

## **PART II**

### **A POVERTY ALLEVIATION STRATEGY FOR PAKISTAN: PARTICIPATORY PEOPLE CENTRED DEVELOPMENT**

#### **SECTION 1**

##### **I. THE CONTEXT AND THE CONCEPTUAL APPROACH**

###### **1.1. Policy Perspective**

The development strategies followed during the earlier regimes whether of the import substitution within protective barriers variety in the Ayub period, or the open economy variety in the Zia period, had one important characteristic in common: success in both was measured entirely in terms of growth rate of GNP. In these periods of “economic success” although a high growth rate was in fact achieved, yet this was accompanied by increasing inequality, growing numbers of poor and a fragile and dependent economic structure.

In spite of sustained high growth rates of GNP in the past, continued impoverishment of a large section of the population suggests that a direct attack on poverty is now necessary. For example about 30 percent of Pakistan’s population is unable to consume even 2100 calories a day per person. At the same time 63 percent of the population does not have access over clean drinking water, 84 percent of the population does not have sewerage facilities; there is a shortfall of over 2 million housing units; there is a lack of even basic education and health facilities for the majority of people, and finally, the Planning Commission estimates that if we take account of underemployment, as much as one-third of the labor force may need additional regular paid work to survive.

Past development strategies not only reproduced poverty, but induced a rapid increase in loan dependence, budget deficit and an erosion of the natural resource base. These trends were accompanied by growing regional disparities and urbanization, which induced a horizontal and vertical polarization of society. As historical reviews indicate, past government initiatives in rural development have at best benefited the rural rich. This happened even in cases where the program was ostensibly designed to help the small farmer and the poor. As a consequence not only did tensions increase between rich and poor but also explosive conflicts began to occur in the urban areas along ethnic and regional lines. Thus development strategies of the past not only failed to alleviate poverty but contributed to a multi—faceted crisis that today threatens the very fabric of state and civil society. The fundamental premises of a poverty alleviation strategy are:

1. Poverty is not just a statistical phenomenon. It can be understood as the incapability of actualizing one's human potential due to lack of access over certain physical amenities: Employment, productive assets, clean drinking water, food, schools, dispensaries/ hospitals, sewerage, housing, etc. Therefore, the task of poverty alleviation must involve the acquisition of these basic necessities by the poor as part of the process of self-actualizing and valuable activities.
2. The attempt to provide these necessities to the poor cannot be a top-down process in which the people are seen as passive recipients of goods and services. But rather, the local community must participate in the process of providing these necessities for itself at the village/ mohalla level.
3. The Function of Finance in this context is not to hand out money as charity, but to stimulate a process of grassroots development in which the local community can become self-reliant over time. This would be achieved by initiating local savings, income generating consolidating the human, natural and financial resource base of the local community. Such an approach to poverty alleviation may be termed

Participatory People Centered Development (PPCD). It provides basic necessities (drinking water, health, education) for the consolidation of human capital, and physical infrastructure (roads, gas, electricity, irrigation, etc.), and part of the savings for creating the basis for an income generating process. Through this process the community could not only enhance its consumption, but also create a savings pool which would constitute the financial dimension of an autonomous investable capacity for the community.

In short the fundamental premises of a Poverty Alleviation Strategy must be provision of basic needs, community participation, and community self-reliance through income, generation activities and human resources development.

### **1.2 The Strategic Objectives**

The strategic objectives of the PPCD on the basis of these premises can be specified as follows:

1. Through participatory development at the grassroots level, the PPCD would decentralize economic decision making and thereby taking democracy to the people. Participation as subjects in the development process at the grassroots is the oilier side of the coin of political democracy.
2. It would introduce a process of participatory people centered development which would be part of a national development strategy of "moving on two fronts", i.e., while attempts would be made on the one hand to create a modern industrial base in Pakistan at the same time the PPCD would directly tackle

- poverty. Initially, it will introduce a process both in the rural and urban areas be provision of basic needs, employment, income generation, infrastructure development and capacity building. The latter would include establishment of industrial support centers for stimulating rapid rural industrialization.
3. This process while being supported by, though not contained with a government initiative alone, could be initiated through a number of other actors as well who can assist in the mobilization of human and natural resources at the local level and releasing the creativity of the people.
  4. The PPCD in so far as it helps in consolidating the local community, and in involving them in a process of achieving 'prosperity through participation', would also be an instrument of national reconciliation and unity. This reconciliation would not only alleviate the rich poor conflict but also help ameliorate ethnic tension, gender conflicts, youth alienation and Federal/Province divides.

## SECTION II

### I. PEOPLE CENTRED DEVELOPMENT STRATEGIES LEARNING FROM INNOVATIVE EXPERIENCES IN PAKISTAN AND SOUTH ASIA

In attempting to formulate a broad implementation strategy for poverty alleviation in Pakistan several positive lessons exist from innovative micro—level development experiences, both in Pakistan and in other South Asian countries, which can guide such an implementation strategy. The questions addressed by such experiences are:

- (a) What have we learnt from micro—level grassroots development experiments that involved releasing the creativity of poor people, their participation, maximum use of local resources and the peoples' knowledge system for alleviation of the worst forms of poverty of the poorest 50 percent
- (b) What role did Government Agencies, Banks, NGO's and donors play in providing a sensitive support system for the process?
- (c) What kind of "entry" points and instrumentalities helped in initiating multiplying and sustaining the process?

While there have been several experiments in Pakistan and other South Asian countries, the following innovative experiments form the back drop of this section:

1. The Agha Khan Rural Support Programme in Northern Areas.
2. The Orangi Pilot Project in Karachi.
3. The Baldia Home School Programme in Karachi.
4. The Grameen Bank in Bangladesh.

