

POVERTY ALLEVIATION IN PAKISTAN

By
Dr. Akmal Hussain

INTRODUCTION

THE NATURE OF ‘POVERTY’ AND THE PROBLEM OF INTERVENTION

“Poverty” is not simply a state of deprivation of certain goods and services, just as richness is not simply a surfeit of them. Aristotle saw the richness of life in terms not of commodities (which are merely useful) but in the sense of activity.¹ He thus argued for human functioning as the object of value. It is in this sense that a substantial strata of our society by being denied the minimum of food and basic necessities are made incapable of actualizing through creative activity their full human potential, and are thereby impoverished.

Jean Dreze and A.K. Sen in a recent treatise² have attempted to go beyond “standard of living” indices and have proposed the concept of capability. The capability concept proposes that in addition to requiring certain goods and services for oneself one may also value one’s capability to be socially useful. The capability concept also helps to clarify that the issue of public action for combating hunger, for example, is not simply “delivery” of a certain quantity of food, but also access to complementary inputs such as health care, drinking water, sanitary facilities and education.

We may suggest that the capability to perform “socially useful activities” which is essential to human fulfillment requires the reconstruction of the community and a group identity. In fact we aim to argue in this paper that even the provision of food and other basic services if it is to be achieved in a “cost effective” way requires the mobilization of the local community and the

participation of individuals at the village/mohalla level at each stage of the process of overcoming deprivation. Thus performing socially useful activity and community organization are not subsequent to the provision of food and complementary services (as Dreze and Sen imply) but may be necessary to the very process of providing food and basic services.

Majid Rehnama in a major paper on poverty³ has argued that the systematic deprivation of certain sections of society is a challenge to its democratic basis. Therefore, the state responds to the challenge by designating certain groups as “poor” and attempting to protect society from the poor. This designation process operates by giving an institutional treatment to the poor (similar in approach to the treatment of institutional “poverty alleviation” is that the poor are seen as objects of a delivery mechanism. The process of delivering goods to the poor is divorced from their actual experience of themselves as living human beings.

The institutional treatment of the poor by “professionals” involves unilaterally defined attributes by special or mandated terms and attributes serve to induce a set of individuals to internalize the perceptions of them which are held by people who live outside their cultural milieu. The “poor” are thus penetrated by professional project managers. There is no reciprocity in the relationship between the giver and the poor who live in two different worlds. Yet, the professional manages the “assistance” to the poor.

This report is divided into four parts. In part I we examine the available evidence on the trends over time and its poverty are placed in the context of the mechanisms through which poverty is being reproduced at the rural, urban, and inter-provincial levels. An attempt has also been made to show environmental degradation and the condition of especially vulnerable groups such as children and women.

Part I ends with a section analyzing two alternative paradigms of poverty alleviation: the conventional top-down “delivery to target group” approach, and the participatory development approach.

Part II of this paper present an poverty alleviation strategy for Pakistan, located in the Participatory Development paradigm.

Part III presents an implementation strategy and specific recommendations for action.

Part IV indicates immediate follow-up measures that could be taken.

Part I

I. THE MECHANISM OF POVERTY CREATION

In an economy where productive assets are concentrated in a few hands and in a few regions, the market mechanism would be expected to accentuate inequality of income distribution both between social groups and regions. In Pakistan the structure of the growth process has tended to reproduce poverty on a growing scale.

In this section we will examine the process of poverty creation in the rural and urban areas to show how poverty in Pakistan is a structural phenomenon. Consequently, poverty alleviation cannot be expected to occur simply as a “trickle down” effect of economic growth.

I.I The Mechanism of Urban Poverty

In the urban areas the capacity of growth in the large-scale manufacturing sector to generate employment was constrained by highly capital-intensive technology choices induced by capital subsidies provided by the government through an over-valued exchange rate and low interest loans for industrial imports during the period 1960 to 1976. A high population growth rate of over 3.1 percent (according to labor force surveys) and the tendency of concentration in large cities led to explosive growth of large urban centres. In a situation where successive governments were faced with budgetary constraints, the provision of basic services

lagged far behind the urban population growth so that the provision of basic services through the public sector could not counteract the poverty impact of growing urban unemployment. The result was growing slums peopled by unemployed families deprived of basic services. According to research done by Ayub Qutub for the National Human Settlements Policy Study, it is estimated that urban population by the year 2000 will be about 58 million compared to about 36 million today.⁴ Qutub has estimated that 90 percent of the expected increase in population during the next decade will be absorbed in existing cities and towns. Given the fact that costs of population absorption are 6 times higher than in rural areas, a very severe resource constraint will be faced in providing even minimum facilities of health, transport and sewage disposal. The percentage of urban population living in unserviced Katchi Abadies was about 25 percent in the mid- 1980s and is expected to increase to 60 percent by the end of the century.⁵

Let us examine the mechanism of poverty in some of the major strata of society in Pakistan.

I.2 The Mechanism Underlying Rural Poverty

Much of the literature on the so-called Green Revolution suggest that this new Technology was “scale neutral”. However, this may be so at a purely technological level. The actual effect which the new technology has on the size distribution of farms in any particular society depends on the prevailing pattern of land ownership and the social organization of agricultural production. In Pakistan the agrarian structure is characterized by a highly-skewed distribution of land ownership and a pattern of extensive renting-out of land to tenants. For example, 0.5 percent of landowners own 30 percent of total cultivated area. In such a situation when the High Yielding Varieties Technology (HYV) became available and made owner cultivation highly profitable there emerged a tendency for a structural change in favour of the

large farmers. The availability of the HYV technology along with subsidized tractors, induced large landowners to resume their formerly rented-out land for owner cultivation on large tractorized farms. The resultant change in the production relations generated a powerful process: growing affluence of the big farmers simultaneously with the pauperization of the poor peasantry. A doctoral study (Akmal Hussain, 1980) showed for the first time that the land resumption associated with HYV adoption had led to a polarization in the size distribution of farms and investigated the complex process underlying this phenomenon.⁶ In this section we will examine the changes that occurred at the level of production relations. It is these changes that constitute the basis of the process of rural poverty.

