Poverty Alleviation through Communication,
Poverty Gap Index and Poverty Triggers
With special reference to a Welfare State

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Abstract

This study investigates the question of poverty alleviation through communication, poverty gap index and poverty triggers with special reference to a welfare state. It carries reasons, impact and poverty alleviation programmes by different international leading organisations namely the World Bank, ADB, IMF and different international funding and charity organisations and countries having annual grants and allocations for different programmes aimed at poverty reduction. In Pakistan the government strategy papers and poverty alleviation, poverty alleviation fund of Pakistan, provincial governments efforts and plans for reduction in poverty are the issues referred to in the study. The empirical view has always been there causing poverty incidents to be examined in the background of income support and poverty while the question of poverty has to be seen keeping in view the gross national income/gross domestic product, management by the government, increase in per capita income and the use of purchasing power poverty and not the simple head count ration in examining the question of poverty.

There are contradictory reports on poverty estimates. It vary from 25 per cent to over 50 per cent in Pakistan while the World Bank estimates say that the world population has the highest number of poor people living in South Asia alone besides many other regions in Africa and Caribbean, South Asia and South East Asia, West Asia and in South America where absolute to moderate poverty prevails.

The welfare measurement has also been referred to in this study to measure this element generally used as poverty gap index for this measurement. Absolute to relative poverty lines, gini index of income inequality, underlying definitions and concept, all relevant concepts and triggers are discussed in this thesis in order to have the understanding about the macro-economic reasons, indicators and poor governance related to poverty incidence. Any higher growth projection and higher wastes being
contradictory to each other have been never helpful to address the burning issue of any developing country. Pakistan is a classical case for poverty study where there is not only mismanagement by provincial governments, poor governance and corruption has been even known internationally when the Global Corruption Report was released by world-known organisation the Transparency International Germany.

There have been no tangible efforts to use non-economic triggers to control poverty spread. Communication is one of such triggers that are used in the study helps manage the attitude and behaviour and properly educate the people through media usage on economic and social development, investment and habits of savings and thriftiness.

Of late the introduction of Millennium Development Goals on poverty, health, education and population, governance etc are evident from the fact that the UNDP and its members are serious to address the basic issue of the current century. This has so far not been able to achieve and the minimum 50% reduction has been revised with another 15 years or so for all the member countries. Only China has been able to address the minimum target of 50 per cent even much earlier than the prescribed time frame.
Summary

Poverty is beatable. Poverty remained for years and would continue to exist unless there is an international agenda of equality and ‘just social order’ in the world. Poverty is a perplexing and humiliating issue. This has not been in the past and is not likely to be introduced by the leading powers. The vested interest prevail whether it is the question of international rates of interests or the technological developments and royalty earned thereon. This objective can be achieved by a country, community or the world as a whole however it needs concerted efforts, transparent approach, good governance and adequate infrastructure like, health, education, available well nourished diet and water. The World Bank and other international organizations and lending institutions are doing their best for this poverty alleviation programme. UNDP has put up different Millennium Development Goals and the member countries have signed the MGD treaty.

This study investigates the question of poverty alleviation through communication, poverty gap index and triggers in a welfare state through the programs available and new plan that could be initiated in case of Pakistan. The literature review and research methodology has also taken care of economic literature and Journal of Economic Literature as the subject poverty carries vast link and deep rooted relations with economic development, micro-economic philosophy. It incorporated mass media communication that has a wider spectrum here. There has not been a good measurable emphasis in electronic or print media however there has been coverage of incidents related to poverty or some programs introduced by the government. This occasional coverage of poverty or allied matters like the socio-economic measures at the time of fiscal annual budgets are though put on media, yet there has not been no regular feature what could be referred to as an illustration. Poverty and Media, poor coverage, means in mass communication etc have received due attention in this thesis of research on poverty.

With a general perception about the abject poverty the beatable phenomenon has been termed in to an unmanageable affair. Though there are means available that could be deployed for the good of any community so that the media men could use their potential for the welfare of people. Although the United Nations has done a great job in poverty reduction, the observation of World Press Day has been one of such
events where the media analyses the menace of social problems, poverty, and the media as a force to reckon with. The channelizing this facility towards community first of all facilitates the flow of information that tend to change and modify behaviours. Like one could see that the consumption directly related to no saving scenario and leading to more problems including higher rate of poverty, the usage of information to educate people about savings provides a great impetus to the people. His is only possible through independent media, electronic and print both. It also helps strengthening human rights, again a phenomenon very close to vibrant societies. One could say in simple words that a healthy and vibrant media is a backbone of a society that not only plays a role of watchdog it at times leads the society and teaches good traits.

The chapters of the thesis included the communication and its role in poverty alleviation; question related to poverty and alleviation tools and triggers. The issue has been dilated upon in detail where the poverty has been defined on a universally acceptable scale, measurement of poverty has been discussed and provides acceptable formulas and the role of the World Bank in universal issue of poverty. A world free of poverty has been the slogan by the World Bank and as such the same was carried by the IMF and the Asian Development Bank. Similarly Pakistan and other poor countries launched their programmes known as Poverty Reduction Strategy Papers. As there are development schemes, plans and micro-finance facility available to the people, the fairness of scheme and good governance directly related to the desired results. In a transparent manner if the tools are applied without fear and favour then one could say that the perception about corruption is very high in a given society, and if the case is opposite to the transparent approach, the phenomenon of poor governance has its roots like higher level of corruption thus obstruction the genuine approach in launching of that scheme. Like in case of Pakistan the yellow cab scheme, business youth loans and income support programme carry many scandals of corruption. This too was unearthed by an independent media. This constructive role has been there for years but it has been more vibrant for over the ten years in Pakistan where the electronic media played a leading role similarly to that of print media.

Access to information act means free available information to the people from media that would ultimately help and provide a critical analysis on different plans and schemes. The fudging of economic statistics and figures has not only be an accusation against Pakistan, it has been found true when IMF and the World Bank were not happy over the approach of Pakistan when it provided allegedly “fudged” figures. At that stage of time, say around 15 years back it emerged as a breach of confidence between the two sides. The lending organizations want a proper fair approach in data collection and flow of information. Here is the major role available for an independent media. The
economic development means a free media and the fair use of information. The political interference in socio-economic uplift programmes affect the flow of funds, desired results of the plan and thus promoting corruption. This lack of transparency leads to misappropriation of funds allocated for the poor. The question of credible figures also carried a controversy between the Indian government of Atal Bahari Vajpai and a controversy emerged with World Bank and IMF.

The study discusses the subject of communication and its impact on development programmes and poverty, governance, corruption and poverty linkages as the theoretical tools related to this study. It has elaborated the governance indicators, measurement of governance and the role of government organizations through law making, international organization like Transparency International and other organizations of Human Rights. This all have the links with socio-economic development and poverty reduction. The poverty reduction strategy by all the countries in general and Pakistan, in particular, has provided detail and discussed the governance as an important lens in achieving desired results. For a better controlled and managed governance the independent media and media-men in poverty reduction can not be just ignored.

The poverty reduction programmes have had different welfare schemes and plans where the Church and Bible have their strong say in socio-economic welfare while in case of Islamic concept of welfare there are divine teachings available through the Holy Quran and Sunnah. The study incorporated available tools and triggers for the welfare of common man with a due and undeniable fact that is the inter-dependent role of communication in alleviation of poverty. It included the critical presence and discussion in study on Money in Islam, concentration of wealth and its distribution, Zakat, Ushr, charity etc that has been greatly emphasized in holy book as well as in the teachings of Holy Prophet (PBUH). The prohibition of modes like one interest-bearing system of financial matters are also discussed in economic and monetary circulation and the Divine principles and triggers in reduction of poverty, ensuring regular food and water besides education and health facilities which every citizen is entitled.
Chapter 1
Introduction

There has been tremendous economic development over past half a century when the Europe, Japan, USA and few other countries in Asia, Europe and the North America turned in to be super powers in economic sphere. Changes continued happening in the development vista while the USA dominated its best proposition and place as the super power in terms of defence and the economy. The global economy is now directly or indirectly controlled by the USA including that of international organisations like the World Bank, International Monetary Fund etc. With a majority of resources lying in the hands of leading few countries while majority of population say around 50 per cent of entire population is under poverty clutches. According to the World Development Report of the United Nations the control over the global wealth is at the hands of the USA and its allies while majority of Asian and African countries are suffering from less than 2 dollar a day. This calculation itself reflects that how the World Bank works for “world free of poverty” where economists, continue working for research and suggesting remedial measures, however the inequitable distribution of resources and income are the fundamental issues. majority over 95 per cent of the world poor population is living in developing countries, not the advanced and developed one. A total of richest around twenty percent of the global population accounts for over 76 percent with private consumption and the poorest population just consuming even less than two per cent. Similarly the poorest 12% of the world population accounted for just 0.5% of the total private consumption as against the wealthiest 11% people who could consume around 59% of the aggregate. According to the a Report the fast emergent economies of Asia will be having more than 600 million rural population who live in extreme poverty, besides those living in poverty to critical poverty level.

