

**OVERCOMING POVERTY:
THE REPORT OF THE TASK FORCE ON
POVERTY ERADICATION**

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PREFACE

On 25th March 1997, the Federal Finance Minister, Mr. Sartaj Aziz constituted the Task Force on Poverty Eradication (D. O. No. 25-FM/97, see Annexure 3). The Task Force completed its work and submitted the draft report on 30th May 1997. Within days of its submission the government adopted some of the major proposals of the Report and the Federal Finance Minister announced them in his budget speech on June 13, 1997. (See relevant extracts in Annexure 2). Subsequently, the government of Punjab initiated the process of establishing regional support organizations in the Punjab province as proposed in the Report. This is part of a major initiative by the Chief Minister, to alleviate poverty in the Punjab. As various departments and personnel in the federal and provincial governments begin to focus their energies on the task of facilitating the process of overcoming poverty in Pakistan, it is important to achieve clarity on the methodology and institutional mechanism of this process. Creative action requires creative thinking. As the national endeavour of overcoming poverty unfolds in Pakistan, it is hoped that this Report will provoke discussion and debate with government, donors and the people of Pakistan.

ACKNOWLEDGEMENTS

Thanks are due to all members of the Task Force for giving so generously of their time, for the brainstorming sessions and for their criticism and support, without which this Report could not have been written. Thanks are also due to Mr. Maqbool Hussain Toor for so diligently typing this report through long hours of the night. A debt of gratitude is owed to Mr. Sartaj Aziz, the Federal Finance Minister, for the trust reposed in the members of the Task Force, and for his guidance and support. His sensitivity, professional expertise and a life long commitment to the poor, provide hope that we may now launch an all out national effort to overcome poverty. This Report it is hoped provides the policy framework for doing so.

Dr. Akmal Hussain
Chairman

INTRODUCTION

This Report has three distinct but inter-related parts: Part I, comes to grips with the poverty problem at the macro level. It examines the magnitude and trends of poverty, analyzes the impact of the economic growth process and macroeconomic policy on poverty. A set of macroeconomic policies is proposed to change the structure of the growth process so as to enhance its poverty reducing capability.

Part II is the centre piece of the Report and articulates a five pronged national strategy for establishing the institutional basis for overcoming poverty in the next decade. The five programs for overcoming poverty are:

- (1) A program for establishing District Support Organizations (DSOs) to catalyze participatory development at the village/mohalla level.
- (2) A program for establishing a National Micro Credit Facility for the Poor.
- (3) A mass training program combined with employment provision by establishing a National Reconstruction Corps.
- (4) A program for bringing to an end the practice of child employment in hazardous industries
- (5) A food security net for ensuring availability of food for the indigent and the handicapped in urban areas and free lunch for poor school children in rural areas.

Part III indicates a media strategy for supporting the 5 programs of mobilization, training, employment generation, income generation and food security for the poor.

PART I

ATTACKING POVERTY AT THE MACRO LEVEL

I THE TRENDS AND MAGNITUDE OF POVERTY

**II THE STRUCTURE OF ECONOMIC GROWTH, MACROECONOMIC
POLICY AND POVERTY**

**III STRUCTURAL CHANGE IN THE MACROECONOMIC GROWTH
PROCESS FOR REDUCING POVERTY**

ATTACKING POVERTY AT THE MACRO LEVEL

1. THE TRENDS AND MAGNITUDE OF POVERTY

One of the most commonly used statistical methods of measuring poverty is to specify a calorific norm and then measure the percentage of the population that is unable to meet this norm. S. Malik¹, defining the poverty line in terms of 2250 calories per person per day, has estimated a consistent time series of the percentage of Pakistan's population below the poverty line. The updated results upto 1992/93 are presented in Table 1.

S. Malik's study as well as other studies² suggest that poverty increased sharply in the 1960's, then declined sharply during the 1970's and mid-1980's, and began to increase again from the late 1980's to the early 1990's. For example, the percentage of population below the poverty line increased from 40.2 percent in 1963/64 to 46.53 percent in 1969/70. During the next almost two decades the figure declined dramatically to 17.32 percent in 1987/88. Since then the percentage of population below the poverty line has been once again increasing, and reached 22.4 percent in 1992/93, at the all Pakistan level, with the figure for rural areas being 23.35 percent and in urban areas 15.5 percent.

Thus in Pakistan today there may be upwards of 29 million persons who are unable to meet the minimum nutritional norm. Yet, poverty is not just a statistical phenomenon, but can be understood as the incapability of actualizing a person's human potential due to lack of access over certain physical amenities³, employment, productive assets, safe drinking water, food, schools, medical facilities, sewerage and housing. In terms of these indicators the magnitude of poverty appears greater than suggested by a simple calorific

¹ Sohail J. Malik: Poverty in Pakistan, 1984-85, 1987-88 and 1990, International Food Policy Research Institute, Mimeo.

² Naseem 1973, Irfan and Amjad 1984, World Bank 1995, and most recently R. Amjad and A.R. Kemal.

³ For a more detailed discussion on the meaning and nature of poverty see, Akmal Hussain: Poverty Alleviation in Pakistan, Vanguard Books (Private) Limited, 1994, Chapter 1.

norm: For example, 60 percent of the population still does not have access over safe drinking water, 62.1 percent adults are illiterate, and 61 percent of the population has no sanitation facility.

II. THE STRUCTURE OF ECONOMIC GROWTH, MACROECONOMIC POLICY AND POVERTY.

II.1 The Structure of Economic Growth and Poverty

In spite of having a high trend rate of GDP growth of 6 percent during decades (1960 – 1990) almost a quarter of the population remains poor. This suggests that the structure of the economic growth process in Pakistan constrains its capacity to reduce poverty. This is also suggested by cross country comparisons. For example, Indonesia with a growth close to Pakistan's, in just one decade (1972-84) was able to reduce the percentage of its population below the poverty line from 58 percent in 1972 to only 17 percent in 1984.⁴ By contrast, Pakistan in three decades (1962-92) could reduce its poverty figure to a much lesser extent, from 40 percent in 1962 to 22 percent in 1992.

The major structural characteristics of Pakistan's economy which constrain the ability of GDP growth to reduce poverty are:

- (a) The highly unequal distribution of productive assets in both agriculture and industry.
- (b) The structure of output is concentrated towards low value added products, particularly in the export sector, thereby resulting in low labour productivity and labour income per unit time of labour.
- (c) The sectoral distribution of the labour force is concentrated in low productivity sectors in both agriculture and industry, together with relatively low skill levels of the labour force, in given occupations.

⁴ Pakistan: A Strategy of Sustainable Agricultural Growth, November , 1994, World Bank Report No. 3902 – PAK.

II.2 Macroeconomic Policy and Poverty

Apart from the structure of the economy, the second set of the macroeconomic factors that have an adverse impact on poverty are macroeconomic policies and the resulting incentive structure. In a recent study, R. Amjad and A.R. Kemal⁵ have identified three sets of macroeconomic factors which have had an adverse impact on poverty:

- (a) The incentive structure implied by the overall macroeconomic policy environment has had a major adverse impact not only on the efficient utilization of resources but also on employment and wage incomes. The policies with respect to the tariff structure, and fiscal and monetary incentives have biased growth in favour of low value added manufacturing, production for the domestic market at the expense of exports, and a bias in favour of capital intensive technology at the expense of greater employment generation through use of efficient labour intensive technologies.
- (b) The growing fiscal deficit combined with institutional constraints to the output growth of essential commodities, has resulted in accelerated inflation of these commodities resulting in reduced real incomes of wage earners, and self-employed in both rural and urban areas.
- (c) The third set of factors in the macro-economy adversely impacting poverty is the sharply reduced official inflow of foreign grants and low interest loans, as well as sharply reduced inflow of remittances. The evidence suggests that a high level of remittances during the mid-1970s and early 1980s were a major factor in reducing poverty during that period, through supplementing income and consumption levels of the low income group. Foreign grants and cheap loans are a factor in

⁵ R. Amjad and A.R. Kemal: Macro Economic Policy and their Impact on Poverty Alleviation in Pakistan, Mimeo 1997.

increasing the capital stock resulting in higher GDP growth and employment generation.

II.3 The Structural Adjustment Program and Poverty

In order to focus on the impact of the Structural Adjustment Program, on poverty, let us compare the period before the adoption of the program (1984/85 to 1987/88) and the period after its adoption (1987/88 to 1991/92).

The Structural Adjustment Program has three features which *ceteris paribus* would be expected to accentuate poverty:

1. It involves a constriction in money supply which is inherently recessionary. In Pakistan the growth of the money supply fell from 46.5 percent during the period 1984-87 to 40.6 percent during 1988-91. The *raison d'être* of the reduction in the growth of the money supply was to reduce inflation. Yet, the inflation rate far from falling actually increased from 4.7 percent in the pre "Adjustment period" to 9.5 percent in the post "Adjustment period". The GDP growth, however, declined.
2. It involves a reduction/withdrawal of subsidy, particularly on fertilizers and wheat. Consequently, small subsistence farmers who have no marketable surplus find that their production costs increase and yet they do not enjoy a compensatory gain from the increased wheat purchase price. Thus their real incomes decline.
3. Import liberalization. This resulted in the acceleration of imports from 2.7 percent to 6 percent while export growth slowed down from 21.4 percent to 11.2 percent, thus significantly affecting the demand for domestically produced goods. This slowed down the growth of GDP and at the same time increased the balance of payments deficit.

The adverse impact on the poor essentially occurred because of the institutional context within which the Structural Adjustment Program was applied. Three institutional

weaknesses lay behind the fact that inspite of a sharp reduction in development expenditure, and in the growth of the money supply, the fiscal deficit and the inflation rate could not be substantially reduced:

- (a) Failure to recover the bad loans of banks in the public sector.
- (b) Failure to stem the fiscal haemmorgging that resulted from continuing large losses of public sector corporations.
- (c) Failure to reduce non-development expenditure of the government, drastically.

These three failures rooted in the weakness of corporate and administrative institutions of governance together had three consequences which served to accentuate poverty:

1. High interest rates which adversely affected the utilization of both existing productive capacity and new productive capacity, and hence slowed down growth of GDP, particularly, the large scale manufacturing sector. Thus, for example, GDP growth fell from 6.2 percent during 1985-88 to 5 percent during 1988-91. Growth of the large scale manufacturing sector declined from 8.3 percent to 5.3 percent over the two periods. (This year, 1996-97, the GDP growth rate has plunged below 3 percent and the large scale manufacturing sector has shown a negative growth).
2. Slow growth of the commodity producing sector combined with a continuing high fiscal deficit, resulted in accelerating inflation, falling real wage rates, growing unemployment and hence increasing income inequality and poverty. The evidence shows that, for example, the growth rate of employment was halved from 2.5 percent in the earlier period to 1 percent in the later period. Similarly, real wages in the large scale manufacturing sector which had been growing at 5.6 percent per annum in the earlier period, actually declined in the later period. The inflation rate, of course, increased sharply from 4.7 percent in the earlier period to 9.5 percent in the later period. It is not surprising, therefore, that with rising inflation, unemployment and declining real wage rates, there was an increase in both income inequality and poverty: The geni coefficient increased from 0.348 in

1985-87 to 0.407 in 1988-91. During the same period, the percentage of population below the poverty line increased from 17 percent to 22 percent.

