and over		
Urban	55.3	37.28
Rural	26.2	7.34
10-14 years		
Urban	48.0	43.1
Rural	24.7	9.3
15-19 years		
Urban	63.3	54.1
Rural	36.2	13.0
20-24 years		
Urban	65.3	48.0
Rural	35.3	10.9
25 years and over		
Urban	53.2	27.6
Rural	22.7	4.6

Source: GOP (N. D.) *Census Report of Pakistan*.

Province-wise literacy rates show distinct differences. In the overall picture Sindh has higher literacy rates but the rural area of Punjab has a higher rate (Karachi boosts the overall ratio). Balochistan has the lowest rural female literacy rate.

Table 8: Literacy Rates by Province, Sex and Area 1981

Province	Rural		Total
	Male	Female	
Pakistan	26.2	7.3	26.2
Punjab	29.6	9.4	27.4
Sindh	24.5	5.2	31.4
NWEP	27.7	3.8	16.7
Balochistan	9.8	.7	1.3

Source: GOP (N.D.) Handbook of Population Census Data

IV. Rural Women and Family Life

IV. 1. Household/Family Structure

In Pakistan family ties are strong and the focus of social life. Family structure is patriarchal, patrilineal, and patrilocal (UNESCAP 1997 p 26). There is a marked division of roles between sexes and though women are limited to house and family work, it does not entail their being homebound.

The rural female is like her urban counterpart, socialised into submission and a home-centred role but she does not enjoy the same accessibility to education, wage employment, exposure to media and knowledge which is leading to a change of the traditional family value systems.

IV. 2. Household size

Population has increased markedly in Pakistan, and the household size has increased from 5.9 in 1960 to 6.8 in 1980. In 1980 the number of persons per household was more in urban than in rural areas, but in Sindh and Balochistan the number was the same for both.

In 1990-91 (Household Integrated Economic Survey 1990-91) the number of persons per household dropped marginally to 6.6 from 6.8 (with a 0.2 drop in rural and urban areas), which might mean a slowing of the trend.

In 1980, 76 per cent of the country's population lived in one or two

room units with an average family size of 6-7 persons. There is high congestion in both urban and rural areas. The Housing Census Reports of Pakistan for 1960 and 1980 show the trend of a drop of nearly 13 per cent in the use of one-room units in urban areas and 6 per cent in rural areas. While the same period shows a 5 per cent increase in two-room housing units for both rural and urban areas.

IV. 3. Household Headship

Men head 90 per cent of Pakistani households. Women may assume this role when widowed or divorced.

IV. 4. Family Formation

Marriage customs and practices show the following salient features:

- women marry early,
- most are arranged marriages,
- preference is for marriage between blood relatives,
- dowry is given to women,
- dower is also given by the groom's family in many cases,
- polygamy is permitted by Islam but not widely practised nor socially acceptable.

The following trends are visible in marriage patterns over the past few years:

- delay in the age of marriage,
- increase in mean age at marriage from 23.4 for males and 17.9 for females in 1951 to 25.5 for males and 20.7 for females in 1991 (UNESCAP 1997 p 31),
- according to the Pakistan Demographic Survey of 1991 the mean age for marriage for urban women is higher (25.5) than rural women (20).

Differences in mean age at marriage for males and females has been narrowing (from 7 years in 1961 to 5 years in 1991 (GOP 1995). The difference is slightly higher in rural areas compared to urban areas (GOP

1995).

Fertility behaviour is affected by religious teachings and socio-cultural norms whereby motherhood is exalted. Lack of education and traditional family systems contribute to high levels of fertility, which has declined as denoted by the completed family size stated earlier. The rural woman has far higher fertility rates than the urban woman. Urban residence and education tend to lower the completed family size. Women with secondary and higher education have on average two children fewer than women who have never been to school (UNESCAP 1997 p 34).

IV. 5. Marital Disruption

Marital disruption is the state wherein a segment of the population lives as widowed or divorced. According to the 1981 Census, more women were widowed compared to men. It could be owing to the following reasons:

- in marriage men are older than women and hence die earlier,
- remarriage for widowed men is a brighter prospect.

In Pakistan, divorce rates are low because of the stigma it carries, and widowhood for women means more vulnerability to societal pressures.

IV. 6. Domestic Violence

Though no data exists, the Pakistan Commission on the Status of Women does note that cases of women's abuse are reported particularly in rural areas and poor urban communities (Pakistan Commission on the Status of Women).

V. General Health of Women

Women have poor nutritional status, coupled with overwork, and this makes for poor general health. Various nutritional surveys show that (UNESCAP 1997 pp 38-39):

- Caloric intake of women is less than men;
- Caloric intake of pregnant and lactating mothers is below recommended levels;
- 45 per cent of pregnant and lactating mothers suffer from non-deficiency anaemia;
- Women are deficient in certain vitamins and minerals compared to

men (especially pregnant and lactating mothers);

- Ill-health of children is due to the poor health of mothers (such children are underweight at birth, die in childhood or are prone to illness throughout their lives);
- Evidently all the above multiply in the case of the rural woman.

V.1. Family Planning Practices

Data (NIPS 1991) according to 1990-91 statistics show that though 80 per cent of "currently married" knew of contraceptive methods, only 18 per cent of these according to the 1994-9? data were using any methods of contraception.

Contraceptive use is higher in urban areas (32 per cent) and lower in rural areas (11 per cent), while differences exist province-wise [4 per cent in Balochistan to 20 per cent in Punjab (UNESCO 1997 p 35)]. According to the Pakistan Contraceptive Prevalence Survey (PCPS) 1994-9? (Rosen and Shanti 1996) nearly 50 per cent of rural females and 60 per cent of urban females wanted no more children.

V.2. Maternal Health

The maternal mortality rate for Pakistan is 300 per 100,000 live births. The poor health of Pakistani women is because of:

- excessive reproduction burden,
- inadequate nutrition,
- lack of proper sanitation facilities,
- heavy physical load,
- inadequate medical care during and after pregnancy.

All this makes the women more vulnerable to different diseases. The situation is more marked in rural areas.

In a 1985 study, the contact of pregnant women to at least one antenatal service stood at 21 per cent for rural women and 60 per cent for urban women. Only thirty-five per cent of the rural population lives within 5 kilometres or half an hour of any fixed health facility (UNICEF 1992).

Table 9: Type of Assistance during Birth

Area	Person Providing Assistance	
	Doctor/Nurse/Trained Birth Attendant	Traditional Birth Attendant
Total	35	65
Total urban	61	39
Major city	70	30
Other urban	48	52
Rural	24	76
Punjab	36	64
Sindh	49	61
NWFP	19	81
Balochistan	52	48

Source: NIPS 1992.

Table 9 shows that in rural areas, only 24 per cent of the births are attended by a trained person. There was a correlation between educational attainment of mothers and delivery assisted by trained personnel.

V.3. Nutritional Deficiencies

Women require three times more iron than men and are less likely to get it. 45 per cent of pregnant and lactating women suffer from iron-deficiency anaemia, and 10 per cent were severely anaemic (WB 1989 p 51). Older women are more anaemic than younger mothers. Caloric and protein deficiency and Vitamin A deficiency is also highest among pregnant and lactating women. Iodine deficiency prevails in the mountainous regions of northern Pakistan. With most deliveries taking place at home, unassisted by trained health personnel, there are increased chances of infection for the mother during and after childbirth. Exposure to smoke and ash from wood stoves makes the rural woman more prone to respiratory diseases.

VI. Rural Women in Economic Life

VI.1. Economic Background

The rural areas of Pakistan are mainly agrarian in structure and the most underprivileged in terms of human and resource development. A vast majority of the rural population live near or below the poverty line. The

poorest are those who have no land holdings and work as agricultural or skilled labour. Rural women are pushed by poverty and other economic/ social pressures (dowry) to seek remunerated work; the majority of the workers are young and unmarried; they are unskilled when they start work (in cottage and small scale industries); and their levels of income are very low—a reflection of the exploitative conditions of work (Nazeer and Aljalay 1983).

Variation exists in the activities of the rural women vis-à-vis the different regions of Pakistan. In the Punjab, the input of females in economically productive activities declines with rise in economic status, as gauged by the size of holdings (Zaman and Khan 1987). This pattern cannot be confirmed in other provinces. Family female workers are more likely to be full-time workers in NWFP (89 per cent) and Sindh (15 per cent). Punjab shows an almost equal division (56 per cent), while in Balochistan a few (17 per cent) are full-time workers. Stricter cultural dictates in NWFP and Balochistan means lower participation rates than in other provinces. Even within provinces, different communities reveal different levels of women's participation in agricultural-related tasks (Saeed 1966; Qadri and Jahan 1982).

The lives of women in these areas are hard because the migration of males to earn alternative livelihoods puts the entire burden on the women and children. The human deprivation index is high in these regions and the highest for the women of these areas.

VI.2. Data Limitations

In this sector limitations in the collection of data cast a shadow on the reliability of the statistics. Women's participation in the labour force in the Population Census is grossly underreported. This could be because of the following reasons:

- Overlap in women's work inside and outside the home. Though housework means money saved it is categorised as unpaid labour and not noted as productive labour;
- In rural areas, the activities of rural women peak or slacken depending upon the season in which the survey is carried out, since there are peak demand agricultural seasons;
- Women themselves do not consider work outside the home productive since it is not "paid". This brings in fake reporting of data (economic activity has an ambiguous definition);
- Underreporting has been noticed when data is collected from men

compared to women respondents (former underreported female activity outside the home);

- Labour force participation rates have been collected in the past by offering different concepts of economically active persons i.e. reference periods, age of respondent and so on. All this makes it difficult for any meaningful comparative analysis of the data thus collected (UNESCO 1997 p 44).
- Available data is not desegregated by gender for variables like household income and women's share in different subsections of major industrial sector or occupational categories.
- Most data on rural employment covers only agricultural households i.e. farm household and livestock holders. These show the female participation rate as 73 per cent (Hussain 1990 p II). However, rural women's participation rates may well be much higher since non-agricultural households are not included. Non-agricultural households constitute 31 per cent of rural households and their females typically have a higher participation rate than women in agricultural households.
- Very few rural women are acknowledged as full time workers, since full time workers are defined as those who do only one particular type of work. Women by virtue of doing house work along with the agriculture related activities are, instead, defined as part time workers. This classification is unfair and needs to be re-assessed.

All the above make it difficult to assess the level of women's economic participation or income or occupational categories by age.

VI.3. Women's Economic Activities

Women play a vital role in economic production especially in rural areas, where they contribute significantly to the development of agriculture, livestock and cottage industries.

Rural women participate in operations related to:

- crop production,
- caring for and rearing of animals and poultry,
- processing and marketing of animal products,

- cottage industries such as brick-making, road laying and the like.

All the above is in addition to their normal domestic chores of:

- cooking,
- care of children,
- fetching water and fuel,
- cleaning, maintaining and even construction of the home.

The rural woman typically works 12-15 hours a day on various economic activities and household chores.

VI.4. Labour Force Participation

Due to gross under-reporting, women are shown as 16 per cent of the economically active labour force (FBS 1993 :Labour Force Survey 1991-1992), though they account for 47 per cent of the total population in the working age group. Rural women's labour force does not include non-agricultural households which account for 31 per cent of all rural households. This brings about skewed information since women's labour force participation is higher in non-agricultural households than in agricultural households.

Rural women's labour participation rates since 1961 have, on the average, been more than double that of the urban female (7.3 for urban females and 16.5 for rural females). This is probably due to the fact that rural life offers greater opportunities for women to participate in economic activities. There are valid reasons for low urban female participation but it is beyond the scope of this paper. It would not be wrong to estimate that a rural woman has a considerably higher labour force participation rate than the 16 per cent projected. In fact, conservative estimates place it between 25 and 45 per cent (Shaheed and Mumtaz 1990 p 24) while others place it at 47 per cent (Hussain 1990 p i). The 1980 Agricultural Census states that the female participation rate in agriculture is 73 per cent compared to 93 percent for rural males. These statistics are very high compared to developed and developing countries. This data does not include non-agricultural households. Clearly, the rural female is far more active in the rural economy than is generally believed (WB 1989 p 21; Shaheed and Mumtaz 1990 p 23). In agricultural households women account for 25 per cent of all full-time workers and 75 per cent of part-time workers across age groups for sexes. Marked differentials are exhibited in labour force participation rates, with

males maintaining much higher rates through 10 + years to 65 + years. Men's rates peak at 25-60 while for women, in general, it is 35-55 years.

VI.5. Labour Force Status

Economically active persons fall under two categories, employed or unemployed. The Labour Force Survey of 1991-92 shows 4.2 per cent as employed and 13.6 per cent females as unemployed. Table 10 also shows that the unemployment rate for urban females are considerably higher than the corresponding rates for the rural female at all ages.

Table 10: Age Specific Female Unemployment Rates by Residence 1991-92

Age	Urban Females	Rural Females
10-11	45.3	39.2
12-14	29.0	15.5
15-19	26.1	15.3
20-24	25.2	12.4
25-29	13.8	9.8
30-34	9.8	6.0
35-39	10.5	9.9
40-44	6.5	5.5
45-49	24.5	5.5
50-54	25.0	16.2
55-59	38.6	19.9
60-64	30.7	23.3
65+	43.5	29.7
All ages 10+	19.2	13.5

Source: GOP 1992

Table 11 below shows the difference in type of activity of the employed female both rural and urban.

Table 11: Percentage Distribution of Employed Females aged 10 years and over by Major Individual Sector and Residence, 1991-92, and 1993-94

Major Industrial Sector	1991-92		1993-94	
	Rural Female	Urban Female	Rural Female	Urban Female
Agriculture, hunting, fishing, forestry	79.4	14.7	12.40	0.18
Mining, quarrying	0.1	0.0	10.35	--
Manufacturing	10.8	32.4	0.88	0.55
Electricity, gas, water	0.1	0.0	0.01	--
Construction	0.9	0.4	0.13	0.03
Trade, hotels, restaurants	2.2	6.7	0.21	0.19
Transport, storage, communication	0.2	1.3	0.04	0.04
Finance, insurance, business services	0.2	0.9	--	0.01
Community social, personal, services	5.6	43.2	0.78	1.15
Activities not adequately defined	0.5	0.4	--	--

Source: 1991-92 statistics FBS 1993
1993-94 statistics GOP 1997 p 92

(In Table 11 above, a discrepancy is evident in the percentages calculated for 1991-92 and 1993-94.) As is true of the country, the majority of rural female tasks are agriculture-related as opposed to community, social and personal services for the urban female, with manufacturing having the second highest urban female percentage. Both combined match the percentage of rural females in agriculture-related occupations.

The occupational structures reflect the pattern of industrial attachment. As a whole, the majority of both males and females of Pakistan are employed in agriculture and related occupations, with the second highest being production, transport and labour occupations (Table 12)

Table 12: Percentage Distribution of Employed Females aged 10 years and over by Major Occupational Group and Residence 1991-92

Major Occupational Group	Urban Female	Rural Female
Professional, technical, related workers	26.4	2.7
Administrative and managerial workers	0.8	--
Clerical and related workers	3.8	0.2
Sales workers	6.7	2.5
Service workers	11.7	2.2
Agriculture and related workers (fisheries)	14.6	79.3
Production, transport operators, labourers	36.0	13.0

Source: FBS 1993

Urban females actually exceed males in percentage terms in the areas of professional, technical jobs, as service workers and in agriculture and related areas. The rural female percentage exceeds the males' in only agriculture and related fields. And the number of rural females at administrative jobs is negligible.

The FBS Labour Force Survey of 1991-92 also shows that female workers in agriculture and related fields are more than males in the province of NWFP, Punjab and Sindh, while it is not so in Balochistan. Here females outnumber males in production, transport and the labourer category of occupation. In all provinces, females outnumber males in the professional and technical group except in the NWFP, with the difference most visible in Sindh.

Since females constitute a very small proportion of the labour force of the country, their proportional share in various occupational groups is also very low. There has been an increase over the years though. Labour Surveys 1984-8J (FBS 1986) to 1991-92 (FBS 1993) show a decline in the female share in agricultural occupations, but increase in professional, technical and service-related occupations.

Educational attainment of employed females is shown in the following table:

Table 13: Percentage Distribution of Employed Females aged 10 years and over by Level of Education and Residence 1991-92

Level of Education	Urban Female	Rural Female
Illiterate	54.2	90.7
Literate	45.8	9.8
No formal education	1.8	1.6
Nursery/Kindergarten	0.1	--
Nursery, but below primary	1.6	1.1
Primary, but below middle	7.9	3.2
Middle, but below matric	5.1	0.9
Matric, but below inter	11.1	0.9
Inter, but below degree	7.0	1.3
Degree and above	11.2	0.8

Source: FBS 1993

The 1991-92 Labour Force Survey reveals that 57 per cent of employed males and 55 per cent of employed females, 60 years and above are illiterate. The difference in literacy between rural females and urban females is significant. As it is, the illiteracy of rural women stands at 90 per cent.