1.1 Background of the Study

One could see that this topic of poverty alleviation as it stands unique, novel and mostly unparallel in the context of Pakistan. There are many poor countries who are suffering hard on socio-economic front and poverty. Poverty alleviation has always been a subject in files having been very “dear” to the government functionaries and political governments, however they could not come out with a welfare plan addressing the
abject poverty which moved continuously to north than tending to south. The poverty curve never saw a down-turn rather it remained always high. It is a distinct position for South Asian and Caribbean countries on the globe. Poverty concentrates in South Asia where India, Pakistan, Bangladesh in particular, heavily populated countries with around 1700 million people approximately however they are the victims of poverty and poor economic life. This may be due to many problems in terms of resource availability however one could see that in order to be the regional bully, India preferred to spend more resources on military equipment than on poor people. Pakistan too forced to follow the suit as since the independence in 1947, almost 65 years have passed the two have been “enemy” to each other. Issues remained chronically in place and all efforts to resolve the same resulted new conflicts like occupation of water resources and construction of dams and power generation units. The breach of confidence is to its worst and the successive leaderships could not rescue their teeming million who continue suffering extreme to critical poverty. With this background of having the South Asian countries, Pakistan included in the Region, the poverty alleviation through communication, triggers and welfare was the backgrounder for carrying out this study. The educational background helped me in analysing the subject as it had been my specialisation for about thirty years in the field of economic and financial research and report writing and journalism. Besides my educational studies with department of mass communication and sojourn with IBA, Karachi University, some thirty years ago, the subject of economics had been of immense interest and excitement to me. This was the basic temptation and interest that motivated me to write a thesis on the subject of Poverty Alleviation through Communication, Poverty Gap Index and Poverty Triggers with special reference to a Welfare State. Though mass communication and role of media has been the first point to discuss on poverty alleviation here, however the aspects related to socio-economic affairs which are directly related to economics are immensely helpful in this study. This required a background on the relevant socio-economic sectors. It carried out investigations on economic policies, good governance, macro economic policies, socio-economic indicators, social sector, global research in many countries, the role and importance of mass media, electronic and print-media affecting human behaviour, and habits thus paved the way for writing this thesis.

1.2. Importance of Study

The question of poverty has been there for thousand of years. Different economic systems attempted to address this issue but it remained whether one examines it through the History of Economic Thought: Classical including Adam Smith or
Pre-classical Ancient, Medieval, mercantilist or Physiocratic (JEL B 110; B120 or B240). A poverty reduction strategy paper (PRSP) in Pakistan was first initiated in 1999 on the move by IMF and the World Bank, Economic Survey of Pakistan (Ministry of Finance, 1999-2000), Ministry of Economic Affairs, Islamabad wherein Pakistan government took pain of introducing a strategy policy for a poverty reduction. Though such a strategy paper was also initiated by all the member countries, yet there has to be much done in a meaningful way that could curtail this socio-economic ill. In a welfare state or a system which is close to the Islamic injunctions could be termed as a near-welfare state where all the people are being taken care for their food and security, education and health and with their equal fundamental rights ensured in their respective constitution could be considered a good model to study. Unfortunately there is no state that could be perfectly called a welfare one in the Islamic block of Organisation of Islamic Conference\(^1\).

However there are certain Western countries which ensure that poverty be controlled in the best larger interest of their society. This study does carry the research and assertions from the Holy Quran and sayings of Holy Prophet on a just, fair and equitable socio-economic system with a philosophy of welfare for all. There has been a debate on the question of measure of poverty and measure of welfare. The poverty line of late is being considered to be more-correct based on purchasing poverty parity while the poverty gap-index is considered to be a tool for measure of welfare. The Chapter 2 on the variables and measure of poverty incorporates Poverty calculation that has been mostly affected by the technique provided by World Bank under (Bank E. o.) POVNET\(^2\)/POVCAL is generally used by all the member countries and the World Bank itself. Economists have discussed, “Should Poverty Measures be anchored to the national accounts?”

1.3 Objective of the Study

This study highlights the significance of poverty alleviation through different modes including that of Mass Media/communication and various behavioural tools ensuring a better and contended society. Taking the question of those who have the

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1 A joint platform of all Muslim countries known as Organisation of Islamic Conference to discuss inter-community matters or agenda-based issues confronting the brotherhood as established in Rabat n 1969.

2 Chen, S., G.Datt, M.Ravallion, POVCAL: A programme for calculating poverty measures from grouped data, poverty and Human Resources Division, Policy research Department, World Bank.
poorest of account in terms of earning and consumption, living standard indicator is very poor and is known in absolute term. A massive programme introduced by the World Bank, Asian Development Bank and the UNDP along with other international welfare funds by various developed countries are aimed at addressing the poverty issue. The Millennium Development Goals UNDP chartered by the UN attached significance to poverty called the “world free of poverty” as the slogan by the most prestigious global banking organisation, the World Bank. It may vary from group to other group or country to another one as the cost of a given level in terms of welfare. Absolute lines are common in poor countries as all suffering almost at the same pattern of consumption and income with identical food and non-food needs. The analysis and discussion have catered to different period, yet the current decade of new millennium has been the focal period under reference. The global economy had been under the study for the years to me, yet the specially assigned title gave me the source of encouragement, and has never been a bothersome work in carrying out and finalising the thesis.

1.4 Organisation of Study

The study examines in main nine different chapters including the introduction to methodology and literature review. The Chapter III being directly relevant to the title, deals with the communication and poverty alleviation question. It discusses the media and different windows of media in relation to the its role in projecting the issues related to poverty, reflection of poverty in Pakistani press and electronic media and how it could help alleviate poverty. The Chapter VI is the poverty gap index, triggers and tools for poverty reduction besides Pakistan’s scenario on economic development and the estimates and measures, introduced to tackle poverty problems. The Chapter V deals with social sector like population, education, health and water problems in a society that affect the level of poverty and the government and non-governmental efforts to alleviate these problems confronted with poor masses. The poverty due to wastes of national resources because of corruption and bad governance has been placed and discussed in Chapter VI of the study while the next subject has been with the background of welfare state and tools used by the government through its different welfare programmes, Divine triggers and methods provided in the teaching of *Quran and Sunnah* and Church and thus leading to conclusion through the summary of the whole discussion providing remedial measures for those who are confronting poverty and how the government policy should be crafted that help ease-out the low income
communities in Pakistan or elsewhere passing through the miseries of life. The discussion and findings of the summary have been placed in Chapter VIII.
Chapter 2
Literature Review and Methodology

This segment of chapter discusses the literature sources used to examine the study under reference. There is exactly no model for poverty reduction, however different socio-economic policy approaches are used for addressing poverty alleviation from one organisation to other and one country to that who have either no broad issue of poverty or one like South Asian region who carry the largest chunk of global population in terms of poor, very poor and extremely poor. Critical poverty too has its roots while those vulnerable groups living on the edge are also taken care of in different studies. The literature review for this study has been organised in the following way: Firstly previous studies on poverty issue have been examined where the role of World Institutions can not be ignored as the UNDP and the World Bank lead the scenario.

Asian Development Bank and IMF deal with the poverty assistance programme and loans on soft terms besides some European and US organisations too provide special assistance at educational, health and environmental level as all these issues have direct links with poverty or prosperity indicators. In case of Islamic Development Bank though small contribution has been seen for poverty ridden OIC members, yet Western organisations lead the position and pouring funds in to heavily indebted and low income economies. Studies with specific scientific elaboration The

World Bank economists have examined first the measurement of poverty and the measurement of welfare. The concept of poverty gap index is directly referred to the question of measurement of welfare. The poverty gap index looks the problem of intensity of poverty. Higher is the index intensity will be stated to be higher. The leading economists with specific contribution included:

Joseph R.Dominick (2009) has dilated upon the Dynamics of Mass Communication and in today’s world the role of media in economic progress and well being of people, distribution of wealth, income inequalities and poverty -8- issues related through the role of medium of communication and different means and modes who can be very effective in poverty alleviation. It also evaluates the electronic and print media, magazines and internet usage in modern day world and its effective effect on society, traits and behaviour, all tend to create impact on society for any socio-economic programme and its success.


Man Chand on Economic Development: Myth and Reality in the background of illusion of development, developmental efforts and general deprivation and realities of become developed country and corruption as side effect of development (Jaipur).

(Luc-Joel, 2005), Chief Economist of United Nations Development Programme discusses, “Why Development Needs Good Journalism” at World Press Freedom Day 2005 ((2005)). It elaborates how as how the free and independent media are key to development process ((2004)).

Povcal has been developed by the economists of the World Bank, (Ravallion), Povcal developed by the World Bank, discusses the issue of poverty gap index, poverty indicators and the measurement through the purchasing power parity (see explanations through PPP in Chapter 4).

The World Bank Report 2004, Policy Research Department, WB Washington DC. This refers to the question of poverty and standard of living in low income countries and those passing through transition form poor countries to developing or those moving further upward to developed countries. There could be another class of -9- Group8 to Group20 where the base has been enhanced from mere 8 leading strong economies of the world to 20 strong and emerging jointly.

There is though mention of Group of Seventy Seven, yet this G-77 is mostly consisting of poor and very poor countries with substantial number of poor from across the globe. The World Development Report, (1996)

A World Bank’s prestigious publication and its pioneer work by Dr. Mahboob Ul Haq, a former finance and economic minister of government of Pakistan and his Human Development Index are the matter of subject examined in the study while taking up the matter of macro economic indicators in Pakistan and role of human resources, scourge of population and poverty in the society viz the global impact through the country reports and its effect on poor countries including Pakistan.
According to Dr. Mahboob’s work, “Reflection on Human Development discussed and opened new avenues to policy proposals for human development such as the 20:20 global impact ((1990).) A micro-economist who conceived and developed Human Development Index.