When the 1960 Agriculture Census (adjusted for biases inherent in its methodology) is compared with the 1972 Agriculture census a picture of polarization in the size distribution of farms emerges, i.e., the percentage share of small farms in total farm area and that of large farms had increased while the percentage share of medium-sized farms had declined. (See Table 1) Underlying this comparative static picture was a more complex dynamic process. This consisted of the following elements:

- (1) The large landowners were resuming their rented land not only from small farmers but also from medium sized farmers.
- (2) The loss of land following resumption, hit medium-sized farmers to a much greater extent than small farmers.
- (3) Some medium-sized farmers following the loss of some (but not all) of their rented-in area were converted into small farmers over the period.

The consequence of (2) and (3) above was that the percentage share of total farm area (and the number of farmers) in small-sized farms category increased over the inter-censal period while that of medium-sized farms declined. Thus the increase in the percentage share of small farms in the total farm area occurred not because small farms were becoming more viable but because of

the relatively greater impact of the loss of rented-in land compared to small farms. See Tables 2 (a) and 2 (b).

The differential impact of the resumption of rented land is understandable given the much greater proportion of total rented land under medium-sized farms in Pakistan. The fact that many small farms were disintegrating under the impact of tenant eviction is indicated by the rapid increase in landlessness over the period: landless laborers increased by 0.7 million during the inter-censal period, and of these almost half had been proletarianized as the result of tenant eviction.

Changes in agrarian structure suggest that production relations between poor peasants and large farmers underlie the squeeze on the real income of the poor peasants.⁷ We have defined poor peasants as those who are using predominantly family labour on their farms. (i.e. the ratio of total net labour hired-in to family labour is less than one.) Poor peasants are subject to a triple squeeze.

1) Money costs have increased.

This is because of two main factors:

a) Inputs which were formerly non-monetized (e.g., seed, animal manure), or inputs which the poor peasant did not use at all (e.g., tractor ploughings, pesticides), he now has to buy in the market. The reason why the poor peasant has to buy chemical fertilizer (rather than use his own animal manure) and hire tractor ploughings, is because of his reduced ability to keep farm animals. This is because the poor peasant no longer has access over the fodder area of the landlord who now tends to use mechanized techniques.

b) The second factor in the rise in money costs is the shift from share cropping to money rents which are rising sharply.

2) Stagnant Yields Per Acre

While there has been an increase in cash rents payable by the poor peasant and thus in his real rental burden his yield per acre has not increased significantly. The latter is due to the fact that the poor peasant does not have the financial and political power to: (a) acquire all the required inputs (seed, fertilizer, tubewell water, pesticides), and (b) the poor peasant does not have control over the timing of their application.

3) Selling Grain Cheap and Buying Dear

The third pressure on the real income of the poor peasant is that in a situation of rising cash requirements and indebtedness he is forced to sell a part of his subsistence requirements of grain at harvest time. These harvest sales are at low prices since grain is cheap at this time. However, at the end of the year when his stores run out, he has to buy grain in the market at a time when prices are high.

Thus with the development of capitalist farming, the nature of the interaction between poor peasant farms and the growth of large mechanized farms is such that while real incomes of the large farmers have increased dramatically, the real income of the poor peasants did not grow at the same rate, and in a significant number of cases may have actually decline.

I.3 The Mechanism and Nature of Regional Economic Disparity

The phenomenon of poverty is related in a complex way with the mechanism of regional economic disparity. As Ercelawn's recent study on inter-provincial poverty has shown, for example, both the incidence and intensity of poverty is higher in the Punjab than in Sind. Therefore, it may be useful to examine the nature of the mechanism underlying regional economic disparity.

The early studies on regional disparities focused on economic inequality between East-West Pakistan. The first study on regional disparity within (West) Pakistan was conducted by Naved Hamid and Akmal Hussain. They estimated district-level

value added in large-scale manufacturing and agriculture, and also district-level economic and social infrastructure, for the period 1959-60 to 1969-70. The study showed that not only did inter-provincial inequality increase over time, but also the degree of inequality within province accentuated. What was interesting was that the regional disparity was correlated with the level of growth, i.e., the rank ordering of intra-provincial inequality was congruent with the rank ordering of provincial growth rate. The study indicated that when growth occurs within the framework of the market mechanism there is a cumulative tendency for relatively developed regions to grow faster than the relatively less developed regions. The developed regions enjoy internal and external economies, lower costs of production relative to other regions, which make the initiating region cumulatively more advantageous for further investment. The specific factors underlying cumulative divergence in the attractiveness of regions for further investment and hence increased disparity in regional growth rates are: concentration of communications, banking facilities, public utilities, technical know-how, trained manpower, and maintenance facilities. Conversely, as growth is concentrated in the developed region, it pulls capital and skilled labour from the backward region, thereby adversely affecting the age composition, skill and capital endowment of the backward areas.

The following Table 3 shows the comparative rankings of districts on the basis of each of the four major studies on regional development in Pakistan. It is seen that all four studies report similar results with respect to infrastructure endowment of districts. Both the top ranking and the bottom-ranking districts are consistent for all four studies, except for variations that are explicable on the basis of development diffusion. For example, Sheikhupura has substantially improved its ranking over time as the result of a substantial increase in infrastructure facilities.)

Ayub Qutub indicated a relationship between production per capita and infrastructure intensity. A logistic curve relationship emerges between infrastructure (independent variable). According to Qutub for very backward districts

initially marginal improvements in infrastructure do not induce a significant increase in production per capita. Once the basic infrastructure has been created (at a level of half (lie national average) a sharp increase in production per capita takes place. However, beyond a maximum limit (1.7 times the national average), the kinds of infrastructure traditionally provided in Pakistan do not se' to substantially stimulate industrial or agricultural product ion.

The National Human Settlements Policy Study presents an interesting differentiation of economic regions on the basis of industrial growth over time. The evidence in this study shows that in 1959—60, as much as 39 percent of the value added in industry is accounted For by Karachi. This is followed by Lahore and Faisalabad. These three districts together accounted for 60 percent of the value added in industry. The rest of the industry was fairly evenly distributed across the local core and the inner periphery. Over time the local cores, inner periphery and outer periphery all gained at the expense of the national core, although at the end of the period, Karachi still accounted for 35 percent of value ad in industry, and the Central Punjab districts constituted 19 percent.

In Central Punjab the most rapidly industrializing district is Sheikhpura, in northern Punjab it is Jhelum, and in Sind the most dynamic district in terms of industrial growth is Dadu.