3. The institutional failure to drastically reduce non-development expenditure, and to broaden the base of direct taxes, meant, that the government was under pressure to generate more revenue from indirect taxes, such as regulatory duty, and withholding tax. The impact of even such taxes as sales tax and turnover tax is also essentially indirect, since these taxes are passed on to consumers. Evidence on the increase in incidence of the tax burden by income group over the period 1987/88 to 1990/91, shows that the percentage increase in the tax burden as a percentage of income was highest at 6.8 percent for the lowest income group (less than Rs. 700/month) and lowest at -4.3 percent for the highest income group (over Rs. 4,500 per month). Thus over time the tax burden on the poor increased and over the rich declined.

TABLE 1

**Consistent Time Series on Poverty
Percentage of Population below Poverty Line**

Year	Total	Rural	Urban
1963-64	40.24	38.94	44.53
1966-67	44.50	45.92	40.96
1969-70	46.53	49.11	38.76
1979	30.68	32.51	25.94
1984-85	24.47	25.87	21.17
1987-88	17.32	18.32	14.99
1990-91	22.11	23.59	18.64
1992-93	22.40	23.35	15.50

Source: Rashid Amjad and A.R. Kemal (1997)

**III. STRUCTURAL CHANGE IN THE MACRO ECONOMIC GROWTH
PROCESS FOR REDUCING POVERTY**

At the macroeconomic level four strategic changes need to brought about, in order to substantially reduce poverty through economic growth:

1. Pull the economy out of its current recession, and accelerate GDP growth from the current less than 3 percent to over 7 percent in the next two years.
 - 1 (i) This would require a carefully sequenced policy of first reducing the fiscal deficit to 4 percent of GDP over the next year. This can be done by (a) abolishing the 12 public sector corporations that are earning large losses, (b) privatizing 20 others, and using the proceeds for debt retirement, with a target figure being 15 to 20 billion dollars. This would substantially reduce the annual debt-servicing burden. (c) Drastic reduction in government expenditure, and placing a strict ceiling on government borrowing from the State Bank.
 - 1 (ii) In the second year after the fiscal deficit has been controlled, the government needs to combine tariff rationalization (which it has already achieved) with a massive injection of aggregate demand into new projects in communications, transport, ports, and most importantly village based productive infrastructure projects through the District Support Organizations (DSOs) proposed in this Report.
 - 1 (iii) To enable private sector to both increase investment in the large scale manufacturing sector and participate in the drive to build infrastructure, it would be necessary to restructure public sector banking institutions, recover bad loans, reduce transaction costs and hence enable banks to provide credit to the private sector at reduced interest rates.
 - 1 (iv) The construction of infrastructure particularly roads and highways should be done with efficient labour intensive technologies wherever possible, and the mobilization of the work force should be done through the National Reconstruction Corps, proposed in this Report.
2. Poverty reduction through the macro growth process requires increasing the share of labour in national income. To achieve this it is necessary to enable the work force to shift from low value added sub-sectors to high value added sub-sectors, in

both industry and agriculture. This requires improving the skill level of the work force and trade specific training of technicians. A mass training program in this regard has been proposed in this Report.

3. The employment generation capability of the economy for given growth rates of GDP, needs to be increased in order to make GDP growth a more potent instrument of poverty reduction. In order to achieve this it is necessary to (i) increase the weight of the labour intensive sectors of the economy in total GDP (e.g. construction, infrastructure and small scale industries). The weight of small scale industry in total GDP can be increased by providing access to credit to small scale industries through the micro enterprise credit facility proposed in this Report, and also providing technical training to technicians of small scale industries, as proposed in this Report in the Mass Training Program, (ii) provide a policy environment in which entrepreneurs would be encouraged to adopt more labour intensive technology choices. This requires withdrawing subsidies to capital (such as an overvalued exchange rate and subsidized credit for farm machinery) particularly in the large farm sector where labour displacing mechanization is being introduced. In the large scale manufacturing sector implicit subsidies to capital through the practice of over-invoicing of machinery, needs to be discontinued by making product and price specification tighter at the Customs Department at Karachi and the Lahore Dry Port.
4. Accelerate the growth of small scale industries which have higher employment generation and output growth capability per unit of investment than the large scale manufacturing sector. As the composition of total investment shifts in favour of small scale industries the overall growth both of GDP and employment will be accelerated.

It is proposed that the institutional basis for accelerating the growth of small scale industries is the establishment of Industrial Support Centres (ISCs) in cooperation with the private sector and donors. The ISCs would constitute a decentralized

system for ensuring continuous easy access of rural based small industrial units to a comprehensive package of support services such as: Marketing, skill training, credit, specialized fabrication facilities, and quality control.

The Industrial Support Centres would have the following functions:⁶

- (i) **Marketing:** Provision of orders from the large-scale manufacturing sector for components and from farmers for farm implements. These orders would then be sub-contracted to the cluster of small scale industrial units that ISCs are supposed to serve.
- (ii) **Monitoring and Quality Control:** Having sub-contracted orders, the ISC would then monitor the small scale industrial units and help pinpoint and overcome unit specific bottlenecks to the timely delivery and quality control of the manufactured products.
- (iii) **Forging and Heat Treatment Facilities:** The ISCs would establish at their premises, plants for forging, heat treatment and surface treatment. These fabrication facilities are required to achieve quality and dimensional control of metal products. The small scale industrial units (SSIs) could come to the ISCs to get fabrication jobs done at an agreed price.
- (iv) **Credit.** ISCs would access the proposed DSOs and newly established PPAFC as well as other micro enterprise credit facilities to provide credit to SSIs for purchase of new equipment and raw materials.
- (v) **Skill training and product development.** The ISC would provide specialized supplementary skill training on its premises, or access through the proposed National Skill Training Centre to SSIs if and when required.

⁶ For operational details of ISCs see Akmal Hussain: Poverty Alleviation in Pakistan, 1994, Annexure II.

PART II

A FIVE PRONGED ACTION PROGRAM FOR OVERCOMING POVERTY

- I A PROGRAM FOR PARTICIPATORY DEVELOPMENT AT THE
VILLAGE/MOHALLA LEVEL**

- II A PROGRAM FOR MICRO CREDIT TO THE POOR**

- III A MASS TRAINING AND EMPLOYMENT PROGRAM**

- IV A PROGRAM FOR ENDING CHILD LABOUR IN HAZARDOUS
INDUSTRIES**

- V A FOOD SECURITY PROGRAM**

A FIVE PRONGED ACTION PROGRAM FOR OVERCOMING POVERTY

The central goal of the institutional strategy articulated in this report is to enable over 4 million households (approximately 29 million people) who are currently living below the poverty line, primarily in the rural areas, to overcome their poverty. The strategy has five broad programs:

- I. A program for overcoming poverty over the next five to ten years through Participatory Development at the village and mohalla levels.

- II. A program for micro-credit to the poor in both rural and urban areas through which the poor would be able to develop an asset base which could increase their regular income earning capability.

- III. A mass training program in basic skills combined with an employment provision program through the proposed National Reconstruction Corps. This would enable the poor to make use of the employment opportunities which are expected to be available over the next decade. It should help generate the following types of employment:
 - i) Employment in village based development projects.
 - ii) Self-employment in the urban informal sector.
 - iii) Employment as technicians in the formal large scale manufacturing sector and the large scale infrastructure construction projects expected to be initiated over the next five years.
 - iv) Jobs in the rural off-farm sector.
 - v) Employment in the computer software service industry.

- IV. A program for eliminating the practice of employing child labour in hazardous industries.

- V. A food security safety net for ensuring availability of food for the indigent and the handicapped in urban areas, and free lunch for school children in poor rural schools.

I. OVERCOMING POVERTY THROUGH PARTICIPATORY DEVELOPMENT AT THE VILLAGE / MOHALLA LEVEL:

I.1 The Theory and Practice of Participatory Development in Pakistan

I.1.1. 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.

At this level of generalization the concept has three key elements:

- (a) Process: It is a process whose moving forces are the growth of consciousness and 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 of 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 this 'power' that the poor shift out of the perception of being passive 'victims' of the process that perpetuates their poverty. They become the active force in initiating interventions that progressively improve their economic and social condition, and help overcome poverty.

- (c) Participation: The acquisition of the power to break the vicious circle of poverty is based on participation within an organization, in 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 the 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 practices in land use, infrastructure construction and asset creation.

I.1.2 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 inculcation of a sense of community identity. Collective actions for specific objectives 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. The dynamics of participatory development are based on the possibility that with the achievement of such specific objectives for an improved resource position, the community would acquire greater self-confidence and strengthen its group identity.

I.1.3 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'; for providing the initial financial support to help begin income generation/infrastructure projects of the community; and to provide technical expertise for overcoming bottlenecks to project implementation.

I.1.4 The Genesis of Participatory Development in Pakistan: Lessons from Experience

Participatory Development means building broad based and decentralized local organizations at the village and neighbourhood level. Broad based means that membership extends to, and decision making is done by, all those whose common economic interest is best served by working together. Decentralized means that decision making is the responsibility of local communities. Support agencies and NGOs provide technical and financial assistance, but they do not infringe upon the sovereignty of the community organizations.

Pakistan has already tested various approaches to meet this objective. These include the village AID Program, the Integrated Rural Development Program, and the projects at Comilla and Daudzai, which built upon and adapted the successful experience of several countries in Europe and East Asia. These experiences have had mixed results but have provided a number of lessons to guide future efforts at rural development. Among the lessons that can be drawn from these experiences are:

1. In order to make use of economies of scale in the production and marketing processes, and to compete effectively in input, output and capital markets, small farmers and landless agricultural labourers require incentives, opportunity and the organizational capacity to develop cohesion, discipline, human skills, and the capital necessary to plan and implement development activities.
2. Many efforts at rural development have tended to increase dependence on development agencies rather than enhance local capacity to conceive and undertake development activities in accordance with local priorities and opportunities.
3. The Federal and Provincial governments have established a large number of specialized agencies (for training, credit, input supply and extension) which are hampered in their effectiveness and reach by the lack of a strong and broad institutional base at the village level.
4. At the village level, resource utilization for different resources tends to be integrated systematically. Development agencies, however, tend to be organized on a sectoral or functional basis instead of following an integrated, multi-functional approach. To make optimal use of village opportunities, it is important that villagers have the management capacity to integrate the assistance available from outside agencies with their own specific needs.