Simi and other ((2007)) discuss Gender and Water Alliances in the background of Rural Women and Food Security Organisation (FAO), Rome. Daniel Kaufman is co-author of the report and Director of Governance at the World Bank Institute. The subject related to corporate and political governance, corruption and transparency has been the major say by the international lending organisations including the World Bank emphasising on transparency in use of borrowed money through the improvement of accounting standards, audit and public procurement laws.

Economic Survey of Pakistan (MoF), (2001-2012) a document of the Ministry of Economic Affairs, Islamabad, Government of Pakistan has been the major source of reference in terms of data, statistics and narration for socio-economic aspects of poverty and economic matters carrying information from different annual surveys from the period of 2001 to 2012.

Saba Khatak, Gender Aware Policy Appraisal, poverty reduction strategy and Economic Survey of Pakistan 2005, Islamabad

Dr. Zafar Altaf, Poverty: Political Solutions to Pakistan’s Economic Problems (Altaf), Ushba publishing Karachi 2004. Dr Altaf discusses the poverty in the background of social problems and political issues in Pakistan where though civilian and military rules witnessed different socio-economic welfare policies however poverty remained well placed rather moving upward.

(Hussain & Fuard) discuss Sri Lanka and Pakistan’s water issue and examine the Indus Water Management in Sri Lanka conference on Water issues in South Asia, Colombo. Also assess irrigation water availability and impacts of irrigation infrastructure development on poverty alleviation. The Global Corruption report (International), 2004 published and released by Transparency International Bonn (Germany), an international organisation watching the corruption level, corruption perception index. Since it has been established that corruption has direct linkage with poverty research says that for poverty alleviation corruption has to be managed to stop revenue leakage. It carried information on the most corrupt rulers in the world including Pakistan, Nigeria, Philippine and incorporated details on the corruption and poverty linkages as well as poor governance leading to poverty enhancement in low income countries. 


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Chapter 3
Communication, Means and Impact

Communication is at the centre of every thing as it results in socioeconomic policies and public welfare, the role of mass communication, information – as a stimulant for public action, is considered to be an important tool. It is also important as a catalyst for change, as an input to make reforms work and lead in a society in terms of serving—is always fundamental. The faster style communication can be assessed from the fact that the greets and sentimental messages text through the cellular phones or emails, tweets etc are even faster and effective replacing the old customs of sending printed sentiment cards in recent past. It leads to frustration and also isolation having inadequate or insufficient “say” in media. In modern world of communication and media is the nurturing of seeds in development of society and socio-economic prosperity and lack of information is nothing but confining in the poverty and limited resources leading to backwardness and ignorance. Introduction: The international corporations and a large number of organisations have made intercultural business communication a current area of important concern. Communication is uniquely suited to study the global workplace. A communication focus concentrates on the dynamic unfolding relations among people and the organisations they work in. In other words communication is the substance of information used for intercultural, interpersonal and development purposes as integration of strategic information. In the book Communication and the Human Conditions develops a communication perspective that can help situate intercultural communication and understand the role of communication. The notion of how communication works focuses on three terms: coordination, coherence, and mystery. __________________________ [JEL Classification codes and descriptors and Econlit: H3 on fiscal policies and behaviour of economic agents; IOO, I1 on studies about health, education and welfare, the same topics as in H51, H52 and H75. A310, Collective writings of individuals and Handbooks. D230 on organisational behaviour and D180 related consumer protection]
Poverty has been for years in a society like ours. In all the four provinces in Pakistan and in the northern area of Gilgit and Baltistan, poverty incidence has been a source of worry for political leadership. It has been a constant problem for and economic experts. Though a reference has been made by many economists writing on poverty, their contribution and highlighting the issue of poverty through different aspects has been quite useful for researchers. In a low income group area in the southern Punjab and usually in interior of provinces, publishing in the newspapers or broadcasting through television is not necessarily reaching message to everyone. Thus it is always a mix of different communication means to reach to people and helping out sorting the socio-economic problems and thus trying to reduce poverty. Similarly in Pakistan due to power crisis and shortage of electricity in urban or rural areas both the electronic media too failed to reach to masses, yet the only communication means are a combination of different mass media windows that are playing an effective role in communicating information. There have been discussions as what communication has had played its role in fight against poverty and its contribution for growth and development. How poverty could be fought by using media channels available in a given society. How economic and social development could be attained by deploying media in government and private sector’s efforts.

How media influence public opinion and help alleviate poverty and also teach people in creating awareness for their just rights. In Pakistan when people know that the grants or government funding are not properly used, media has vital role to project the just demand of the people to whom the aid was meant and thus the behaviors are mended and desired results are achieved to a certain extent. This could be cited as one example out of so many other illustrations one could examine in daily life. Media has been defined as mean of transmission of messages through the print or electronic equipment, from one place to other or one individual to other or many, either verbally or through the use of machines.

Similarly communication is the strategic and integrated transmission of information through all or one of the established modes of communication and media windows. It could also be seen that the message does not necessarily care for the impact or consequences however one has to assume responsibility in discharging one’s obligation if the channels of communication are used in a particular society or for a particular purpose, but for all practical purposes the messages are impact oriented and have implications. It is highly pertinent to note here that the media has been, of late, a very strong and effective tool used as international propagation in wars, especially by
the United States and her Allies that one could examine through the Gulf War and lately
the Afghanistan War2 that led to global financial and economic crisis. There are tools to
address the chronic issue of poverty, which germinates the ills of hunger, corruption,
lack of proper governance, injustice and inequality in income patterns, and
unprecedented hike in the consumption pattern. All such problems have 1 How people
use the mass media (macro to micro analysis) by author (Dominick, 2010) “Media in the
Digital Age” pp 37, Published in New Delhi/New York. 2 The Global Order introduced by
US and her Allies in the name of War on Terror following the air attack on WTO Twin
Towers in New York on September 11, 2001 commonly known as Nine Eleven. always
been in a poor society however the role of mass communication and media has been a
successful tool to project, drawing the attention of political leadership, government
representatives to act upon and provide basic amenities that the people of that
particular area deserve. In any society, be it developed or developing one, the needs
however vary from one to another section of society.

A very vital role is there in any society by media where the continuous over-see
role is highly laudable in a society like Pakistan. The governments are found oblivious in
assigning a them a role for poverty alleviation and launching policy that are related to
welfare schemes. There are cases that even for the poverty alleviation programmes a
fleet of vehicles is purchased, offices are refurnished thus millions are spent before
embarking upon poverty reduction schemes. Such an important socio-economic sector
it is a neglected case in poor and heavily indebted countries. Pakistan is no exception to
it. The government gets bad name through its coverage. The reach of electronic media
for that matter is faster and draws attention of donor agencies besides the written
words in papers and magazines carry longer effect. Poverty related issues are not
regularly and properly covered in local media.

Analysis show in Pakistan that the leading media organisations have more a
political or crime related matter on priority than the poverty and socio-economic issues,
not targeting poverty as a focus agenda. Coverage of poverty is not specialised subject
in mainstream Pakistani media. The causes of poverty emergence and the consequent
impact of poverty were rarely explored. The news broadcast occasionally mention
poverty, although they often featured those experiencing deprivation. There are at time
certain news published or broadcast as if someone due to economic critical conditions
committed suicide. That too is reported due to involvement of medico-legal police
department. Some documentaries explored the inequalities of poverty and complex
circumstances of those experiencing it, but reached limited audiences. For media,
poverty and other social ills like “inequitable distribution of income” have not been a hard hitting issue for providing enough space, although for many countries the social problems are directly related to poverty. Although few incidents of critical poverty like suicide attempts are given coverage on a “news break” flash that too due to competition in electronic media, however an in-depth study and an hammering-approach is required for media to take up the issues one by one which are seen through the economic development lens.

3.1 Question of ‘Poverty’ in Media

A comparative study in local media reflecting poverty in print in particular shows that there is very little space provided to poverty related or economic policies that are aimed at alleviating poverty. The space provided in a span, according to study, has been even less than half a percent in a 15 days period in three leading national daily newspaper. Thus it is a proven fact that poverty and related problems are not a priority matter for the media while politics receive the maximum coverage in both the media, electronic and print. The rapes of minor girls though severely dealt with in a western country, however in Pakistan this issue is taken under compulsion by media and not being evaluated on the basis of poverty issue. Kidnapping for ransom is related to income that unscrupulous elements wanted to make either through illegal means, has the baring of poverty or income contraction issues.

Research analyses on income refer to in expanding and contracting economies where poverty has been found well entrenched. Poverty issue at time has been referred to as income issue as main cause of social ill however many other researchers and economic scientists turn the issue as food being the principal and fundamental problem in a society suffering from poverty. Anyway both have direct impact on a society in terms of food for fighting poverty and hunger while income has the link of addressing many other issues including food and health, education and shelter. In any low income communities people face the basic problems of meeting out their basic needs, yet the major issue lies in the personal habits, behaviour, attitude and learning proper communication and information, and one being prone to change that plays a predominant role in changing habits and behaviours.

Besides communication through mass media, the education and learning process alone has a direct impact on ones poverty solution to a great extent. The propensity to consume and habits of savings are not generally developed in our society, mainly because of lacking knowledge, ignorance, not known well about having savings,
curtailing non-productive and wasteful consumption. There are many illustrations which could be cited in relation to consumption, alone. 3.1 Media and Poverty In poverty alleviation the role of media could be visualised and assessed in a manner that media tools are used to develop savings through use of FM radios on daily or week-end basis. The sale outlets utilising this medium for contact their potential buyers for approaching a reduced price sale. In case of Pakistan such a tool is not introduced yet for price reduction, however special markets/weekly bazaars and event-based sale points provide information generally in reduced prices for poor or those who believe in thriftiness and price saving. This effective tool is also used for a continuous hammering for trait developments. The consumerism does not alone develop due to a copying the behaviour or a new design, but it helps tempt following the high-income groups through the use of daily items, fashion products and edibles.