VI. 6. Decision-making within the Family

Despite lack of data, evidence gathered from surveys on limited scales show that women, especially rural women of the Punjab, make decisions more often or as often as men in traditional farm activities such as threshing groundnuts, maize, weeding, husking etc. How applicable this is to other areas of Pakistan remains to be assessed. Several studies, though, point to the greater role women play in decision making than is generally believed (Masood and Mahjabeen 1989). The more income a woman earns the more decision-making authority she wields in the household (Hussain 1990 p 14). They have greater control over income for activities in which they are involved (Freedman and Wai 1988). The social ethos exists whereby the social attitude of 'controlling women' is preserved and perpetuated (Murntaz and Shaheed 1987 p 29). In concrete terms this translates to denying women access to economic, social and political power, thus limiting their decision-making within and without the family. This is more than true for the rural female.

VII. Women in Public Life

At a religious and constitutional level, the women of Pakistan have no constraints on active participation in public life. How socio-cultural and economic factors actually work on the ground in real life is another picture - so much so that seats for women have to be reserved to observe representation in various legislative bodies (except the Senate).

According to the data of the Election Commission of Pakistan, women accounted for 46.3 per cent of the votes in 1988 and 45.5 per cent in 1993, with 46.4 per cent in the Punjab and 42 per cent in NWFP (which was the lowest). Women do not exercise their right of voting in its entirety and in addition feudal/tribal structures do not give them the freedom to exercise their independent judgement (UNESCAP 1997 pp 54-55).

The percentage of women in the National Assembly has grown very slowly from none in 1970 to 2.0 per cent in 1993, and in the Provincial Assemblies from none in 1977 to 0.6 per cent in 1993. In the Senate from 1.1 per cent in 1985 to 2.3 per cent in 1994 (GOP 1995). (In 1988 women representatives peaked to 4.0 per cent in the National Assembly.)

At the local level, reserved seats for women for district councils have increased over the years. Though small in number, it had a significant impact on widening their power base. At the same time, it has also raised questions about the number of seats that need to be reserved for women, the modality for filling these seats, and the extension of the provision to the Senate. (The UN has recommended that women have at least 33 per cent representation in all representative bodies). Political parties have no clear record of female membership and women representation in the decision-making bodies (i.e. in the central executive committee of the two major political parties) is still inadequate. The reason cited by political parties that women are reluctant to come to the political arena is questionable (Report of the Commission of Inquiry for Women 1997 p 10).

The urban female has representation in the professional and technical occupational services, which does not hold true for the rural female. The urban females have a comparatively larger share of 1.0 per cent at grades 16-22 than at grade 1-15 (4.7 per cent), yet not a single woman was in a key decision-making position, either in the executive or the judiciary (grades 21 and 22) (Federal Government Civil Service Census Report 1989). Women have a low marginal share in ministries such as Planning, Finance, Industries, Food and Agriculture, Foreign Affairs and Police. Another area where women are grossly underrepresented is the legal profession.

VIII. Women and Law

Pakistan's present constitution and the various 5-year plans, all uphold the law that there be no discrimination on the basis of sex alone. It is obvious that the case of women has a direct link with constitutional and democratic governance.

According to the Report of the Commission of Inquiry for Women (1997 pp 1-8), there are various laws that need revision so as to safeguard the fundamental rights of women. It also recommends reconsideration concerning The Council of Islamic Ideology, Federal Shariat Court, Eighth Amendment, Judiciary and Fifth Schedule.

Even the Pakistan Citizenship Act (1951) has examples of both conscious and subconscious discrimination against women, and needs appropriate modifications.

The Family Laws of Pakistan are another important arena that needs to be discussed since it affects women very acutely.

VIII.1. The Family Laws

The Family Laws are a blend of codified law and customary law based on religious norms. The Report (*ibid* p 20) has recommended modifications in laws regarding Muslims, non-Muslims, marriage, dower and maintenance, polygamy, termination of marriage, dowry and bridal gifts, the Guardian and Wards Act 1890, Special Marriages Act 1872, Government Servants (Marriage with foreign national) Rules 1962, Child Marriage Restraint Act 1929. In all the above cases, laws showing discrimination against women have been pinpointed.

VIII.2. Labour and Service Laws

Labour and Service Laws exist. But many problems faced by working women are neither identified, nor do minimum standards exist to ensure that women workers can be protected and are not exploited. Recommendations have been made repeatedly to create a non-discriminatory system of laws. The Pakistani female in general faces immense discrimination as a worker outside the home, be it in any capacity. The working rural female specifically needs legislation to safeguard her rights. But, first and foremost, her labour needs to be recognised. As it is the mechanisation of the agriculture sector is reducing her role in this sector (Shuja 1993 p229).

VIII.3. Criminal Laws

Criminal Laws revolve around a patriarchal structure and reinforce a gender biased concept in favour of men (*ibid* p 56). Laws regarding *qisas* and *diyat* leave a wide margin for the discretion of the courts. Gender is apt to be a factor in this exercise. Laws regarding abortion, assault on women, procurement of a minor girl, unnatural offences, sexual harassment, honour-killing as well as Code of Criminal Procedures (*ibid* pp. 62-64), Probation of Offenders Ordinance (p 64) need to be amended so that females do not suffer unnecessarily. Special reference needs to be made to *zina* and *qazf* under the Hudood Ordinances promulgated in 1979. "Both these have direct and indirect discriminatory effects on women" (*ibid* p 65). Nearly half the women prisoners in the jails of Pakistan have been accused of *zina* Considering the fact of low conviction rate of 5 per cent (the Daily Muslim 9-3-93) most cases of *zina* are either false or based on false suspicion. The plight of female prisoners who suffer undue harassment in jails, in some cases with their children, makes this ordinance all the more disturbing. The fact that not a single case involves the wealthy or the privileged shows that exploitation carried out under this law is restricted to those who have no voice or strength to protest against injustices. This law is irrational and has exploited rather than protected women (*ibid* p 74).

Table 14 below shows the disparity in data between *zina* and *qazf* cases:

**Table 14: Federal Shariat Court 1980-87
Province-wise cases of Zina and Qazf**

Region	Zina	Qazf
NWFP	147	1
Sindh	198	0
Balochistan	21	0
Punjab	12,778	33
Islamabad	12,155	9
Total	14,399	43

Source: Report of the Commission of Inquiry for Women 1997 p 67.

VIII.4. Law Regarding Witnesses

The Ordinance regarding witnesses also leaves much to the discretion of the courts. Considering that there are differences of opinion, strict consistency can hardly be expected. And so the law can be seen to be

unfair in taxing the courts with laying down the law, where varying interpretations of Islamic injunctions are possible. It may lead to much confusion and injustice (*ibid* p 76).

VIII.5. Violence Against Women

Violence against women exists at all levels of society and has diverse forms. In recent years it has become a major area of concern and has brought an awareness of its incidence and impact. It ranges from covert acts, that is, abusive language, coercion in marriage, to overt acts such as wife-beating, torture, marital rape, custodial violence, honour-killing, burning, acid throwing, incest, rape, gang-rape, public stripping, trafficking and forced prostitution and sexual harassment (Hassan 1995). Many forms that exist are so entrenched in our culture that they are ignored, condoned or even found acceptable by large sections of our society (Report of the Commission of Inquiry for Women 1997 p 78). For example, social attitudes that the wife is a property of the husband; that whatever happens in a family is a private, internal family matter; that behaviour meted out to the wife was necessary as "corrective measures" all lead to the condoning of acts of violence and abuse towards women in their role as wives.

VIII.6 Statistics Regarding Violence Against Women

Sexual violence in the workplace is largely class-based (*ibid* p 82). A 1992 report found that 70 per cent of women in police stations were subjected to sexual and physical violence and not a single police officer was criminally punished for such abuse (*ibid* p 83). In 1994 two psychologists of Karachi did separate informal studies which had identical findings showing that 20 per cent had suffered unpleasant sexual experiences as children and 30 per cent knew someone who had abused a child (quoted in Khan 1995 p 15). These findings are similar to the child-abuse figures in the West (Report of the Commission of Inquiry for Women 1997, p 84). A 1995-96 research report conducted over 1991-93, indicated that 100 - 150 Bangladeshi women are brought into Pakistan as human cargo every day. And of 200,000 Bangladeshi women in Pakistan, 2,000 languish in jails and shelters and face innumerable problems. Women who are caught suffer, while the real criminals (pimps, agents and even police working with the former two) go scot free (*ibid* p 85-86).

The Hudood Ordinance in 1979 deleted the Pakistan Penal Code provision that treated marital rape as an offence, thus empowering men to negate women's rights. In the case of rural women, it leads to having more children and poorer health.

Apart from the above, there are many other customary practices which aim at preserving female subjugation. Many inhuman practices continue for the custom of *badl-e-sulh*, *karo kari*, *siah-kari*, *swara*, and practice of *kammis* are defended and condoned by society¹ (*ibid* p 87). The practice of *karo kari* and *siah kari* are more prevalent in upper Sindh, but are also practised in the Punjab and Balochistan. These honour-killings target women since they are considered expendable (*ibid* p 88), and owing to the social restraints of the rural environment, are more prevalent in this area. The practice of *walwar* is reported in Balochistan while *Swara* is prevalent in NWFP and the tribal areas.

IX. Conclusions

It is an established fact that the wealth of nations is not totally dependent on financial assets. Surely physical and natural capital contribute to the wealth of a nation, but a bigger share, 64 per cent, is attributed to human and social capital (Haq 1997, pp 15-16). Pakistan's biggest handicap is the deplorably low level of development of human capital. In a holistic scenario, Pakistan suffers from:

- economic deprivation,
- neglect of social services,
- poverty of basic human capabilities,
- galloping population rate.

IX.1. Gender Profile

The following profile indicates the human capital existing in Pakistan.

¹ Note: *Badl-sulh*: barter of girls to settle disputes
Karo-kan: illicit relationship settled by death
Siah-kari: killing of women having an illicit relationship
Swara: marriage of girls to the Quran
Kammas: bonded labour
Walwar: price of bride

Table 15: Gender Profile of Pakistan

	Male	Female
Education Profile		
Adult literacy	4923	
Gross enrolment rate (% of levels 1, 2 and 3) 1993	49	24
Mean years of schooling	2.9	0.7
Health Profile		
Life expectancy 1993	61	63
Maternal mortality rate 1993		340
Total fertility rate 1993		6.1
Women using contraception % 1986-93	12	
Economic Opportunity		
Labour force	72	28
Earned income	81	19
Economic activity rate 15 +1994	88	15
Administrators and managers % in 1995	97	3
Political Participation		
Share in parliament % 1994	98	2
Share at ministerial level % 1995	96	4
HD Indicators		
HDI in 1993		0.442
GDI in 1993		0.383
GEM in 1993		0.165

Source: Haq 1997 pp 25.51

At the outset, it needs to be pointed out that gender disparity does exist the world over. No society has achieved the gender development index (GDI) score of 1.0. But women in Pakistan suffer deprivation many times over. The society as a whole is impoverished, as it is the HDI stands very low at 0.442 (UNDP 1996 p 136). The GDI is even lower at 0.383 (UNDP 1996 p 139) so women as a whole are deprived in many ways.

The data collected in this report clearly show that in Pakistan the rural areas as a whole have less HDI factors than urban areas. For example (UNDP 1996 p 171):

- 66 per cent of the population live in rural areas,
- 35 per cent of the rural population has access to health services,
- 71 per cent of the rural population has access to safe water.

- 19 per cent of the rural population has access to sanitation.

The above data amply points out the utter neglect of the female population which is even more so for the rural female since she belongs to an area where all the negative factors are highly pronounced. The needs of the rural woman cannot be divorced from the overall situation that exists in Pakistan. The lot of women and specifically the rural woman can be bettered by an improvement in the country's HDI. This is not to say that GDI depends on HDI. In Pakistan, GDI improvement also depends upon changes in intangible factors such as "attitudes" towards women.

The profile of the rural woman that emerges from the foregoing data is that:

- Rural women, despite male migration to urban areas, are outnumbered by men. Rural women outnumber rural men between the ages 0-4 and 35-44 years. But though dependency ratios are higher for rural females as compared to urban females, this is questionable in the light of the fact that economic participation rates of rural females shown in existing literature need to be revised and restated.
- Rural women tend to marry at an earlier age (with fewer in the "never married" category) making for longer years of reproduction and more children.
- Though there has been a dramatic increase in female enrolments in the educational system, rural female enrolment is still one-third of the urban female. This is one sector where provincial disparities are visible, with the rural women of the Punjab showing the maximum strength and improvement, and Balochistan the lowest enrolment rates. By way of educational attainment, it is obvious that while rural females have made strides at the primary level, there has been very little increase at the secondary level. Higher education enrolment is negligible.
- The rural woman submits to the socio-cultural role delineated for her within the home-related focus of the female role in general. Earlier marriage translates into higher fertility rates for the rural woman, and this is buttressed by lack of education and stronger ties of traditional family systems. These very reasons lead to a poor incidence of family planning practices in rural areas, despite the fact that 50 per cent of rural women want no more children.
- Pakistani women have poor nutritional status, and, coupled with

overwork, it makes for poor general health. The rural woman suffers from under-nutrition compared to the rural male, or the urban female. And coupled with higher fertility rates and inadequate care during and after pregnancy it leads to poor general health.

- Considering the limitations of conflicting data, the role of the rural woman in economic life is not difficult to assess. It is evident that women play a vital role in economic activity in rural areas. Almost all rural women work. In fact they do double their share of work. In addition to their normal housework, they actively participate in crop production, poultry and animal rearing and cottage industries. Rural women are involved in agriculture-related activities and as such outnumber males in agriculture-related fields in the Punjab, NWFP and Sindh. It would be reasonable to assume that 80 percent of the rural females are involved in economically productive work.. Rural women are erroneously stated as unproductive. The percentage of rural females in professional and technical fields and service areas is considerably smaller within administrative areas.
- Despite assertions to the contrary, rural women make decisions as often as men in farm activities. It could be that she exercises this control in areas where she is involved. As it is, the decision-making authority of the female increases with her ability to generate income.
- Rural females show a negligible presence in public life. The reservation of seats for women at district council levels has had a significant impact on widening their power base. Though there are women elected to public offices who are rural area-based, they belong to the privileged class, mostly with a feudal background. They are possibly as far removed from the plight of the rural woman as the urban female/male. Unfortunately, major decisions that affect the lives of women in the form of laws and policies are made primarily by male-membership bodies with virtually no participation by women. Hence, many existing laws are discriminatory and most policies marginalise women. Considering that the rural woman's participation is literally negligible, it is safe to conclude that policies/laws that safeguard the interests of rural women are a remote possibility.
- The present Constitution of Pakistan and various Laws and Acts of the country show conscious and subconscious discrimination against women. Coupled with lack of education, this creates poor legal status of the rural woman. The rural woman is most affected by

Family Laws of Marriage, Divorce and Inheritance. This is worsened by the fact that women are not treated as equal participants in the economic and socio-political life of the country. Rural women contribute to work outside the home and yet continue to play the role of homemakers single-handedly. No law exists that could help recognise these contributions and hence give them security. Within the ambit of labour laws, certain sectors of the economy such as agriculture, are excluded. This leaves the rural woman unprotected. Being considered an informal sector of the economy, it not only goes unmeasured and unrewarded, but also unprotected by law. And since rules that exist provide protection to the female factory worker, many women who are home-based fall outside the protection of these rules. Family Laws generally, and the Hudood Ordinance—*zina* and *qazf*—specifically show a bias against females. Abundant evidence exists to show that the result of the Zina Ordinance has been the victimisation rather than the protection of women, and more so for the least privileged members of society. Since rural women fall under this category, it can safely be concluded that they face the maximum brunt of the inadequacies that exist in the legal system and its pattern of execution.

- Reported cases of violence against women, at home or at the workplace are class-based. Very few cases pertain to women of the privileged class. Taking into consideration the possibility of under-reporting for this class, it can be safely assumed that women belonging to poor urban or rural areas are more hard-hit by such like social attitudes and norms. Furthermore, the family structure, living and environmental conditions, economic dependence of the woman upon the man, and social censure all add to conditions which make for the helplessness of the rural women to counter violence directed at her. In the light of the foregoing data, laws that do exist for guarding the rights of women in general, show definite shortfalls leaving much to the discretion of the courts. Hence, execution of these laws increases the possibility of discrimination against rural women. The above situation is compounded by the rural woman's lack of awareness of her rights and negation of her economic contributions.

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Human Rights and Economic Growth

Aziz Siddiqui

Is there a conflict between development on the one hand and democracy and/or human rights on the other? The issue began to be seriously examined some forty years ago¹ and the controversy has simmered because there has been empirical evidence to indicate at least some short-term validity to those who do see a conflict and press the primacy of growth. They take off from premises like Einstein's, "An empty stomach makes a poor political adviser."