5. Many efforts at promoting group cooperation and activity have been hijacked by special interests that seek only to maximize their own benefits. To meet this problem requires special procedures and discipline that ensure participation of all possible beneficiaries, and effective supervision of the development process.
6. Organizations at the village level are most likely to be viable and sustainable if they are initially organized around economic activities that provide a continuing stream of benefits to the participants.
7. There is an urgent need to promote village-level capacity for innovation and entrepreneurship.
8. The most effective way to promote sustainable village level activities is to form independent Rural Support Programs at the district level to foster a network of village organizations to carry out these activities.
9. The creation of sustainable local institutions for equitable and productive rural development requires a time commitment longer than that of normal development projects: A project time frame of 10 years should be envisaged.

1.1.5 The Existing Regional Rural Support Programs

The Government of NWFP has already sponsored an NGO, the Sarhad Rural Support Corporation (SRSC) to implement a development program in the NWFP along the pattern of the Aga Khan Rural Support Program (AKRSP). SRSC initiated development activities in two districts of NWFP in 1989, and has a mandate to expand to other districts within the Province. It has now extended its activities to additional five districts.

In Baluchistan, the Pak-German Self-Help Project for Rural Development, LGD/GTZ, is now following a similar community based development strategy. After seven years

of project implementation, the Government of Baluchistan decided to re-organize the bilateral Self-Help Project as an NGO to accelerate the pace of village based development in the Province. The Baluchistan Rural Support Program (BRS) is now operating in 14 districts of the Province, although its coverage in each district is limited because of resource constraint.

The National Conservation Strategy has incorporated the AKRSP participatory approach as part of its implementation arrangements.

Initial discussions took place between the Government of Pakistan and the AKRSP about the prospects of replicating these community-based development strategies in the remaining two provinces of the country, where no such community-based development programs currently exist. It was proposed that these initiatives be undertaken by two new government sponsored organizations in the two Provinces of Punjab and Sindh, called the Rural Support Programs (RSPs), to be established expressly for this purpose at the provincial level as non-profit, private limited companies. The Federal Government in the Ministry of Local Government and Rural Development had already set-up the National Rural Support Program (NRSP), as a first step. In 1992, with Federal Government funding, NRSP undertook work in all the four provinces and Azad Jammu & Kashmir and is now active in 12 districts.

I.1.6 Overcoming Poverty through a 10 year Institutional Program of Participatory Development.

This program envisages the establishment of District Support Organizations (DSOs) in 100 districts across the country. These District Support Organizations would be instituted as non-profit private limited companies with each company having its own board of directors.

The overall objective of the DSOs is to initiate and support the development of village communities in rural, and mohalla/neighbourhood communities in urban areas of the country, that wish to enter into a partnership with the concerned companies.

In order to achieve this objective, the DSOs would undertake the following functions in conjunction with government agencies, local bodies, non-governmental organizations, the private sector and possible foreign donors:

1. The creation, promotion and support of effective and disciplined village organizations (VOs) to manage rural development in villages that are predominantly poor. In areas and villages dominated by large landlords, the DSOs would create, promote and support organizations of the landless and poor women groups.

Wherever possible existing or proposed organizations at the village level would be used or incorporated into this effort provided that they are willing to operate in accordance with the principles and terms of partnership of the DSOs.

In areas where apex institutions of village organizations already exist, the DSOs would seek to form coalitions of such apex institutions and act as umbrella organizations coordinating, integrating and directing the capabilities of the various apex institutions towards the effective support of village organizations

2. The DSO would serve as a flexible catalyst to assist in the identification of opportunities to promote equitable and sustainable development patterns and in drawing in the resources (technical assistance, training, financial, and so on) to enable local people to make full use of these opportunities.
3. The DSOs would develop, through training programs, a wide range of local skills in managerial and practical subjects. The purpose of this training is to increase the capacity of local people to manage more effectively their resources for sustainable and productive development.

4. The DSOs would work to link the VOs with government agencies, NGOs and private businesses that can provide services(extension, training, marketing, finance, and so on) to support rural development.
5. The DSOs would give special emphasis to the evolution of responsible credit behaviour through the encouragement of regular savings and through group management and repayment of loans.
6. The DSO would work with the VOs and with the relevant government agencies to create plans and programs for the sustainable management of natural resources in the area in which it operates.
7. Whenever necessary to perform the above functions, the DSO would undertake limited technical and socio-economic research to support and assess its programs. It would seek to develop a network of collaborating institutions, both national and international, to participate in this research effort.
8. The DSOs would pay particular attention, consistent with prevailing cultural and socio-economic factors, to the opportunities and needs for involving women in rural development.
9. Although the initial emphasis of the DSO would be on income-generating activities, it would also serve as a catalyst to link the VOs with those agencies that provide social services, so as to make broader and more cost-effective use of those services.
10. The DSO would eventually aim to replace itself and its functions with entirely local institutions if the experimental project expands into a full-scale rural development program.

11. The DSOs would catalyze formation of mohalla/neighbourhood community organizations wherever possible, in urban areas.
12. Catalyzing and supporting the formation of save the children organizations (SCOs) to eliminate the practice of child labour in hazardous industries. (See Section IV.4 for details).

I.1.7 The Structure of the District Support Organizations

The structure of the proposed DSOs should be that of a company limited by guarantee. Its subscribers would need to be selected carefully. Each DSO would have a Board of Directors comprising experts in the field of rural development from Pakistan, and eminent people knowledgeable about development in their respective Provinces. The Board would be responsible for establishing policy, selecting and appointing the General Manager, approving budgets and overseeing the implementation of the project. The Memorandum and Articles of Association of the company would be drawn up so as to give the management the flexibility necessary to pursue its board mandate.

The key management functions of the company would be undertaken by a small Management Group for each DSO comprising experienced Pakistani professionals with demonstrated capacity for a participatory and catalytic approach to rural development. The Management Group would have the responsibility of proposing the overall approach, determining the priorities of the DSOs in the respective program area, and presenting the budget to the Board of Directors. Reporting to the General Manager, the Management Group would also have responsibility for implementing the approved program, catalyzing the role of other agencies, and for the basic research and development necessary to support the program.

The field staff would make up a small number of Social Development Units (SDU), each probably consisting of a social organizer, an agriculturist and an engineer. The

SDUs would live in the field and be responsible for the promotion and sustenance of the VOs, and for linking the VOs to the program packages and other services available from the DSO and other agencies.

The overall aim would be to keep staff numbers small and quality high. Small numbers are necessary to keep the program flexible and responsive, to prevent the emergence of a large bureaucracy, and to emphasize its catalytic role. In order to attract high quality staff and encourage the growth of professionalism, it would be necessary to pay attractive salaries and provide good working facilities.

I.1.8 Budget

It would be premature to give an accurate estimate of the local cost of the DSOs at this stage. The definition of the work program and the budget of each DSO is the proper responsibility of the company once it is established. Nevertheless, drawing from the experience of the AKRSP, NRSP and SRSC, a broad indication of the costs can be given for a small, flexible and professional DSO. AKRSP unit costs are much higher because of the logistic problems of working in remote northern areas tallying the cost of DSO should be substantially lower. (The average per district expenditure per annum of AKRSP was Rs. 7.0 million during its first five years, 1983-1987). The SRSC has adopted the strategy of providing productive physical infrastructure at the village level. As an initial investment in organization to stimulate VO formation in the NWFP, the NRSP, on the other hand, having very little funds for productive investment, and is meeting almost all demands through a line of credit.

Based on the experience of AKRSP and SRSC it is proposed that the average expenditure of each DSO be kept at a minimum and expenditure on both production of physical infrastructure and micro-credit be used both as entry point for VO formation and also for rapid increase in the income generation capability of the poor at the village level.

1. Initial budget estimates for each DSO are in the range of Rs. 652 million for the five year duration of the initial phase. This would cover all administrative costs as well as the cost of funding productive investment projects by the DSOs at the village level. Such investment projects which would ensure a steady stream of benefits for VOs may be preferable to physical infrastructure projects initially. In any case, expenditure on physical infrastructure may perhaps be financed from other sources of funding such as donors. The details of annual budget of each DSO are given in Tables 2 to 10.
2. A micro-credit program to be conducted by each DSO is proposed during the first five years phase of the program. The amount required for a micro-credit program over a 5 year period is approximately Rs. 336 million. The details of the credit program on a year-wise basis is given in Table 2.

Estimated budget for research survey and demonstration, training, salaries and benefits, capital expenditure budget, physical infrastructure, administrative and office overheads, travel and vehicle operations are given in Table 4 to 10.

I.1.9. Institutional Framework of Fund Disbursement and Monitoring and Evaluation of DSOs Performance.

The key factor in the success of DSOs will be the professional competence and commitment of their Management Group and the field staff of the Social Development Units (SDUs). Conversely, the professional capability and commitment of personnel in the DSOs will come to nought unless the requisite funds are disbursed promptly to the DSOs and in a disciplined way on an annual basis. At the same time, in view of the magnitude of the funds being disbursed over the initial five years period it is necessary to have an independent and systematic monitoring and evaluation of the DSOs performance on an annual basis. It is, therefore, proposed that two inter-linked apex institutions be established for funds disbursement and monitoring/evaluation respectively. There should be a Poverty Eradication Program Funding Unit (PFU) based in Islamabad and a Monitoring and Evaluation Unit which should give its annual

assessment of DSOs performance according to specific criteria to the Program Funding Unit. The PFU should have a Board of Directors who are experienced in the field of participatory development and are recognized for their integrity and commitment to the cause of poverty eradication. They should have a small professional staff for managing the fund and advising the Board at the time of annual disbursement of funds to the DSOs. In case of unsatisfactory performance in any one DSO, the funding unit should advise the DSO concerned on what steps it can take to improve performance. However, funds disbursement should not be withheld unless the DSO concerned either persists in unsatisfactory performance for three years continuously, or is guilty of gross negligence and/or impropriety.