The outlets like fast foods have had a socio-economic impact on our society, economy and thus savings and investment habits. At times one could tend to discuss that the change in habits due to media projections has forced certain segments of society to follow the new trends, thus at times added poverty level due to enhanced undue consumption pattern adopted by a group of society. “People Land and Water: Participatory Development Communication” stresses that in the sector of natural resource management, the development communication is an effective man that strengthen the process in development and alleviating poverty. A communication should be an agent for change for habits and behaviour as well in addressing the development challenges of poverty, food security and hunger. The poor having not a major voice in the media or in the power structure in Pakistan face mounted problems every day. They have to suffer on account of education, transport, health and having no influence or at least some say in the society, thus suffering at the hands of those who enjoy more power and are holding influence.

The land reforms which were propagated in the 60s and 70s proved to be a futile exercise, as the people still believe that feudal strength needs to be addressed properly and reforms should be introduced where huge land holdings are source of their strength thus creating disparity and inequality in urban and rural and inter-rural communities. With all stakeholders discussing poverty related issues and economic development plan, the case reports that: Need for serving the cause of poverty reduction? Economic and financial journalists must get a proper understanding and education of adequate measures for economic growth and development if they are to inform the public correctly. Communication is at centre of all schemes. Information is power and that
leads the society. Pakistani media organisations have certain specialised editions, desks in print and electronic media while few specialised industrial and commercial magazines are also published, though carrying out news reports and features on a regular basis but there is no better specialised trained staff and journalists reporting and writing on poverty and its allied subjects. The educational background too does seem relevant to the field of economics. Pakistan has a specialised daily newspaper known as “Daily Business Recorder” that too represents the private sector and business activities, and there is no specialised and dedicated edition or weekly page for socio-economic and poverty related issues that allocating a just space for the majority of population suffering from poverty.

The ticklish question of poverty alleviation, socio-economic development, development economics, prices and inflation, working of bourses and investment relationship with savings are, and many other sectors, need specialised education and training. The experience by virtue of working continuously in a specialised department helps develop good contact but not the understanding of highly demanding science of economics. However one very positive signal has been there in media that the financial scams exposing bigwigs have been there either on news channels or in leading newspapers. This too has been a laudable role by media in bringing about facts on corruption and the ruling elite misusing national resources. This study will also discuss the governance and corruption and its impact on poverty problems. This relationship between poverty and corruption linkage has direct impact on poverty ridden class in rural and urban poverty. The subsequent analysis could be highly positive where the judicial activism by the superior judiciary too indirectly helps address the poverty question where its interference in general sales tax, big financial and industrial scams coming to halt. In any society there could be an agenda related with the community’s development requirement and due effects on media, however as discussed at the forum of UNESCO. The organisation supports and joins these efforts for highlighting the issue and provides assistance for buoyant and free media for achieving the target of Millennium Development Goals. A free media protects the right of expression which could be termed as one of the fundamental rights and also help talking poverty issue and can be said to be a “fundamental “social right. Describing the situation in a poor country it is said that, it is realised well that there was a need for reviewing the priority list and the work for the media organisations putting poverty and allied socio-economic issues as the core issues for media projection.
In order to achieve the first target of Millennium Development Goal as set by the United Nations to reduce poverty by at least fifty percent could only be achieved when all stakeholders join hands for targeting the poverty and hunger issue. The conference agreed on, “the communication is fundamental to help people to change society and that too for reduction of poverty and alleviating a majority of population.” Having emphasised the cause the global forum conference with a great number of participating organisations and NGOs, international organisation with the same agenda of communication and poverty impact. In carrying out analysis on socio-economic aspects of a given society, family or a sect of population there has to be a designed pattern which could be analysed before reaching to a conclusion and recommending the prescription. Similarly in the application of information and communication tools, education and basic sense of responsibility, and as a result of that, equilibrium has to be rationalised. However given the limitation in education and knowledge the communication does have direct and long lasting impact while habits, attitude and behaviour also affect largely the issue of poverty and communication triggers.

A few selected questions could be framed as under, while dilating upon the issue: 1. Relevant question. 2. Identifying participating segments. 3. Use of transmission channels 4. Gathering data and information 5. Analysing information and poverty impact 6. Noise or disturbances in message 7. Recommending right measures Communication of message and its impact on poverty reduction or measuring welfare of individual or a society it highly relevant and provides a long term benefit to community. It also provides benefits of a proper campaign in media for better usage of social welfare tools is highly important. It is critical at certain point of time as the correct message having no barriers or obstruction or other strings in communication have to be watched carefully. With poverty now recognized as multi-dimensional efforts for poverty reduction and welfare measurement however of all factors the behaviour and habits have a direct role in poverty reduction, education and training. Having placed the above salient points to discuss, one has to go through the perspectives on mass communication and the role of mass communication in society.

According to the media practitioners in every subject one has to study a paradigm (a model or a pattern being used to analyse a particular issue). In media study and mass communication generally the models are studied prepared by different scholarly scientists in social sciences. The model to be referred in electronic media could be affected due to noise or poor equipment design, yet the communication is always dependable if one examines through the model provided by researchers. Though the
print media and electronic outfits have the question of credibility, however with the passage of time and more level of literacy in our society one could examine that the media has general impact on the people’s opinion and tendency making impact on day-to-day life than mere watching or reading the particular news or a feature. The philosophy behind the entertainment could be more a constructive message, or the enactment in Pakistani news channels has led to comparatively unintentionally criminal projection of life among youths than leaving a positive and tangible effect on habits and social responsibility in society.

The controlling (regulatory) authority in case of Pakistan (PEMRA) one could discuss in detail its performance, has not come up to mark with its responsibilities. The regulatory functions have even failed to fulfill the obligations in the society. The shoot-out Islamabad drama in the month of August, 2013 could be cited a classical example where the capital police failed to emerge to the situation and a man carrying weapons in his two hands demonstrated vandalism and a section of common people on the venue and millions on television screens watching this act of armed persons. No one took the responsibility in media or the government rather the chief of ‘Pemra’ replying before the higher judiciary that he was helpless before the media organisations and could not stop. It is all because of a premature society had a higher exposure of modern TV media asserting for its due position, in otherwise a state is struggling in the war on terror. As one could also see enactment or dramatized stories on TV screens, unlike the print media, the interpretation and narration also goes unwanted on air where the society has the influence from the words and deeds thus having social and economic ills go unchecked.

This is where the educationists, media actors and news anchors, producers and newspaper organisations have a wide positive role to play. Unfortunately this is not the case. In any random survey of 100 families that one may carries out, in a middle-income group, could be seen with a 60%+ admitting that they do have impact from the TV screens through entertainment or talk shows in their daily life. The interpretational and narration could be either through the dialogue, description (words) or cartoons, which originated in 1754 (Josep Dominic), may be the most popular form. Other examples are less obvious but not less important in discussing the interpretational or narration in medium of mass communication. The use of social media through face-book, emails, blogs etc too have its impact and are in use and are popular in reading as well as writing by bloggers. With an extraordinary and direct impact, role of mass communication on an individuals or a society, one could see the known and old theory known as the Catharsis
versus Stimulation theory. This though abstract style one could see that the first theory being thousands of years old may be in the days back in Aristotle, could be conflicting analysed by stimulation theory specially in the background of the August 13, 2013 (Islamabad firing) scenario. An unprecedented violent scene in media channels putting hostage the entire nation for about five years. The electronic media personnel are not even willing to accept their responsibility as there are not experienced people in abundance who control such a fast electronic media. Lack of experience and unhealthy competition has resulted in such a proposition where government was seen as sitting duck while the superior judiciary had to take initiative on this criminal aspect and totally irresponsible role by the television channels. This was unlike any other country’s identical incident of violence, however the governments in the west control such shootout but not putting live these happenings. The catharsis theory says that the sentiments of viewers of such violent scenes and clips would automatically be purged and aggressive feelings would vanish without any act of displaced aggression. These two theories in contrast “emerged only one of several topics that sparked early experimental work in the investigation of the effects of media.” A growing number of international business and financial actions and the globalisation of economy have made business communication an area of importance and inter-link benefits.

Moreover forward-thinking corporations have moved ahead and internationally making sizeable development. Their growth is visible in the multi-national sector also the proposition is quite visible. Their presence in all the regions of the world could be a substantial example. Communication is also of great benefit and interest to those who are in business or working for the international lending and financial institutions. The question of poverty and alleviation through communication has been of immense interest to development communication specialists.

Communication could be termed as integration of information, organising, and the ability to steer into the intercultural boundaries. So one could see that the process of globalism continues and would continue further across the continents without considering the cast or creed, language barriers or technological obstructions and deficiencies. Now the people using internet, web pages, electronic media and print find themselves very close to the receiving end of their communication. Dramatic fast speed interaction too has been resulted through the usage of internet. The technological advancement has transformed the lives totally on day to day basis.

Globalisation and impact on media “Globalisation” is not a distant venture now it is a reality and intercultural communication and international trade and business have
resulted in a new dimension in global communication. The fast communication, the internet and electronic media have transformed the life and has turned the globe in to a global-village, one may call it. It operates in the worldwide context with all the barriers, complex scenario and diversity of interpersonal or intercultural communication in place however the fast pace of communication has change the myths where new realities are developing. The distances have got few seconds coverage in today’s world where the speedy internet and electronic mails have got changed the life pattern, business speed and interaction among the two or multi-sides in a message.