The controversy in recent years has not so much been for and against human rights as over which category of it should have precedence: civil and political rights or economic, social and cultural rights. Originally, the bill of rights had remained confined only to the first category. But after World War II, when the newly formed United Nations began to consider the need for a universal declaration and, later, for a binding covenant on the subject, inclusion of economic, social and cultural rights was vehemently and successfully argued, especially by the socialist bloc of countries.

Later the issue even became an element in the cold war. While the West assumed the title of 'Free World' on the basis of its relative guarantees of civil and political rights, the East claimed credit for its primacy to economic rights. The developing countries too, unable or uninclined for various reasons and to varying degrees to accept international standards in guaranteeing the freedoms to their people, began when challenged to claim an overriding need to concentrate on the economic backwardness of their people.

To the extent of form the issue of precedence was sought to be resolved at the World Conference on Human Rights held in Vienna in 1993. The Declaration that was adopted at the end declared that all the categories of human rights were universal, indivisible and interdependent.² None, therefore, could have precedence over, and demand a price from the others. It was however asked to be accepted that while the civil and political rights

¹ See for instance, Seymour Martin Lipset, *Political Man: The Social Bases of Politics*, 1959; and "Some Social Requisites of Democracy: Economic Development and political Legitimacy," in *American Political Science Review*, March 1959.

² "All human rights are universal, indivisible and interdependent and interrelated. The international community must treat human rights globally in a fair and equal manner and on the same footing, and with the same emphasis..." Article 5, Vienna Declaration and Programme of Action, 1993.

– freedom of the press, equality before the law, participation through elections, etc. – could be immediately guaranteed, the other rights – to education, health, etc. – needed time to be ensured.

In practice, however, the Declaration did not much change the situation on the ground. At the annual sessions of the Human Rights Commission in Geneva, when delegations of the European Union or the US raise issues of arbitrary detentions, excessive use of police force, extra judicial killing, press curbs etc., countries like Malaysia and even India plead special circumstances and even argue that those who have left them with a vast legacy of post colonial problems ought to know better.³

There is yet another caveat strongly made. It is that the western emphasis on the right of the individual that has come to characterise the UN standards is incompatible with other cultures. The Africans, for instance, have argued that their traditions place tribal and group interests above the individual; even that the individual barely has an identity in terms of rights except as a member of the group, animated by a spirit of solidarity. This is said to contrast with the atomistic view of the Western world which regards individuals as locked in a constant struggle against society for the redemption of their rights. Indeed, the regional convention by the Organisation of African Unity is called ‘African Charter of Human and Peoples’ Rights’.

There has also been the advocacy of a separate ‘Asian way’. The plea has been that Asians place greater value on prevalence of harmony in the community than on individual rights; that the Confucian-based cultural values of East Asia stress the importance of family and society and mandate consensus-oriented politics. “The expansion of the rights of the individual to behave or misbehave as he pleases has come at the expense of orderly society,” said Singapore’s Lee Kuan Yew, the leading exponent of this Asian Way.

³ For instance, at the 1997 Human Rights Commission session at Geneva, thus the Malaysian delegate: “There is selective use of human rights by some nations as political weapons against their adversaries. The North manifests an attitude of total conceit in castigating countries for being slow in effecting reforms. To allow oneself to be lectured and hectoring on freedom and human rights after years of struggle to regain one’s liberty and human dignity by those who participated in and benefited from the subjugation is to suffer impudence..” etc. Or thus the Indian representative, “The commission seems to have adopted an approach that is both adversarial and selective. It has recently heard a call to monitor, report and expose human rights violations with a view to putting pressure on government and marshalling international condemnation and public embarrassment against those governments. This approach leads to anger and acrimony...”

Cultural relativism is also pressed in relations to Islamic countries. Islam, it is said, offers its own charter of rights, and this cannot be allowed to be superseded by any other norms. Conflict is seen most strikingly to occur in the areas of women's rights, freedom of worship and conscience, and judicial punishments.⁴

The view mostly pressed on behalf of the developing world has therefore been that it should be for individual states to interpret international human rights standards in accordance with their history, culture, political system and level of economic development. It is notable that the de-emphasising of civil and political rights in particular has often come from the governments in power. It is rarely shared by the opposition, and the various sections of civil society in the same countries. When it has also been accompanied by advance in the other sector it seemed to have good reason to be self-righteous. Autocratic governments did, in some instances, seem to have improved the life of the people in the material sense.

Singapore, for instance, was not much more than a squalid backwater at independence in 1959, and had not changed much when it joined and then broke away from Malaysia in 1965. But after that its fortunes saw rapid transformation. By 1990 it had become one of Asia's Little Dragons reaching levels of per capita income comparable with the West: ahead in fact even of UK on the basis of purchasing price parity.

Other so-called Asian Tigers, Taiwan, South Korea and Hong Kong, rose equally rapidly to similar heights and under similar conditions of authoritarian rule. Indonesia engineered its 'economic miracle', with GDP growth ranging from over 6 per cent to close to 8 per cent in some years, under barely disguised dictatorship. And Malaysia's authoritarianism might have been 'soft' but it was as unmistakable as its economic advance was emphatic.

South Korea mostly performed best in its most repressive years: it had a GDP growth rate of 9.5 per cent in the period from 1965 to 1980, of 8.6 per cent from 1980 to 1987, of 12 per cent in 1987 and 1988, 9.6 per cent in 1990 and 9.1 per cent in 1991. Later as repression began to unwind

⁴ The differences of cultural and historical experiences causing variations of emphasis on the interpretation of human rights – cultural relativism, in short – had to be conceded at the World Conference on Human Rights at Vienna in 1993. Article 5 of its Declaration said in part: "While the significance of national and regional peculiarities and various historical, cultural and religious backgrounds must be borne in mind, it is the duty of states, regardless of their political, economic and cultural systems, to protect and promote all human rights and fundamental freedoms."

growth also declined to the more normal 5 per cent, give or take a percentage point.

China, despite its extraordinary size, has sustained an average of 9 per cent growth over the past two decades, reaching even up to 13.4 per cent in 1993. Another two decades of such growth and its GNP will be one and a half times that of the US.

In Latin America too, the economies of Chile and Peru virtually collapsed under democratic rule, but saw a dramatic turnaround under authoritarian governments. President Alberto Fujimori was democratically elected, but he promptly proceeded to suspend the Peruvian constitution and rewrite one of his own giving him almost unrestrained powers. He then created an economic transformation.

The countries of East Asia are indeed a notable example of the sacrificing of personal freedom and political participation for booming economies. The parliament in Singapore has mostly had a solitary opposition member, and he too has been pursued through courts to almost a point of financial ruin. Other dissenters too are promptly and effectively disciplined. Malaysia allows opposition groups to function but there are almost insuperable barriers against their coming into power. Within the ruling party, emerging challenges have received short shrift. In South Korea, although political arrests, torture and summary execution of the Park Chung Hee and Chun Doo Hwan years lie in the past following the students movement of the late 80s, restraints on freedoms still continue. And in Indonesia the current rampancy of popular unrest is a consequence of over thirty years of President Suharto's so-called New Order. The groups allowed to function in the parliament besides the ruling Golkar could not even call themselves an opposition, and they had never initiated or blocked a single piece of legislation in all the years of their life. Press curbs, including closure of papers and expulsion of foreign journalists, have been a part of governance in these countries.

So where does that leave the debate about human rights and economic development?

The latter does often require hard decisions to be made, more so if the pace is desired to be quickened. Authoritarianism tends to be a help insofar as it concentrates all decision-making in a few hands, pre-empts an undergrowth of competing demands, gets on with self-perceived priorities more or less unhobbled by political or social pulls and pressures. It is able for the duration of its supremacy to enforce two of the preconditions of growth – stability and efficiency. But there are also problems.

First, authoritarian rule does not usually provide for an easy transition, and even more rarely for one able or oriented to taking its economic work forward. There is rarely in history and example of such a category of a do-gooder being succeeded by his like.

Secondly, a forced pace of growth is necessarily flawed in distributive justice. It spawns anomalies and inequalities. In Indonesia it created a closely linked patronage structure of the president's family members and associates. In Malaysia it may have caused the emergence of an ethnic Malaysian middle class, which further strengthened the power structure, but it has left the ethnic Chinese half of the population feeling unfairly done by.

Thirdly, it is more prone to adoption, and less fitted for timely correction, of insufficiently considered macroeconomic policies and methods, such as have seen last year's sudden massive meltdown in East Asia.

Fourthly, it engenders a pressure-cooker effect. Failures in distributive justice add to the accumulation of resentment at the denial of freedoms. A critical mass is sooner or later reached and human waves then surge against the instruments of repression. That is what happened in south Korea in the late 80s and is happening now in Indonesia.

Finally, it forecloses the development of institutions and mechanisms for the testing of contrary opinions, reaching of compromises, honing of decisions, and development of wider consensus and acceptability. By limiting participation in decision-making it smothers the process of political growth.

In sum, if authoritarianism is efficient it is also prone to accidents. Its rigidity prevents its ability to absorb shocks. It either reacts strongly or it breaks. And it is usually deficient in the mode of continuity, if not in a desire for self-perpetuation.

Also, for each authoritarian government that has produced economic results there have been scores that have not. As *The Economist* once wrote, "If authoritarianism made countries rich Africa today would be an economic colossus." Conversely, if several developing countries in South Asia and the South Pacific have economically lagged behind, it is not because they have held periodic elections and permitted varying measures of freedom to their people. It is basically because they have not done these genuinely and extensively enough.

The point of democracy is that people have a feeling of participation, of being more or less in control. And freedom also of course means freedom from want.

It is admitted that this is not possible of being achieved in a hurry in developing societies. But it is not impossible either that there is movement in this direction, and that movement is open, unmistakable and emphatic.

The failure of democracy in most developing countries is, first, that it does not go to the vital grass root level where the community gets the opportunity freely to organise itself, to identify its local needs, and to set about implementing its priorities.

Secondly, the elections that are held do not remotely fulfil their purpose because of the role played both by the political parties and the state. It ensures that mostly only the rich and/or the influential get elected; in other words, those that have a strong stake in the status quo. Large sections of the people, those in whom democracy if it has to have any meaning should be grounded, go altogether unrepresented. The 'representatives' are in effect pre-selected, and the voters are virtually offered a non-choice.

Thirdly, the government that gets formed in this way is a concentrate of the characteristics of these pre-selected people. So is the opposition, because it also emerges from the same process and the same milieu. So whether the government endures or alternates power with the opposition, the rule by an unreconstructed polyarchy continues.

To compare the economic performance of such a sanctified 'democracy' with an autocracy that has continually to justify its repression, which has to seek its sanction in what it delivers in material terms over a limited period, is to make a wrongful comparison; it is to miss the essential variables between the two.

The assumption that new democracies tend to be unstable and inefficient derives from current examples of democracies. If these democracies strove to be more of what they claim – that is, if the rules of governance devised have embedded within them a system of popular participation, consultation and control, transparency and accountability, and strong enough guarantees of the fundamental rights of the people – this is bound to promote the stability that matters, stability of the system itself and the possibility of its continuous self-improvement. Stability, anyhow, does not necessarily mean stability of the government in power.

Government is just one arm of the state, and it does not have to be such a predominant and all-important arm as in most current democracies.

Inefficiency is also nursed most by lack of transparency and accountability and by the distance between the rulers and the ruled. It is not so much an attribute of democracy as a measure of its absence.

These requisites may sound utopian. They are so only because the interests they will strike at are powerful and entrenched, though small. But the challenges the developing countries have ahead of them, especially in face of the marauding aspects of globalisation,⁵ will make the status quo of either kind increasingly untenable. The advantages of the past especially created to nurse and nourish the so-called Asian Tigers are already becoming unthinkable. Democratic economic choice, it is now recognised, will be essential to introduce development from below. And democratic political and social choice will be vital for the expansion of human freedom and capabilities. Not only has economic growth to be maximised, it will have to be equitably distributed and brought within the critical scrutiny of the people themselves. Command societies now are even more liable to fail in the longer run than command economies.⁶

The dichotomy seen between human rights and economic development, or between the two categories of human rights, is in any other than the short term false and likely in the future to do a society irreparable damage.

⁵ See, for instance, UNDP, *Human Development Report 1997*. Chapter on Globalisation.

⁶ See Louis Emmenj (Ed.), *Economic and Social Development into the XXI Century*; Hamish McRae, *The World in 2020, Power, Culture and prosperity: A vision of the Future*.

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Upgrading Pre-Literacy Skills of Disadvantaged Children

Shireen Zafarullah

The First Step Towards a Combined Syllabus for all Children in Pakistan

Prescription of a common syllabus for all children in Pakistan is the demand of social activists. The author feels that this is not a feasible proposal at this time as there is a huge gap between the life experiences in the two worlds that exist within Pakistan ---the world of the privileged and the world of the deprived. Children of the poor fail to develop certain essential pre-literacy skills (Zafarullah, 1996) and are therefore unable to compete with their more fortunate counterparts. These underprivileged children lack an orientation towards literacy:

1. They lack certain essential pre-literacy skills,
2. Their home language is different from the school language,
3. They lack the motivation to become literate.

Privileged children, on the other hand, have few such shortcomings. In fact they are overly motivated, competent and competitive in the area of school learning. Hence, if we have a combined syllabus we will either have to downgrade the educational standard of the advanced children (bringing them down to the level of the backward children) or up-grade the disadvantaged children and take them closer to the level of their more fortunate counterparts. The second option is obviously more desirable.

This paper briefly describes some of the methods employed by the researcher to rapidly upgrade under-privileged children before and during elementary schooling. These methods have been implemented and tested by teams led by the researcher and have proved dramatically successful.

How to Upgrade the Under-privileged Children.

In order to upgrade deprived children and bridge the gap between privileged and underprivileged children, we will have to start early and work at a faster pace than normal. The influence of generations of illiteracy cannot be eliminated in a day. Homes with illiterate parents lack literacy-related activities, demonstrations, artefacts, materials and insight (MSc

Research Report, 1994). We will need to muster all possible resources to overcome these handicaps of the disadvantaged children from all three sides.

1. **By preparing them for school** (or by developing missing school readiness in them) before they come to school so that their chances of failure and drop out at school are reduced.
2. **By attracting them to school**, by making school learning more relevant, meaningful, interesting and functional for them.
3. **By motivating parents of disadvantaged children to send them to school** by developing an awareness about the need for education in them.

1. **Preparing Young Children for School**

In her recent research the author Zafarullah 1996 has revealed that the children of illiterate under-privileged parents are grossly handicapped as compared to those of educated parents. Hence they face many difficulties in the course of their studies. Only by removing these handicaps can we prepare them for school. We will first discuss these handicaps before we proceed to find out methods to minimise them. The handicaps include:

i) Unfamiliar school language

The primary handicap is the language handicap. A majority of Pakistani children speak their regional language in their homes, while they are taught in the national language at school. Hence they are unable to understand the instructions and lessons at school. This difficulty is faced by them in their first *quaida*. When they read the letter _____ and see the picture of watermelon, they are supposed to say _____, However a watermelon to them is _____ So they say _____ and get confused.

ii) Lack of motivation to become literate

The second handicap faced by these deprived children is a lack of initiative and motivation to become literate. Their illiterate home background is primarily responsible for this apathy towards literacy/ education. It is not easy for the educated to realise that most of these homes do not contain a scrap of printed or written paper. There is hardly any literacy related activity in them; activities which can support or motivate them to become literate. Because these children do not see anybody read or write around them they do not

realise the importance of being literate. Hence, the other most important goal of the literacy programme should be to expose these children to the act of reading and writing and other literacy related experiences, which they have missed.

The best way to do so is as follows:

1. Through *exposing them to print in their environment*
2. Through *the language experience approach to reading.*

iii) Lack of School Readiness (or Readiness to Learn)

The third most important handicap these children face is a lack of school readiness among them. According to Morrison (1988) school readiness means the attainment of pre-requisite skills, knowledge, attitude, motivation and behavioural traits that enable the learner to profit maximally from school instruction. The most important pre-requisites to school readiness are pre-literacy skills (Walach & Walach, 1978). These skills were found to be missing in underprivileged children when they were tested on the Boehm Cognitive Test Battery by Zafarullah (1996). These test items and their related skills are given below:

Pre-Literacy Skills	Test Items (of Boehm Cognitive Test Battery)
Language Skills	Story Comprehension Vocabulary Skill
Pre-Reading Skills	Letter Naming Auditory discrimination
Pre-Writing Skills	Symbol Discrimination Muscle Co-ordination
Pre-Number Skills	Number Knowledge Multiple Direction

The two most significant pre-academic handicaps related to the promotion of literacy were found to be in the skills of:

- * Auditory Discrimination (or Sound Phonics Discrimination)
- * Symbol Discrimination (or letter, number, Shape recognition)

a) *The disability to discriminate between different sounds* is also transmitted to these children from their illiterate parents. Poor, uneducated parents are unable to teach the subtle difference between sounds to their children because they are themselves not aware of it; besides they have little time and energy left for the teaching of this demanding job.