1.4 Poverty, Unemployment and Child Work

The employment problem in Pakistan is reaching crisis proportions. According, to the 7th Five Year Plan document, 25 percent of the labour force was underemployed at that time. With 1.2 million new entrants to the labour force annually, and the net ret urn Flow of migrants from the Middle East already occurring apace, well over I million new jobs need to be created annually just to keep existing unemployment / underemployment at present levels. Yet, the employment generation capability of at least the formal economy for given growth rates of output appear

to be declining. This is because of growing automation in the large scale manufacturing sector and increasing mechanization in agriculture in both seed bed preparation and harvesting.

As the problem of unemployment of adult workers in the formal sector is growing, an increasing number of families under poverty pressure are sending their children to work in the informal sector. The reason is that even though child workers are extremely poorly paid, their wages are a significant contribution to family income. A survey conducted in Lahore (1985) showed that in the ten professions in which children are the predominant workers, the average wage of a child worker was Rs. 322 per month (cash plus kind) For the families to which the child workers belonged, the wages of child workers constituted 13 percent of family income.

The pressure to supplement family income can be gauged by the fact that child workers are working typically 54 to 72 hours per week. The working hours of children are longer and their wages lower compared to their adult counterparts. Conversely, employers in the informal sector prefer to hire child workers rather than adults because there is no law specifying the rights of child workers with respect to minimum wages, maximum work hours, medical and social security benefits.

The above-mentioned survey showed that although most of the child workers were uneducated, nevertheless, an overwhelming proportion, of them wish to acquire an education and consider it useful. This is another indicator of the poverty pressure on the family that obliges children to work at an age when they would rather be at school. Most child workers interviewed preferred to continue to work with their existing job even though it was extremely poorly paid, and involved long work hours in often hazardous working conditions. This is because of the sense of security that work gives them compared to the acute hunger and uncertainty which the child and his/her family is subjected to when *looking* for work.

It has been estimated that there may be as many as 4.1 million children working in the urban areas alone. Most of them

are working long hours for a pittance, and suffer from malnutrition.¹¹. According to the National Nutrition Survey of 1985/87, almost half the population of young children in Pakistan are likely to be suffering from either or both chronic and acute malnutrition.' The impact of available scientific advances on overcoming child malnutrition is severely constrained by the lack of access over food arising from poverty and unemployment. A large proportion of the families whose children are malnourished fall into the category of the poor.

Apart from low wages and long working children also face relatively greater work hazards due to the, absence, of specific work safety laws for child workers (who officially do not exist since there is a law forbidding child employment in hazardous occupations). Consequently, weak with hunger and fatigued with extended working hours, many child workers operating lathe machines and printing presses lose (heir hands; others suffer severe eye damage consequent upon doing welding work without goggles, or suffer from tuberculosis weaving carpets under unhygienic conditions. The fact that millions of children are working under these conditions is not only an indicator of the poverty pressure on their families, but also of the courage and the will to survive of children in a society which has forsaken them.

1.5 Poverty and Women

Inspite of the fact that women of poor households do engage in productive labour and , play a vital role in (he economic and social life of our society, yet they continue to be perceived as marginal to our. society. ,Apart from culture specific biases, there are also transcultural reasons ,for the bias against women which are rooted iii the analytical framework within which the economic contribution of . individuals is assessed. An important aspect of mainstream social science research, which leads to, a misconception of the economic status of women is that conventional statistical categories do not take account of the specific role of women. For example, household

work' performed by women such as cooking, water carrying and firewood gathering is not regarded as 'productive labour'. Even more interestingly, according to the World Bank, there are as many as 2 million working women in the informal sector in Pakistan. Many of these women are home-based piece workers; others work as unskilled labour in small-unregistered units in the manufacturing, construction and services sectors. All of them have neither a place in official estimates of (the working population, nor the minimum protection of labour laws.

As a result of inferior status of women in society, their underestimation as economic agents as well as the gender bias embedded in the development policies pursued so far, most women in Pakistan have carried a double burden, that of being poor and of being women.

1.5.1 Poor Women, Work Burden and Consumption

To exclude cooking, water carrying and firewood gathering from the category of productive labour is indefensible because of two reasons:

- (a) These work tasks are structurally integrated with the productive Process insofar as they are crucial for the reproduction of labour itself. As Gunner Poulson¹⁴ reports: "None of the principal food crops of the tropics is palatable unless it has been cooked first — lack of fuel can be as much a cause of malnutrition as lack of grain..." Arnold notes that in "wood poor parts of Nepal and Haiti, the inability to procure firewood has forced many families to switch to less nutritious foods, which need less cooking."¹⁵
- (b) These work tasks involve considerable expenditure of time and energy. Dr. Bina Agarwal in an important study on Rural Women shows that in some parts of Sudan, women have to walk for live miles or more to fetch water in a trip that takes them from dawn to noon.¹⁶ She also refers to a study on Tanzania where women spend an average of 12 hours per week gathering firewood often

having to make the journey over steep slopes. Given these facts, to exclude such “household” tasks from estimates of productive labour is to build a serious bias against women in the estimates of their economic contribution to society.

Thus, statistical categories themselves may be a contributory factor to the myth that women are unproductive individuals cloistered in the house, while men are the producers, active in the world outside the home.

While recent social science research has created an increasing awareness of the differential impact of economic growth as between *classes*, yet there is insufficient work done on analyzing the differential impact of economic growth as between women and men *within* each class.

Bina Agarwal has examined the intra class impact of the Green Revolution.¹⁷ She focuses on three aspects of the economic condition of women relative to men in poor peasant households.

- (a) Work loads
- (b) Access over cash income
- (c) Access over consumption

She has pieced together a large corpus of evidence from different regions of the Third World. The data suggests an even more grim condition of women than men. Consider, for example, workloads of women in poor rural households where part from household work, they engage in labour on the family farm and/or do wages labour on other Farms. A number of studies on Asian and African countries show that the average numbers of hours worked per day are greater for women than men. Even when “household work” is not included, and only “directly productive” work is considered, here are many regions where women are found to work longer hours than men. There is also considerable evidence that even though women in poor households have a proportionately lesser than men. In the studies in Asia, Hezyer¹⁸ found for example that in landless household where men and women of a household are both working as agricultural laborers, the wages for the labour expended by both

are paid to the men alone. Chakravarty notes that in the Malaysian cases. Even though wages are paid separately to the women, yet this money is taken over and its expenditure controlled by the male members of the household.