Political issues too have been on the fold of communication. It has hurt many “taboos” despite the fact the decade old issues remain affecting the developing scenario in a region or a territory, yet the business and communication has opened up many vistas and helped changed the behaviour and priorities. Political differences and conflicts are not peripheral to international business activity though with certain exception, and integrally influence an independent economy and do a new shape of world market. Homogenization has been affected due to the media that indirectly has affected the globalisation process in a speedy way. Like for example the western products as Coca-Cola, McDonald etc have entered in to poor countries and are now becoming the part of the local life pattern and consumption habits.

Similarly for over the years the television programmes, coverage and films produced in the West has had created impact and influenced the rest of the world. The development economists refer that benefits of globalisation as: Wages/salary of labour is improved; Poverty is alleviated and individuals get better opportunity; Democracy is promoted and strengthened; Global interdependence promotes intercultural cooperation and understanding; Promote harmony and reduce prejudices; and Creates better understanding on development issues and culture. Promotes new intellectual environment. The socio-economic benefits of the new modern communication and development role of communication have affected the cultural and conventional taboos in different areas, places and communities. There may elements saying against the globalisation aspect but the break-up of USSR seems to be irrelevant as it was a story of pre-internet and social media.

The scenario is changing now. There are fundamental approaches where the cultural is also affected which the societies in low income group do not appreciate. It also undermines their customs and values in their respective societies, thus is not being appreciated by conservative societies. Some in Asian countries perceive that the western culture, communication and programmes through internet or films etc have affected their cultural norms and corruption and immoral influences are destroying their culture and values. The globalisation through the modern communication tools and investment, the local industry has been affected, as it is being considered to be negative and counterproductive for local industry. Globalisation is stated to be raising certain economy issues as the growth and influence of multinational companies, the development of world trade organisation, and the increasing interdependence of the
world economy. Multinational organisations working through their companies with foreign direct investment and have manufacturing or trading presence is though playing an economic role however there are strong reservations about certain conservative political groups or local companies against these foreign companies further stressing their monopolistic and profit-making role. The role of foreign direct investment over the past twenty years has been tenfold and has caused great economic benefit. Almost every developing country struggling to secure more foreign direct investment. The communication revolution has evolved the economic ground to a level of even playing field. China has been now the world’s best and largest foreign direct investment ground where even the European and the United States multi-national companies are functioning in a profitable way. Though there has been a role as corporate social responsibility by certain organisations, however the globalisation is sill considered to be a negative and counterproductive activity in certain countries. New information services have emerged to help to the needs of society which are moving upward and increasing every day, however the contribution of information economy has been quite intensive over the advent of new tools in information and communication sector.

3.2 Means in Mass Communication Mode

In today’s world one could easily mark the media modes as: 1. Books 2. Newspapers 3. Magazines 4. Radio 5. Sound Recording 6. Motion pictures 7. Broadcast Television 8. Cable/Satellite/Internet Television 9. Internet & World-Wide Web. With all these very influential tools do have their impact, effect and influence on individuals, society and the nations in any part of the world. In country relations or diplomacy, economic or social policies, propagating the religious tolerance or discouraging apartheid or ethnic biases all these means have the vigour and strength to build a strong proposition. One could simply find that the media has a direct- proportionately related in every day’s life of individuals or common man in every place and house. For a factual reference “Andorra has no such impact where there are no televisions”, a singular contra example on the globe, (Khan, 2004), however communication and mass media in the shape of newspapers and radio are in use. With generally speaking there could be two paradigm while studying mass communication; one being could be termed as a functional matter related to communication while the other is the question of consumption, and second paradigm, which could be seen as critical approach with watching benefits of mass media, has direct socio-economic effect on the society. Having the habits and socio-economic behaviour in place, the mass media as a whole or a particular medium could not be singled out. It can not be restricted away influencing the people, society or families.
The savings, consumption or related subjects have dependence in today’s life where even the quality of life is affected at times. According to the experts in the field of media the surveys have the questions and answers put o a society but are not sufficient proof of cause and effect. It does help establish associations. The message dissemination is always meaningful it carries no disturbances. The sender has to ensure that in the audience the message is reached to a far flung, obviously depending on the technology being used and the medium applied. Though the communication directly affects the behaviour of the market, there is assumption that the market behaves according to the prescribed rules and conventions whereas it is observed that these work as per the local environment, government handling the market, or regulating affairs in a market. It may be true that in the developed world market will not have more manipulation, and will attract people with benefits and more discounts to them, however it is not the case here in our country where the hoarding and profit making seems to be the sole objective. In such an environment distortions work more powerfully than the ethics and positive behaviour can thus lead to unexpected impact, and how the policy reform affects the desired results in communication objective for poverty reduction is of high relevance.

A policy impact of communication on poverty and its benefits to the section of poor may vary from one to other section of population. With variance in terms of benefits or the earnings in different places do carrying impact. One are may be developed as against the area which is still passing through the process of development. Thus the impact of poverty will obviously be there depending on the education or the sources of earning. So is the case of impact of communication and use of different equipment and technology. In rural areas of Pakistan people do not have the facility of internet though with limited number of kiosks working there whereas in urban centres the facility is now almost available at every office or home. The sphere of development communication has taken place with wide and open arms. In Pakistan the two major schemes have been the talk of urban and rural folks. These intend to provide benefits to the people, especially the poor one. The youth investment and business scheme unfolded by the prime minister has attracted tens of thousands, though there are certain anomalies, yet the scheme has been the subject under discussion with the youths. It could be assessed in the background of Income Support Scheme Program or Youth Loan Scheme launched in Pakistan. It carries some bottleneck but people still striving to get the benefit out of it.
The media campaigns though created awareness among the people yet the bureaucratic problems and bank’s procedural complications are the issues that bother the youths and applicants. The success of scheme depends more with higher risk. This too depends over the interpretational news carriage or just the reproduction of news release by the regulatory bank that controls the monetary policy. In a free market economy like ours, the media has a strong role and it is a built-in mechanism that carries effects both ways. To further discuss this subject the exchange rate fixed by the Central Bank carries longer effects on economy, cost of living getting higher and thus affecting the poor greatly. In case of Pakistan the rupee-dollar parity remained always under discussion, affecting the prices, import spending and export earning. Recently schemes in Pakistan carry highly important promises in poverty reduction, providing employment and thus helping achieve to a certain degree of self-reliance among the people. The poverty has taken its roots in the society and so far no government economic plan or policy has been helpful in achieving results for the good of low income, rural and urban poverty stricken segments of population.

Children poverty that too has its impact on family relations has also been put at the mercy of child labour laws not allowing them to work for their supporting hand to the poor family. What choice is left for the poor households is the question that is pondering to a great extent.

**Media campaigns and socio-economic influence?** The results of such campaigns through the media for a certain objectives carry risks. The government has never examined. This section of thesis could be helped to understand the issue of poverty, social problems and the media impact and projection results. Paid contents are projected either through the print or electronic media on both the schemes. One party that originated the plan of income support takes the credit through its media campaigns while the new one in the office now launching another public welfare scheme but has not come out of the fundamental issues of easy handling of the individual applicant’s case who needs either guarantor for bank loan or any mortgage support for encumbrance. The communities are in fact carrying influence from news and generally information either through the print or electronic media, but the unexpected outcome may have swinging impact on youths and still to be matur assessing the result would ensure the messenger and recipient with the poverty information and its benefits to be reaped up by a society.

A society should adopt the culture of change for which the message is being prepared and redelivered. The development of media campaign for poverty alleviation
targeting unemployment or income support to target income poverty have had impact through the print as well as electronic media. These campaigns were having paid contents while for the general message to poverty or low income groups there has been generally no free of cost campaigns. Even public service messages are found having very little space on both the media windows. The ultimate analysis urge a high degree of responsibility on media-men dealing with news and analysis in such a sphere and in different category of income groups.

Poverty and evaluating effect or through the use of indirect communication channel has been an effective mean. They carry certain impact and affect of the real income of a household which they consume or produce. With an effective regulatory frame work in a society or not, the effect and influence of media has been noted in terms of prices and supply and demand. Such a micro-economic imbalance could be even further distorted or rebuilt; media has a direct bearing on success of a 3 Poverty Reduction Strategy Papers, a policy documents of IMF/World Bank member countries, including Pakistan. Economic Survey 2004 (The Global Poverty 2004, published in Germany). government policy. With the deregulated or ineffective administrative policy in managing the prices to consumers in low income should see as how the poor are found resisting pressure and opposing price hike could be called as social vulnerability. People are vulnerable to socio-economic shocks as they are poor or living in poor locality and generally elevated slightly when the community gets some municipal or provincial development budget allocations. This is the erosion of public confidence in public institutions.