Unfortunately, when children come to school this handicap is further enhanced. This is because when they are taught letters, the teacher only introduces the letter name or shape to them, not the letter sound. For example the shape of the letter “ ” is introduced along with letter name “ ” but the letter sound “ ” is not given due importance.

In fact the real identity of each letter is its sound. Words are coined only after joining (synthesising) these sounds, which are printed out in the shapes of these letters. Most teachers in Government schools have to teach more than one class at a time. They therefore ask the older and brighter children in the school to teach the primary classes. These tutor children read out letters, words and sentences and young children repeat after them. Thus the lessons are learnt through the rote method without the development of the required understanding. The new comers are neither able to form words by joining letter sounds nor are they able to break (analyse) words into letters. They learn to recite letters by heart from to but are unable to join letter sounds to form words. This is why while teaching alphabets to young children it is necessary to tell them that:

- * each word has a name;
- * each word has a shape;
- * each word has a sound;

Because this handicap (which is shared by under-privileged children all over the world) is a great hurdle in learning, special experiences can be planned in the programme to improve it. Such experiences which involve vocalisation and articulation of different sounds, letters, words and sentences.

b. *Disability to recognise and differentiate between letter and number shapes* has also been observed in test results. Shape recognition can be promoted in the literacy programme through various means. Many interesting and creative techniques can be used to familiarise children with various letter and number shapes in this manner:

- * By *comparing* these shapes with similar shapes in the environment.
- * By *colouring* the letter or number shapes.
- * By *joining dots* to form letter and number shapes.
- * By *completing* incomplete letter and number shapes.
- * By *joining* similar letter shapes with lines or marks.

By compensating for these handicaps, in time we can bridge the gap between the privileged and underprivileged children before they enter regular school, so that when these disadvantaged children come to school in grade-one they do not get a cultural shock but enter the main-stream of education with ease.

To sum up this issue, we can conclude that the under-privileged children fail to develop these skills because they lack proper environmental stimulation i.e. their home environment is not conducive to verbalisation. It is devoid of literate parents and hence lacks literacy-related experiences and activities.

However, it has been proved through successful intervention (Zafarullah) that these handicaps can be compensated and deficiencies reversed, through early enriching and stimulating experiences. These enriching experiences in the area of reading, writing, number and language development can be imparted with the help of new and interesting media.

Prakasha (1983) has shown that during the child's early life wholesome forms of intervention in his milieu can help him grow like normal children, shedding the imprints of a mediocre initial learning environment. Morrison's (1988) rationale was that it is less costly in the long run to prevent in the pre-school (and primary) years than it is to remedy in the high school. At the same time, besides being more expensive, remediation was not as effective as prevention. Therefore, it is at this stage of education that we get the best return from intervention through enrichment and compensation.

2. Attracting Disenchanted Children to School

Learning experience at the Government schools in Pakistan is monotonous and prosaic. Young deprived children who are not interested in schooling find it even more dull and dry. They drop out and fail because they cannot maintain their attention and interest in this formal learning for long. If we wish to attract these children to school we have to give them

stimulating experiences in an informal and relaxed manner, so that they develop a healthy and happy association with early school life.

Children who come from well to do homes find school more attractive, because they are familiar with school learning. However, for the less privileged children school can be made attractive. This can be done with the help of new media of education. These media, though informal, have to be more meaningful, relevant and attractive.

After a thorough study of the successful and well-known enrichment programme such as the Head-Start, the author selected some new media for her early enrichment programme (to develop School Readiness in the Underprivileged Children of Basti Saidu Shah Lahore). The response of the intervention group was very encouraging as observed from the formal (MRT adapted) test results and informal assessment by local and foreign funding agencies (SPO, CIDA, woman's division etc.). The same media can be exploited for any other literacy programmes in order to attract children to school. These enriching teaching media include:

- * environmental media
- * language media
- * play media
- * creative media

Environmental Media

The programme that nourishes emergent literacy requires a literacy rich classroom environment. Such an environment can be developed with the help of: (1) Print all around the classrooms (2) a special literacy centre:

- i) **Environmental Print in the Classroom.** It is proposed that besides the literacy corner, the whole classroom may be littered with environmental print in different ways and styles. Latest research findings (Leichter 1984) suggest that first words can be read more easily if the environment is filled with print that is used regularly for functional purposes.

Teachers can promote interest in print by displaying familiar (ambient) print in the classroom (Schwartz 1991). Since children are used to seeing these logos in their home environment they easily relate and learn from them e.g. logos of familiar brands like Coca-Cola. Some children may not notice this print on their own. It is

therefore the teacher's job to point out the theme letter in the familiar print and to develop a relationship between the two. Print can also be presented in the shape of labels and words. The teacher's role in this connection is to help children to understand the predictability of print in a wide variety of contexts.

- ii) **The Literacy Centre** should be located in a quiet corner of the room or in a side room. It should include a library corner, writing area, language or audio area with a cassette player. Books in this area should be shelved by category or colour code (if possible). The many types of books collected in this area may include fairy tales and other storybooks, picture concept books, information books, nursery rhymes and poetry books.

Language Media

Language is the base for all literacy learning. But language is one area in which deprived children manifest the greatest handicap. Experience in this area can greatly enhance the success of the programme. The main purpose of language experiences for the children is to help them:

- * Understand the school language.
- * Expand their school language.

Language being the key to all learning, it has an important role to play in the early learning of the child. However, any learning that is related to the social heritage of the children is more relevant. Hence, when children are taught in their own language they learn easily. Efforts should be made through research to induct the salient words of each dialect in the early literacy programmes, especially until children are made familiar with the second (national) language.

The language experience approach gives children a chance to share their experience with others and develop their oral language skills as well. In order to learn to read, children must be able to connect the spoken word with the printed word. According to the **language experience approach** teachers are supposed to encourage the children to express their ideas, experiences and thoughts from the very first day. As they express themselves teachers are told to write what they say and read it out to the class in the end so that children develop an understanding that:

- * what they think or say can be written;

- * what is written can be read;
- * what is read can again be written;

Besides the language experience approach discussed below, many more language promoting techniques may be used in the programme such as oral stories, reading stories and story re-enactment experiences.

Oral story telling is at the back of all literacy. It is the most powerful and effective way to teach any language, as it touches the heart in a way that mere facts can not. A wise person once said “what the heart knows today the head will understand tomorrow”. Any teaching that is done through the heart or which involves the feelings is more effective than that which is emotionless. Children build their storehouse of language from their stories and also develop the concept of story from them.

Reading Stories (Poems & Literature) People who teach young children generally agree that children who learn to read early are the ones who have been read to. Keeping this in mind we have proposed to incorporate reading of both rhymes and stories as an important part of this programme.

Selection of books for young children. The earliest literature shared with children is more often sung and recited from memory than read. Besides the nursery rhymes, three kinds of books are recommended: story books, information or concept books, and picture phrase books. In Pakistan there is a great shortage of books, especially of the last two categories. It is therefore recommended that special efforts be made to publish more books of this category.

Recent research has shown that story telling, book reading and story re-enactment were the activities, which developed awareness for language through the development of meta-linguistic words and sentences. And since the development of awareness for language was found to be concomitant to the learning of literacy, the programme should make provisions for experiences, which promoted reflective thought among these young children.

Play Media

Play has been selected as an important medium of instruction because during play the child is relaxed and generally exhibits above-average behaviour. Play is a particularly productive context for learning by young children. It is a comparatively less frustrating and more inspiring activity because it is:

- * a more voluntary activity;
- * a more successful experience.

Before they go to school children persistently make leaps in their development by playing. However, most parents have to be convinced that play is hard work in any area of learning at this stage of life. Play has been used as a tool of education by most of the traditional early childhood educationists in the West. Both Froebel (1976) and Montessori (1956) used natural play as the main source of experience in learning.

Before 1970 one of the most popular childhood theories (the psychoanalytic theory) maintained that the main function of play was to enable children to work out their inner conflicts (Spodek 1974), especially play which was free and spontaneous. Hence it was believed that adult intervention would not only disrupt play but also hamper children from expressing their feelings. The latest cognitive theories of Piaget (1986) and Vigotsky (1978) have changed this attitude. It is now realised that play not only resolves inner conflicts and drains aggressive feelings, but also promotes cognitive and intellectual development. And since cognitive development is related and supported by teachers, therefore their participation and intervention in such play activities has a positive effect, not only on the children's play, but also in the social and intellectual development of these children.

Modern psychologists believe that play without the element of fun ceases to be play. They also believe that the greatest amount of pleasure is derived from free and spontaneous play. Great importance is therefore attached to free play in educational programmes for young children in the West. However, free play is not feasible in a large group; therefore they are forced to keep the group size small.

The conditions in our country are somewhat different. We have to educate millions. We cannot afford free play involving small group size and expensive equipment. Moreover our young children are more manageable even in a large group. We have therefore succeeded in imparting a structured programme with structured play activities for large groups of more than 50 children.

Through a successful structured (planned, guided and monitored) programme we have proved that with interesting and attractive experiences one can maintain the attention of children without giving them total freedom of expression. Moreover, we have shown that these structured play activities which are a medium of (social and intellectual) growth can also

help in the promotion of literacy. The connection between the two can be developed under the following four categories:

* *Physical and Functional Play* is that play through which the child uses his larger muscles to develop his motor skills and drain his negative feelings and emotions. This play has no direct bearing on the development of literacy skills. However, by reducing emotional tension it indirectly promotes learning. Hence, physical play is specially needed for tense hyperactive children in overcrowded classrooms.

* *Manipulative (constructive and creative) Play* involves the tactile senses. It helps in the development of finer muscle control, hand eye co-ordination and creative abilities in the child. It is a source of achievement and satisfaction to the child. But it is not directly related to any one of the pre-literacy skills except writing. However, it can aid in relaxing the children and in the development of their muscle power.

* *Dramatic (pretend and cognitive) Play* promotes the development of language and imaginative skills in the child. A series of research studies (Williamson & Silverson 1991) have shown that thematic fantasy (dramatic) play like teacher-guided story re-enactment increases children's comprehension and recall of stories. However, it has been observed (during applied research) that repeated book reading aloud by teachers and access to books for independent reading is all that is needed to get some children to engage in story re-enactment.

* *Games are a form of highly structured play.* They follow specific rules that must be observed. Often these activities are not included in the early programmes for young children because it is felt that they are too difficult for them. However, four to five-year-old children are beginning to move into this stage where game play is possible, especially games which have music components. Different games can therefore be developed for the literacy programme. The local and traditional games of our culture can be used to motivate children into literacy. A survey in each area could be made to find them and include them in these programmes.

We were surprised to note that despite the limited space to move about both at home and at school, our under-privileged child is not as restless as we would expect of a child in his circumstances. Zafarullah (1996) therefore has proposed more indoor cognitive play activities for these peaceful children than out-door physical play activities. The experiences include relatively more games and dramatic play activities than physical and manipulative play. Beside indoor board games, the programme should

encourage the use of dramatic play, because this is an activity in which children operate at a higher cognitive level than usual.

* *Teacher Role in Educational Play.* If play has to be educational the teacher has a prime role in setting the stage for play in guiding its direction and in modifying it. Apparently some teacher support is needed to get literacy play started. Latest research findings suggest that teacher guidance can be an important factor in helping children integrate literacy into their play. Moreover, educational play at this age level has to be continuously monitored by teachers. However a single teacher cannot successfully monitor such a large group single-handedly, unless it is a planned and structured experience. Therefore, we have proposed structured and planned games involving the whole class (of 50 children) at one time.

It should be remembered however, that in order to retain the playfulness of the play teachers have to be careful about the degree to which they impose themselves on the play. Children should not at any stage be reprimanded for making wrong moves. Especially in case of dramatic play situations, it is best to leave the children in command, otherwise the teacher's involvement may disrupt the play.

Creative Media (Art and Music)

Although creative media have no direct relation with the development of early literacy creative activities, (like physical play) both relax the children and instigate them into learning. Art designs introduce children to letter shapes and music invigorates and brings life into their otherwise dull academic learning. We therefore recommend that both music and art be incorporated into all literacy-related activities and programmes.

3. Motivating the Parents of Disadvantaged Children to Send Their Children to School

Most under-privileged parents are illiterate and hence have no affiliation with any school. They are in fact in awe of the whole concept of schooling. Moreover they regard the educated teacher as a super human person. Teachers and other school personnel, exploit this situation and add fuel to the fire by their unreasonable demands and behaviour. The fear and inhibitions of the parents can be reduced to a great extent by improving the attitude of school authorities towards the concerned parents (and families) of the children.

We feel that the best way to do so is by increasing the influence and participation of the parents in the affairs of their children. The fact that

they are not literate should not stop them from having a say in a place of their own interest. Only when school authorities are answerable to interested parties i.e., the parents, will they try to serve their interest.

What is happening today is that people who sit at a great physical and mental distance from them run public schools. As a result there is total lack of accountability. Educational funds are therefore going down the drain and there are schools that are found to be only on paper.

Besides controlling school affairs the parents can be involved in most of the activities through Parents Teacher Association (PTA) meetings. These meetings should be given due importance and held regularly.

Another reason for the lack of parental incentive for schooling is that it cannot be related with any gainful employment. When they see their less educated offspring earn more and at an earlier stage of life (as child labour) than their more educated ones, they lose all interest in education. The situation can be improved by better educational planning for the future : giving greater incentives to parents who send children to school; making education conditional for employment and planning more functional educational programmes. To sum up, we have some important recommendations regarding the educational upgradation of deprived children in the early stages of their lives.

Recommendations

It is recommended that the *early childhood education be given due importance* in educational planning, and learning experiences be planned more seriously for the young child than is being done today in Pakistan. It is at this stage that the foundations of literacy are being laid, and if these foundations are weak, then the whole structure built on it is liable to collapse. Research has shown that this age is the most productive time to teach, because maximum learning can take place at the stage when the young child is intrinsically motivated to learn and achieve. A little support at this age from the environment can greatly help.

It is also recommended that the *under-privileged child be helped to overcome his handicap* caused by an unstimulating environment. It is the job of the educational planners to help him exploit his strengths and compensate his handicaps through enriching experiences in his home or at school before he is lost in the mainstream of education.

To avoid this wastage it is recommended that an additional *preparatory class be added to the current school structure*, and all children

found to be deficient in school-readiness inducted into this class, in order to prepare them for the more formal learning they will encounter at regular school. It is further recommended that the special class be tailored to the needs of these children rather than children be tailored for it.

The pre-academic status of these children should be elevated by timely *intervention* (through compensation, stimulation and enrichment).

- The intervention should be *based on research*, both at the planning stage (to find the particular needs and handicaps of the target group), and at the end to assess the success of the programme. It is therefore suggested that a National Council of Educational Assessment be constituted which should prepare a standardised test for needy children.
- *Foreign intervention models* may be studied and consulted but not copied blindly, as our own disadvantaged children have their own special needs.
- Intervention should be *focused on the special needs* and related academic handicaps of these children, handicaps which result in a lack of school readiness among children, as a result of which they fail and drop-out en-masse in elementary grades.
- Intervention be carried out with the help of interesting, invigorating, absorbing and *innovative media*. Media like a modified environment, language, play and creative media (art and music) are most suitable for the purpose.
- It is further suggested that all prospective pre-school enrichment programmes for disadvantaged children should have a strong component of the following:

Formal evaluation at both the formative and summative levels.

Relevant, meaningful and functional experiences.

The aim of all the earlier recommendations is to build an insight into the needs, problems, strengths and capacities of disadvantaged children in particular and all children in general.

Suggestions for the Development of Educational Materials

- (i) An important suggestion for this programme is the development of *indigenous educational toys* for young children. It would be helpful if the government was to take up the responsibility of developing such toys that promote literacy before school, which are inexpensive and attractive and which motivate children to learn.
- (ii) The present study has highlighted the role of stories and book reading. But unfortunately there are not enough books written for young children in the local market. It is suggested therefore, that a research cell be developed with the sole purpose of helping in the writing and publishing of story books. This cell could hire professional artists and story writers.
- (iii) Finally, it is suggested that programmes in which stories are related to children may be developed for TV and radio, with a conscious effort of all literate people. Programmes such as 'Sesame Street' on TV can introduce the young deprived child to the concept of print, letters, numbers and other literacy skills.

To sum up, it can be concluded that educating millions of neglected children in Pakistan is not an impossible task. One simply needs to upgrade the pre (& post) literacy status of these children by: carefully planning relevant and enriching experience for them; imparting these experiences in a proper sequence (i.e. achieving one goal at a time) & developing fool proof but simple tools to monitor their success. However, the programme may be replicated only after first trying it at a smaller scale. The entire nation should be involved in this most important nation building activity. Especially the literate few among them should be made to realise that their being puts a greater responsibility on them.

