



AN ANALYSIS OF GOVERNMENTAL STRATEGIES FOR POVERTY REDUCTION IN BALOCHISTAN DURING THE YEARS 1972 TO 2020

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Abstract

The purpose of this research paper is to examine the poverty reduction strategies of Pakistan government during the past and present years. In lieu of the regimes of practically every nation, comprising Pakistan, poverty is one of their main priorities. Organizations both domestic and outside in country are continuously researching the policy metrics that showed the reduction in poverty. To aid the country in eliminating poverty, the government has introduced a number of social initiatives throughout the past decades. In addition to the government, other local, national, and international organizations have made significant contributions to the campaign to eradicate poverty. The effectiveness of these social initiatives, however, has received very little investigation, and specifically on the necessity of social policy sectors. Another crucial element, which has been covered in practically every study on poverty, is the gap between the populations of the urban and rural areas. The rural population in Pakistan is still the target of virtually few social initiatives. In order to create innovative humanitarian initiatives that will benefit everyone, the nation's social policy issue requires fresh investigation.

Keywords: Poverty Alleviation, Policies, Balochistan, Governmental Strategies.

Introduction

The need for equality laws is something that all governments are concerned about. Simple values that respond collectively as opposed to individually include approaches, barriers, and practices of judgment. The development of an inclusive culture requires significant cultural and structural



change at the policy and practice levels (Ashraf, 2017). As a result, formulating social policies does not result in the desired outcomes until the optimal conditions and foundations are provided for their implementation. Since several researches have been carried out at both the national and international organizations, Pakistan is no stranger to the concept of poverty. The amount of poverty at the national and provincial levels can be calculated by the majority of these research employed household surveys based on consumption models. In Pakistani settings, rural rather than urban communities have historically had higher levels of poverty. In the 1970s and 1980s, Pakistan's poverty rate decreased, but in the 1990s, the trend turned around. In the 1990s, rural poverty was more prevalent than urban poor, and it increased more quickly. In Pakistan throughout the 1990s, inequality rose in both urban and rural regions, which worsened the effects of poverty (Gazdar, 1999). Though farming is the main occupation in rural areas, estimates indicate that a sizeable section over 40% of the labor force in rural areas is predominantly employed by nonfarm businesses. A reduction in public sector development investment, slow economic growth, and a decline in worker remittances throughout the 1990s all appear to have had a significant negative impact on the development of non-farm businesses. In Pakistan, several social programs have been put into practice. Their relative importance to future social and human development is what often varies. But social policies are frequently not thought of as such in the context of development; instead, they are discussed in the context of social development generally or in the context of methods for reducing poverty. Politics and social policy are mostly determined by regions with low levels of poverty. Institutional systems are creating personal preferences, as seen in the context of Pakistan. The social structure has been splintered despite institutions' best efforts to cooperate in order to protect their personnel in the future. As a result, future protection may be available for state workers or staff of social programs. But those who do not satisfy the requirements to enroll in social programs, such as those working in rural or agricultural areas, are not protected in the future.

Poverty in Pakistan

The most common method for measuring poverty that is influenced by income or consumption is to establish a poverty level determined by a minimal amount of consumption that is acceptable and then determine the percentage of the number of people below that line. Nevertheless, 53 years after gaining independence, Pakistan's Planning Commission advocated the establishment of an official poverty level in 2000. The official poverty level for Pakistan, as defined by the Planning Commission, will be calculated at 2350 calories per adult equivalent per day based on an adult equivalent daily calorie consumption of 2450 calories in rural regions and 2150 calories in urban areas (Ashraf, 2017, p. 50). In a recent worldwide study, Pakistan has a 2014 ranking of 147th place out of 188 countries. In terms of human growth, this is really inadequate. Furthermore, it positions Pakistan below neighboring countries like India (130), Bangladesh (142), Iran (69), and Sri Lanka (73). Pakistan's score on the 2014 Human Development Index (HDI) was 0.538, an increase of 0.002 points from the previous year, although it did not affect the country's overall standing (UNDP, 2014).



Problem Statement

The majority of rural Balochistan is separated administratively. Sadly, all of Balochistan's regions have greater than average rates of poverty. Despite being the province with the most natural resources and being regarded as the richest, several studies reveal that poverty has had a terrible impact on economic conditions across the board in Balochistan. People who cannot afford medical bills are severely harmed and even die as a result of inadequate healthcare services. The purpose of the current study is to compare the effects of previous and contemporary governmental policies for reducing poverty on Balochistan's areas where the problem of poverty is thought to be more persistent than in other places. Not only does this study seek to predict how government measures for reducing poverty will affect Balochistan's average citizens in the future, it also tries to identify the reasons why those strategies have generally failed.

Objectives of the Study

1. To analyze the governmental strategies for poverty reduction in Balochistan, Pakistan.
2. To highlight the government's successes and failures to eradicate poverty in the country and province of Balochistan.
3. To examine the impacts of different poverty reduction strategies of government.