Agarwal suggests that women get a smaller share of the family cash income for their personal needs, compared to men in poor households. There is evidence to suggest that even the distribution of food in poor households tends to favour men relative to women in large parts of the Third World. On the basis of a number of nutrition oriented surveys relating to Asia, Africa and Latin America, Schofield observes:

“The senior male members of the household are frequently given the best diet in terms of both quality and quantity, and boys often have priority over girls.”¹⁹

The fact that the distribution of food in poor peasant households may be biased against women, is particularly significant if we consider two aspects of women’s work.

- (a) The “minimum energy requirements per unit of body weight are likely to be higher for women relative to men, even with an equal amount of energy expended in work during periods of pregnancy and lactation. The evidence indicates that heavy work combined with a shortage of food can lead to depletion of muscle tissue and impaired physical ability of the mother...”²⁰
- (b) According to a doctoral study by R.H. Fox, the energy expended by women in work alone may be higher than that expended on crop production per day by male and female farmers in working and walking (RI ring nine months of the agricultural season ... (he) found that in six of these months, the figure of WOIUCI1 was much higher than for men.²¹ Thus the sociological fact that the family’s food distribution may be biased against women in poor households creates a particularly acute health problem for women in cases where their energy intake requirements

are in fact greater than that of the male. This view is further strengthened by Longhurst's study in which he compares energy expended with energy intake for women and men respectively in (the case of Nigeria. The study shows that "women's energy intake was much less than they needed relative to their energy expenditure, and the men's energy intake was much more than they needed."²²

It appears that even though the available survey evidence is based on relatively small samples, and may not be applicable to all regions, yet it comes from a large number of culturally diverse regions of the Third World, and points to a broad conclusion: women of poor peasant households may be working longer hours, but may be receiving a lower amount of cash income and food consumption compared to the men of the same households. Worse still, in some cases women may be obtaining a lower intake of energy (in terms of calories) relative to energy expended, compared to their male counterparts. To the extent that this is true, one can suggest that in poor rural households, women are bearing a heavier burden than their menfolk. Thus the myth that women are objects kept and protected in the home, while their men bear the brunt of adversity, may not be sustainable in the cold light of facts.

1.5.2 Poor Women in Micro Enterprises

According to World Bank estimates, roughly 750,000 women are engaged in micro enterprises at various levels, both in manufacturing and trade.

These women engage in a range of activities such as embroidered products, tailoring, silk and cotton materials, knitwear, leather work and processed goods. Typically, the whole family participates in the enterprise. Men buy the raw materials and sell the finished products while women and children (primarily daughters) do the work, except for female-headed households, where women are in charge of all elements in the business.

In some cases, women subcontract piecework to other women in the neighbourhood. Unavailability of credit, lack of training and access to simple technology such as sewing and embroidery machines, limits the scope of these enterprises.²³

Selling goods in small shops or at street corners is an occupation for which traditionally there was little social acceptance for women in Pakistan. This trend is now changing and women traders are seen in markets, outside shrines, at fairs and festivals and at the Friday “Juma Bazaars”. Very often vendors come in groups such as the vegetable sellers in Karachi and the bangle sellers of Moti Bazaar in Rawalpindi. Women vendors mostly sell vegetables, processed and semi-processed foods, children clothes, clothes, bangles, embroidered goods, small household articles, trinkets, combs, laces, matches and women’s clothing.

Since the last 6-7 years Juma Bazaars have become an important marketing outlet for women. The Juma Bazaar is a fair held every Friday in all small and large towns and cities, where fresh and semi-processed foods, trinkets and simple manufactured products are sold. Space in the Bazaar has to be paid for. Even so women gain entry into the Bazaar through male relatives or friends. Some women who manufacture or process the goods they sell like embroidered garments or ‘packed garlic’ contract out piece work to other women. Credit for purchase of raw materials is arranged through informal sources. Income ranges from Rs: 100 to 1000 each Friday. Major constraints to growth of these enterprises is reported as lack of credit, reliable workers and demand for their product.²⁴

1.5.3 Poor Women in the Agricultural Economy

About 72 percent of Pakistan’s population lives in rural ii Females constitute about 47 percent of the rural population. According to the 1980 census, Out of some 22.8 million economically active persons in agricultural household:- 9.5 million or 42 percent were women.

Our most detailed knowledge (albeit of limited geographic coverage) of women's economic activities in rural areas comes from district and provincial level sample village studies. These studies show that rural Pakistani women are not only completely responsible for time and energy consuming household chores but are also major contributors to the rural economy in three sub-sectors, i.e. crop production, livestock production and cottage industry.²⁵

Studies show that women participate extensively in all stages of crop production, however, they contribute more to some activities than to others. Generally men take responsibility for the earlier phases in the production cycle, like field preparation, while women assume progressively more responsibility in the operations that follow. Some of these are harvest and pre-harvest tasks usually done in the field (like weeding, transplanting rice, picking cotton, stripping leaves for fodder), while others are post harvest tasks (done in or near the home).

A recent survey conducted by the Barani Agricultural Research and Development Project in five districts of NWFP shows that 82 percent of women participate in agricultural work. They spend 45 percent of their time on agricultural activities and are responsible for 25 percent of the production of major crops and 30 percent for food.

Several studies indicate that women have a greater role in decision making than commonly perceived. This is especially true for activities in which women are involved intensively. In the Gujjar Khan area of Punjab, village women make decisions more often or as often as men in such traditional women's activities as threshing groundnuts, maize or rapeseed, collecting rapeseed for fodder, and weeding and husking maize. Similarly, women have independence and relatively greater control over income in such activities as cotton picking, fruit and vegetable production and livestock and poultry care.

1.5.4 Poor Women in Livestock Production and Cottage Industry

Care of livestock is predominantly women's work. It has been estimated that between 20 and 33 percent of the average woman's day is devoted to livestock related operations. A recent survey of barani areas in Punjab and NWFP found that out of 14 livestock production of operations covering a complete range of activities, women have primary responsibility for at least eight and are very active in others²⁶. In some activities women have nearly exclusive responsibility such as in cleaning sheds and collecting manure for fuel or organic fertilizer, as well as in making ghee and selling products to villagers. Women also take major responsibility for other such tasks as cutting and fetching fodder, bathing animals and milking. In other activities such as grazing and watering animals, they share responsibility with men.