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Social Welfare, Health and Pakistan

Noshi Arif and Farakh A. Khan

Some would claim that charity is a core cultural trait of mankind. The urge to help others is a selfish act of survival of the group and hence individual security. In today's world, welfare has assumed a wider meaning and is linked with the economy of the state, the concept of human rights of society, structure of society and cultural expression of welfare. The state may be willing to contribute towards welfare but poor economic conditions may not allow welfare programmes or only allow low key programmes. With poor level of governance most welfare work comes to a standstill. In such situations the burden of poor economies can be shared by all rather than the poor alone. Human rights, as defined by the UN, impinge on the basic concept of welfare as seen by individual states. The right of all people to shelter, security, health, job, education as well as freedom to speak, associate and practice religion are concepts difficult to swallow for many societies and states. Social disparity may not allow many to grant rights to others. Yet social welfare is a practical arm of human rights and not an act of charity to be left to individual whims. In Islam, social welfare is the right of the underprivileged and not an act of charity extended by the state or individual. On the other hand the welfare of all the citizens of the state is vital for economic and social development. There are more than 94 indicators to measure social development. Each country's performance in this area can be monitored following each intervention.

Although social welfare had been debated by philosophers for a long time, it only became important after the Industrial Revolution in the 1840s. This was the time of the birth of modern cities with all its problems of communal living and compression of people into tight compartmental life, dynamics new to the first generation rural society. Since the Industrial Revolution started in England, the first city to cross the 2 million mark inhabitants a hundred years ago was London. The responsibilities of the new industrialised state was projected in the domain of social welfare of its people. Social welfare was the responsibility of the parish but with a large number of new towns, this became impractical. The Poor-Law Amendment Act was passed in 1834 and the Municipal Corporations Act in 1835. These were the basis of social welfare in the Britain of the future (Hill, 1997). Social welfare at the level of local government started in the middle of the 19th century West and emerged as a profession. Social welfare work in the hospital started in Massachusetts General Hospital, USA in 1905 (Morales and Sheafor, 1989). Social welfare departments in hospitals in Pakistan started in 1963.

The concept of a welfare state was introduced in the 1910 budget by David Lloyd George and Winston Churchill which was blocked in the House of Lords. In the USA Child Welfare was started in 1912 and social welfare was introduced during the Roosevelt era in 1935. The Social Security Act of 1935 was a significant landmark for the US. WH Beveridge (1879-1963), born in Rungpur, now Pakistan) is considered as the father of the modern welfare state when he produced the Beveridge Plan in 1944. The Beveridge Plan recommending war on Want, Disease, Ignorance, Squalor, and Idleness formed the basis of post war liberalism (Dean, 1994). It was after World War II that the Labour Government in Britain put the theories of social scientists into practice with great enthusiasm. It was a combination of "Keyesian economics and Beveridgean social concern that gave the welfare state its strong political legitimacy and popular appeal". Health, education, housing, minimal wages, money for the unemployed, care of the handicapped and destitute were assured by the state.

Over the years the cost of welfare soared and the state economy could not sustain the rising cost of welfare. It was also realised that government social services were not cost effective. But most important economic growth in the 70s was not sufficient to be able to sustain the increasing cost of the service. In the 80s the stage was set for a free market economy and denationalisation of the major government social welfare organisations. The state shifted its stance on social welfare and privatised its major sectors even then the social security programme in 1992-93 was 31 per cent of government expenditure in UK. In the USA Social Welfare Programmes form more than half the total government spending. It is estimated that more than one third of the US population would be living below the poverty line without this support. Government squeeze on social welfare in the developed countries has been the cause of hardships to the poor of the society and increased the gap between the upper and lower segments of society. Malaysia uses 39.5 per cent of its spending on social welfare (Shivani, A. Pakistan after fifty: Some thoughts. *Dawn*. 2.2.98). Is the capitalist economic system a failure?

The comparative figures are not readily available for Pakistan. According to the World Bank Database, Pakistan's spending on social security dropped from 0.32 per cent in 1988 to 0.05 per cent in 1993 of the total government expenditure budget (Source: Internet). On the other hand, India spends 4.0 per cent on welfare. The meager welfare budget in Pakistan is supplemented by foreign welfare organisations and NGOs but authentic figures are not available.

Health was the main target of the new policies to be cut in the welfare budget in the UK. A new system was introduced which was more

responsive to cutting costs and improving the quality of service. The waiting time for cold surgery was also to be shortened. The effect of the new system, still in its infancy, needs time for evaluation.

We need to explore the concept of charity and social welfare in our society without the cultural influences from outside, especially the British clergy who have been active in the subcontinent since the arrival of the East India Company in 1600 AD. Culture and religion have a deep effect on social welfare. The desire to give charity is motivated by attaining the favour of God for the next world. We draw wider inspiration from the religious concept of welfare but also function in the cultural domain as well which varies within the main culture. In Islam, apart from *Zakat*, charity (*Infaq*, *Khairat*) has been stressed a great deal. *Zakat* is compulsory and is levied as 2.5 per cent on assets while *Infaq* is a compulsory donation which one should part with when personal needs are fulfilled for 'relations, orphans, poor travelers and those who seek help...'. *Infaq* is an individual act of charity which is binding on Muslims but unlike *Zakat* the state may not be involved. Both, *Zakat* and *Infaq*, are thus compulsory for Muslims. In peoples' perception of Islam they are asked to look after the needy, cripples, blind, widows and orphans as an act of charity and not part of the right of the poor. On the other hand the needy must not ask for help. The people should identify those requiring help and they should be helped without any advertisement. The area covered is mainly health and social problems. People are thus ready to open free hospitals, free dispensaries, 'yateemkhanas' (orphanages) and homes for unmarried girls. Most of the medical institutions for the blind and the crippled besides dispensaries have been established by the people to fulfil Islamic injunctions. We are also very keen on donating money for the construction and maintenance of mosques (including *madarassas*), mazars, *seri* (hospice) and water points for drinking. People are also willing to donate or give *Zakat* to reliable individuals such as Edhi, Prof. Rizvi and Imran Khan for a good cause where they are confident that their donation will not be wasted. In the management of welfare by the state, unfortunately in Pakistan the government is not involved or its performance is negligible. Islam in Pakistan does not have a system similar to Christianity or Buddhism. Charity is left to the individual. We thus find people willing to donate to organisations or individuals of their choice but when it comes to establishing a sewerage system, the whole edifice collapses. Collective work for welfare is lacking in our acquired core culture. At our cultural level feeding of the poor directly or through the *Mazar* is common. Distribution of meat on Eid and other occasions to relatives and the poor is also considered as a pious act. Money when donated to patients of a medical ward is expected to be used for the feeding of the poor. There is a heightened sense of charity during the time of Ramazan, Eid and other religious occasions and many medical welfare

agencies are in competition. The leadership succumb to our culture and feel the need to be seen on TV and newspapers in the act of distribution of charity to the poor. On the other hand, people are most reluctant to give their time and effort in organising welfare work unless there is some clear material or spiritual benefit in terms of status or financial gains or a place in heaven for the organisers.

The major block against our efforts towards welfare work is our social order. It is significant to note that the words used for welfare are borrowed from Arabic, Persian and English since there are no equivalent words in the local language. In Punjab and Sindh we are willing to cater to our brethren but reluctant to indulge in welfare work for other castes and the *Kami*, where the latter form the majority of the population and are landless second class citizens. This hangover from our ancient culture is still strong, despite being declared as un-Islamic (acquired core culture), and is also seen in our system of governance. In Balochistan and NWFP, despite a high degree of equality, welfare is confined to the tribal levels. At the national level all females are second class citizens. Efforts of welfare by foreign agencies are hampered by the social inequalities in our society which they find difficult to comprehend or ignore. This is also responsible for our failure to eliminate poverty from our society, low level of education and other variables cited by people to highlight our poor performance in the social sector.

Approaching the 21st century and existing in the new world order, all countries are exposed to the international media where human rights have emerged as a major issue. All countries are making pious statements and pose as champions of human rights. Pakistan has signed various UN charters of rights of women, children etc. [UN Declaration of Human Rights 1948, UN Declaration of the Rights of the Child (not signed by the USA and Somalia (Deen, 1998) and UN Convention on the Rights of the Child 1989 etc.]. The reality on the ground is totally different. Many schemes are launched to appease foreign donors or the IMF/World Bank for loans. As our monetary position deteriorates, the burden is passed on to the poor. Instead of tackling the root cause of poverty we have tried to throw safety nets for the poor. These nets are full of loopholes and have not been effective at the national level.

The Muslims of India also took the welfare model from the British in India. Islam was threatened by the new rulers who opened educational institutions and established welfare work for the people. The clergy was, in many places, openly encouraged to spread Christianity and the route taken was through establishing educational institutions and welfare work. Sir Syed Ahmed was quick to realise the plight of the Muslims in the changed world

and countered it by opening an educational facility for the Muslims in Aligarh which was not to function on the traditional lines of the Muslim system of education.

In 1884 with only Rs. 344, Anjuman-i-Himayat-i-Islam (AHI) was established with the following objectives.

1. Education. Secular, religious and technical.
2. Social service for orphans, destitute women and children.
3. Promotion of Islamic culture including publishing literature and the Holy Quran.

The AHI responded to their objectives by opening two degree colleges, Tibbia College (with Khairati Shafakhana), six high schools and a junior model school. In the social sector AHI opened two orphanages (Darul Shafqat), home for destitute boys, girls and widows (Milli Darul Atfal) who had suffered during the partition of 1947 and opened a reformatory for wayward girls (Darul Aman). The AHI also opened a printing press and a publishing house. The AHI received a severe set back in 1972 when its educational institutions were nationalised. Unlike the UK where the state imitated the welfare and educational system of the Church without taking over their facilities, the state in Pakistan took over the welfare and educational commitment in the name of socialism and made a mess of it. The repercussions of that unwise move are still there and efforts of privatisation are being made as a consequence.

The concept of welfare of AHI was targeted to education so that the Muslims could compete with others in the new system brought in by the British. It was an economic necessity. Later the social sector was introduced to cater to the aftermath of the killing and rape of partition (1947). The whole was given the garb of Islam with titles which a common Pakistani does not understand.

The care of mental patients is another cultural divergence. The mad houses in the West were converted into mental hospitals and finally closed down in recent years when it was realised that the mental patients are worse off in these institutions rather than if they are allowed to function in the community. Mental hospitals were opened by the British in India but were never popular, most mental patients were managed at home and only the destitute were admitted. The first mental hospital in Lahore was opened where the Senate Hall of the Punjab University is located in old army barracks in the 1850s.

Another aspect of welfare is the Mazar/Darbar system which functions around the graves of saints. These places offer food and security to the needy. The Mazars/Darbars are now run by the government and not the descendants of the saint. Food is donated as an act of piety for which God will reward the donor in this or the next world. It is not surprising that these places are full of junkies and labourers from outside the main city who have no place to go. In Gujrat, the Shah Daula Mazar is a refuge for microcephalic children providing shelter, food and security. Thus abnormal children are cared for under religious sanctity. In the village culture the wayfarers have a right to ask for food and shelter at any house, although this custom is fast disappearing. The local *chaudhary* of the village is also proud to run an open kitchen (*langar*) for the travelers and destitute with great pride.

The concept of social welfare is present in all religions of the world. In Islam we have to distribute 2.5 per cent of our assets to the poor in the form of *Zakat* but no system had been laid down for distribution and this aspect was left to the individual during British rule. The government is presently collecting *Zakat* annually from fixed deposits from the banks and is also responsible for its distribution. *Usher* collected from the landowners is put into the *Zakat* Fund. Bait-ul-Mal is another state run institution where the poor can be assisted financially. The identification of people and institutions requiring *Zakat* assistance is also debatable. Some would argue that the state is empowered to use *Zakat* for the purchase of armaments and other state expenditure. The religious schools are also eligible for funding from *Zakat*. Today, in Pakistan, *Zakat* and Bait-ul-Mal are basically agencies distributing money and are only marginally involved in the running of institutions. The method of collection and distribution of *Zakat* and *Usher* is debated by different schools of thought within Islam (Quddus, 1989).

There is also controversy on the collection of *Zakat* from Muslims living in a non-Muslim country, especially if the people pay their taxes for the welfare system of the state. In religions with an organised clergy, Christianity, Buddhism etc. the distribution and collection of alms/charity is the duty of the clergy and hence they have a system of distribution. Remnants of christian charity in the form of hospitals and educational institutions are still functioning in Pakistan. During the pre-British period the mosque was the centre of learning and was endowed with funds by the community to impart religious education and many still do. The Al Azhar University, the oldest in the Muslim world, still has a hospital and a teaching institution attached to it, although these institutions are run on the modern Western concept of health and education. The rise of humanism and later socialism, distinct from religion in the West, have been a recent phenomena. In the modern West the state has copied the existing system of

the Church and taken over this responsibility as well in the form of a 'welfare state' and expanded the scope to education, housing, jobs, health, aid to the disabled, etc. The concept of welfare reached its peak in the socialist and communist states. Even in a non-communist country such as India the welfare system is outstanding in the communist state of Kerala where the literacy rate has reached 96 per cent. Although the states responsibility in the welfare of the needy is under scrutiny in the West due to the new fad of the free market economy and economic crunch combined with abuse of the system, the state however, has not completely divorced itself from this function. On the other hand the former communist states are retreating rapidly in the garb of free market economy and want the social sector to go on sale to the highest bidder to ease economic pressure. So far this policy line has been a human disaster.

Since the last 15-20 years government hospitals in Pakistan are the refuge of the poor and the well to do go for private hospitals. The government spends only 0.7 per cent of the GNP on the health of the nation. To discontinue this meager sum will not help ease the government's financial position but it will be a major disaster for the people of the country and may be a source of a backlash which would be difficult to handle politically.

Each department of a government hospital must have its own social welfare workers. These workers must care for the financial, social and psychological problems of the patients. In addition they should conduct research for the benefit of the patients. They should also be involved in fund raising for poor patients. A Drug Bank should be organised in the department under the charge of the Social Welfare officer for poor patients. Social welfare is a foreign concept where a stranger is to look after our financial and psychological needs where as we, in Pakistan, expect the children, relatives or friends to cater to our needs. The concept of the family as a unit of scrutiny is lacking to a major degree in the West and the state has to establish departments with experts in their institutions. Old people are expected to go into old peoples' homes because the young have not seen their elders being looked after and in any case the system of employment in the West does not allow for the care of aged parents. A worker in Pakistan is given leave immediately by the employer if he has to run errands for dependent parents. Similarly, the care of destitute children is undertaken by relatives or the society. The existing indigenous welfare system in Pakistan is not ideal and at times is brutal. We thus have little benefit from the Western concept of SOS villages and Fountain House which do not even touch the surface of poverty-related problems of children and mentally ill patients, while spending enormous amounts of money to rehabilitate a few. We also have to realise that help from a stranger i.e.

social worker carries a grave stigma. People will gossip that “this unfortunate person has no one to look after him” and commonly call him a *yateem* a phrase used to express pity. People loath to receive charity. We thus see Western concepts of social welfare being applied to Pakistani problems and we get nowhere. Yet our society does not have institutionalised social welfare and the system often does not respond to the increasing financial requirements of modern hospital treatment. We must find ways of using our culture in the social sector to improve the well-being of our patients. We have to identify our present system of social welfare rather than import concepts from the West. We thus have to reinvent social welfare within the concept of our own culture. Unfortunately, we are steeped in Western books and training. Most of us believe that we will have to evolve according to the Western model and thus follow their concepts of welfare and also in other areas of development.

Social Welfare and the Government

In the past we have had a number of programmes for social welfare under the local government, changing names with each change of government but with the same result. The output of these schemes in terms of welfare for the poor has had no impact. Panchayat was an ancient system of local self government although it was not a representative body. The system is still unofficially functional in the rural heartland of Punjab. Lord Rippon in 1882 tried to revive the institution of the Panchayat i.e. empowerment of the people and decentralisation. After independence (1947) the Basic Democracy System (BD System) was introduced in 1959 again to empower the people at the ‘grass roots’. Political interests rather than those of the people ruined the concept and the bureaucrat was given a supreme hand to kill dissent. The Rural Works Programme started in 1963 was changed to People’s Work Programme and the BD System was scrapped in 1972 by the Peoples Party where the latter tried to introduce decentralisation and break away from the bureaucracy. The scheme failed to take off. Later the Agrovillage, Metroville and IRD Schemes were introduced with similar results (Quddus, 1989). During the Cold War era social welfare and communism were confused. To give greater power to the people and evolve decentralisation, in the minds of the American planners, might push the state towards communism, which was politically unacceptable for American interests at that time. In many states American interference toppled the governments who were trying to empower the people. Yet it was recognised that development was only possible through participation of the people. It was only in the late 90s that the American organisations, the World Bank, WHO and IMF were vocal about community participation and the needs of the people. People in power in Pakistan have always known that national development can only occur if

the majority of the people participate in the development programmes but the hunger for absolute power is a major hurdle. The power to rule Pakistan was linked with the Americans. Today the Americans are seeking a communist agenda for social welfare to set the world in order. Can we respond to a new world order?