TABLE 2
BUDGET FOR ONE REGIONAL OFFICE AND THREE FIELD UNITS

	YEAR 1	%	YEAR 2	%	YEAR 3	%	YEAR 4	%	YEAR 5	%	TOTAL	%
OVERHEADS												
Capital expenditure	16,845,000	35.7		0.0		0.0		0.0		0.0	16,845,000	2.6
Salaries and benefits	4,696,800	10.0	5,636,160	12.1	6,763,392	8.6	81,160,704	5.4	973,928,448	3.0	34,951,707	5.4
Administrative and office overheads	8,698,800	18.4	10,438,560	22.4	12,526,272	15.9	150,315,264	9.9	180,378,317	5.5	64,732,990	9.9
Travel and vehicle operations	2,346,000	5.0	2,815,200	6.0	3,378,240	4.3	4,053,888	2.7	48,646,656	1.5	17,457,994	2.7
Sub Total	32,586,600	69.1	18,889,920	40.6	22,667,904	28.7	27,201,425	17.9	32,641,782	10.0	133,987,691	20.5
DEVELOPMENT EXPENDITURE												
Training	2,566,000	5.4	3,288,920	7.1	5,352,411	6.8	8,645,409	5.7	15,676,553	4.8	35,529,293	5.4
Research Survey and Demonstration	644,000	1.4	790,280	1.7	1,007,851	1.3	1,358,324	0.9	1,974,614	0.6	5,775,069	0.9
Productive infrastructure	3,600,000	7.6	9,522,000	20.4	19,615,320	24.8	37,504,778	24.7	70,633,268	21.5	140,875,366	21.6
Capital Program	7,776,000	16.5	14,087,520	30.2	30,377,851	38.4	76,957,915	50.7	207,122,777	63.1	336,322,063	51.5
Sub Total	14,586,000	30.9	27,688,720	59.4	56,353,433	71.3	124,466,426	82.1	295,407,212	90.0	578,501,791	79.5
TOTAL	47,172,600	100.00	46,578,640	100.00	79,021,337	100.0	151,667,911	100.0	328,048,994	100.0	652,489,482	100.0

TABLE 3
BUDGET
CREDIT PROGRAM

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Amount to be disbursed	10,368,000	22,239,360	51,372,922	127,147,981	335,670,670	546,798,932
Cumulative disbursement		32,607,360	83,980,282	211,128,263	546,798,932	546,798,932
Amount revolved	2,592,000	8,151,840	20,995,070	50,190,066	128,547,893	210,476,869
Cumulative amount revolved		10,743,840	29,146,910	71,185,136	178,737,959	289,813,845
Amount required	7,776,000	14,087,520	30,377,851	76,957,915	207,122,777	336,322,063
Number of loanees per Co	4	6	9	14	20	
Number of COs	144	187	262	293	629	1,615
Cumulative number of COs	144	331	593	986	1,615	1,615
Cumulative number of members	3,600	8,220	14,832	24,660	40,385	40,385
Average credit size	18,000	19,800	21,780	23,958	26,354	109,892
Number of loanees	576	1,123	2,359	5,307	12,737	22,102

Average recovery period = 18 months

TABLE 4
BUDGET
PRODUCTIVE INFRASTRUCTURE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Productive infrastructure Scheme	3,600,000	9,522,000	19,615,320	37,504,778	70,633,268	140,875,365
Number of COs	144	187	262	393	629	1,615
Cumulative Number of COs	144	331	593	986	1,615	
Expected number of schemes (1/4 of COs)	36	83	148	247	404	918
Average cost per scheme	100,000	115,000	132,250	152,088	174,901	

TABLE 5
BUDGET
RESEARCH SURVEY AND DEMONSTRATIONS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Small R&D schemes	144,000	215,280	346,601	597,886	1,100,111	2,403,878
Major R&D	500,000	575,000	661,250	760,438	874,503	3,371,191
Total	644,000	790,280	1,007,851	1,358,324	1,974,614	5,775,069
Number of COs/locations	144	187	262	393	629	1,615
Average cost per small scheme	1,000	1,150	1,323	1,521	1,749	
Average cost per major scheme	100,000	11,500	13,225	15,209	17,490	
Major schemes per annum/per union council	50	50	50	50	50	250

TABLE 6
BUDGET
TRAINING

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Staff training	550,000	275,000	500,000	275,000	275,000	1,875,000
<u>Community Training:</u>						
Community Management and Skills Training	1,152,000	1,722,240	2,772,806	4,783,091	8,800,888	19,231,025
Subject Specialists	864,000	1,291,680	2,079,605	3,587,318	6,00,666	14,423,269
Sub total community training	2,016,000	3,013,920	4,852,411	8,370,409	15,401,553	33,654,294
TOTAL	2,556,000	3,288,920	5,352,411	8,645,409	15,676,553	35,529,294
Number of COs/trainees	144	187	262	393	629	1,615
Average cost per CMST	8,000	9,200	10,580	12,167	13,992	
Average cost per specialist	6,000	6,900	7,935	9,125	10,494	

TABLE 7
BUDGET
SALARIES AND BENEFITS

	1 DISTRICT OFFICE (*)				3 FIELD UNITS				TOTAL
	Quantity	Unit	Per month Per unit	Total	Quantity	Unit	Per month Per Unit	Total	
Regional Program Officer	1	Staff	42,000	504,000					
Social Organizer	2	Staff	10,000	240,000	6	Staff	10,000	0	504,000
Intern Social Organizers	2	Staff	5,000	120,000	3	Staff	5,000	720,000	960,000
Regional Professional (Engineer)	1	Staff	15,000	180,000				180,000	300,000
Regional Profession (HRD)	1	Staff	15,000	180,000				0	180,000
Regional Professional (NRM)	1	Staff	15,000	180,000				0	180,000
Regional Professional (Finance)	1	Staff	15,000	180,000				0	180,000
Regional Professional (Credit)	1	Staff	15,000	180,000				0	180,000
Regional Professional (MER)	1	Staff	15,000	180,000				0	180,000
Assistant	3	Staff	10,000	360,000	3	Staff	6,000		180,000
Field Assistant	1	Staff	5,000	60,000	3	Staff	5,000	216,000	576,000
Computer Operator	2	Staff	10,000	240,000				180,000	240,000
Drivers	8	Staff	4,000	384,000	3	Staff	4,000	0	240,000
Chowkidars	4	Staff	3,200	153,600	3	Staff	3,200	144,000	528,000
								115,000	268,800
Total	29		179,200	3,141,600			33,200	1,555,200	4,696,800

TABLE 8

BUDGET CAPITAL EXPENDITURE

	1 REGIONAL OFFICE			No.	3 FIELD UNITS		TOTAL
	No.	Per Unit	Total		Per Unit	Total	
Vehicles	6	1,400,000	8,400,000	3	1,400,000	4,200,000	12,600,000
Photocopiers	1	500,000	500,000	3	500,000	1,500,000	2,000,000
Fax Machine	1	40,000	40,000	3	40,000	120,000	160,000
Computers & Printers	3	175,000	525,000	3	175,000	525,000	1,050,000
Furniture & Fixture	6	75,000	450,000	3	75,000	225,000	675,000
A/V Equipment	1	200,000	200,000	3	20,000	60,000	260,000
PITD Equipment	1	100,000	100,000				100,000
Total Capital		2,490,000	10,215,000		2,210,000	6,630,000	16,845,000

* 1 FIELD UNITS SHALL BE OPERATED FROM THE REGIONAL OFFICE

TABLE 9
BUDGET
ADMINISTRATIVE AND OFFICE OVERHEADS

Rent	1	Buildings	15,000	180,000	3	Buildings	8,000	288,000	468,000
Building maintenance	1		2,000	24,000	3		1,000	36,000	60,000
Electricity, gas, water	1		8,000	96,000	3		4,000	144,000	240,000
Telephone & Courier	1		8,000	96,000	3		4,000	144,000	240,000
Office supplies	1		5,000	60,000	3		2,000	72,000	132,000
Printing & Stationery	1		5,000	60,000	3		1,000	36,000	96,000
Bank charges	1		1,000	12,000	3		500	18,000	30,000
Equipment maintenance	1		2,000	24,000	3		1,000	36,000	60,000
Equipment insurance	1		1,000	12,000	3		500	18,000	30,000
Miscellaneous	1		10,000	120,000	3		5,000	180,000	300,000
Total other operating expenditure			57,000	684,000			27,000	972,000	1,656,000
Total			250,700	5,325,000			73,700	3,373,200	8,698,800

One filed unit will be operated from the Regional Office.
An extra driver and chowkidar will be required as a leave reserve.

TABLE 10
BUDGET
TRAVEL & VEHICLE OPERATIONS

Travel:

Average @ Rs. 2,000 per month per staff member	25	Staff	2,000	600,000	18	Staff	2,000	432,000	1,032,000
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Vehicle Operations:

Repair and maintenance	6	Vehicles	2,000	144,000	3	Vehicles	3,000	108,000	252,000
POL	6	Vehicles	8,000	575,000	3	Vehicles	6,000	216,000	792,000
Insurance	6	Vehicles	2,000	180,000	3	Vehicles	2,500	90,000	270,000
 Total Vehicle Operation			12,500	900,000			11,500	414,000	1,314,000

Total			14,500	1,500,000			13,500	846,000	2,346,000
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II. A NATIONAL MICRO-CREDIT FACILITY FOR THE POOR

Micro credit to the poor to enable them to improve their asset base, e.g., (a milch animal, a chicken hatchery, a bee-keeping enterprise, a sewing machine) has proven to be a highly effective means of poverty alleviation in Pakistan and other South Asian countries. The experience of AKRSP, NRSP, and OPP has shown that when credit is given in the context of organizing the poor, it is both used effectively and the default rates are less than 5 percent. This is also borne out by the experience of the Janasaviya Trust Fund in Sri Lanka, the Grameen Bank and BRAC in Bangladesh. Thus the poor in practice have proven to be bankable and are far more reliable in pay back of loans than the rich. Yet, none of the major commercial banks has a micro credit facility for the poor. This is because commercial banks are not only unwilling to try group lending, but simply do not have the organizational capability and orientation to administer micro credit.

II (1) A Micro Credit Facility in a Special Division within PPAFC

It is proposed that a major micro credit program for the poor may be launched. Such a program would be essential for the success and sustainability of the DSOs for whom an important initial entry point in building VOs and Mohalla organizations, will be micro credit.

It would be appropriate to house the national micro credit facility for the poor, at the recently established Pakistan Poverty Alleviation Fund (PPAFC). However, since the micro credit operations are crucial to the success of the proposed DSOs, quick and regular disbursement of credit to the DSOs with a minimum of red-tape be built into the Articles of Association of the PPAFC. Moreover, the Board of Directors of PPAFC should include individuals with demonstrable experience in and commitment to community based poverty alleviation, and expertise in micro credit for the poor. It is proposed that the micro credit facility of the PPAFC, for DSOs should have the following objectives:

1. The PPAFC should have a special Division for micro credit operations for DSOs, with a special endowment and exclusive management team devoted to micro credit operations through DSOs.
2. The Micro Credit Division within the PPAFC should act as a Manager of Funds, to benefit from a portfolio of investments and treasury operations to maximize returns from endowment funds.
3. It should act as a central repository for District Rural Support Program being recommended for poverty alleviation and exercise oversight on the operation of the district level organizations in allocating funds based on a set of criteria.
4. It should act as a specialized Bank for Micro Credit.
5. It should attract donations from internal and external sources and channel them effectively for the betterment of the poor.
6. It should cover the entire country and develop prudent rules for micro-finance.
7. It should enfold TVO along with its endowment of fund (about Rs. 650 million).