Livestock production is the most important income generating activity (or women in an agricultural household. A sample survey of barani areas found that returns from the sale of animal products by women constitute on average 13 percent of total household income.²⁷

The more income a woman earns, the more decision making authority she wields in the household. For example, 80 to 90 percent of the women who earn income from livestock products control the disposition of this income. Rough estimates show that over 60 percent of women's income goes to meet family food needs and another 20 percent goes to savings. Hence one can logically argue that, increased access over resources, training and credit to women for livestock production should significantly increase household income as well as women's authority within the household.

Craft production is a traditional socially accepted enterprise practiced by many women in rural areas. Handicrafts production is done mainly on a piece work basis. Agents supply the raw materials to the producers, virtually all of whom are women, and who remain in their home. The agents later collect the finished products and pay the producers on a piece rate basis.

The advantage of this system for women is that they can work within the confines of the home. It is estimated that about 33 percent of rural females older than 10 years of age belong to non-agricultural households. These women are engaged in such crafts as embroidery, tailoring, crocheting, carpet and durree making, weaving, leather work, pottery and ceramics, as well as construction, food processing and miscellaneous handicrafts.

A household survey of rural working women carried out in 42 villages of the Punjab showed that 55 percent of total respondents were doing cotton embroidery, 51 percent were involved in sewing and culling and 43 percent in knitting, 20 percent of women were making straw products and 8 percent were making mats and baskets; 8 percent were weaving carpets and 2 percent were producing *durrees*. Only 9 percent were spinning thread from cotton. The same study showed that 80 percent of working women did not receive training from any vocational institutions or organization. Most of them learnt these techniques from Family women at home or from relatives or neighbors.

Women involved in time manufacture of handicrafts-in the rural areas typically have no access to credit, hence no control over raw materials or design. Most importantly, they have no access to marketing outlets.

Hence training, credit and access to markets are the three key inputs which could enhance productivity, develop entrepreneurial skills and improve the income of this group.

1.6 Poverty and the Environmental Degradation

Poverty and environmental degradation have an interactive relationship. Poverty pressure on households near forest and range lands obliges them to cut trees and overgraze on home fragile soils. The consequent erosion of top soil and destabilization of the hydrologic system, depletes the capacity of land to generate adequate yields and income. Yet, in many cases, the forms of resource use by (the affluent sections of society cause an even greater damage to the environment. For example,

deposit of untreated industrial effluents into the river system renders sections of the surface water system toxic. Thereby creating a serious health hazard to large sections of the population, apart from reducing fish output with attendant adverse consequences or communities who rely on the fish catch for a living. Similarly, poor water course management not only results in very low irrigation and application intensities and attendant waste of irrigation water but also adversely affects the yield capacity of soils.

According to the recently formulated National Conservation Strategy document of the Government of Pakistan, there are only 3 million hectares of land under some form of tree cover²⁸. This constitutes 3.5 percent of total land area of the country and is extremely inadequate. As a consequence there is accelerate surface erosion which is not only depicting soils, but also reducing the life of the irrigation reservoirs.

Because of badly managed channels and on—farm water courses, out of the total irrigation water diverted from the canal heads (104 MAF), only 30 percent actually reaches the root zone of crops.

Outside the irrigated Indus Basin, overgrazing has brought down the productivity of range lands to as little as 15—40 percent of their potential.

The NCS Report points out that the grave danger to public health and soil fertility resulting from the deposit of untreated industrial effluents into Pakistan's river system. For example, in the Deg Nullah downstream of Kala Shah Kaku mercury levels of 5.6 mg/l have been measured. (The relaxed permissible level is 0.1 mg/l).

Similarly the two industrial estates in Karachi are discharging large quantities of toxic material into the local rivers and industry in the Peshawar vale is polluting the Kabul river to such an extent that its use for irrigation purposes is being threatened.

Perhaps an even greater cause of concern is the contamination of groundwater near urban industries that

discharge waste directly into the ground such as the leather tannery units near Kasur. The NCS report points out that it may take thousands of years to flush toxic metals from contaminated aquifers. During this period the contaminated groundwater would remain a deadly health hazard for human being using tubewells for drinking water purposes and an equally deadly hazard when such water is used for irrigating crops.

II. TRENDS IN POVERTY

11.1 Rural and Urban Poverty: 1960 to 1988

In the paper by Ercelawn. Mahmood and Nadvi (October 1991), separate poverty hues were estimated for rural and urban Pakistan based on HIES data for various years. Poverty lines were specified by using an expenditure norm enabling a calorific intake of 2550 calories daily per adult equivalent derived from an estimated Functional relationship between household expenditure and caloric consumption. In estimating poverty lines, they found that at the nutritional norm the expenditure associated with the urban poverty line. This difference reflected not only high prices but also different consumption patterns in the rural and urban areas respectively. A “lower” urban poverty line was therefore also estimated based on rural consumption patterns but adjusted for price differences. An approximation to this standardized poverty line was taken as 81) percent of the “upper” urban poverty line.

The estimates by Ercelawn et. al. show a substantial reduction in the incidence of poverty in both rural and urban areas of Pakistan over the period 1969/70 to 1987/88. While the percent age of the rural population below the poverty decline from a figure of 51 percent in 1969/70 to 29 percent by 1987-88 (see Table 6).

Changes in he incidence of rural poverty over lime suggest that the pace of poverty reduction differed as between the decades of the 1970s and 1980s. During (lie decade of the I 980s there was a much faster decline in the incidence of poverty compared to the decade of the 1970s. The annual rate of decline of rural poverty

incidence being 2.5 percent in the decade of 1970s. and 5.6 percent (during the decade of the 1980s (see Table 7). In the case of urban areas, the relative pace of poverty reduction during the decades of the 1970s and 1980s respectively is sensitive to the inflation rate used for the 1980s and no firm conclusion can be drawn with respect to the relative pace of urban poverty reduction during the two decades. However, there is a real possibility (that near the end of the decade of the 1980s, urban poverty may have actually increased due to a sharp slow down in the per capita growth rate of GNP combined with a continued decline in employment coefficients of investment in the large-scale manufacturing sector. At an overall level these estimates showing a decline in the incidence of poverty over the last two decades must be interpreted with caution. This because such estimates are based on HIES data, which has a relatively incomplete coverage of the poorest households. Even more important is the fact that HIES does not cover at all the section of the poor population that is not resident in a permanent abode. Given the mechanism of poverty creation, which involves tenant eviction in rural areas, migration of displaced persons to urban areas and the growth of shilling urban slums, the percentage of the poorest population beyond the coverage of the HIES sample survey would be expected to increase over time. Thus given the nature of the poverty phenomenon during the last two decades a household based sample survey such as the HIES would be expected to capture a declining percentage of the actually poor population over time. Hence estimates of the incidence of poverty based on HIES data may be biased downwards, with the magnitude of downward bias increasing over time.