Social welfare is an alien concept in Pakistan. Yet the call (“food, shelter and clothes”) for social welfare and involvement of the people in deciding their own destiny was the basis of the election victory of the Peoples Party government in 1969 in what was then West Pakistan. Although social welfare had been addressed as an issue earlier, the voter at that time was ready for change and the PPP won a resounding victory. The first UN adviser for social welfare was appointed in early 1952. It was only in 1955 when the Ministry of Social Welfare and Local Self Government was established, that the Urban Community Development projects and later Rural Community Development projects were floated (Quddus, 1989). Their impact on the community was insignificant.

Social welfare in Pakistan has been given a tinge of Islam but in fact it is a political tool used by various governments and NGOs in their tussle for power and funds. *Zakat* and *Usher* were under the provincial Social Welfare Department. Later *Zakat* and *Usher* were centralised and given a separate identity when a different political party was in command in the Punjab. In response to the centralisation of *Zakat*, Bait-ul-Mal was created in the Punjab with the staff and umbrella of the provincial Social Welfare Department. In 1996 Bait-ul-Mal was separated from Social Welfare and made an independent body. *Zakat* and *Usher* were merged in 1997 and on December 26, 1997 Bait-ul-Mal was again given to the provincial Social Welfare Department (Bait-ul-Mal re-merged with Social Welfare Department. Hanif, I. *Dawn*. 28.1.98).

***Zakat* Fund was established in 1981**

In the 68th meeting of the Central *Zakat* Council (1995) the *Zakat* disbursement procedure were laid down and is being followed presently. The following categories of people/institutions are eligible for *Zakat* payment.

1. ‘Guzara’ allowance
2. Educational stipends
3. Stipends to *deeni madaris*
4. Health institutions

5. Social welfare institutions
6. *Jabez* and rehabilitation

The *Zakat* Fund is thus to be utilised for social welfare and educational institutions. For health, the local Health Welfare Committee of the institution is entitled to sanction Rs. 200 for Out Door and Rs. 500 for In Door patients on a daily basis. However, patients requiring special sanction are also assisted. *Zakat* assistance is over and above the existing free treatment provided in government hospitals.

With chronic shortage of drugs in the government hospitals and treatment with expensive drugs requiring long term use, the *Zakat* Fund is of immense benefit. It gives access to treatment to the poor since there is no other source of funding for these poor patients. Cancer patients, renal transplantation and cardiac surgery patients find the *Zakat* Fund a source of new life. However, the *Zakat* Fund becomes a pawn in the national politics of the country and with each new government a new system is devised to suit the sitting authority. This is a time consuming process and while the Fund is not operative, the patients suffer. The Fund created in 1981 is still looking for a system.

Zakat, given to the deserving poor, amounts to Rs. 130 crore each year. This a large sum and its benefit in the form of Rs. 200/month is questionable. Perhaps we can devise better schemes for this fund which would eradicate poverty rather than promote it. (*Zakat* Act, 1991)

Bait-ul-Mal (Established in 1991)

It is unfortunate that in various publications the spelling for this important welfare organisation is different. This shows its importance or rather lack of importance. Bait-ul-Mal (BM) was the equivalent of the government treasury and was changed to '*Khazana*' during British times. It was a general fund for running the government and its welfare schemes. The welfare part was for all the citizens of the domain in contrast to the *Zakat* Fund which was a contribution by the Muslims and used for their welfare alone. Today Bait-ul-Mal is a special fund given by the Federal government, although there are provisions for funding from other sources for welfare schemes and is directly under the Prime Minister. The ordinance was promulgated in 1991 (Pakistan Bait-ul-Mal Act, 1991) and the organisation established in 1992. Unlike *Zakat*, which is a financing agency for welfare only, Bait-ul-Mal is a participating agency as well.

The declared functions of Bait-ul-Mal are as follows (Source: Bait-ul-Mal pamphlet):

1. to provide financial assistance to the destitute, needy, widows, orphans, invalids, infirm and other needy persons,
2. to render help for the rehabilitation of the persons specified in Clause (a) in various professions or vocations,
3. to provide assistance to the children of the persons specified in Clause (a) for educational pursuits,
4. to provide residential accommodation and necessary facilities to the persons specified in Clause (a),
5. to provide free medical treatment of indigent sick persons and to set up free hospitals, poor houses and rehabilitation centres and to give financial aid to charitable institutions, including industrial institutions established especially for the poor and needy,
6. to provide stipends to educated youth during their training before their employment in jobs,
7. to provide stipends and financial assistance to brilliant but poor students who cannot afford to acquire higher technical or medical education abroad for lack of money,
8. to sponsor and promote self employment schemes,
9. any other purpose approved by the board with regard to the aims and objectives of the Bait-ul-Mal.

Like the *Zakat* Fund, Bait-ul-Mal also has a system of giving Rs. 200/month/family to the needy under the Food Subsidy Scheme (established in 1994). The identification of this category of people is a difficult undertaking. People earning less than Rs. 1500/month are eligible but earnings per head per month are not considered. Earnings in terms of money is difficult in case of people living in the rural areas where the barter system is still in vogue. Personal whims, local politics and political pressures are operative and a great deal of money is wasted but there are few figures, only impressions. Bait-ul-Mal also supports an *Atta* Subsidy Scheme (started in January 1994) for the poor. The disbursement system has been made complicated to reduce corruption in its distribution. It is hoped that with the introduction of the card system it will reduce the misuse of this fund.

From 1994-97 (up to February 1997) the expenditure on the Food Subsidy Scheme was Rs. 424,962,685 which amounts to Rs. 93.11 per head per year. There are three parallel schemes concerning food distribution with the BM (Food Stamp Scheme, Food Subsidy Scheme and *Atta* Subsidy Scheme). It seems that with each change of government the name is changed or a new welfare scheme is introduced. Now the *Atta* Subsidy Scheme has replaced the Food Subsidy Scheme of Bait-ul-Mal. 520,000 families will get Rs. 200/month (Rs. 10,4000,000/month or Rs. 124,8000,000/year) or 2600,000 people (taking 5 people as the family unit) will receive this subsidy which amounts to Rs. 480/year or Rs. 40/month per head. The forms are with the Bait-ul-Mal offices or the Khidmat-e-Khalq Committees (members to be nominated by the Deputy Commissioners). The Food Stamps are given to the poor who can purchase flour at a subsidised rate (*The News*, 29.12.97). The sole earner in the family should have an income less than Rs. 3,000 per month and have no additional source of income. This has to be verified by the MPA, *Ilaqa* magistrate or social worker. The Food Stamps were started on 1st July, 1997 in Multan, Gujranwala and Jhung. In January, 1998 the scheme was extended to 100,000 families in Lahore and 6000 families in Rawalpindi. In the Punjab there are 4.57 million families living below the poverty line and the government has only been able to give Food Stamps to 7.1 per cent. The public response has not been satisfactory. About 50 per cent of the people have responded. The Punjab government is seeking Rs. 1.6 billion to extend the scheme (Punjab seeks Rs. 1.6 billion more from the centre for Food Stamps. Ahmed, M. *The News*. 16.2.98)

The organisation also runs schools to counter child labour in the country and are called National Centers for the Rehabilitation of Child Labour. The number of schools is limited (30 in the country, 10 in the Punjab) and their functional level needs to be determined. In any case the impact of their effort at the national level must be minimal. Unofficially, there are 3.2 million children involved in child labour. The organisation also runs Village Action Education Centers (18) in collaboration with the ILO in Sialkot and Narowal. Health funding is the most confused part of Bait-ul-Mal. There is a scheme of five Mobile Dispensaries in four large cities of each province, an idea which has failed in most instances. With the improved road system and transport of sorts available, the movement of people is now much more than before and a mobile dispensary in the city is of doubtful value. BM also funds the treatment of individual patients in government hospitals but there does not seem to be a system for selection of patients requiring funds. The network of existing health and educational facilities in the country are not the target of BM.

BM is also involved in the training of the young in technical skills and advances loans for house building. The data is insufficient to assess its benefits.

Bait-ul-Mal seems to be a parallel welfare agency which is trying to participate in areas where it has neither the expertise nor an appropriate organisation to support its ventures. The staff may be well meaning but the task is beyond their capability. They try to merge the Islamic concept with the Western welfare system and attempt to impose it on our culture. Yet the concept as a religious act is beyond question. It may be an excellent public relations job for the governments image abroad and of some benefit for the local politicians, but is of little help for the poor of the country. On the other hand, as in the case of the *Zakat* Fund, national politics has a strong influence on the running of the organisation. Each new government tries to change the system and give new names to the on-going projects. The organisation is shifted to the centre or provincialised according to the dictates of election results.

It is sad to note that little solid research has been undertaken to see the benefits of Bait-ul-Mal and hence the failure or the success of the scheme is unknown.

Usher

Usher is an Islamic tax on agriculture started in 1981. The Central *Zakat* and *Usher* Committee appoints its agents/Namberdar in the rural areas to collect *Usher* from the land owners. The rate of collection is 10 per cent of the produce in the well irrigated and 5 per cent of the produce in the canal irrigated lands. The agents determine the amount to be collected from the individual farmer. Collection of *Usher* is haphazard and arbitrary.

Government and Semi Government Schemes of Social Welfare in Punjab
(Directorate of Social Welfare and Women Development, and Health Department)

We do not have access to the government welfare schemes and hence a comprehensive list of these could not be prepared. We also have no documents on the financial commitment of the government to welfare. Most of the information has been collected from newspapers or visits to some agencies.

Urban Community Development Projects (UCDP). The UCDP supervise and fund NGOs and government welfare schemes in the urban areas.

There are more than 50 major government run social welfare schemes of a varied nature and of doubtful benefit to the community. A large number of these are for the benefit of the workers employed and are a source of political mileage. These need to be studied scientifically.

Social Action Programme (SAP), Phase II. In the SAP-I programme of 1992-93 Punjab spent about Rs. 85 billion (*Dawn*. 5.2.98) out of an allocation of Rs. 100 billion. So far the SAP-I programme has been of little benefit in improving the social indicators of Pakistan (Aleem, A. SAP-II and the World Bank. *Dawn* Economic and Business Review. 16-22, 1998; Sayed, A. Squander in the name of social development sector: the story of the Social Action Programme. *The News* 3rd May, 1998). A total of \$10 billion has been earmarked for the SAP-II programme for the next five and a half years starting in June, 1998. A sum of \$8 billion will be provided by the Pakistan government (1.8 per cent of GDP) and \$2 billion will be provided by various donor agencies as soft loans (Accord for \$10 billion SAP signed with WB donors. *Dawn*. 28.1.98). This is 58 per cent of the total health expenditure. The Department of International Development (UK) has pitched in \$260 million in the \$2 billion soft loan from foreign sources. Since this sum has been collected from British tax payers, there will be strict accountability. This is a new angle to aid/soft loans. The share of the Punjab will be \$4 billion.

Pakistan 2010 Programme (*The News*, 11.2.98). Launched by the Prime Minister on 10th February 1998. The Programme has almost the same objectives as SAP-II, focusing on good governance. "The programme proposes six main steps to 'enterprise' Pakistan; (i) from distrust to partnership, (ii) from material based to knowledge based production, (iii) from protection to competition, (iv) from consumption to investment, (v) from state-controlled to customer-oriented services, and (vi) from injustice and intolerance to the opposite".

Significant goals envisaged in "Pakistan-2010" include: Doubling per capita income, promoting science and technology, strengthening the government at the grassroots level, improving law and order, enhancing the status of women, etc.

Pakistan has experienced similar plans before but with dismal failure. A Twenty-year Perspective Plan was launched in the mid 60's. A new Perspective Plan was launched in 1988 to take us to the year 2003. None of these plans were seriously followed and their impact on the social indicators was not seen. There are similar reservations of the present plan (Sheikh, A. Pakistan 2010 lacks adequate promise of social justice. *The News*, 16.2.98).

Health spending by the government

The total health budget for the next 5 years will be Rs. 105 billion and Rs. 5 billion has been reserved for research, mainly for Health Services Research. The health budget is a form of subsidy for the poor. A School Health Programme was launched but its present status is not known. The Health Foundation was established in 1991 mainly to help unemployed doctors but it has not yet taken off.

Foreign agencies and Primary Health Care

Many foreign agencies in collaboration with local institutions are involved in Primary Health Care. This is rather odd because the developed world can better help us in Tertiary Health Care rather than in primary care. Primary Health Care should remain the responsibility of the government. Perhaps their help takes the pressure off our meager government health resources.

NGOs and foreign donors

Pakistan has over 10,000 NGOs targeting the welfare of the needy. The social welfare agencies are governed by the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961. NGOs deal with all aspects of social and religious welfare with different objectives. A large number of NGOs receive funds from foreign sources and from the government besides raising funds from their own sources. The federal government regulates these agencies and should have all the information. The performance of these agencies vary and should form a different subject for research (Ali, M. The NGO. *Dawn*, 14.2.98).

Foreign donor agencies work through recognised NGOs but also use the government structure for welfare work.

According to the UNDP "the quality of social services, such as health and education (in Pakistan), has worsened in the past decade" (1997). The agency was also critical of civil services and ineffective institutions where both had deteriorated since Independence. The World Bank has been active in Pakistan since 1952 pumping in \$11 billion. The Americans also experimented by sending volunteers in the Peace Corps programme in the early 60s, to improve the conditions of the people with American methods of working. It was a resounding failure.

In recent years the emphasis of the World Bank has shifted to projects on human resource development. Up to 1997 \$4.4 billion worth of 42 projects have been funded of which the social sector projects form 25

per cent. Major problems of Pakistan seem to stem from the loans by the donor agencies such as the IMF and the World Bank. Their impact on development was mainly negative since the projects did not really have any impact on the lives of the common people while they did have a major share in corrupting the services. These loans were used as a bribe to the Third World leadership during the Cold War period and became a serious liability after the demise of the Soviet Union. This scenario was neither in the minds of the donor agencies nor the Third World countries before 1990. A loan as a carrot now became a stick. It was hoped that the post 1990 Third World would see the writing on the wall and instead of squandering the loans would change their direction towards development through a process of good governance and then pay back the loans. It was soon realised that these countries had not changed direction and intervention by the donor agencies was required. By then the problems of governance had become almost insurmountable (Country Brief: Pakistan. The World Bank Group. Source: Internet. 1998).

The UNDP in 1995-96 launched the "Governance Programme or GOP" (Governance Programme, 1996. Source: Internet) and the driving force was the former Finance Minister of Pakistan, Dr. Mahbub-ul-Haq. It was argued that without human resource development economic and social development was not possible. 10.4 per cent of the 1995-96 budget was allocated but unfortunately 70 per cent of the allocation was consumed in salaries and allowances. The major thrust was of establishing the Institutional Reforms Group (IRP) and Social Action Programme (SAP). SAP was to target Primary Health Care (World Bank Report No. 16695 PAK, Nov. 1997), Population Welfare, Water and Sanitation and Basic Education. SAP was also to take care of nutrition, tuberculosis control, decentralisation and community participation and to improve the social structure targeting the poor and females. With the new government in power in 1997 this was renamed SAP-II. Associated with this will be the Environmental and Sustainable Livelihoods Programme and the Gender Programme. Meanwhile, the Pakistan government also asked for assistance for legal reforms (Strengthening the Legal and Judicial Process). The entire package was stuffed into the 8th (1993-98) and later the 9th Five Year Plans. Most important no time frame has been given for the expected change. In 1998 Rs. 230 million has been allocated to the Country Co-operation Framework (CCP) under the UNDP for Azad Jammu and Kashmir. The objective of CCP is "to co-ordinate and mobilise external resources for economic, social and environmental enhancement" (*Dawn*, 9.1.98).

The document was obviously prepared in the cool shade of Geneva and the model was of European developmental history which has little relevance to the Third World. The colonial period felt that all ills of the

world could be solved by European style Christianity. Now it is the free market economy with good governance. The slogan has changed but the remedy is still far off the mark. Change in the attitudes and behaviour of society is not simply a matter of intervention resulting in predictable outcomes. Societies are too complex for simple solutions. One cannot transplant the European acquired core culture to the Third World. The UNDP document is as irrelevant to us as the dismal figures of our social indicators. The whole drama of fancy jargon used by the authors of UNDP reports are incomprehensible to the ordinary Pakistani and the solutions to our problems are figments of a European mind. But we need the loans to keep afloat. Under the existing circumstances we have done well. We fooled the donor agencies with sophisticated Arabic, Persian and English titles of welfare organisations which, in most cases, are not more than employment agencies for the Pakistani civil service. At the best we have used these for political gains. Yet we need human resource development to see Pakistan as an economically viable nation.

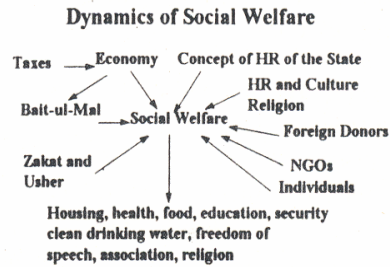
Historically, Pakistan launched its most ambitious project, the Village Aid Programme (later changed to Village Extension Services) in July 1952 with financial and technical assistance from the US targeting the rural population. This was the result of the Sufi Committee report published in 1951 which suggested almost the same remedies as the UNDP, IMF and the World Bank in the 90s for welfare, community participation, local empowerment etc. of the rural population. The report suggested “a radical change in our thinking---the old concept of a benign and paternal government trying to do everything must be given up and replaced by the vital principle of self-help---to achieve practical results it will be necessary to translate objectives into concrete programmes based on the felt needs of the people. The people will draw up their own programmes”. Perhaps the authors of this report did not anticipate the strong cultural resistance to a new concept and the programme was terminated in 1961 (Saeed, A. Self-governance through local bodies. *The News* 15.1.98).