Methodology

This study employs the descriptive and analytical methods in the light of available literature on the issues of poverty reduction strategies in Balochistan Pakistan. Also the study utilizes the qualitative design. The data was collected by utilizing the secondary sources i.e. books, research articles, economic reports etc.

Literature Review

The enhancement of children's health and education, as well as the reduction of poverty among households, may all be achieved through well-designed and well-targeted social transfer programs (Cecchini and Madariaga, 2011). The same idea that cash transfers can reach the poorest in a more advantageous way through appropriate targeting was also brought up by Fiszbein et al. (2009). Cash transfers help the poorest households with their liquidity problems, which may encourage entrepreneurship there (McKenzie and Woodruff, 2006). The introduction of conditions for human development, such as health checks and school attendance, through cash transfers in Latin America has improved children's nutritional status and school attendance (Fiszbein et al. 2009). The Prospera programme in Mexico offers child care subsidies as well as career training and income-generating opportunities (Holmes & Jones, 2013). Although similar measures were employed in Brazil's Bolsa Familia programme (Fultz and Francis, 2013). According to Wallenborn (2009), Tajikistan's capacity and understanding to process local agricultural goods improved with the aid



of skills training. According to the World Bank, vocational education, particularly for new employees, aids in overcoming the job issue (Sakir and Hasso, 2020). District and sub district level domestic market changes are also necessary in Pakistan, and businesses may help by setting up their own training facilities so students can receive the skills they need (Haque et al. 2011). By examining how safety net policies affected the development and protection of assets, Hoddinott (2008) looked at how they influenced agricultural and economic growth. In Bangladesh, the asset transfer programme has successfully reduced poverty among the poorest households (Krishna et al. 2014). Conditional cash transfers, small-scale industry, supporting the agricultural sector, and youth empowerment programmes, according to Sule and Sambo (2020), can all significantly contribute to the reduction of poverty. According to Ahmed et al. (2009)'s research, recipients in Bangladesh saw a rise in income as a result of receiving livestock and poultry assets, and their tendency to save money was also favorably impacted. The study also highlighted the fact that the transfer of assets aids in producing new, productive assets for families. In their 2016 article, Ahmed and Javed noted that livestock assets provide milk and meat, both of which contribute to better nutrition. Additionally, a number of programmes were started in India to end poverty, notably for low-income rural households, by providing assets and pay jobs (Selvaraj, 2011).

Governmental Strategies for Poverty Reduction

There is no comprehensive social security system in Pakistan that provides safety for every member of the populace. Even the apex organization that would offer social safety nets and social protection for the disadvantaged is lacking. Though, the management, Non-Governmental Organizations, as well as the private industry are putting in place a number of programmes aimed at enhancing public institution governance and accountability so that they can have a deeper understanding of the poor's needs, assisting them financially through generating income and job possibilities, as well as enhancing their access to fundamental services. The Decentralization Plan, which unveiled a significant governance change that was implemented in March 2000 attempted to replace the existing three-tier local government structure that incorporates "people-centered, rights and responsibility-based and service-oriented governmental systems, which is highly centralized and control-oriented. With the help of district and lower local governments, the crucial services that are related to poverty, such as health and education, have been moved. The provinces, which were formerly primarily in charge of service delivery, now have new duties that include supporting and monitoring the functioning of local governments, which are independent corporate entities responsible to the voters through political leaders rather than serving as employees in the province government's administrative branch. The administration has introduced several civil service reforms to enhance the public sector and make it more responsible and approachable for the people. Particular emphasis has been paid to the problem of enhancing the nation's financial management system. The government also used microfinance to give the impoverished access to fundamental assistance. The Asian Development Bank helped to create Khushhali Bank in 2000. This bank's major objectives were to build small-scale businesses and modest infrastructure projects, which would provide income-generating opportunities for the underprivileged. 30 percent



of the bank's borrowers were women, and in the first two years of its existence, the bank had given away Rs. 100 million to 15,000 beneficiaries. In order to assist the underprivileged, the government established the Pakistan Poverty Alleviation Fund (PPAF) in 1997. In order to improve the underprivileged and microenterprises' access to loan facilities, it now collaborates with the World Bank. The board of directors, which consists of nine members from civil society and three from the government, establishes the PPAF's policy directives. PPAF is a provider who mostly delivers credit to charitable groups through other companies. Although since 1997 no official evaluations of PPAF's efficacy in this area have been conducted. The advantages to the impoverished could not thus be assessed by academics and politicians. Based on Islamic traditions, the Zakat and Ushr Department was established in 1980 that state that the wealthy should donate a certain sum to the underprivileged at a rate of 2.5% of their wealth. Different types of assets are subject to zakat, including life insurance plans, mutual funds, fixed-term investments, and government securities with a return on investment. When operating these assets, banks, businesses, and financial organizations deduct Zakat. The Zakat deduction is sent to the Central Zakat Fund at the State Bank of Pakistan. Based on population, the Provincial Zakat Fund sends monies to the District Zakat Committee, who then transfers them to the Central Zakat Fund. Each District Zakat Committee then distributes cash to Local Zakat Committees in each village, Mohalla (street or small town), and other institutions like Deeni Madaris (religious schools), public educational institutions, and vocational training centers. The independent corporate organization Pakistan Bait-ul-Mal (PBM) was established in 1992. With an emphasis on the elderly, disabled, and destitute, and impoverished people of all genders, castes, creeds, and religions, PBM was founded to strive toward eradicating poverty. In addition to promoting self-employment programmes, it offers free medical care, residential housing with all required amenities, and educational aid. PBM is primarily funded by the federal government, although, additionally it gets modest contributions both from the provinces' and cities' general revenues and from the Zakat duties.