II.2 Operational Mechanism of the National Micro Lending Facility for the Poor

In order to ensure viability of the new Facility, the following principles may be adopted:

- (i) The National Micro Credit Facility will cater only to the needs of the poor in making them self-reliant.
- (ii) It will develop merit based criteria for providing credit lines to District Support Organizations and other NGOs for micro lending to the poor.
- (iii) The National Micro Credit Facility will lend at the minimum possible rates to District Support Organizations provided the money is lent to the beneficiary at the market rates, and the difference between the borrowing rate by the partner organizations and the lending rate to the poor is used to cover the transaction costs of lending to the poor, and to enlarge the credit base of the DSO.
- (iv) The National Micro Credit Facility will have professionals capable of fund management to ensure that investments and treasury operations result in continuing increases in the value of earnings through such investment in safe and

- high yielding portfolio so that the benefits from these earnings can go to the poor by increasing the volume of credit for the poor.
- (v) The National Micro Credit Facility will be autonomous with a professional management team reporting to the Board of Directors of PPAFC.
 - (vi) The National Micro Credit Facility will have a strong monitoring mechanism to ensure that the funds provided to partner organizations are used prudently, are targeted properly and for the purposes specified by the Facility.
 - (vii) The National Micro Credit Facility will develop Key Performance Indicators and publish information on its activities for the benefit of the general public and the Government as well as donors.

III. A MASS TRAINING AND EMPLOYMENT PROGRAM

The rapid growth of the large scale manufacturing sector and associated development of infrastructure, on the one hand, and Participatory Development are the two prongs of a strategy of high GDP growth combined with rapid poverty eradication. When examining the future prospects of such a strategy, the question arises: What are the enabling conditions for high GDP growth to be sustained, and Participatory Development to be taken to a national scale? In this regard, some of the most important constraints to sustainability and scaling up are:

1. A growing shortage of industrial technicians capable of handling modern machines at the shop floor level, so as to achieve both quality control and high productivity.
2. The labour market problem of bringing unskilled or semi-skilled workers in large numbers and making them work in a disciplined way at large infrastructure construction sites.
3. Credit and training constraints to self-employment through micro enterprises.
4. A growing shortage of social organizers trained in the Participatory Development methodology.

5. The need for Village Specialists who are drawn from the village community and are technically trained in a variety of relatively simple skills necessary to facilitate diversified growth of the village economy. For example, prevention of disease in livestock, scientific preparation of animal feed, practical horticulture and fruit farming techniques, seed preparation and multiplication, operation of demonstration plots, preventive health hygiene and family planning
6. Middle level professionals specializing in forestry, soil conservation, agriculture, irrigation engineering, and health are in short supply with the existing NGO sector. This shortage may become acute as the proposed District Support Organizations with their Social Development Units (SDUs) are put into place.
7. There is a shortage of banking expertise to support community run micro credit schemes.

In order to address these strategic manpower constraints to the envisaged high growth/Participatory Development process, the following actions need to be initiated:

Action 1

Establish a National Reconstruction Corps, as an autonomous, non-profit institution, charged with fulfilling the following objectives:

- (i) Get detailed location specific information of the number of unskilled and semi-skilled persons available in each area for work at infrastructure construction sites; document and mobilize such people in preparation for seeking employment for them.
- (ii) Pro-actively seek contracts for providing semi-skilled and unskilled workers for large construction projects, from both government and the private sector.
- (iii) Access and coordinate the provision of credit and training for the rapid growth of micro enterprises, particularly, along the new Motorway that is nearing completion, and in large urban centres.

Action 2

Establish a National Participatory Skill Training Institute. It is important that such an institution be autonomous of the government, although government officials with the necessary expertise and experience in technical training and Participatory Development, may occupy some of the positions on the Board of Directors. Such an institution can bring together within its structure the major rural support programs that are currently operating on a large scale (e.g., NRSP, AKRSP, SRSC, BRSP), as well as significant non-RSP participatory NGOs with the specific purpose of drawing upon their expertise experience and staff for training programs.

The institution would have the following functions:

- (a) Training social organizers in the methodology of Participatory Development based on field work as well as a course familiarizing them with the lessons learnt from both their own field work experience, as well as the experience of successful Participatory Development initiatives in Pakistan and other South Asian countries.
- (b) Training middle level professionals in fields, such as forestry, soil conservation, agriculture, horticulture, civil engineering, and health, with an orientation in Participatory Development and extensive field training within ongoing participatory development projects.
- (c) Training village specialists, drawn from village organizations in relatively simple skills such as disease prevention in livestock, preparation of animal feed, practical horticulture, fruit farming, seed preparation, health, hygiene and family planning.

Such an institution need not have its own building but could be housed in one of the existing institutions in Islamabad, or the Peshawar Academy for Rural Development.

Action 3

Establish industry based guilds for training industrial technicians. Currently, inspite of recession in the manufacturing sector there is a continuing shortage of competent shop floor technicians with industry specific professional training. This is one of the major

factors underlying high unit cost of production in industry and poor international competitiveness, especially in non-traditional exportable industries: Ill trained technicians have low productivity, cause inadvertent damage to machines during operation, and do poor machine maintenance, which adversely affects both productivity and quality of product.

In order to accelerate export based industrial growth and increase employment generation, it is necessary to provide industry specific professional training for apprentice technicians. This requires the government to facilitate the establishment of Technical Training Guilds in each industry. The objectives of these guilds would be as follows:

1. To design technical training courses in collaboration with government and donors for their particular industry.
2. To arrange short formal courses of training combined with internship programs with the industry, in production, maintenance and quality control.
3. To hold periodic examinations, ensure a high standard and grant diplomas.
4. To coordinate donors and international professional associations and government for periodic evaluation of the standards of courses, training and examinations.

The financing of these Technical Guilds should be done partly by government, industry and donor agencies.

IV. OVERCOMING THE PROBLEM OF CHILD LABOUR IN HAZARDOUS INDUSTRIES⁷

The images of children at work under the scorching sun on building sites or in dark sweat shops lit up by welding sparks, have persisted for at least two generations. There is a danger of relegating the problem to the deadly realm of 'normalcy'. Yet behind these apparently unchanging images there has been a rapid increase in the

⁷ The analysis and data has been taken from the study done by Akmal Hussain for ILO/ARTEP, Geneva, Switzerland, October 1, 1992 and later on published in his book titled, Poverty Alleviation in Pakistan, op. cit.

number of child workers employed in dangerous occupations in the informal sector. At the same time, a whole range of new hazards have emerged for child workers: toxic chemicals which they handle, carcinogenic fumes which they breathe, leading to disease and deformity of body and mind. Behind the facade of normalcy both the scale and the intensity of the problem of child labour is acquiring a nightmarish dimension. Policy makers as well as the community must understand and act to arrest this mutilation of the new generation.

IV.1 Working Conditions of Children in Major Occupations

Since the statistics on child workers reflect mainly the numbers in wage employment, child workers in the agricultural sector do not find an adequate place in quantitative estimates. Yet children working alongside their families in agricultural operations such as seed bed preparations, fodder cutting, rice transplanting, weeding and harvesting may constitute the majority of working children in Pakistan. Such children are increasingly exposed without protective devices to toxic substances in pesticides and fertilizers. There is now evidence that indiscriminate use of pesticides, many of which are banned in the advanced industrial countries, are responsible for growing health hazards in countries such as Pakistan. For example, during the last decade, 25 percent of pesticides exported to developing countries (including Pakistan) from the U.S. were banned or unregistered in the U.S. Consequently, although developing countries account for only one sixth of the pesticides users, the rate of poisoning there is 13 times as great as in the U.S.

Another dimension of the hazards to which rural child workers are exposed, arises out of the production conditions in agriculture: The traditional ties of dependence of poor peasants on landlords in large parts of Punjab and Sind have been reinforced by cash indebtedness following the "Green Revolution". Children of poor peasant families are

often subjected to extra economic coercion. They are in many cases made to work without money wages, as domestic servants in the landlord's manor where they are frequently subjected to humiliation, beating and abuse.

In the urban and semi-urban areas, most of the working children are employed in small scale unregistered establishments in the informal sector where the employers can easily evade the legislative protections granted to working children with respect to protection against hazardous occupations and working hours. While the number of children in the large scale formal sector may have declined, yet even here child work persists to a significant extent by means of the "Contract System". Under this system children remain employees of a contractor in the informal sector while actually working in larger industries, as a device to avoid the law.

Research on child labour in Pakistan is a recent undertaking, and began with a study (Hussain 1986) based on a survey of working children in Lahore in 10 occupations where children below age 15 were the predominant element in the work force. This study examined for the first time in Pakistan, the economic and social conditions of working children. The study showed that children were working typically 54 to 72 hours per week for an average monthly income (cash plus benefits in kind) of Rs. 322. The study also provided evidence on the levels of education of working children, their attitude towards education, frequency of play, their ambitions, their contribution to family income and their wages and benefits by age group and industry. The Hussain (1986) study was followed by the UNICEF (1990) Quetta study on Child Labour. Unlike the earlier Lahore survey, the Quetta Survey indicated some of the hazards that child workers in various occupations were facing. It pointed out for example that inhalation of wool dust by children exposed them to risk of respiratory diseases, and tuberculosis, and prolonged work in a squatting posture resulted in leg and spine

deformities. Similarly, child workers in steel and iron workshops were exposed to lead poisoning, tetanus, and eye diseases; a total of 35 accidents were reported by the study during the year. A more recent study (1990) of 26 small establishments in Lahore showed that all of them were employing one or more children under 15 years of age. These work places posed at least one and often several hazards to the health of the child workers, including respiratory diseases such as pneumonia, tuberculosis and silicosis, ophthalmic disorders, mental retardation, damage to various body organs and cancer.

IV.2 Working Conditions of Children in Construction and Related Industries

Working conditions are most hazardous for children working in the construction and related industries where they are exposed to health hazards due to skin contact with, and inhalation of, toxic substances present in the pigments, dyes, thinners, etc. They work in poor ventilated workshops under risk of contracting diseases such as tuberculosis, pneumoconiosis and cancer in the liver, kidney or stomach.

The most recent survey based study (A. Hussain 1992)⁸ on the nature, extent and impact of this problem shows that working children are exposed to 16 different kinds of hazards at their workplace, including those due to the workplace extending onto the road, dangerous building structure, unsafe electrical fittings, unsafe equipment, improper use of equipment, air pollution, handling of toxic substances without protective devices, unhygienic food, etc. While air pollution and unsafe building structure have been reported to be the most frequent direct causes of accidents, excessive working hours may indirectly be responsible, especially since most of the mishaps appear to take place towards the end of the day, when the concentration and the body coordination of the child worker is lower due to fatigue.

⁸ Akmal Hussain: Child Workers in Construction and Related Industries, ILO, Geneva, 1992, Mimeo.