II.2 The Regional Dimension of Poverty: Incidence and Intensity by Province

In a recent paper, Aly Ercelawn (1991)³¹ has estimated the incidence and the intensity of poverty in each of the provinces of Pakistan for rural and urban households respectively. This has

been done by first specifying the minimum expenditure required for a daily intake of 2550 calories per adult equivalent, using existing dietary patterns. The calorie—expenditure function on the basis of which the expenditure norm was derived allowed for both provincial and locational differences. The incidence of poverty indicated the percentage of households below the poverty line. Poverty line is defined as the expenditure below that required for a calorific intake of 2550 calories daily per adult equivalent. The intensity of poverty estimates were based on the widely recognized proposition that an intake of between 70 to 80 percent of the calorific norm over a sustained period constitutes very high risk of starvation and undernourishment.

The results of Ercelawn's study suggest that in Pakistan, the incidence of poverty is highest in the Punjab and lowest in the NWFP. The percentage of households below the poverty line in rural areas are approximately 31 percent in Punjab, 27 percent in Baluchistan, 18 percent in Sind and 15 percent in NWFP. In urban areas while Punjab has the highest incidence of poverty, Sind has the lowest.³²

Thus the percentage of urban households below the poverty line are approximately 25 percent in Punjab, 23 percent in Baluchistan, 14 percent in NWFP and 10 percent in Sind.³³

If we define the intensity of poverty as the percentage of households unable to acquire more than 75 percent of the calorific norm, then Ercelawn's estimates show that for the rural areas the intensity of poverty is highest in Baluchistan and lowest in Sind. The percentage of households unable to reach 75 percent of the calorific norm in rural Pakistan are 19 percent in Baluchistan, 10 percent in Punjab, 12 percent in NWFP and 6 percent in Sind. For urban areas the figures are 13 percent in Punjab, 9 percent in Baluchistan, 7 percent in NWFP and 4 percent in Sind.³⁴

III. ALTERNATIVE PARADIGMS OF POVERTY ALLEVIATION

111.1 The Top-Down ‘Delivery’ Paradigm

The conventional ‘top approach sees poverty alleviation as a set of projects which deliver a basket of goods or services “efficiently” to the poor. (Such as income or employment generation projects targeted to the poor or provision of basic services such as education, health, sewerage or drinking water). In this approach the poor are seen as passive recipients or objects of a targeted delivery effort by the government and/or donor agencies. Consequently, the emphasis is on finance rather than people and technology rather than mobilization of a community.

Having conceptualized poverty alleviation essentially in terms of projects. Finance and technology, the conventional approach is constrained by its very paradigm to divorce the tasks of project identification formulation and implementation and evaluation from the people at the village / mohalla level. These tasks are performed by ‘professionals’ or experts from outside the cultural and psychic milieu of the ‘poor’. Those who perform the task of project formulation and implementation therefore conduct their work within a very different discourse from that in which the ‘poor’ as persons and communities, apprehend their reality or understand the process of changing it. The professionals see the project in terms of finance and “technology adoption”. Success is measured in terms of the rate of return on investment, or some version of cost benefit analysis.

This project or “delivery” approach suffers from three weaknesses:

- i) These projects are fragmented and narrow in scope. Consequently, they are unable to connect to grips with the process through which poverty is reproduced.
- ii) They are peripheral to the main thrust of development and planning initiatives at the national level.
- iii) Since they are at best concerned with delivering goods and services to the poor. they are not designed to create institutions at the village / mohalla level, through which

group formation of the poor could be facilitated, and through which the group/community at the local level could simultaneously address the whole range of obstacles which reproduce poverty.

A number of studies (Griffin³⁵, Le Comple³⁶, Chambers³⁷) have indicated the failure of the targeted credit programmes, and delivery of inputs to even reach their target group. For example, according to the field visit report of the Swiss Development Corporation Mission, “at most 5 to 15 percent of the target group of small farmers benefit directly from the research extension, credit and seed supply service in Pakistan.”

Similarly field-survey based evaluations by Naqvi et. Al., confirm the same finding³⁹. Wignaraja has reported that in India the targeted ‘delivery of credit and inputs’ programmes were reviewed by (lie Indian Planning Commission. The targeted programmes included the Integrated Rural Development Programme and the National Rural Employment Programme (NREP). The review of these programmes identified two major failings:

- i) The wrong identification of the beneficiaries.
- ii) The selection of activities did not take account of the abilities of the beneficiaries, the infrastructural support or (lie forward and backward linkages.

In a study on poverty alleviation programmes using a ‘delivery project approach’ Sundeep Bagehee shows that these programmes indicate an inadequate understanding of the complexity of the social and economic process within which (lie intervention is being made. He concludes that it is (lie programme design that needs to be reconceived.

A recent study by the Asian Development Bank in six countries (Bangladesh, India, Indonesia, (lie Philippines, the Republic of Korea and Thailand) has shown that despite the existence of several targeted programmes, the poor continued to rely on informal credit markets for their economic and social needs,

because of easy access, flexibility of rescheduling and non-requirement of collateral. Yet the informal credit market intensified their dependence and exploitation through exorbitant interest rates.

While conventional targeted credit for the poor fails to reach the target group, the delivery mechanism itself raises problems of Financial feasibility for the lending institution. This is pointed out by the IFAD report *Credit to the poorest*:

“Management Costs are often prohibitively high because transactions usually involve small amounts and bureaucratic habit and procedure demand as much paper work for small as for large loans.... When credit is offered at subsidized interest rates for the poor, the lending institution’s costs may not be covered “⁴²

Everett and Sawara have pointed out two additional problems in the context of a major credit programme for the poor:

- i) People who seek careers in banking neither have the training nor the motivation to work with the poor.
- ii) Often local power brokers styling as social workers mediate between the elitist bank staff and the poor. Consequently the bank lending merely reinforces the dependency relationship between the local exploiters and the poor.

As Wignaraja⁴⁴ has argued, essential to the issue of credit to the poor is motivation, Commitment and identity with the poor. This requires a major training and reorientation of the staff of financial institutions as well as NGO’s before they can intervene for the benefit of the poor.