This is the responsibility of media and the public representatives to maintain the interest of public in public institutions and public service. Despite all these problems, the poverty could be reflected more in the government centres where there is great rush on every health or education centre of government. Studies and observation suggest that the responsibility of the Government having no adequate understanding of public governance and delivery affects the poor community. This is being the responsibility of the central government or the local government the administrative control in prices and better and continuous supply of goods and services would also be of immense help to the poor community and here the role of media becomes more critically important. It ensures better business practices by all and the media becomes a watch-dog of society. Even the public representatives of provincial or federal assembly are not seen in the government institutions as they only represent the poor masses during the elections and not later on for alleviating their problems.
Generally the poverty could be termed as non fulfilment of basic needs and every day kitchen requirements. If the government working on PRSP it has to expressed its resolve and determination of poverty alleviation programme. Before the launch of such a programme a public debate is a must component and in a democratic system the involvement of public through media always help carve out a good policy. Social protection is moving higher on the agenda of many international, bilateral and national institutions and governments. It is a debateable matter as how the Pakistani society is being treated by the ruling intelligentsia and no properly social protection or scheme is provided. Some bits and smaller tools have been launched in Punjab province by the government however no other province has so far been promptly doing good to the masses. Such a protection socially has not been there for those who are either jobless or may be classified as senior citizens.

Poverty reduction policy should always cater to the social protection and it should reflect property as how the policy intends to work and ensures social protection to children, women and old-age persons. In this process a few points are commonly used (e.g., social expenditure as percentage of GDP, major and micro insurance schemes like one for general insurance of life, sickness or crop insurance in the field of agriculture. Like the micro-finance, the concept of micro-insurance has been there being utilised for the good of poor section of population. The social development helps in identifying problem and also information as what shortcomings and benefits are being flowed to them. Gender equality is stated to be one of priorities of the millennium development goal through its policy to reduce poverty through a fast programme for diminishing poverty. The question of non-discriminatory role of communication and mass media in having no biases in favour or against any gender is of paramount importance. This is where the communication message would be of great support and help thus helping the cause of poverty reduction and welfare. Taking in to account the impact of communication on the behaviour of people, their consumption or savings pattern, the consumption is the preferably used in as a welfare indicator for a number of reasons. Income is difficult to measure correctly in such a situation. For example, the poor who work in the informal sector may not receive or report wages on a regular basis, or those people who are employed at self as workers or trading have irregular and unspecified income. Also in the field of agricultural and under-employed people do not have regular and fixed type of income. It also helps determine the standard and its level in a household unit. By determining this first it would be of great help to analyse and educate the people of having consumption for their minimum food
and clothing, education and health requirement and not at the cost of any savings possibility. The technological innovations have impacted the business, trade and people’s behaviour. There could be a future study of discussing behaviour and role of communication. Argument and impact (A case to study on delayed response in communication).

Select biography from UNESCO’s role in poverty and media study. There are many examples that are related to poverty related issues and effective role of communication. Its benefits in case the message is well conveyed and received while its losses in case the message is either distorted or not understood by the community. The delay in response has been cause of terrorism in Pakistan or the sectarian violence. The incidents in the country are abundant for reference where the delayed response in communicating from the government on an effective basis led to more complications and problems. The effective communication means a timely response addressing the present and future policy.

The incidents of terrorism by the extremists or attempting to attack the sectarian opposing group has been classical case in north-western part of Pakistan, the Khyber-Pakhtoon province and Baluchistan respectively. Identical incidents occurred with frequent intervals however delayed response in clarifying its position or attempting to a policy to nab the culprits has caused more problems which resulted in strikes in other parts of the country, thus disrupting economic life and ultimately causing more critical problems to those suffering poverty. It has been seen that opinion makers face a good pressures in responding to some critical question of the time that are related to growth and development, rising challenge of poverty insecurity and terrorism globally, issues of environmental instability and economic sluggish growth. It should be a social right of the people. 3.3 Communication and benefits for development.

The communication in today’s world has become very useful. It is being taught in the universities so that the students, communication specialists of tomorrow, should learn as how the communication is desired for future development. According to Rudd and Lawson (2007) in their Communicating in Global Business Negotiations: A Geocentric Approach say that sharing information is highly important. They in their study maintain that the integrative approach is contrary to the distributive form of exchanging information. The media in today’s world has changed the scenario in terms of economic development and social change. The awareness level and education has become a subject of technological advancement and the use of internet and cellular phones, laptops etc have been agents of change. The media as a primary source of
information has been quite advance in today’s world (Dominick, 2010). It is said that the education and learning are influencing a change and revolutionize the day to day life. In educational institutions or in the field of political governance, economic management or media organisations this change has “changed the scenario globally”. This has not even spared the customary traditions and conventions in a society like ours. There as been the case of YouTube use and misuse.

There are examples where the courtiers like Pakistan had to either request the Google for not using the facility against the religious sentiments. It falls in humiliating and hurting the sentiments be they religious or political, ethnic or regional. Ultimately the US court has to move and decision pronounced helping and easing out the tense-atmosphere between the Google and its users. The latest modern technology has transformed the world and is being used mostly and misused with limited users. Role of communities in development has been there but in case of non-proper flow of information, the results are marred with good objective. It’s a continuous issue in any country however the low income groups suffer in communication obstructions and barrier especially in development plans. Even the health initiatives like immunization and polio vaccination have become challenge for the government where paramedics are being attacked and killed a time resulting in a total insecurity among the people. The development support communication has been a subject of vital importance. This has been the realisation by international donor agencies laying emphasis on the communication development, yet the government here seems to have no such consideration or perhaps not found interested in the role of media and media technicians who could be of immense help and assistance to the government in highlighting the socio-economic development role and dissemination of information taking into consideration the opinion of major stakeholders.

There could be many sectors where the development support communication has its role like in the political and corporate governance, education, health and population welfare sectors and also the awareness of youths to play a constructive role in development of society. The proactive and inter-active move and necessary disclosure of information is required for effective communication. The necessity of the project for health, social sector or economic infrastructure needs cooperation from among the people living in different areas. The specialists of communication with development objective play an active role in creating liaison with the people and area elders who either the public elected representatives or having political influence needed to be explored. This counselling would result in good understanding and sense of
participation from the masses. The signals thus communicated from one place to other. More benefits could be in terms of transparency and promoting a sustainable growth and development. Public institutions need transparency that add higher degree of confidence.

Any communication, to be precise, is found carrying message of a change. This could be educational or social change, always good for the society. There is a theory of limitation of media (diffusion theory), however one could see on a larger canvass that the media information, communication or just message encoding and decoding brings about a big change in behaviour and traits. This is what is needed by any society. The young and elders, responding to the call of the hour, and talk of change in social and economic order is something positive and encouraging. This understanding is a big achievement that reflects through the minds of people who are in favour of a change and not just found living in frustration and exasperation. A model is required to understand how information, education, communication, knowledge and wisdom do carry impact on socioeconomic issues and how it could be used to their benefit. This is where it fights against poverty and help government policy makers to change priorities in favour of poverty reduction. This would be termed as pro-poor policy by way of media projecting the economic policies by way of project the preferential areas. Drawing attention of the government or influencing the government in selection of priority area. The message should carry from the messenger to the ultimate receiver with development signals. It should also be an effective tool for changing the habits and behaviour, thus affecting the day to day life of individual, community and the society in a given case.

**Growth and Development**

The message for development should address: (i) to pay the foreign or domestic debt; (ii) increasing the non-development budget (iii) fund for food for hunger. The media can help in the fight against poverty by highlighting investment opportunities; writing stories motivating the poor class for playing a more tangible role enthusiastically rather getting frustrated or disappointed. Media often achieve desired results through continuously projecting either through electronic media or writing stories in print one in favour of identified problems of socio-economic benefit to common people. It also includes how bureaucracy could be put a halt in lavish spending and huge perks and benefits against those less privileged class of society. Having said that media by all means has more responsible role. Where-ever in the world the Transparency International has been successful in projecting and exposing the corrupt politicians or bureaucrats it was media behind supporting the cause of good governance and eliminating corrupt practices.
**Savings and consumption trend:** The low income groups basically need three-time a day intake for every member of the household. This could be ensured through a regular supply of meals, milk to children, health and medicines and minimum education expenditure. This would give a sense of participation and ownership feelings among every citizen. The disparity would be overcome to a level in low and very low income groups, by ensuring supply of edible items than cash support. Political discrimination too have impact on poverty as personal or political biases stop judicious supply of aid or edibles to needy and those suffering from critical or extreme poverty. Ensuring regular supply of food items to every individual, household units, social security and minimum education to every male and female children or teenagers, would bring in a change on attitude and behaviour. Once the attitude is developed towards this end, the equal jobs opportunities and less-inequality in income would render a positive sense to family members and subsequently the community to think in terms of low consumption and enhance savings.

The savings itself needs certain innovations than stereo-type instruments prevailing in the market. The psychological inhabitancy and low education generally lead to low tendency to organized savings. An effective communication helps bring in changes in social attitudes and economic behaviour. It shapes the attitudes and with continuous pouring in new information through media, the socialisation helps develop a new society which is tolerant and vibrant. In any society, household unit or a country, savings has been a factor determining the strength of its economy or socio-economic standing. Unfortunately the contentment has not been the teachings rather competitive race and over-consumption has resulted in almost no-savings and debt trap. It has been the tendency in a low income or lower middle income groups that the salaried class people are found exhausted in midway through with their monthly salary, thus carrying on continuous debt along with their would-be income by the end of the month. Minimum education for every household unit head, be it male or female, psychological tools required to take place in our society so that the attitudes are put on a positive track and people get rid of from uncalled race for indebted prosperity. The government administration being corrupt and inept generally, is found carrying superficial approach in their economic policy, than creating a long-term policy impact.