An effort was made in this study to estimate the extent of danger due to the different kinds of hazards in construction and related industries. The results indicate that the greatest danger to child workers is posed in the steel windows manufacturing industry, followed by tiles, construction, cement, white washing, furnishing and electrification, industries, in that order. While this comparison is based on the casualties resulting from various hazards in a particular year, it must be borne in mind that the effects of many injuries, especially those due to handling and breathing of toxic substances, take place over a longer time frame, and hence the dangers posed in a particular industry may be greater if a longer period were taken into account. Similarly, a particular kind of danger, such as a deteriorating building structure, may not be significant in an industry today, compared to other industries, but may become more significant with time.

Apart from the hazards due to the work conditions of the children, another threat to them is that of physical, including sex abuse by the employer. Especially, sex abuse was found to exist to a varying extent in all the construction and related industries, and was most prevalent in the tiles, cement, furnishing and construction industries where it was reported by 11 to 15 percent of the respondents from the respective industries.

Employer violence, in general, against the working children also included severe beating and manhandling. Its incidence was found to be greatest in the furnishing industry (reported by 15 percent of the respondents from the industry), and lowest in the white washing industry (1 percent of the respondents). A logical explanation of this seems to be that work in the furnishing industry requires greater perfection and application to achieve the desired quality of workmanship, and hence the employer finds it important to “discipline” the workers. On the other hand, in the white washing industry, there is less need for doing an outstanding job, and hence the employer is relatively lax.

IV.3 The New Legislation on Child Work and Employment

After signing the 1990 International Convention on the Rights of the Child, the government of Pakistan repealed the obsolete Employment of Children Act 1938, and enacted a new law called the Employment of Children Act 1991. This law has four parts.

Part I of the 1991 Act defines children as persons below the age of 14 (which is at variance with the Convention which regards all persons below 18 as children).

Part II of the 1991 Act prohibits the employment of children in any occupation or process related to transport or ancillary operations, manufacturing of matches, crackers and fireworks, biris (which consists of tobacco rolled into a leaf), carpets, cement, cloth dyeing and weaving, mica, soap, wool cleaning, building and construction, slate pencils (making and packing), agate products and toxic substances such as pesticides, chromium, benzene asbestos, etc. However, the catch is that the above prohibition exempts cases where any of these hazardous occupations are carried on by a person with the help of his family members.

Part III of the 1991 Act permits child employment in occupations other than those mentioned above and attempts to regulate the conditions of work of children. Thus they are prohibited from working between 7 p.m. and 8 a.m.; the maximum working hours permitted are seven, with a break of at least one hour after three hours of continuous work. No overtime is allowed, nor is a child allowed to take up two jobs simultaneously. A working child is entitled to at least one weekly holiday. All establishments employing children are required by this law to notify the Government about the nature of work and working conditions. These establishments are expected to

conform to health and safety standards prescribed by the Government and to ensure clean and hazard free working conditions for children.

Part IV of the 1991 Act prescribes penalties for breaches of any of the provisions of the Act by employers. These include imprisonment for a period extending to one year and a fine of upto twenty thousand rupees. While these penalties are more severe than those provided under the earlier child labour legislation, yet they are mild when we consider the impact on the health, safety and psyche of the child when the provisions are violated. Moreover, they are not enforceable against family members and unregistered establishments.

Manufacturing units employing less than 10 persons on a regular basis do not fall within the definition of factories and are not regulated by the Factories Act. Thus, while the new Employment of Children Act of 1991 may at best help reduce the number of children employed in hazardous occupations in the formal sector, it is unable to do anything about children employed in unregistered establishments in the informal sector where the overwhelming proportion of working children is actually employed.

IV.4 Program for Saving and Protecting Children

The data indicates that child workers in the construction and related industries are facing at least 16 different hazards to their health and safety with approximately 12 casualties per work place during the last year. Steel Windows manufacture, Tiles and Construction industries are the most dangerous in terms of risk to health and safety of the child workers. Insufficient light at workplace, badly insulated wires, lack of protective devices for workers using dangerous equipment and materials and poor ventilation are amongst the most lethal hazards in the industries we have surveyed.

Clearly, the long term task can be none other than withdrawing these working children from occupations which are causing repeated injuries, chronic diseases, physical and mental deformities and in some cases even death. However, the experience of Pakistan and other South Asian countries is that mere legislation is not enough to protect these children. (After all there has been a law against employment of children in precisely such occupations since 1938 and a much more rigorous law since 1991). Action is simultaneously needed on three fronts:

1. An administrative mechanism targeted towards the ending of child labour in hazardous occupations over the next five years needs to be urgently put in place. This mechanism can consist of specifying the number of children, location of hazardous work units, the details of the hazards in each work unit and the names of the employers in the area under the jurisdiction of each Assistant Commissioner in the country. This data should be available to the Commissioner of each division whose task should be to indicate specific achievement targets for the Assistant Commissioners, (in terms of which their salaries, promotion and benefits should be decided). The achievement targets would consist of the following:
 - (a) Closing down by a target date work units whose location, equipment and production processes are so hazardous as to be beyond redemption. In this case, alternative source of livelihood for the employees would have to be organized with a credit facility to enable establishing of an alternative enterprise by the employers.
 - (b) Replacing child workers with adult in cases where the workplace can be rendered safe without drastic intervention. Alternative livelihood for the children in non-hazardous occupations together with provision of education should be organized.

- (c) To design proposals for reducing or eliminating hazards at the workplace through introduction of protective devices for workers, safety and automatic shutdown devices on machines, improving the ventilation of the workplace, improved lighting of the workplace, and insulation of the wiring system of building and strengthening the building structure. The technical support and credit required for achieving this objective should also be organized by the Assistant Commissioners with support from relevant government agencies, and DSOs.
2. Perhaps the most efficacious way of alleviating the condition of child workers in hazardous industries and ultimately withdrawing them from these dangerous occupations, is intervention at the local mohalla level through community organization. Save the Children Organizations (SCO's) involving the participation of the local community need to be established by means of trained catalyzers developed by the District Support Organizations. The community organization would have the task of negotiating with the employers to improve workplace safety, to replace children working in hazardous occupations with adults, and to provide the children withdrawn from such work with education, alternative skills and part time employment opportunities. The task of the DSOs would be to provide trained cadres for mobilizing and organizing local communities, provide technical support regarding improvement of workplace safety, organize credit to enable the workplace owners to install new equipment, acquire protective devices, use safer chemicals where substitutes are available and improve the electrical wiring and building structure.
3. A pilot program for employers in construction and related industries should be initiated in each of the major cities of Pakistan. The purpose of the pilot program would be to form an employers association for units in the informal

sector backed by technical and credit support from the Ministry of Industries. The technical and credit support should be designed to make employers aware of the health and accident risks to the employees, to develop programs for achieving work safety at the workplace, and to improve technology and replace children with adult workers with special monetary incentives for employers who achieve this objective within a specified time limit.

V. A FOOD SECURITY SAFETY NET FOR THE INDIGENT IN URBAN AREAS, AND POOR SCHOOL CHILDREN IN RURAL AREAS

The number of persons who are indigent, i.e., without any source of livelihood or family support, or unable to work due to some physical handicap, has not been estimated, but appears large enough to warrant at least a modest program on a pilot basis.

A national survey should be conducted to estimate the number of indigent, their location and current forms of survival. In cases where they are begging on the streets, the networks that control and exploit them should be examined.

V.1 Food Stamp Scheme for Urban Areas

It is proposed that a Food Stamp Scheme (F.S.S.) be introduced initially in the major urban centres, (e.g., Karachi, Hyderabad, Sukker in Sind, Lahore, Multan, Faisalabad in Punjab, Peshawar in NWFP, and Quetta in Baluchistan). Some of the operational elements of the scheme are as follows:

- (i) An outlay of Rs. 3 billion per year may be made for the scheme which could be financed by (a) placing a 10 percent surcharge on food and room revenues of all 4 and 5 star hotels, (b) The Zakat funds.
- (ii) The efficiency of the FSS would depend on the accurate identification of beneficiaries. This could be done by (a) Appointing NGOs working at the

- Mohalla/neighbourhood level to identify the beneficiaries, and specify their precise living address, (b) The list provided by the NGOs could be cross checked by the concerned Deputy Commissioners, (c) The social organizers in the proposed District Support Organizations should be required to hold meetings in the neighbourhoods where the indigent are located and perform the third level of checking to ensure that only the genuinely indigent are placed on the list of beneficiaries.
- (iii) Once the beneficiaries have been identified, the food stamps may be sent either by TCS or distributed by the NGO's working in the area. A ten member panel consisting of public spirited citizens of repute and integrity, the Deputy Commissioner and heads of the NGOs working in the area may be constituted to perform monthly spot checks to ensure that the beneficiaries have received the food stamps and converted it into food.
 - (iv) The Food Stamp itself would list in quantitative terms three basic food items such as Flour, Lentils, onions and cooking oil, required to feed one person. All neighbourhood Utility Stores and other shops stocking such items should accept the food stamp from the beneficiary and provide the relevant items in return. The Food Stamp should be cashable in any bank by the shopkeeper. The prices of these items should be ruling market prices and should be announced by the government on a monthly basis in the press.

V.2 A Food Safety Net for Poor School-going Children in Rural Areas

Currently a large number of schools in rural areas are being run by community committees or parent teacher associations, and are catering predominantly to poorer children. These school children in most cases are inadequately fed at home. It is proposed that a different kind of food stamp scheme for such children should be instituted so that they can get cooked food during lunch time at school. Such a scheme on the one hand would fill the nutrition gap for the children and become an added incentive to go to school on the other. The operational elements of the scheme are as follows:

1. Prepare a list of community run schools in rural areas on the basis of information provided by (a) NGOs working in each area, (b) the DSOs and (c) the Deputy Commissioners.
2. The schools selected for the scheme should be networked by the DSOs and/or NGOs in the area, and provided food stamps on the basis of the number of children attending classes. The school committee should be required to cook the food on the premises and serve to the children during school hours at around 12 noon. The items on the food stamp may be: (a) Flour (b) Lentils (c) Onions (d) Beans (e) Milk.

A School Lunch Committee consisting of representatives of the community schools, the local Assistant Commissioners, social organizations from DSOs, and representatives of other major NGOs should tour their networked school twice a month to check whether or not the children are actually getting hygienically prepared food on a regular basis.