111.2 Alternative Paradigm: Participatory Development Approach to Poverty Alleviation

111.2.1 The Concept of Participatory Development

Participatory development in its broadest sense is a process which involves the participation of the poor at the

village/mohalla-level to build their human, natural and economic resource base for breaking out of the poverty nexus. It specifically aims at achieving a localized capital accumulation process based on the progressive development of group identity, skill development, and local resource generation.

- (a) Process: it is a process whose moving force is the growth of consciousness, of group identity and the realization in practice of the creative potential of the poor.
- (b) Empowerment: the process of reconstructing a group identity, of raising consciousness, of acquiring new skills and upgrading, their knowledge base, progressively imparts to the poor a new power over the economic and social forces (that fashion their daily lives).
It is through (his 'power' that (he poor ski ft out of the perception of being passive 'victims' of the process that reproduces their poverty. They become the vital subjects in initiating interventions that progressively improve their economic and social condition, and overcome poverty. -
- (c) Participation: the acquisition of the power to break the vicious circle of poverty is based on participation within an organization iii a series of projects. This participation is not through 'representatives' who act on their behalf but rather, the actual, involvement of each member of the organization in project identification, Formulation, implementation and evaluation. It is in open meetings of ordinary members at the village/mohalla-level organization that decisions are collectively taken, and work responsibilities assigned on issues such as income generation projects, savings funds, conservation pr ices in land use, infrastructure construct ion and asset creation.

III.2.2 The Dynamics of Participatory Development

The process of participatory development proceeds through a dynamic interaction between the achievement of specific

objectives for improving the resource position of the local community and the sense of community identity. Collective actions for specific object such as a small irrigation project. Fertilizer manufacture through organic waste, clean drinking water provision, or production activities such as fruit processing, can be an entry point for a localized capital accumulation process, leading to group savings schemes, reinvestment and asset creation. They dynamics of participatory development are based on the possibility that with the achievement of such specific objectives for the improved resource position, the community would acquire greater self-confidence and strengthen its group identity.

III.2.3 The Necessary Conditions for Initiating and Sustaining the Process

Participatory development in most cases cannot begin spontaneously given the deep rooted dependency relations of the poor on both local elites as well as the national government. Two pre-conditions are necessary (though not sufficient):

- i) A catalyst is needed to initiate the process. A catalyst or initiator is a new type of activist who is committed and will work with the poor. He helps the community through a series of dialogues, to articulate their felt needs, and to initially persuade an atomized set of people to constitute themselves into an organization. The animators help in pinpointing bottlenecks and calling in expertise from outside and also help forge links with formal credit institutions.
- ii) A support system at the macro level is necessary For training the cadres of ‘animators’: be providing the initial financial support to help beg in income generation! infrastructure projects of the community: and to provide technical expertise for overcoming bottlenecks to project implementation.

111.2.4 Problems with Participatory Development

Given the earlier failure of the top-down approach of ‘delivering’ development to the poor, and the current financial constraints of the government, participatory development may well become an innovative and urgently needed approach to poverty alleviation in Pakistan. There are however a number of problems associated with the issue of achieving wide geographic coverage in varying local power structures, and the issue of going to scale’. Research into these problems is urgently needed since it is only through achieving scale and geographic coverage, that the Participatory Development approach can constitute a viable national strategy of poverty alleviation.

Table I
Percentage number of farms and far area by size of farm,
1960 and 1972

Size of Farm (Acres)	Number of Farm		Farm Area	
	1960 (Adjusted)	1972	1960 (Adjusted)	1972
	Col.(a)	Col.(b)	Col.(a)	Col.(b)
Less than 7.5	35.5	41.3	9.9	11.8
7.5 to < 25	52.8	46.9	51.2	46.4
25 and above	11.6	11.8	38.9	41.8
Total:	100	100	100	100

Sources: 1960 Pakistan Census of Agriculture.
1972 Pakistan Census of Agriculture.

Note: (1) For adjustment procedure, see: S.A. Hussain,
D.Phil. this Op. cit.

(2) The columns may not add up to exactly 100 in every
case due to rounding errors.

Note: This table is obtained from: Akmal Hussain, Strategic Issues in
Pakistan's Economic Policy, P. 126, Progressive Publishers,
Lahore. 1988.

Table2
Increase farm area since 1960 by source of increase and size class in 1978

Size of Farm (Acres)	Increase of Farm Area 1960-1978	Total Farm Area in 1978	Increase in Farm Area by Source between 1960 and 1978			
			Resumption of Rented-out-land	Increase in Rented-in-land	Net Purchase (Purchase - sales)	Net other source
	(a)	(b)	(c)	(d)	(e)	(f)
Less than 8	-20	52	4	-5	0	-19
5 to 52	-81	209	0	-50	2	-33
25 to 50	+48	407	45	+8	4	-9
50 to 150	+446	711	340	24	40	-42
150 and over	+3338	+6464	2172	+38	1493	-365

Note: Other sources of increase or decrease in farm area are:

- Note: (1) Land brought by Wife as dowry.
 (2) Land appropriated by government, following land reform.
 (3) Farm area reduced through fragmentation following decision by family members to cultivate individually independently-operated plots.

Sources: Field Survey, 1978.

Note: This table is obtained from Akmal Hussain:
 Strategic Issues Op.cit.p. 136

Table 2 (a)
Pakistan
Net Rented-in area as a percentage of operated area by size class, 1972

Size of Holding (Acres)	Net Rented-in Area (Million Acres)	Net Rented-in-Area as a percentage of operated area (Percentages)
Less than 5	**	**
5 to < 25	+10.3	41
25 to < 50	+1.5	16
50 to < 150	-1.9*	-26*
150 and over	-10.1*	-224*
Total:	NIL	NIL

Sources: Estimates based on Pakistan Census of Agriculture, and Land Reform Commission Data. For estimation procedure S.A. Hussain, D. Phil. Thesis. op.cit. p. 219

Note: (i) ** Denotes less than 0.05 million acres.
(ii) * The negative sign indicates area rented-out in net terms.
(iii) Net rented-in area is obtained by subtracting gross rented-out area from gross rented-in-area. The estimate of gross rented-out area is based on 1972 Agriculture Census data, but is adjusted to overcome the bias in sampling procedure of the Census, which excludes absented land.