Individual acts of charity (non formal welfare)

We cannot truly identify the magnitude of individual acts of charity since most people are not willing to publicise their donations. From our experience in the Department of Urology about 90 per cent of our patients get financial assistance from individuals. We thus see a substantial financial input by the community which is independent of formal sources of charity and may well be more than the government and non-governmental sources put together.

Conclusion

Social welfare is considered as an act of charity which will increase the chances of entering heaven for the donor, whereas it is mandatory for the state and its people to provide welfare services for the poor and needy. Welfare is a basic human right and not charity and has been recognised as such in Islam.



The government in Pakistan has experimented with many aspects of collection of funds for welfare and their system of disbursement. The most effective system of collection has been with religious sanctions. Unfortunately religion does not give details of dispensation and there is disagreement on this issue. The political angle also confuses the system and misuse has been reported in the press. The experience with the NGOs and *Deeni Madrassas* have also not been encouraging in the utilisation of the funds collected. So far welfare funds have been best utilised in the health sector, but sudden termination of funds due to change of the government has been traumatic for patients dependent on this source for their very existence. Legally the fund cannot be stopped once the recipient is judged to be eligible for the *Zakat* Fund.

Bait-ul-Mal functioning, disbursement of funds and current schemes need to be rationally re-evaluated. The BM should become a lending bank of low interest rate for people with income below Rs. 1,500/month for long term benefit.

Since the creation of Pakistan a large number of charity hospitals, dispensaries, social welfare institutions and educational institutions have been established by the people of Pakistan. The government has its own welfare institutions (more than 33 institutions). Over the years multiple institutions have been created with functions which cross each others' paths. The impact of these institutions is not monitored and it is difficult to assess their usefulness in a country with mass poverty. Many institutions run by NGOs are not really functional and others are irrelevant. Some have clear political overtones and others try to imitate the ancient system of welfare. Some *Deeni Madrassas* are clearly violating human values in the name of Islam. The money doled out by the government welfare schemes such as *Zakat* and BM need to be studied and their long term benefits assessed since these schemes have been operational for many years. We need to conduct an in-depth independent study of the welfare organisations in the

public and government sectors. We should be able to identify the immediate needs of our people and long term goals of these welfare organisations.

The role of politics and politicians in the welfare sector needs to be identified. There is a general impression that welfare agencies are used in enhancing the public image and in creating a vote bank rather than helping the poor. The utilisation of funds is also questioned by the people.

We have to finally take stock of the government machinery which is to implement government policies, (increase transparency and change the system of governance). If the implementing arm is incompetent or corrupt then no policy can succeed. We are back to good governance. There is a distinct feeling that we know what is to be done but fail to do it.

So far we have used our culture to fool the big agencies. Instead of using our culture these agencies have given us a package of foreign culture which can never work in Pakistan. Our acquired core culture will not allow this to happen. It is assumed that all societies will develop according to the European/American models and hence all the answers are with the West. It is further assumed that we have no system and need to become organised. We thus have to call in the 'experts' from the West. Funds for social development may well produce more disparity between the rich and the poor unless we can change the social order. It is not surprising that government efforts at welfare have not been successful. On the other hand, the peoples own welfare efforts have been successful although never recognised. In health and education the private sector has made government facilities irrelevant even at the level of the villages. The soft loans promised will be a liability for our future and siphoned through the established channels. The situation is similar to the economic development of the government sector which grew at a rate of 3 per cent in 1997 while the "black" economy is said to have produced 9 per cent growth. Why not duplicate and promote the existing systems evolved by the people of Pakistan? The answer has to come from within us and no one can help. We have to primarily address our existing social order (Khan, 1995) and change an ancient system to improve our future as a nation. This is a tall order.

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Comment:

Census Problems in Pakistan

Aziz-ud-Din Ahmad

The fifth decennial population Census was held after 17 years and its data is now being processed. Originally the Census was scheduled to be held in March 1991. The exercise had been actually initiated that year from Sindh but was soon abandoned when two major ethnic groups in the province started accusing each other of resorting to false enumeration in order to achieve a fake majority in the province. Some of the prominent Punjabi politicians also objected that the head count figures in Sindh were being engineered in order to stake claims to more resources for the province at the expense of other federal units. The Census was postponed in view of the objections and it was announced that the exercise would be undertaken in October the same year. This time the Balochistan government announced that it would reject the Census results if thousands of Afghan refugees living in the province, many among whom had acquired fake Pakistani identity cards, were not first repatriated to their own country. As the federal government failed to do this, the Census had to be postponed without any new date being fixed.

Thus for a total of seven years political reasons have continued to block the holding of a highly vital exercise without which economic planners are bound to be groping in the dark. Now that the Census has at last been conducted, it remains to be seen how accurate a picture of the population in various provinces it presents.

There was a boycott of the Census in certain Pakhtun areas of Balochistan on a call given by the Pakhtunkhwa Milli Awami Party (PKMAP) and the Pakhtun Ulusi Qaumi Jirga, which had demanded that instead of associating the army with the Census, the exercise should be overseen by a *jirga* of the Baloch and Pakhtun nationalities residing in the province. While the boycott was not effective, and the resistance to the head count had remained confined to a very limited area, census results of localities around Quetta were forcibly taken away from the census office by a group of armed men. How far all this has affected the results of the Census remains unclear. There are also problems created by illiteracy and cultural traditions. Complete registration of women, it has been claimed, does not generally take place because women are not conscious of the importance of registering themselves, while men, particularly those living in tribal areas, are reluctant to supply the information required about their womenfolk, or even to get them registered.

A number of measures were taken by the government in order to discourage attempts at providing false information. Punishment for incorrect reporting was enhanced to sentence in jail up to six months, and a fine up to Rs. 1,500. Further, the army was deployed to assist the civilian enumerators in the hope that it would discourage attempts at disruption of the exercise or those aimed at engineering the numbers. There was also the provision of a recount if the census officials suspected that exaggerated enumeration on a considerable scale had taken place. There was also the provision of enforcing curfew in the area under dispute while conducting a fresh exercise. In spite of this, it remains doubtful if false reporting could have been stopped in areas where communities had been convinced they would suffer in case their rival ethnic group was to win the game of numbers.

In Pakistan, politics becomes associated with the Census for two reasons. First, the bigger a community, the greater is its representation in the Provincial as well as the Federal governments. Second, allocation of funds by the Federal government to provinces is made on the basis of their population, while the quota in Federal government jobs is also fixed on the basis of the population ratios of various provinces. As each province in the federation has a number of ethnic groups, there is also rivalry for political clout among them. In the Punjab, Seraikis and Punjabis; in Sindh, Mohajirs and Sindhis; in Balochistan, Pakhtuns and Balochis; and in NWFP, Pakhtun and a number of non-Pakhtun communities vie with each other for power that is based on numbers. In Sindh and Balochistan in particular the ethnic balance hangs by a thread, and the rival communities fear that they stand to lose in terms of economic benefits in case they lose in the head count.

In both Sindh and Balochistan, illegal immigrants can play a crucial role in determining the outcome of the Census. The government has failed to isolate them from the local population before the holding of the Census despite demands made by a number of political leaders. The failure has resulted essentially from the politics of alliances from which both the previous and the present ruling party have benefited. A large number of aliens have acquired false identity cards with the assistance of relatives, friends or political activists keen to enhance the number of their communities. Every year thousands of Indians visit relatives in Karachi and many of them destroy their passports and claim Pakistani citizenship. As they speak Urdu, and belong to the same stock as many people living in Karachi, they get assimilated easily in the local population. Because getting a fake identity card is no problem in Pakistan, they soon acquire what the Census department regards as a genuine proof of citizenship. Exactly how many aliens of Indian origin have been registered will never be known. There would, however, be indications in the final census results to show their presence. Normally, the rate of increase in the Urdu speaking

population of Karachi should be lower than the rate of increase in the rural Sindhi speaking population which has less propensity for family planning. In case the ratios were to violate this common sense projection, it would either be on account of inflated enumeration or because of adequate number of aliens having been registered as Pakistanis. The last Census had indeed led to an over-representation of the *mohajir* population in Sindh on account of a loaded question in the census questionnaire which had asked for the "language spoken at home" rather than the mother tongue. As most of the Punjabis and Sindhis living in Karachi happen to speak Urdu at home, they were wrongly included in the category of those whose mother tongue is Urdu, and consequently categorised as *mohajirs*.

In Balochistan, enumeration of Afghan refugees in the Census could lead to a misrepresentation of the ethnic position in the province. The local Pakhtuns have an ambivalent attitude towards these refugees. While the common man resents their continuous presence on account of rivalry in business and in sharing of the limited civic amenities, Pakhtun politicians want the Afghan refugees to be given the status of Pakistani citizens because this offers them an opportunity to inflate the numbers of their community, and lay claim to an equal, if not greater share in the province. It has been reported that while the PKMAP and the Ulusi Jirga were on the one hand issuing calls for the boycott of the Census, on the other hand they were encouraging maximum participation of the Pushtu speaking community in the Census.

The population of Punjab has over the last many censuses grown at a smaller rate than the population of other provinces because of comparatively greater migration from Punjab as well as on account of wider acceptance of family planning in the province. Politicians in Punjab have in the past expressed concern over the phenomenon because a genuine head count after seventeen years could lead to a not inconsiderable decrease in the representation of Punjab in the National Assembly. There is a fear in the smaller provinces that a genuine census might not be acceptable to Punjab and the results might be doctored in order to avert this unhappy outcome. This would not be easy to do though, because any significant deviation from the past census trends is bound to be widely questioned.

It has been suggested that the best way to have a genuine census is to delink the two issues of parliamentary representation and apportionment of development funds and job quotas from the census results. Seats in the Assemblies, it is argued, should be frozen at the present level for a number of years and development funds be distributed on the basis of need rather than population size, with the less developed regions receiving a bigger share of the cake than the more developed ones. As far as the quota in

government jobs is concerned, with the ongoing downsizing, as well as reduction in the size of the government, these jobs are in any case going to be fewer than ever. India presents an example where, through a constitutional amendment in 1976, the Indian Parliament fixed membership of the Lok Sabha at 555, with the figures of the 1971 Census serving as the basis of representation, till the results of the first census after the year 2000 becomes available. In the peculiar situation of Pakistan, the suggestion creates two problems. First, it could be interpreted as an attempt on the part of the Punjab to safeguard its preponderant position in the National Assembly despite the reduction in its relative demographic position. The suggestion to freeze, for a particular time, the present number of National Assembly seats can in any case work only after a constitutional amendment has been passed. This can only be done when a consensus over the issue has been created between the different provinces. Only a government enjoying the confidence of all the federal units, and not identified with the interests of one province can hope to get the amendment through.

Secondly, the move to freeze the Assembly seats at their present level is bound to be seen as a move by the feudal lobby to retain its hold over the levers of state power. The fast rate of urbanisation in Pakistan, duly documented in succeeding census reports, will be reflected in the results of the present demographic survey also, replacing the preponderance of the rural population, the basis of the supremacy of the feudals in Pakistan's politics, with a balance between the rural and urban sides. By keeping the seats in the Assemblies at their present level, it will be argued, the feudals want to preserve their political domination.

There is no gainsaying the fact that allocation of funds to provinces on the basis of population rather than actual needs has resulted in a pattern of growth where less developed provinces have been forced to remain backward because they were smaller in population size. Again, it is no doubt irrational to provide roads to a province like Balochistan, commanding 43 per cent of the total land area of the country, on a per capita basis. It is also a fact that allocating development funds on the basis of actual needs instead of population is no novel idea in today's world. However, any move to de-link allocation of resources from population ratio, prior to a consensus between the federal units, is bound to generate misgivings and would be difficult to carry in the Parliament unless an exercise of confidence building is conducted between the provinces prior to this. This requires leadership with a vision, not identified with narrow regional interests, and capable of winning over the trust of the people of Pakistan, irrespective of their ethnic backgrounds.

Note:

Economic Systems and the Environment

Shamyla Chaudhry

In any economic system, be it a free market or a command economy, the elementary functions of production, distribution and consumption take place within the natural world. The natural world provides the raw materials and the energy inputs for the production process whereas production and consumption leave “residuals” or waste products which go back into nature. The manner in which the residuals are handled will in fact tell us how they may lead to pollution or the degradation of the natural environment.



Figure (1)¹

Figure (1) explains the basic link between nature and the economy, (a) explains nature in its role as a product of raw materials and (b) explains what the impact of residuals is on the natural world. Therefore we can see that environmental economics draws from two angles. Primarily it is the study of waste flow management and secondly, it studies the impacts of human activity on environmental resources. Thus one's misconception of environmental problems only being constrained to pollution are removed. In fact, environmental economics focuses not only on pollution oriented problems but also looks at issues such as habitat disruption caused by human activities in an economic system.

A good example of this is a housing development scheme which will disrupt the natural habitat and at the same time bring an array of problems such as sanitation, house waste disposal, etc. Analysing the environment from the perspective of an economic system we have to establish how this

¹ Field, Barry C.; 1994 Environmental Economics - An Introduction.

system's working will affect the environment's natural resources, both renewable as well as non-renewable resources. Human activities, within an economic system have substantially increased the rate of species / natural resources extinction. Most of our natural renewable resources are heavily 'time dependent'. This means that they are spread over time, so why do we cut a tree today? We will have to wait atleast 15- 20 years to replace the tree. But in the case of natural non-renewable resources we can work within the framework of tradeoffs between the present and the future. This means we know that once we use all the petrol reservoirs there is no process for their replenishment. So it is our option to utilise a non-renewable resource to its maximum given a time span and not necessarily exhaust all the resources at one present period of time but save for the future and coming generations.

Figure (2) is a more complex version of Figure (1). The elements within the circle are the same basic parts which represent the economic system, the whole of which is encapsulated within the natural environment. The 'producers' category includes all entities that convert inputs into outputs, in short all entities in the system including the consumers themselves. The primary inputs - the raw materials drawn upon from the natural environment by the producers are fluids such as water and petroleum, minerals and gases of various types such as natural gas and oxygen. Production and consumption activities will create 'residuals'. These may be emitted into the air or water or simply disposed off on land. The producers list is incredibly long; SO₂, volatile organic compounds, toxic solvents to particulate matter of all types, etc. Consumers are also responsible for huge quantities of residuals, mainly domestic sewage and automobile emissions. The equation simply shows the fundamental balance.

$$M = R_p^d + R_c^d$$

$$\text{Inputs} = \text{Outputs}$$

² All flows must be made in terms of mass in order to make a direct comparison.

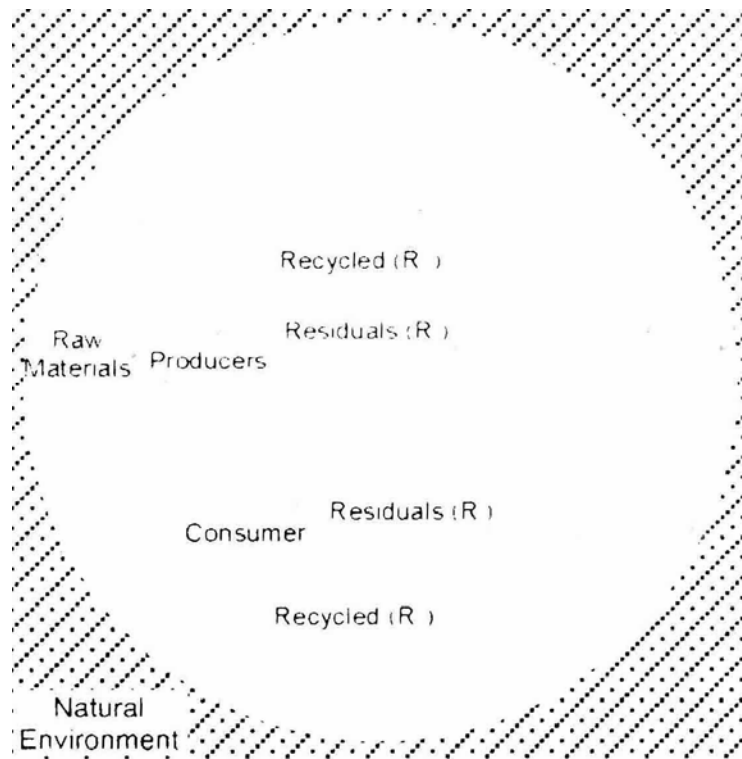


Figure (2)³

The relationship essentially draws from the two basic sides of environmental economics. This implies that first you draw on the natural environment for your inputs and secondly, when both activities that is consumption and production⁴ take place the residuals are discharged back into the natural environment. If we want to reduce the mass residuals that are discharged into the environment we first have to reduce the quantity raw materials taken into the system.⁵

If

$$M = R_p^d + R_c^d$$

³ Field, Barry C.: 1994 Environmental Economics - An Introduction.