TABLE 11
PERCENTAGE OF CHILD WORKERS REPORTING HAZARDS
BY TYPE OF HAZARD

Hazard	Percentage
Health and Safety Hazards resulting from intrusion of workplace onto the road ¹	8.2
Dangerous Building Structure ²	11.1
Unsafe Electrical Fittings ³	3.0
Unsafe Use of Equipment ⁴	3.6
Acute Air Pollution ⁵	30.1
Handling Toxic Chemicals without protective devices ⁶	5.0
Using unsafe Steel Cutting Procedure	0.3
Intense Heat and Glare	7.7
Danger of Falling into furnaces which lack protective devices	1.7
Unhygienic Food at Workplace	8.1
No protection against Welding Sparks	2.6
Excessive Working Hours ⁷	9.0
Drain Water spread across Workplace Floor	2.3
Uncovered Manhole on premises, cement, dust and/or Wood Scrap at factory floor where child workers eat food	7.3

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

Notes:

1. Includes injuries/deaths caused to child workers by passing vehicles in cases where these workers are employed in open air workshops which intrude onto metalled roads.
2. Includes weak building structure, broken stairs, weak roofs.
3. Includes open switches, electric wires hanging near the workers, naked wires, electric sparks.
4. Includes protruded cutting edges, absence of safety devices on machines.
5. Includes high levels of carbon monoxide, unburnt carbon particles in the air, silica particles in the air (in tiles factories), toxic solvent vapours from paints, dyes and thinners, sulphur compounds in varnish solvents used in furniture manufacture, corrosive acid fumes and cyanide in the air in electroplating units, carcinogenic fumes of vinyl chloride gas (a degraded product of PVC moulding).
6. Toxic dyes, pigments, plasticizers, dryers, acids, mercaptans, acrylic and vinyl resins, used in furniture, paints and plastic moulding units.
7. More than 10 hours of continuous work.

TABLE 12
NUMBER OF CASUALTIES LAST YEAR DUE TO ANY HAZARD AND NUMBER OF
WORKPLACES, BY TYPE OF INDUSTRY

Industry	(a) Reported Number* of Casualties during last year	(b) Number of Workplaces	(c) Number of Casualties per Workplace last year
Construction	677	58	12
Steel Window Manufacture	752	48	15
Electrification	60	23	3
Furnishing	125	17	7
Tiles	111	11	11
Cement	64	8	8
White Washing	160	35	5

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

*Note: Respondents reported that an individual child worker experiences repeated injuries during the year, and returns to work after first aid or medical treatment.

TABLE 13
LETHALITY INDEX OF HAZARDS AND DANGER INDEX OF INDUSTRIES

Hazard	(A) Standardized Index of hazards	(B) Standardized Danger Index of Industry						
		Construction	Steel Window	Electrification	Furnishing	Tiles	Cement	White Washing
Insufficient Light at Workplace	5	2.68	3.96	2.70	0.79	4.80	4.25	4.46
Workplace hazards due to incorrect location of Equipment and other Protuberances, Electricity, Wires, Switches, etc.	4	2.65	3.74	-	1.18	2.92	3.6	2.38
Lack of Protective devices while using dangerous Equipment and Material	3	2.46	2.34	1.85	2.52	2.77	-	0.16
Workplace dangers due to Proximity to Road, etc.	2	0.95	1.43	0.62	1	-	-	10.54
Unsafe Machinery without Safety devices	1	0.50	1.23	0.54	0.61	0.38	0.80	0.46
Composite Danger Index	-	9.24	12.7	5.71	6.1	11.33	9.05	8.00

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

TABLE 14
NUMBER OF CHILD WORKERS REPORTING CASUALTIES*
DUE TO SELECTED HAZARDS BY EDUCATION LEVEL OF EMPLOYER

Hazards	All Levels	Illiterate	Primary	Middle	Matric	F.A.	B.A.
Inadequate light at workplace	173	1	37	37	79	17	2
Proximity to Road	16	0	0	3	8	3	2
Dangerous Building Structure	18	0	4	4	9	1	0

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

- Casualties occurred in last year. The numbers refer not to the number of casualties, but the number of respondents in each case reporting one or more casualties.

TABLE 15
SEX ABUSE AT WORK PLACE
NUMBER OF CHILDREN REPORTING SEX ABUSE AGAINST THEM AS A PERCENTAGE
OF RESPONDENTS IN THE INDUSTRY
BY AGE AND TYPE OF INDUSTRY

Industry	All Age Groups Percentage	Age Group 8 – 10 Percentage	Age Group 11 – 15 Percentage
Construction	15	6	9
Steel Windows	4	2	2
Electrification	2	-	2
Furnishing	15	6	9
Tiles	11	5	6
Cement	13	-	13
White Washing	4	1	3

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

TABLE 16
EMPLOYER VIOLENCE
NUMBER OF CHILD WORKERS REPORTING EMPLOYER VIOLENCE AGAINST THEM
BY INDUSTRY AND AGE OF CHILD

Employer Violence against Child Workers by Industry									Employer Violence by Age of Child Worker		
All Industries	Construction and Wood Work	Steel Windows	Electrification	Furnishing	Tiles	Cement	White Washing	Others	All Ages	8 - 10	11 - 15
20	7	7	1.3	5	0	0	1	0	20	7	13
(5)	(4)	(7)	(4)	(15)	(0)	(0)	(1)	(0)	(5)	(5)	(5)

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

- Note:**
1. Figures in brackets refer to the number of child workers reporting employer violence against them as a percentage of the total number of respondents in that category.
 2. Violence including punching with fist or use of sticks, chains.

TABLE 17
NUMBER OF CHILD WORKERS IN VARIOUS WAGE CATEGORIES
BY AGE AND TYPE OF INDUSTRY

Industry	Number of Child Workers in Age Group 8 – 10				Number of Child Workers in Age Group 11 – 15			
	Rupees Per month upto 200	Rupees Per month 201 - 400	Rupees Per month 401 - 600	Rupees Per month 601 & above	Rupees Per month upto 200	Rupees Per month 201 - 400	Rupees Per month 401 – 600	Rupees Per month 601 & above
Construction	20	13	2	8	40	20	2	11
Steel Windows	16	7	4	1	22	13	24	9
Electrification	3	3	1	2	15	10	9	3
Furnishing	10	3	-	-	11	6	2	2
Tiles	4	2	-	1	5	4	6	2
Cement	2	1	-	-	10	1	1	1
White Washing	26	2	-	1	35	2	1	2

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

TABLE 18
COMPARISON OF CHILD WORKERS' INCOME WITH FAMILY INCOME

Industry	Average Wage (Cash) of Child Worker (a)	Average Income Of Family (Monthly) (b)	Percentage (a/b)
Construction	799	1661	42%
Steel Windows	493	1755	28%
Electrification	697	1860	37%
Furnishing	388	1378	28%
Tiles	481	1740	27%
Cement	799	1580	50%
White Washing	604	1720	35%

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

TABLE 19
MONTHLY WAGE OF CHILD WORKERS BY FAMILY STATUS OF CHILD WORKER

FAMILY STATUS	AVERAGE WAGE (MONTHLY) RUPEES
Living alone	795
With both Parents	555
With one Parent	461
Other (Friend/Relative)	606

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

TABLE 20
FAMILY STATUS OF CHILD WORKERS BY TYPE OF INDUSTRY

Industry	Any Status	Living with both Parents	Living with one Parents	Living with Friend/Relative	Living Alone
Construction	100	91.0	1.4	1.4	6.2
Steel Windows	100	85.4	7.9	4.5	6.2
Electrification	100	94.0	-	4.0	12.0
Furnishing	100	86.4	4.5	4.5	4.5
Tiles	100	76.9	3.8	19.3	-
Cement	100	50.0	-	50.0	-
White Washing	100	66.7	8.3	16.7	8.3

Source: Akmal Hussain: Field Survey on Child Workers in Construction and Construction-related Industries, September 1992.

PART III

**A MEDIA STRATEGY FOR POVERTY
ERADICATION**

MEDIA STRATEGY FOR POVERTY ERADICATION

Given the scale and geographic spread of the programs proposed in this report, and the diversity of social settings within which they are implemented, it is necessary for the media to provide support in setting into motion a learning by doing process.

The successes achieved and the lessons learned on the ground in one area should be highlighted for others, just as the lessons learned from mistakes must be quickly drawn and disseminated. The media can also provide fora for evaluating the experience of district support organizations and also the line departments in the context of the perceptions of people at the village/mohalla levels. Similarly, the technical information developed at the National Training Centre for village specialists can be quickly disseminated through the media and the efficacy of techniques for manufacture of manure, livestock development and improved agricultural practices can be evaluated by the peasants on the ground, in front of TV cameras.

A major factor that inhibits people from taking control of their lives is their lack of access to relevant knowledge. The monopoly of the ruling elite over knowledge production and dissemination reinforces their control over other social groups and recreates in multiple ways the dependence of the powerless in society. This control and monopoly of the media must be broken so that people can use it for economic and social development. Its effective use for dissemination of technical, economic, social, legal and other knowledge can lead to rapid changes in society, enabling the poor and disadvantaged sections of the people to improve their conditions.

Although media is controlled by the ruling elite, enlightened self-interest should allow interventions to achieve rapid economic progress and poverty eradication. At the same time alternative media forms have to be strengthened and alternative channels of communication designed to produce and repackage knowledge to create an enabling environment and to build the capacities especially of the poor and the disadvantaged people to control their lives. They can be enabled to influence effectively the official

and non-official structures by creating direct contacts and forming pressure groups for this purpose through CROs and other community level organizations.

I. OBJECTIVES

- (i) Draw together and disseminate the experiences on the ground from diverse setting. Highlight the successes and failures to enable quick learning.
- (ii) Help increase motivation of activists at the village level, keep line departments on their toes, and create a momentum of implementation.
- (iii) Develop the capacity of people to make decisions in their day-to-day lives with confidence and self-reliance.
- (iv) Strengthen the capacity of the people to acquire skills and technologies that increase their productivity and incomes.
- (v) Strengthen the capacity of the people to access services and facilities for their development which are provided by the government and civil society associations.
- (vi) Develop the capacity of the people to participate in governance and influence decisions that concern their lives.

II. STRATEGY

II.1 Information exchange through the electronic media.

- (i) Information can be provided most cost effectively in the areas of health, population, education, water and sanitation, environment, to enable people to deal with their daily problems.
- (ii) Information about agriculture technologies, income earning production technologies, marketing, account keeping, savings and credit schemes, employment opportunities can be provided to enable people to augment their incomes.

- (iii) Information about government programs, implementation machinery, services and facilities, can be provided to enable people to access and benefit from public sector plans and expenditures.
- (iv) Information exchange can take place through the media to involve people in governance through providing them information and eliciting their response about the functions of various government institutions, land use in the rural and urban areas, functions of public representation institutions, legal rights and legal institutions.
- (v) Information exchange will also be developed to address people's need for further information and for feedback and retrieval of knowledge and experience at the grassroots level.
- (vi) Information about services and facilities for the specially disadvantaged groups in the non-government sector can also be made public through the electronic media.

This information exchange can be done through lectures, discussions, interviews, public feedback programs, demonstration sessions, case studies, quiz programs, dramas, songs and public service advertisements.