Note: This table is obtained from: Akmal Hussain, Strategic Issues... op.cit. p. 130

Table 2(b)
Punjab
Net rented-in area as a percentage of operated area by size class, 1972

Size of Holding (Acres)	Net Rented-in Area (Million Acres)	Net Rented-in-Area as a percentage of operated area (Percentages)
Less than 5	-233,849	-15.56*
5 to < 25	+5,747,665	+34.71
25 to < 50	+1,216,167	+18.40
50 to < 150	-1,003,246	-21.96*
150 and over	-5,726,737	-320.10*
Total:	NIL	NIL

Sources: Pakistan Census of Agriculture 1972. For adjustment to include land rented-out by absentee landlords, see: S.A. Hussain, D. Phil. Thesis, op.cit Chapter 3, Appendix 2.

Note: (i)* Denotes land rented-out in net terms.

Note: this table is obtained from Akmal Hussain: Strategic Issues.... op.cit. p. 131

Table 3
Comparative Ranking of Districts

Districts	Helbock Naqvi Infra- structure of social develop- ment 1960	Hamid and Hussain and Atta Infra- structure and pro-duction indicates late 1960	Pasha and Hussain infrastru- cture and social developm- ent 1970s	Qutub Produc t- per capita 1980s	Infrastr- ucture
Karachi	1	1	1	1	1
Lahore	2	2	2	28	4
Peshawar	3	13	5	28	5
Rawalpindi/Isb.	4	3	3	14	2
Quetta	5	30	4	36	3
Hyderabad	6	15	6	6	7
Faisalabad	7	4	7	11	10
Multan	8	5	9	9	11
Jhelum	9	7	16	10	9
Sanghar	10	15	18	4	32
Bannu	11	36	29	35	18
Rahim Yar Khan	12	10	15	2	27
Gujrat	13	8	23	26	19
Gujranwala	14	9	8	12	15
Mardan	15	14	13	8	26
Sargodha	16	16	20	21	14
Sahiwal	17	6	14	18	21
Bahawalnagar	18	17	28	17	30
Sukkur	19	18	21	16	8
Bahawalpur	20	19	17	22	28
Skheikhupura	21	12	12	3	6
Nawabshah	22	24	22	7	29
Mianwali	23	20	34	15	25
Jacobabad	24	37	37	24	38
Dera Ghazi Khan	25	21	35	34	35
Sialkot	26	11	10	32	12
Attock	27	22	33	30	13

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Khanpur	28	23	26	13	33
Kohat	29	35	32	31	22
Dadu	30	31	25	5	24
Muzaffargarh	31	25	31	25	31
Larkana	32	27	27	29	20
Jhang	33	26	24	19	23
Tharparkar	34	37	19	20	40
D.I. Khan	35	33	11	37	16
Hazara	36	34	36	38	17
Thatta	37	32	30	27	39
Chagai	38	38	40	44	34
Kharan	39	46	44	46	45
Sibi	40	42	41	33	37
Zhob	41	41	38	43	36
Kalat	42	44	43	39	42
Loralai	43	43	39	40	41
Mekran	44	45	42	45	44
Kachi	45	39	46	42	43
Lasebela	46	60	45	41	46

Sources: EPRU: Study on industrialization potential of selected backward districts. A. Qutub. A.I. Hamid, A. Hussain.

Table 4
Average share of income from child labour family
income – by profession and age

Profession	Percentage			
	Age			
	Under 9	9-11	12-14	All Ages
Lathe Machines	1	5	7	6
Automobiles	0	4	7	6
Service Stations	0	10	20	19
Welding	5	11	9	9
Sweepers	0	14	19	18
Carpets	2	9	15	12
Roadside Hotels	4	22	31	24
Cobblers	3	8	25	17
Tailoring	0	0	11	11
Tin Packing	0	0	18	18
All professions	3	9	15	13

Source: Child Labour in Lahore, Sayyed Engineers, Survey, October 1985

Note: “Indicates no interviews in the group.

Note: This table is obtained from: Akmal Hussain, Strategic Issues, op.cit. Chap 2.

Table 5
Average monthly total wages (cash + benefits) by
profession and age

Profession	Age			
	Under 9	9-11	12-14	All Ages
Lathe Machines	50	181	232	193
Automobiles	0	137	263	213
Service Stations	0	265	510	437
Welding	152	280	254	239
Sweepers	0	255	325	311
Carpets	110	265	425	346
Roadside Hotels	200	423	432	406
Cobblers	125	200	516	375
Tailoring	0	0	366	366
Tin Packing	0	0	366	366
All professions	130	243	367	322

Source: Child Labour in Lahore, Sayyed Engineers, Survey, October 1985

Note: “Indicates no interviews in the group.

Note: This table is obtained from: Akmal Hussain, Strategic Issues, op.cit. Chapter 2 p 66.

Table 6
Poverty incidence

	Percentage		
	Poor as proportion of Population		
	Rural	Lower	Upper
Urban			
1969/70	46	51	67
1979	36	34	57
1984/85	28	30	44
1987/88: Low inflation	16	21	40
1987/88: High inflation	23	29	48

High inflation poverty line reflects an upward adjustment to official inflation rate between 1984/85 and 1987/88.

The lower urban poverty line approximates the rural consumption standard. Poverty estimates are based on Rural and Urban data from Household Income and Expenditure Surveys as published, except for 1979 which as been reconstructed to correct for un-weighted published data. Rural and Urban expenditure distributions are pooled province-level distributions for all years except 1969/70.

Source: A. Ercelawn. M. Mahmood and K. Nadvi: the Social Costs of Economics Restructuring in Pakistan. (Draft) Mimeo. October 1991, p. 41

Table 7
Changes in poverty incidence

	Percentage		
	Annual Rate of Change		
	Rural	Lower	Upper
Urban			
Poverty Line			
1969/70 – 1979	11.3	10.9	11.0
1979-1987/88: Low inflation	7.0	7.5	7.5
1979-1987/88: High inflation	8.2	8.7	8.7
Incidence			
1969/70 – 1979	-2.5	-4.1	-1.6
1979-1987/88: Low inflation	-10.1	-6.1	-4.4
1979-1987/88: High inflation	-5.6	-2.0	-2.1

High inflation poverty line reflects an upward adjustment to official inflation rate between 1984/85 and 1987/88.

The lower urban poverty line approximates the rural consumption standard.

Source: A. Freelawn et. al. op. et. p. 42