Social Security Schemes

In March 1967, the Social Security Scheme for Employees made its debut. It was the initial official effort to offer social security to state personnel. The original intent of this programme was to provide protection against the possibility of disease, pregnancy, work-related injury, invalidity, and death for employees in the textile sector. In 1969, the scope of the program's coverage was increased to include employees of commercial and other industrial firms with 10 or more staff members. Early in the 1970s, the Worker's Children Education Ordinance and the Workers Welfare Fund Scheme were established. These programmes offer formal sector employees perks linked to housing, education, and marriage. As a government programme to give old age benefits, invalidity and survivor's pensions, as well as old age grants to those qualifying, the Employees Old Age Benefits Institution (EOBI) was formed in the year 1976. It encompasses businesses in the formal sector that have 10 or more employees. However, none of these programmes provide coverage for employees from the agricultural sector, the informal economy, or those working in the formal sector that are contracted out or employed in businesses with fewer than 10 employees.



Benazir Income Support Program (BISP)

The Benazir Income Support Program is regarded as a significant government initiative to assist disadvantaged families across the nation. It became a social safety net in 2008 when it was launched with the intention of raising the living standards of the poor and reducing the detrimental consequences of the food crisis, weak economic development, and poverty-related inflation (primarily females). It was founded with the intention of giving cash to underprivileged people so they may purchase necessities of life like food and housing. This initiative significantly contributes to the government's development efforts aimed at eradicating poverty and empowering women. Since the beginning of BISP, the Pakistani government has steadily raised the amount of money allocated to it. A more effective study design and data gathering technique were created by BISP to assign the impoverished individuals. Initially, MNAs, members of the National Assembly were tasked with overseeing the distribution of the impoverished in their respective regions. Later on though, a Poverty Scorecard (PSC) that was created using a Proxy Means Test (PMT) that was run on data from a household census in place of it. To determine who poor, PMT analyses 23 criteria are a variety of factors, such as the amount of assets, the household head's educational background, and the number of dependents. The 7.5 million households that qualify for the assistance fund have been identified. However, 17% of all eligible families' 4.6 million households are already getting financial assistance. In 2012, qualified people were given a cash payment of 1000 Pakistani rupees on monthly basis, and it is anticipated that this sum would rise in the coming years (Ashraf, 2017, pp. 53-56).

Conclusion

Even while there has been some progress in reducing poverty, the measures of the government, particularly in rural regions, have only had a limited amount of success. Because rural areas experience greater poverty than metropolitan areas, the government should prioritize reducing poverty there. In order to implement a long-term economic strategy, the government must take into account the rapidly shifting demographic and economic trends. At this point, Pakistan should focus more on the quality of poverty as opposed to its number. In order to reduce poverty, especially in rural regions, states may choose to implement one of four comprehensive programmes or supplemental measures. In addition to these tactics, further study is needed on the characteristics of poverty. According to several studies, governments may consider low-income loans to companies, tax credits, and income subsidies as incentives for rural communities that are struggling. These instruments can serve as incentives for businesses to grow, to add new positions, and to hire unskilled and low-skilled labour. In order to boost the local economy, Pakistan requires local governments, the corporate sector, NGOs, and civil society to have opportunities to collaborate. Enhancing efficiency, boosting sustainable growth, and reaffirming inclusive growth are the main goals of this development. Different geographic parameters should be considered while assuming the practice of local economic development. In comparison to the national



economic model, the local communities have better prospects for economic development under this development model. Social security exclusively benefits public sector employees and only in metropolitan areas, same like in Pakistan. In order to provide safety for workers in rural regions as they approach retirement age, the government must develop a social security programme. By giving seniors adequate money to care for themselves, social security not only lessens the dependence of elderly people on their offspring but also contributes to eradicating poverty. For low-income families nationwide, the BISP programme offers a first step toward social security. Although they claim to be of retirement age, it does not apply to the old population. And vice versa, poverty in rural and urban regions is not the same thing. Likewise, there are differences between the two regions' sources of poverty. Lack of social security for employees is the main contributor to rural poverty since most workers depend on their income for support on a daily or monthly basis, which only secures their existing lifestyle. For this reason, steps should have been taken to offer social security to every citizen, even rural and private employees.



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