For example,

- (a) Weekly radio and television programs in major regional languages in the format of drama serials, with repackaged information in health, agriculture technologies, environment, legal rights, etc.
- (b) Weekly information programs on government departments, specific schemes and services.
- (c) Public participation programs for information sharing and eliciting opinion and information on the functioning of public officials and institutions.
- (d) Training programs for skill development and increasing productivity and employability.

- (e) Training programs and refresher courses for grassroots level education, health and other development workers like teachers, community health and population workers, agriculture extension workers, community social organizers.

II.2 Information through the print media

Information can be provided through print media to accompany the information provided on the electronic media and other channels and for community level information outlets. The information can be in various forms like posters, pamphlets and leaflets, etc.

II.3 Information focal points

To increase people's access to information, especially the poor and the disadvantaged, information focal points need to be set up in the rural areas and in urban communities, e.g., a Radio Listening Centre or an Information Centre. The information focal points can be organized around some active government or non-government development workers, like a community health worker, a school teacher, a social organizer. The centres will provide opportunities for community level groups to coalesce around it and to receive and use the information individually and collectively. The supervisor of a Centre would need to be educated and to have a radio cassette recorder to record the relevant radio programs and enable those with no access to a radio to listen to the programs. The supervisor would also read out the print material accompanying the program to reinforce the information. For television programs the Information Centre would need access to television.

II.4 Community level support structures for information and action

The information focal points will be more effective if they are linked up to active community level organizations to provide backup support and follow up dissemination and action. For example, the CBOs or the VOs could provide a backup support to the Information Centre by providing it a meeting place, the necessary equipment and monitoring the regularity of the meetings. The information dissemination could be

facilitated at the village or urban community level by the community level support organization, which could also facilitate any action emanating from the knowledge provided by the Centre. For example, if a group of people wanted to access a government or non-government organization after learning about it, the CDO/VO could make that access possible.

II.5 Linkup of information focal points with institutions for non-formal education and expertise

The information focal points could also be linked up with institutions for non formal education and training to enable people's access to education, training and qualifications for improving their educational status and increasing the opportunities for employment. For example the Information Centres could link up with the institutional framework of the Allama Iqbal Open University and provide access to television and some of the materials to the local community. Refresher training courses for community health workers, teachers, agriculture extension workers could be provided through the AIOU with linkages between the AIO network and the local CBO/VO.

The strategy particularly recognizes that the women are making a major contribution to the national economy in their multiple roles as producers and providers of goods and services within their homes and in economic activities outside their homes. It is further recognized that compared to the males of their households most women and girls are handicapped from participating effectively in development processes because of their work burden in their homes, the consequent limitations on their mobility which is reinforced with societal attitudes, and their lack of access to or ownership of resources and technology. Hence Information Centres will be of particular use to women and will facilitate their participation in development.

III. PROGRAM IDEAS FOR MEDIA INTERVENTION FOR POVERTY ALLEVIATION

III.1 Health

1. Radio and T.V. programs for repackaging health information in plays, quiz programs are:

- (a) Weekly radio and T.V. programs in health in the regional languages.
- (b) Posters on the health information to accompany the program for the Listening Centres and BHUs
- (c) Supervised Listening Centres set up for women in the villages with the health and population workers as coordinators.
- (d) Community organizations at the village level to be linked up with the Listening Centres and the health outlets in the public and private sectors.

Answering service over the radio and through linkages with NGOs working in the sector in each province.

2. Regular three-month training courses for community health workers through the Allama Iqbal Open University.
3. Refresher courses for health personnel through the Allama Iqbal Open University.
4. Information hours over the electronic media for answering queries by hakeems and doctors.
5. Information focal points set up in the Basic Health Units under the management of village organizations or effective community based organizations, to receive the health information and disseminate it.
6. Major newspapers to run a weekly page to address people's information needs.
7. Video and audio cassettes of the programs available for use in the information focal points or the community centres.

III.2 Agriculture

- i) Radio Programs in major regional languages on agriculture extension and technologies.
 - (a) Weekly radio programs in the format of drama serials, with repackaged agriculture information.
 - (b) Posters on the agriculture information to accompany the program for the Listening Centre and other outlets.
 - (c) Supervised Listening Centres set up in the villages especially for women.
 - (d) Community organizations at the village level to be linked up with the Listening Centres and the agriculture extension and technology transfer services.
 - (e) Answering service over the radio and through linkages with NGOs working in the sector in each province.
- ii) Information programs over the electronic media for information exchange opportunities for listeners/viewers to share experiences and have their queries answered by experts.
- iii) Training courses for agriculture extension workers, especially females, through the Allama Iqbal Open University.
- iv) Packages for specific technologies over the electronic media or through Allama Iqbal Open University.
- v) Video and audio cassettes of the programs available for use in the information focal points or the community centres.

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ANNEXURES

Annexure 1

July 20, 1997

Mr. Sartaj Aziz,
Federal Finance Minister,
Government of Pakistan,
Islamabad.

My dear Sartaj Aziz Sahib,

I am pleased to submit the final report of the Task Force on Poverty Eradication, which apart from corrections of minor typing errors and light editing is the same as the Draft Report submitted earlier on May 30, 1997.

It is gratifying to note that soon after the submission of the Draft Report all Five of its major proposals were adopted by the government and announced in your Budget Speech of June 13, 1997.

Now that the Government has established its ownership of the Report, the task of implementing it is at hand. I stand committed to giving my time and best energy to humbly contribute to the great national endeavour of overcoming poverty in Pakistan. May God help and guide us in the pursuit of this noble objective.

With best wishes and regards,

Yours sincerely,

Dr. Akmal Hussain

**EXTRACTS FROM THE BUDGET SPEECH
OF THE FEDERAL FINANCE MINISTER, MR. SARTAJ AZIZ,
JUNE 13, 1997**

"51. Our first and the most important initiative will be to evolve a mechanism to assist the rural population to organize itself into effective and well managed village organizations to resolve their own problems through cooperation. They can secure, through their respective village organizations the required agricultural inputs. They can also collectively own one or more tractors and hire these out to members. They can provide veterinary services for their livestock and they can assist members in marketing their produce. Once they are organized for these activities, they can also play a more active role in the provision of social services, like education and health facilities, and municipal services in their villages and towns. They can also initiate training and savings schemes for their members.

52. It has been decided to gradually establish District Support Organizations in all the districts as non-profit private limited companies, to promote and support these village organizations. Such organizations are already working at the national and provincial levels and these will be made more effective. New organizations will be encouraged. The Poverty Alleviation Fund will assist in the establishment of these organizations.

53. The third major component of the Poverty Alleviation Programme will be a programme for micro-credit for the poor, both in urban and rural areas. This will primarily be through village and other community organizations. Each community will promote collective savings on the basis of which credit will be extended. Priority will be given to the livestock sector by providing micro credit to landless people from rural areas to help improve their incomes and to increase production. This programme will be handled by a separate wing of the Poverty Alleviation Fund and could eventually become a separate credit institution on the lines of the Grameen Bank of Bangladesh.

54. The fourth element is an envisaged training programme to be initiated at the level of District Support Organizations and Village Organizations in agricultural and industrial

skills. These skilled workers could go on to find employment in their respective sectors or set up their own enterprises by obtaining micro-credit.

55. The fifth element of the Poverty Alleviation will be a Food Security Programme for the very poor families or families without a breadwinner. The programme will include a Food Coupon Scheme in selected cities to enable the families to buy flour, cooking oil and pulses from Utility Stores and other designated shops. Another part of the Programme will be the provision of milk and bread for school going children in rural areas to supplement their nutrition. This scheme will be launched under the Baitul Maal shortly."

BUDGET SPEECH OF THE FEDERAL FINANCE MINISTER
JUNE 13,1997

Annexure 3
**MINISTER FOR FINANCE
ECONOMIC AFFAIRS, STATISTICS
PLANNING & DEVELOPMENT DIVISION
GOVERNMENT OF PAKISTAN**

MINISTER

D. O. No. 25-FM/97 Islamabad, 25.03.1997

My dear Akmal,

As you might be aware, the Manifesto of the Pakistan Muslim League (copy enclosed) lays particular stress on poverty alleviation. The main components of this multi dimensional task can be found in the following sections:

- the agricultural and rural development policies lay special emphasis on small farmers (page 17-18 of manifesto);
- the social action programme and specific programmes in Health and Education can play a major role in providing essential social services to poor income groups (page 19-20 of manifesto);
- the employment programme provides for the training of 100,000 youth for the private sector; and
- the Poverty Alleviation & Social Security programme provides a safety net for destitute and the helpless of our nation (page 25 of manifesto).

2. These are basically broad provisions and have to be translated into a coherent strategy, with a clear conceptual framework, concrete programmes and strong institutional support.

3. In view of your strong interest and wide ranging experience in this area, I would like to request you to chair a Task Force on Poverty Alleviation to formulate such a strategy and recommend concrete programmes and measures for these vital objectives.

4. The proposed composition and Term of Reference for the task force are enclosed for your comments. I would like the task force to start its work as early as possible so that its recommendations are available before the next budget.

With regards,

Yours Sincerely,

(SARTAJ AZIZ)

Dr. Akmal Hussain,
40-Ahmad Block,
Garden Town,
Lahore.

TASK FORCE ON POVERTY ERADICATION
TERMS OF REFERENCE

1. **Identify** the incidence of poverty as it affects different segments of the society and group them in different categories and propose interventions and programmes, through which they can be reached.

There are a large number of poor people who can be brought relatively easily into the main stream of development by re-orientating the economic activities or support services. Within this category there are poor people who can contribute directly to growth through their own participatory organizations. At the bottom there are destitute or vulnerable groups like widows, orphans and very old people who would have to be carried by welfare and other social safety nets until their community or relations can look after them.

2. **Draw** positive lessons from successful and sustainable experiences in Pakistan where the worst forms of poverty has been eradicated or reduced through mobilization and organizations of the poor to create economic growth and promote human development.
3. **Make** recommendations on new capacities that have to be built to strengthen, multiply and sustain success cases on the ground.
4. **Propose** coherent macro framework for dealing with inter related items or common elements in different poverty alleviation programmes in different sub sectors or geographical areas, such as credit and training.

SUGGESTED NAMES:

1. ARIF HASSAN - ORANGI PILOT PROJECT, KARACHI.
2. TARIQ BANURI - ISLAMABAD
3. A.R. KEMAL
4. Ms. QURUTUL AIN BAKHTIARI (BALOCHISTAN)
5. Ms. SADIQA SALAHUDDIN, NGO RESOURCE CENTRE
6. Ms. NIGAR AHMED - LAHORE
7. SHOAB SULTAN KHAN OR REPRESENTATIVE OF AKRSP
8. SAFDAR KAZMI, ISLAMABAD