Price management has not been in place and the role of low-priced items (utility provisions) too did not deliver fully to the low income families. In rural section of society, such a provision is absent from the scene where exploitation has been on a rise at the hands those having a sizeable regular income at the harvesting their crops. Just and equitability based policies have to be introduced than present-day policy which has failed miserably to yield any constructive outcome. Alleviation of poverty program means contribution by all as per capacity, however one-track and unilateral approach
would result in coercion and psychological barriers culminating tax avoidance, evasion and ultimately extremism in thinking and approach. That's what is happening around in general in all the low income or heavily indebted poor countries. Pakistan stands one of such classical examples suffering extreme to critical poverty in rural areas. And it would continue to be in place since the governance, infrastructure, corruption, low yield of crops, water issues, education etc continue to be the challenging task for the government.

The PRSP for Pakistan catering to the needs of all poor people, yet the federal annual budget for the year 2013-14 has no better provision of funds that need to address basic question of poverty alleviation. A consideration is there for allocation of funds on the lines of previous 2011-12 budget that allocated funds through BISP. Mere cash distribution or food support program, as a poverty trigger is just an eye wash. Consumerism has well engrossed in our society where debt-trap and no-saving scenario has added to already alarming poverty level. Here again no proper communication exists which could yield to a better confidence and regular media channels disseminating on poverty and socio-economic programme based on constructive information.

Rectification of anomalies and breach of confidence is a classical example in case of Pakistan where the stakeholders are found agitating over the fiscal measures and as such a vicious cycle prevails, all due to poor policies, short-term measurement and grape-vine communication. Despite modern fast and digital media world today the poverty alleviation has not been addressed by any model available to address the society. When prices could be moved upward through propagation on media about government policies, then the positive outcome could also be attained by media tools and triggers. The poverty will stay here and would continue to take place more rigorously, hurting the socio-economic fabric, graph of unemployment and social crimes moving upward quickly. Media too with more vigour would continue to exist and play its due role despite the fact there are restrictions on it through the government leverage of advertising revenue of public sector portfolio. Though by the passage of time its has reduced to a great level, yet the public sector organisations have a big role in economic development and trading activities, thus carrying a regular annual budget for advertising and publicity. This remains a challenge to governments who suffer poor and corrupt governance. The question of media communication being directly related to every individual’s life on daily basis could be viewed as the state controlled or monopolistic regimes in media organizations do no serve the society at large in a judicious manner.

The social and economic discrimination and class difference too carries the impact as the tools of media have not been properly utilized for the good of constructive use for society. The thriftiness and consumptions are the two major ills could have been addressed properly by using the means of media in place in our society in particular.

3.4 Why Poverty is poorly shown in Media?
The fact that unlike many other political, economic or corporate sectors, poverty has no such support from any lobby rather it is a menace that is may be because of the private sector, government’s poor planning or misuse of public funds. The launch of pro-poor policy could be either by the elected government or may be under the influence of an independent media. A multi dimensional approach is required to tackle the poverty issues and its social impact over the society. The media has not been intensely realizing the poverty problems and many of the reporters who cover business, finance or trade in their beat are either supporters of private sector or the leading business houses. Having a strong advocacy group in the government and media the traders and industrial houses have, at times been found avoiding tax payments, thus the government has to suffer the imbalance in fiscal allocations.

Poverty fight needs funds and development schemes. It also needs unemployment allowances, health and insurance covers and other welfare triggers and tools.. Projecting role of media: “Advocacy journalism” can be defined as advocating the cause of non-genuine information based on personal view point or projecting for financial or political gains the mind-set of others. However in case of development communication the projecting by media of a particular socio-economic development project, scheme or programme is a must by the members. There is a type of journalism known as advocacy journalism. It may not been true hundred percent however there is a use of this type of journalism which advocates a certain cause. In case of development communication this journalism medium is of immense help that affects the attitude and behaviour of people. The poverty too could be alleviated through the use of this tool. Advocate role of media have had positive impact, may be in promotion of consumption or helping promote savings. In a society where there is good savings on personal income it gives rise to investment. T

here could be a few practical examples. Even in case of media organisations the labour wages laws are flouted by employers and the journalists organisations and unions are found unable to exert pressure for their just financial rights. In Pakistan there are almost majority newspapers and news television channels who either with selectivity pay huge remuneration to few individuals while do not even pay their just rightful financial pays and wages to many a workers and professionals. These employers enjoy government protection and provincial or federal governments unnecessarily avoid any conflict fearing harsh criticism on them.

Media educating people? If not, why? Though the designated MGD, targets have been announced and the governments working on the given lines, yet there are people
who do not know much about Millennium Development Goals, however people generally know about the United Nations. On poverty and global poverty incidence, majority of the people did not know about MGDs, international poverty and incidence of poverty. It is the role of media to have more projection of socio-economic problems with better equipped media-men and well educated personnel on economic reporting so that they could rightly project the cause of poor. The educational contribution has always be laudable by any media organisation and as such this not only helps attain education in terms of educational institutions it also helps in getting developed a mature and knowledgeable society.

Media has, of late in Pakistan, initiated a “public service” messages and highlighted the critical importance of education. Although there were some professional rivalry that other competitive institutions objected the “educational promotion programme” of some electric media. However by and large one could see that the media could have been more effective and powerful tool at the hands of the government indirectly playing a leading role in educational especially where in the Khyber Pukhtoonkhwa the female education is constantly threat. Hundreds of girls schools and colleges have been destroyed by extremist elements who consider the women education is not good in their society. This has been widely condemned by media as well as the society in general who support female and male education. Poor are not properly covered and it is a poor coverage provided to them. An effective role and impact of media Poverty alleviation cell in Islamabad is headed by a joint secretary, a well off position, may not be well aware of the pinch and pain of a person ridden by poverty. For a meaningful role of poverty reduction means that the government in place is honest and believes in deliverance.

Non transparent policy and approach, plunder of public money in the past has no outcome despite the fact the media played a forefront role in exposing the corrupt ruling elite. Later they returned to parliament and thus the exercise remained in futility. Given all this as a limitation the role of media could not be curtailed rather it has flourish quite independently and continues flowing information, though with limited span for economic development and poverty ills.

The question is quite simple, ‘why poverty has poor show in media. The journalists themselves avoid may be because of lacking the knowledge required for economic and financial reporting or simply because “if it bleeds it leads”, a general say in journalism is not visible generally in case of poverty. Only a few are projected for few
seconds or with a short story in newsprint that a woman with her two kids jumped into a river and committed suicide.

A very short spanned follow-up is the ultimate treatment for such a big tragedy. It may be because of “Poverty has never been beautiful and Sexy” but it leads to force women to be sex workers in many a country either in the rich or poor. It does not claim more coverage. The livelihood has its own dimensions. It may go even without print or electronic media, but will never without food and clothes. There could be certain examples while examining the reasons as why the poverty has less exposure through media: these could be: (i) Media persons/reporters have less inclination to economic, finance and business administration; (ii) Socio-economic problems could be more attracted if there is some sensation in news item; (iii) Features may draw attention is the sensation or contents have some element of being sexy; (iv) Poverty has not been so “sexy” and business oriented for media houses than the private sector organisation which provide revenue in huge quantum; (v) A critical researcher may be interested more in crime stories than in environmental hazards or business one. “The problem of disequilibrium revolution”, in “fighting poverty during inflationary times”. And highly relevant and important is the role of media and communication experts who also suffer due to the incidents of terror and law and order causing disturbance in day to day life and provide a continuous “breaking news” to the media.

**Discussion and Conclusion** (Why need a specialised Communication Model)

Pro-poor media policies are generally either not available on media or in most of the cases journalists are not adequately aware of this critical national and international issue. Reliable and credible information to poor is their right. It is their social right like many fundamental rights in a society. This may be true in a family, community, city, province and a country. The micro-model on poverty alleviation and media communication could be called as JK Povcom to work at different levels. The analysis given above provide a basis for carrying on research. In order to give the audience a proper understanding, the communication channels have to be worked out. It could be a practical demonstration around the family, community and to a particular family head or the head of community. This could only work when their guidelines are destined and goals are determined.

The motive behind this exercise is to education the persons who are affected badly due to poverty and day to day socio needs. Proper caloric food and nourishment; minimum meal per head supply, government role in price control and subsidy for poor
have to be worked out as it is mainly the responsibility of the government. Education would help rationalizing basic needs and that close to self sufficiency and prosperity level.

Communication Sample: It is always important to consider a sample for any exercise using the following tools: How to communicate; Channels used in communication; When and whom to educate; Triggers to develop habits; Change in behaviour and attitude Art of communication and a near-perfect audience is to be drawn at micro level so that the targeted families and adults be properly educated, communicated and habit are developed which are conducive and attitudes are developed which help administer every household unit as per income and necessary consumption. Some customs and conventions too play a role in higher consumption and resulting family debt trap.

The flow of information encourages them to civic participation and also helping them in either electing or themselves becoming government representatives, thus addressing the problems they confront in socio-economic development and poverty. For the sake of development there is a need for a specially designed development communication model. Information access to poor gets them becoming master of their destiny or at least making a fair analysis as how the government policies could affect their social life and the economic right. There is a political jargon always used at the time of a launch of a pro-poor scheme or the fiscal budget either by the federal or a provincial government. The measures for the benefits of poor or low income groups are not mostly highlighted by media and government when launches a major project that may go politically in advantage of the ruling party, the advertising campaign thus provides a big source of revenue for media outlets, having no adequate understanding of the benefits to the people as it is their fundamental social right.