⁴ In these cases we can consider producers and consumers as being the same people they both represent the economic system.

⁵ (Note that $C_t = R_e$ i.e. everything that flows to the consumption sector will end up residual from that sector)

If seen more closely

$$M = G + R_p - R_p^r - R_c^r$$

This simply says that the quantity of raw materials is equal to the output together with production residuals minus the recycled residuals from the consumption and production sectors.

Thus, there are three main ways of reducing the amount of raw materials (that we draw from the natural environment) thus reducing the residuals discharged (into the natural environment).

First we can start by reducing 'G'. If one can reduce or at least contain the rate of growth of goods and services produced in an economy, we can directly reduce the amounts of raw materials needed for the production process. This approach focuses on the natural resource economics side but why do we analyse it from an environmental economics perspective and assume that all other flows remain the same? We can reduce the amount of residuals discharged into the natural environment. By reducing or at least containing the growth of goods and services, economists have sought to reach this goal by advocating "zero population growth"⁶. A slow growing population or a stationary population can make it easier to control environmental impacts but it does not ensure this because of two main reasons. First, a stagnant population can grow economically, thus increasing the demand for raw materials. Second, environmental impacts can be long run and cumulative in nature so a stagnant population will gradually degrade the environment. But empirical studies justify that population growth will often worsen the environmental impacts of a particular economy.⁷ The US economy has a slowly growing population but still the number of cars have increased and thus the emissions from them have also increased. Logically, what has happened is that even though emissions of pollutants per car have decreased because of the use of emission control technologies, the sheer growth of cars on the highways has led to an increase in the total quantity of automobile emissions.

By reducing 'G' we can ensure a better environmental quality for future generations. Simply, the less the 'G' the less will be the residuals and thus the less the accumulation of these residuals. Using the production possibility curve for current and future generations we can show the basic relationship.

⁶ For example, see Human E. Daly, *Steady State Economics*. Second Edition with New Essays, Island Baess, Washington DC, 1991.

⁷ Lahore School of Economics, 1997; "Environmental Problems in *Kalchi Abadis* – Case Study."

In (a), we can increase consumption from C_1 to C_2 but at a cost of lower environmental quality i.e. from e_1 to e_2 . In (b), the future finds itself on the inner production possibility curve (PPC), where we can have the same consumption C_2 but only at a lower level of environmental quality e , than we have today i.e. $e-i$. Therefore, why do we want our future generations to enjoy the same environmental quality that we have enjoyed i.e. e_2 ? They will have to cut consumption to a lower level e_3 .

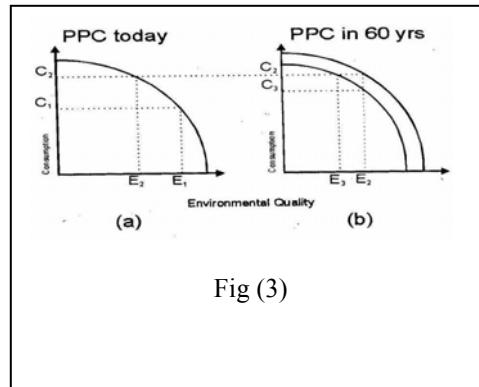


Fig (3)

In order that our future generations have a better environmental quality, we have to reduce 'G' today.

The second way of reducing the intake of inputs and therefore residual discharge is to reduce the production residuals. This can be done in two main ways. First, invest and adopt new technologies that produce smaller amounts of residuals per unit of output produced. Secondly, we can shift the internal composition of output i.e. C includes both goods and services. Therefore, move from goods/commodities to service oriented industry. The size of the so-called "information sector" is an example. Most developed nations have had this transition over the last half of the century. It is not that these new sectors produce no significant residuals but on the whole, these sectors have a relatively smaller waste disposal problem than the traditional industries that they have replaced. The last way to reduce the intake of raw materials and hence reduce the residuals is to replace recycled material for virgin materials (M). Simply increase $(R_p^r + R_p^c)$. A very commonly used recycled residual is that of paper. There is no need to cut down trees for additional paper but the use of recycled paper is more advantageous. But we have to remember that recycling can never be perfect as the recycling process itself can create residuals. The ultimate goal is to reduce the damages caused by the discharge of production and consumption residuals. Reducing the total quantity of these residuals is one way of doing this. The relationships discussed indicate the basic ways in which we can achieve this goal striving to adapt to the fundamental balance of the natural world and the economic system.

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Book Review

Tariq Banuri, Shahrukh Rafi Khan and Moazam Mahmood (ed.), *Just Development: Beyond Adjustment with a Human Face*, Karachi, Oxford University Press, 1997. Pp. 207. Price not mentioned.

The Oxford series of books published on the occasion of the golden jubilee of Pakistan's independence constitute a welcome and high quality addition to material on various facets of life in the country. "Just Development" reviews Pakistan's development from the human angle and looks at the structural adjustment programme, debating whether it is possible to have "adjustment with a human face".

Perhaps the most enduring element of our development strategies has been the relegation of social objectives to low priority and the consequent neglect of social sectors. This has been as true of decades of high growth - 1960s and 1980s - as of those of low growth - 1950s, 1970s and 1990s. Why?

The average citizen would have a ready answer. The government is to be blamed as the bureaucracy and the ruling elites tend to expropriate all resources for their own limited benefit. Dr. Tariq Banuri, in the introduction to this slim volume, uses a wider angle lense and raises the question as to why the society is "incapable of organising collective public action to pursue its valued goals". The state, as he sees it, is viewed as just "one possible institution for collective decision making, albeit the most significant one." Underdevelopment thus turns out to be "a form of social helplessness".

The search for answers, in such a broad context, takes the three editors, along with A.R. Kemal, Khawar Mumtaz and Andrea Cornia, to look at the economic sectors, human resource development, poverty and policy, the policy framework and structural adjustment, and an agenda for institutional reforms for human development. The state, it appears, is omnipresent and simply cannot be avoided. Even in the last chapter on NGOs in Pakistan, "the government" and the NGOs are expected to develop a harmonious working relationship.

As society seeks development with justice (hence, the title "Just Development") "the most significant obstacle to the pursuit of social objectives" is "the crisis of governance". All characteristics of such a crisis can be observed in Pakistan. The answer lies in not only improving the working of the government but also the strengthening, restoring and nurturing of participatory institutions. The NGOs, community based organisations, the judiciary, democratic institutions - all have roles to play

in ensuring the judicious use of our resources and promoting justice and development simultaneously. The most telling lesson to be learnt from the simplistic 1960s model of growth, and its inevitable collapse, was that “develop now and seek distribution and social justice later” is not a viable proposition.

Pakistan has paid the highest price that is, dismemberment, a country could pay. This book, edited by three of our most perceptive social scientists, represents a realistic view of our current milieu and ways to understand it.

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Viqar Ahmed

Book Review

S.M. Burke and Salim Al-Din Quraishi, *Quaid-i-Azam Mohammad Ali Jinnah, his personality and his politics*, Karachi, Oxford University Press pp 412 Rs. 495/-.

A convincing vindication of the Quaid's Conversion from Ambassador of Hindu-Muslim unity to founding father of Pakistan.

A book which most Pakistanis have been waiting for for the past five years or so, has at last been published by The Oxford University Press, Karachi (1997) as part of their Jubilee Series. A dispassionate study of the Quaid's life and his personality illustrates that he was a luminary in three different walks of life. Firstly, as one of undivided India's renowned legal practitioners; secondly, one of its leading legislators and, thirdly, as one of its leading politicians. It is universally recognised that the Quaid attained not only world stature, but won a permanent place in world history. Through his dynamic and inspiring leadership, he not only won independence from the then British colonial rule, but had the sole distinction of altering the world map by carving into existence the largest Muslim state of its time in the comity of nations – bigger than the United Kingdom and France put together. It is the role of a leading politician which this latest publication principally deals with.

Its co-authors, Professor S.M. Burke and Salim Al-Din Quraishi have already individually and jointly published a series of acclaimed standard books on various subjects including Pakistan's Foreign Policy, Mainsprings of Indian and Pakistani foreign policy, the British Raj in India, Akbar, The Greatest Mogul and Bahadur Shah, The Last Mogul Emperor of India.

The book under review comprises twelve chapters, which deal briefly with the following topics: evolution of Quaid's political contribution to the politics of India and Pakistan, his dealings with his contemporaries such as Mahatma Gandhi, C.R. Das, Gopal Gokhale, Naoroji Dadabhai, Sir Agha Khan, Sir Muhammad Iqbal, Pandit Nehru etc. – the people with whom he reckoned with and who influenced him most. The preliminary chapters deal with his personal life, his education, his marriages, his character, political style, and his establishment as a prominent barrister in Bombay. In the following chapters, the authors have compared his rise in Indian politics both as a member of the Indian National Congress and later as a member and President of the All-India Muslim League.

The basic argument given in the book is that while Muslims always wanted to live and co-operate with the majority community (Hindus) as one

nation, their bitter experiences made them realise that such co-existence was not only the most difficult proposition, but was well nigh impossible. The Hindu majority was extremely unwilling at any cost to give their Muslim compatriots any kind of assurance or guarantee for co-existence in terms of constitutional safeguards. This happened earlier with Sir Syed Ahmed Khan, Dr. Mohammad Iqbal and a number of other Muslim leaders. In spite of this background, the Quaid continued his efforts towards Hindu-Muslim unity till 1937 thinking the congressites may have been willing to concede some assurances or concessions to the Muslims. This proved illusory as all his top-tail efforts failed one after the other. Ultimately, the Quaid was convinced that the best way to safeguard the interests of the Muslims of India was to create an independent or semi-independent state for Muslims, particularly in the regions where they were in a majority. No doubt, for this Jinnah had to face tremendous difficulties and problems with Indian national leaders as well as from the British who wanted to leave a united India as their crowning achievement. The thesis of the book is thus the story of the creation of Pakistan as well as the political and personal life of Jinnah.

Most Pakistanis have been nurtured by Indian and British writers on the idea that Jinnah introduced religion into politics and entirely frustrated Gandhi's efforts to create a harmonious, strong and secular India. By tracing the political history of India since 1906, the learned authors by quoting incontrovertible sources have established that Jinnah had in fact wholeheartedly played the role of ambassador of Hindu-Muslim unity till the late 1930s. It was then that actual experience of Congress ministries in the provinces convinced him that the permanent Hindu majority in a united India was bound to oppress the Muslim minority for all time to come.

Quoting from the autobiography of M.C. Chagla, the authors on the contrary, have beyond doubt established the fact that it was Gandhi and not Jinnah who introduced religion into politics. The alliance between Mahatma Gandhi and the Khilafatists considerably accentuated the communal and religious aspects of Indian political life, forcing Jinnah to abandon his ambassadorship of Hindu-Muslim unity and to strive for Muslim nationhood to escape from permanent Hindu majority rule and domination. The Mahatma not only introduced religion into politics, he also discarded constitutional methods to achieve self-government and resorted instead to non-cooperation with the British Government, according to the authors.

Another misunderstanding existing in many minds, which this book effectively clears up, is that the Quaid-i-Azam was too westernised to visualise Pakistan as an Islamic State. Proponents of this view rely on a statement made by the Quaid in his presidential address to the Pakistan Constituent Assembly on 11th August 1947. By quoting at length the

statements of the Quaid over the years, the authors have demonstrated that he stood for generous treatment of the minorities as an Islamic injunction, rather than a secular virtue. In reply to Mountbatten's statement regarding transfer of power to Pakistan, only three days after the 11th August 1947 statement, the Quaid was reported to have said that our Prophet Muhammad (PBUH) not only by words, but by deeds treated the Jews and Christians, after he had conquered them with utmost tolerance, regard and consideration for their faiths and beliefs. Further, in an address to the Bar Association of Karachi on 25 January 1948, Governor-General Jinnah regretted that a section of the people deliberately wanted to create mischief and false propaganda that the Constitution of Pakistan could not be made on the basis of the Shariat Islam, which he said, was the most modern religion and 'Islamic principles' are as applicable to life today as they were 1,300 years ago.

This lucid and authoritative book effectively dispels the mist of misinformation that had for too long obscured the real causes that led to the Quaid-i-Azam's change of heart. The book is intensively researched and adequately documented. No student of South-Asian affairs can afford to bypass it. It must be made compulsory reading for every student of history, politics and Pakistan studies in schools, colleges and universities. It is hard bound, printed and published well and is almost free from printer's errors and mistakes. The present writer had the unique opportunity of proof reading some of the chapters at the earlier stage of its production.

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London

Syed M. Salim

Book Review

Rafi Raza, (Ed.), *Pakistan in Perspective, 1947-1997*, Oxford University Press, 1997. pp. 320.

This is undoubtedly a most useful, updated collection of articles on various aspects of the Pakistani canvas. It is a valuable contribution given the relative paucity of material and literature on such topics. Aside from the somewhat tedious chapter on foreign policy, tiresome by virtue mainly of its bulk (stretching over a total of about a hundred pages in its entirety), the articles make for interesting and refreshing reading for not merely the specialist but the layperson as well.

If length is any indication of importance, then surely it is a case of misplaced priorities to have given so much space to a subject such as foreign policy and, in comparison, the pieces on such vitally crucial issues as population planning and human rights are allocated, for whatever reason, a considerably less quantum of space in the book.

Mr. Abdus Sattar's Foreign Policy analysis is insightful, though as mentioned earlier, could have been more terse and to the point. It elaborates on a diversity of topics such as the Kashmir question, relations with the superpowers and other nations, alliances, the 1965 war with India as well as the 1971 disaster, the Simla Agreement, relations with Bangladesh, the nuclear programme, Afghanistan and related issues. These topics are essentially tackled from a historical perspective, the author spinning a yarn simply retelling the sequence of events which, in a sense, snuffs out the life in them, though the views are usually balanced, accurate and enlightening to the uninitiated.

The next section on economic development by Mr. Aftab Ahmad Khan is a far cry from being novel in any sense, since the author on the whole belabours the obvious and the major part of the article is simply old wine in new bottles. At the outset a historical overview of development policies is presented followed by Pakistan's planning experience and the hiccups it faced. This is followed by summations of the country's five year plans, their contents, outlays, targets and objectives. No kudos here again because they appear to have come right out of the plan documents themselves and very little, if any original, creative thinking is involved. The fate of each plan is stated which, in itself is useful, but then at the cost of sounding over critical, one cannot help but remark that the author seems to miss the fundamental point that in a non-socialist dispensation national planning inevitably ends up as a virtual exercise in futility and hence this is

one reason for the shoddy performance of planning in most parts of the developing world.

In assessing Pakistan's development record, the author in all fairness does highlight the shortcomings and failings right on target. One fact that is of vital importance which the author ignores, is that what seems to have gone amiss is the harsh reality that our leaders with only the rare exception, have seldom had their fingers on the pulse of the people. And with such a divorce between those in power and the majority of the people, no development effort can bear fruit in any sense at all. But all said and done, Mr. Khan does categorically keep the flag of national planning flying high in his optimistic conclusions and he deserves credit for that.

The piece by Nafis Sadiq on Population Policy is loaded with home truths, reflecting a deep understanding of the subject and insight into the reality of the matter, despite the author's 'exalted' and glamorous position in the higher echelons of the United Nations Population Fund. It begins with a rundown of vital statistics and social sector indicators followed by a historical overview and impartial assessment of the population programme of Pakistan, highlighting its strengths and weaknesses. Not only is it critical in its approach, the article adopts certain very valid prescriptions such as the need for a broader approach and what this would entail. Its formulas touch on several points such as the gender issue.

The recommendations at the conclusion of the chapter are weighty and clear and display a remarkably wholesome understanding of the entire gamut of issues facing population planning. The nub of the issue as the author quite rightly points out, is that 'the programme should be rooted within the framework of poverty alleviation, sustained economic growth and sustainable development, and the social sectors must find a central place within it.' This itself is no understatement.

I.A. Rehman writes on Human Rights and sets out initially on a historical trajectory, tracing the roots of human rights in the country, its evolution, the fate of human rights during the Zia era, trends thereafter, and questions of enforceability and access. The section on the Zia era is most enlightening since it sweeps away the myths one was unfortunately compelled to believe at the time of the dictator's rule. The author explains in a fair amount of depth how 'quite a few constitutional amendments carried out by his regime hit both fundamental rights and the Universal Declaration of Human Rights'. The importance for a democratic dispensation for human rights to flourish is emphasised.

With further enhances the appeal of the piece is the lucid and seasoned journalistic style in which it is written, while the contents themselves touch the very core of one's being. Those not quite in the know wake up to certain hometruths of the deplorable state of human rights in the country, not without a sense of trepidation.

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Nina Gera

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