9th April, 2012 Dr. G.M. Arif “Public Intervention for Poverty Alleviation”

Key messages:

Poverty Trends:

- Dr. G.M. Arif started off the lecture by discussing the poverty trends existing in Pakistan. His emphasis was on the consumption based poverty and its continuous decline. He however, pointed out that in spite of a continuous decline (in consumption poverty) more than half of the population was vulnerable to other forms of poverty. (Any shock can move them back into poverty- based on what is defined as the poverty line)
- Similarly, he discussed the socio-economic / multi dimension poverty trends, which have declined as well but are still very high relative to e.g. Bangladesh, India and China.
- He quoted provincial and regional statistics which showed that poverty was lower in Central and North Punjab relative to rural Sind and south Punjab.

Correlates of Poverty: (Structural Forces)

- Dr. Arif shed light upon the four major factors contributing towards alleviation or worsening of poverty. According to him human capital, population pressures (dependency ratio), assets of the Household and region contributed towards the poverty trends in Pakistan.
- He highlighted how investment in education and health can improve the quality of the human resource. Similarly, he discussed the mechanism of how an increase in dependency ratio increases the chances of being poor.
- Quoting the facts and figures regarding the child poverty, child malnutrition and land ownership in Pakistan, Dr. Arif drew some important messages. He discussed how lack of education and health were contributing towards child poverty and malnutrition. He dismissed the myth that such a trend exist because of poverty.
- Further, he said that the land ownership (farms) and its distribution is such in Pakistan that it is increasing inequality. But, it is not just agriculture sector (land) but the lack of non-agriculture sector especially in rural areas that is contributing towards for instance rural poverty.
- Urbanization and urban hierarchical structure was discussed at length and with the help of the data it was shown how city activities could generate employment and hence reduce poverty.

Poverty Reduction Programs and their Effectiveness:

- Making growth as a base Dr. Arif argued how growth in Pakistan lacks inclusivity and welfare agendas (growth has never been pro-poor, i.e., benefits of the growth has failed to reach the bottom or the poor section of the society).
- Hence various programs in the form of Income transfer (BISP, Zakat, and Social Action Program) and Infrastructure programs (Lady Health workers) had been designed to help the poor section of the society. Although programs like Social Action Program failed
badly, programs like lady health workers have contributed towards some betterment of the society.

- Where income transfer programs have helped reduce the consumption poverty, a considerable effort still needs to be channeled to reduce multi-dimension poverty and also to make growth sustainable.

**Barriers to Development and Recommendations:**

- Neglected Non agriculture sector, poor provision of services like education and health were some factors acting as impediment in the growth and development of the economy.
- Assets creation, Growth inclusiveness, integration of markets development of non-agriculture sector/ urbanization were some of the many policy recommendation, by Dr. Arif, to help fight poverty in Pakistan.