5. The Small Farm Programme and Production Credit for Rural Women in Nepal.
6. The Working Women Forum and the WWF Credit Society in India.

South Korean Saemaul-Undong-Movement (the new Community Movement), which under somewhat different socio-political circumstances attempted both a corrective and a complementary strategy to the dominant industrialization strategy could have some relevance to PPCD as well.

All the South Asian experiments indicated above have some common characteristics and essential features, which provide guidelines for an effective poverty alleviation strategy in the present historical Context of Pakistan.

The essential features and common characteristics of these are as follows:

In all the South Asian Countries, the governments through their live—year plans, through other policy pronouncements on the need for assistance to the poor through enunciation of special poverty alleviating strategies, directives to the banks, decentralization of (the administrative system W the local or village level organizations and sonic encouragement to NGO's have provide a framework and “political space” for (the experiments to be initialed. They have also permitted the experiments to be carried on or even supported their expansion in a variety of ways. Thus, a political space was provided by the innovation, from which everyone could learn and change. Secondly, some of the traditional government and credit institutions, which had failed to implement conventional “integrated rural development projects” or “delivered” projects for the benefit of the poor, are now willing to provide the support system for alternative initiatives taken by NGO's and organizations of the poor at the village level. Thirdly, some governments have shown willingness to support an umbrella organization whether an NGO or an autonomous or semi—autonomous body, to act as a support organization in the whole process and function with a great deal of flexibility in coordinating the large number of small-scale activities and dialogues involved. In a sense, these organizations can be compared to a “hammock”.. Support organizations are designed to be flexible and to promote development in an equitable and sustainable manner in selected areas. They are also conceived, from the outset, to be self-liquidating organizations and able to work themselves out of location within a reasonable period of time, say 10—15 years. The aim is to leave in place local organizations and institutions capable of facilitating continued progress into the future. Where the government machinery is unable to cope with a task of this magnitude or is ineffective, these new organizational perform the task of economic and social development by mobilizing, concretizing and organizing the poor themselves for sustainable economic and social development. Some coordination with government programmes are, however, required if the experiment is to go to scale with a reliable support system.

The intermediary institution, whether government, semi- government, a Bank. Trade Union or an NGO, fulfilled the following basic interrelated functions:

- sensitization of the poor in a range of awareness creation, organizational matters and upgrading their knowledge base;
- the organization of homogeneous groups of the poor at the village level to meet common needs and to provide or obtain services through collective action;
- the organization of homogeneous groups of the poor at the village level to meet common needs and to provide or obtain services through collective action;
- the mobilization of savings to support the economic and social development activities, build assets and to serve as a collateral for collective borrowing to expand further;
- the introduction of new income earning activities and knowledge to enhance net incomes and assets;
- the development of strategies for the productive and sustainable use of the natural resources in the local area;
- integrating the survival and social needs of the poor into the total process and not in a fragmented and sectoral manner: and
- ensuring that the real poor are the beneficiaries.

In performance of these functions there had been a great deal of detailed collaboration and exchange of information between Government organizations, the banks, academic institutions and the people's organizations. Joint studies did have the result of supporting programme management, coordination and to measure progress at the local level, with a great deal of participation and generation of new information. In the locations in which these innovative approaches have been tried out, there were several location specific features which favored the rapid implementation and effectiveness of the experimental programmes. These include the formerly isolated existence of the poor implying energy waiting to be released; the partial political and social vacuum which could be filled by the new type of poor peoples organizations; the implementing of NGO's commitment, as well as, community and social orientation: and the building on small initiatives taken over the previous years by various public and NGO groups in sectors such as education, environmental sanitation and health. There was also in many cases a tradition of cooperative activity and a high degree of homogeneity among the groups which were organized.

Further characteristics of the process that was set in motion are:

- The activities are implemented at two levels, by the catalytic intermediary itself functioning as an NGO and by village level organizations of the poor. Implementation is not by the traditional bureaucracy, but mainly by a new kind of people's organization. The bureaucracy, if flexible, provides additional support.
- The open management style, the continuous dialogue at all levels, continuous participatory monitoring at the village level by the organizations of the poor and a responsive problem solving approach, which helps to take corrective actions as the process evolves. The need for careful institution building and

social infrastructure construction in the early phase, with production credit being gradually introduced its tile process gets underway. The social infrastructure like health and nutrition has not been separated from the economic process. The process starts with group formation and awareness creation and establishing the fundamental conditions for survival, before sustainable economic and social activities can be initiated. A great deal of attention is necessary to details and the interlinkages of the several small activities – economic and social.

- The village programmes are planned from the bottom up starting with the poorest. Even the infrastructure projects are initiated by the organizations of the poor themselves. The essence of participation is that the priorities are set by the poor themselves as subjects in the process. This is in contrast to conventional projects where standard predetermined technical packages of improvements and infrastructure are offered to poor communities and even implemented on their behalf. Perhaps with some consultation with the richer and more powerful elements in the community. The latter is purely an additive process. Where “participation”, poor etc. are added on as new objectives, to conventional top-down bureaucratic planning methods.
- The process has been initiated with local savings and where necessary small grant funding, subsequently a blend of loans and grants from a variety of
- sources has formed the supplementary/complementary part of the financial plan for expansion and multiplication. In this way local capital formation and automation has been encouraged. This is quite different from either “charity” or recapitalizing the subsistence peasantry.

An effective Poverty Alleviation Strategy for Pakistan and the new institutions required for the process, would need to take these essential features and common characteristics into consideration.