The major two welfare projects being referred to in this thesis are related to poverty impact on the people and its social benefits, however the two schemes, one remains as an old money-distribution approach, with no long-term economic welfare project, and the other in the fancy stage where only few thousands have reportedly been selected through ballot for granting loans. Media specialists, thin in number for economic and financial journalism, have not taken the issue seriously so far and has not run a public campaign in its true perspective. Empowerment to, without gender discrimination and focussing through the means of media, would always lead to faster results attaining in development and poverty reduction.
The traits and behaviour could be affected and moulded while the media has its baring on human consumption and habits of investment and savings. Thus one could assess that the society could bring about a required change in changing pattern of consumption and savings. This provides an equilibrium in various economic and social sectors dealing with development and poverty alleviation. Across the globe in general and Pakistan in particular infant mortality and lack of proper communication, mother or children die in early age and as such the literacy matters a lot. Media thus has its effective role in not alone in building up cultural values but the literacy and life savings through effective and timely dissemination of information. With around fifty percent of the world countries literacy among women around 56 per cent and 16 per cent children die before their fifth birthday.

With annual allocations for infrastructure development, focusing on education, health and child poverty in particular, the government should without any hesitation should ensure flow of information to media so that it could be more effectively portray the development outcomes while also project the negative factors emerging out of misuse of funds or poverty scars. As an important character there is normal media, the social media too has its impact over the social values and provides new vistas to society for examining and if necessary adopting new avenues in customary and non-conventional changes. It is always a circle that keeps information in flow from the government organisations, political leadership to the community, be the people belong to upper strata of a society or poor one, but filtering information is faster to the upper income group that the low income community which is also affected by rumours or unfounded information channels. A credibility of media always carry faster effects on a community.

A free and independent media has a strong role in poverty reduction or at least creating awareness among the government and public sector. It has also the interrelationship that could be assessed through the fact that the research, tools and triggers of communication, behavioural impact, government policies, governance and infrastructural development are dependent on the mode and faster communication techniques with best possible sense of credibility. The advantages are always more in number for effective communication that keeping people in ignorance and illiteracy. With such a critical juncture globally when the international Programme had to attach importance in preparing universal development goals known as MGDs, the poverty has been the number one of such development goals.
Having realised importance of this issue globally, the development support communication has become more important to the students, media practitioners and allied organisations dealing the subject of socio-economic development and thus alleviation of poverty. With burning realities the question of poverty reduction is at the top of agenda with many a country. In case of Pakistan though governments at centre and the provinces making their best efforts yet there are certain serious issues required to be prioritized for poverty alleviation, with media in particular, playing a leading role in identifying the weaknesses in economic and social development schemes and programmes launched by the government.

Recent launch of youth business loans and poverty reduction policies should receive more focus by media in particular specially developing teams to monitor this important sector of population and economy. The media, according to the research model for content analysis of leading three national dailies show that the space provided in a 45 days is nothing higher than one per cent on poverty and related issues. The practical aspects of the scheme have started emerging late when many poor sections do not find anyone supporting their cause of securing business loans as the guarantor and other formality fulfilment need financially strong people who for obvious reasons do not come forward to be on the back of applicant for seeking bank loans. Ironically the media has more on its agenda related to political activities or coverage of criminal incidents than putting poverty and socio-economic chronic problems on visible scenes. The media has to prioritise its agenda in case of Pakistan, as the poverty and socio-economic development are the main issues confronting today in all the provinces, communities and a country.

References and Bibliography
Chapter 4.
Poverty Gap index, tools and triggers

Introduction: As discussed previously in the discussion poverty is chronic socio-economic issue in mostly poor countries where the governments seem to have no priority of poverty reduction, welfare measure and ensuring the economic rights of the people. Only cosmetic changes are introduced for alleviation of poverty as the government would have to divert the funds to the basic problems being confronted by majority of population. It could be because of ignorance, lack of information, knowledge and wisdom, resource constraints and poor economic policies --- (Khan, 2004) to address this critical issue and to plan, organise and manage the affairs in a just socio-economic balance, making best use of available resources, tools and triggers, mass communication and media interaction, teachings, habits, consumer behaviour, divine principles and teaching, are few among many other factors which could help achieve an objective in poverty alleviation.

While the world was suffering from ‘poverty to extreme poverty’ level, the World Bank pronounced its slogan, as "World Free of Poverty" (Bank W., 2001) started working to address this issue, preparing policy, advising the member countries for working on their poverty reduction strategy papers. The UN Development Programme pronounced Millennium Development Goals (MDGs) putting poverty on its agenda number one as the menace of poverty world-wide, with Pakistan having no exception, attracted global attention and the World Bank and other international organisations and donor agencies are still struggling for a poverty reduction. Pakistan and a large number of poor member countries documented their poverty reduction policy papers.

[JEL Classification codes and descriptors and Econlit: O1; O4: Economic Growth and Aggregate Productivity; I3 on Welfare and Poverty; O1 on economic development planning and policy. I300 General: Welfare and Poverty; I310 General Welfare. O100 related Economic Development: general; Macroeconomics.]
4.1 Poverty measures and incidence

Since the international poverty line is derived at 1993 prices it is required that we deflate it to prices for the year the poverty incidence is to be calculated. The recommended methodology is to inflate the IPL using the domestic consumer price index. For better results, wholesale price index of primary food products for updating the IPL to current prices (Crook, 2001) will be of nearing-fact estimates.

While discussing the poverty gap, it is the difference between income of poor or expenditure occurred by a poor and the poverty line. Whereas the poverty gap index could be defined as a ratio of the poverty gap to the poverty line. The head-count is a simple rule-of-thumb practice of counting the heads of poverty suffering community in a total population by way of calculation (Economists).

With the 2007-08 global recession felt by the developed countries in particular, and the developing countries, in general, has not only added the pressure of poverty, but it has gone very high in few years period especially in the poorest of the poor nations in South Asia, Africa and Caribbean regions. Over 2.8 billion persons living less than dollar 2 per day around the world and as such the South Asian Region shares a higher proportion to the number of poor living here. There has been a lack of will by the states involved, especially India where government priority seems to be on huge buying in defence armaments than the basic needs of masses. Other two countries of the region namely, Pakistan and Bangladesh have no exception to very poor and corrupt style of governance.

Pakistan developed its Poverty reduction Strategy (1999), aimed at poverty reduction policy. Achievement of UNDP Development Goals is underway but with quite a long distance for many a country. In case of Pakistan the poverty estimates and poverty line definition and measurement has always been controversial for one government to other. Previous four regimes in Pakistan had their own estimates for political purposes however nothing tangible could be assessed for a true and nearing-fact estimates of poverty. There are only estimates with no mean, nearing actual so far. It could be between 31 per cent to around 40 per cent of gross population. The review of the UN MGD shows that except China no other country on the globe has been able to achieve 50% reduction target well before the designed time frame while Pakistan continues suffering a lot like India with a huge population in both countries suffering on account of one dollar poverty line. The associated organisations
and affiliates too played their due role, like as the Asian Development Bank etc. The countries suffering from different poverty levels have their indigenous political and socioeconomic problems with different dimensions. Nigeria is a classical case in Africa while Pakistan and Bangladesh could be cited as identical cases of poverty ridden countries in South Asia. With a sizeable quantity of natural resources, poor governance and internal mismanagement the poverty has been there for years and is likely to be in Nigeria for the years to come.

In Asia where in its South Region the dynamics vary on account of social customs, political style of setup, government structure, governance issues, behavioural problems and attitudes, education, health, water for drinking and sanitation, corruption and accountability. Taboos too work in different countries, like one here in Pakistan, where the political leadership has not been able to deliver to the people with a conservative estimate of around 41 per cent of population suffering from poverty to extreme poverty, mainly due to corruption and inapt governance.

The global financial crisis (2007-08) too has its very negative effects on poor states, who are already heavily indebted and classified as debt ridden countries. They do not have quick, medium and long term arrangements to address this very issue. War on terror has been transformed into a war against extremism and militancy. The suffering of people of Iraq, Afghanistan and now Pakistan are unfolding new doors for foreign invasion. There are perceptions in society. There is an argument that a well thought plan of "carrot and stick" has been designed by the West in order to have powerful influence on political and economic arrangements in the region while other argument is mostly based on internal economic and governance issues in any developing or least developed economy. Pakistan has no exception to the question of governance, corruption and poverty spread. Ultimate analysis would obviously indicate the problems confronted here is related to control on economy by the multinational companies or the local agricultural and industrial elite who have a good number in the legislation. Although rich in resources, Pakistan is found suffering from the chronic poverty, poor governance and political instability.

4.2 Whether poverty reduction by 50%?

All the member states of the United Nations General Assembly declared a decade of poverty eradication and also came out with a programme wherein all the members have to address the poverty issue as the number one issue on agenda. (1997-2006). The states and their governments. The global financial and economic crisis to the tune of US
dollar over fifty trillion has not only proved to be very adverse even for the economic and financial activities throughout the world, the individual countries were not able to sustain gross domestic products level at least for years. The world economists have based their analysis that the global gross domestic product will have a minimum of 3 per cent decline in 2009 and as such one per cent decline means adding 21 million poor persons to the global poverty. The statistics of Pakistan through the SBP report in all the preceding years and economic surveys of the government of Pakistan show as evidence that the country like Pakistan was too “unable” to sustain the gross domestic product growth at even five percent. However there were few exceptions to this proposition of low growth. This included China and India in Asia. In case of SAARC (Pakistan, India, Bangladesh, Sri Lanka) and other regional countries in South Asia, it would be quite expected that poverty would go higher in the years to come while efforts to addressing this problem to reduce it will continue.

The poverty in case of Pakistan has witnessed an increase in recent years, and if this trend continues to be in place, the global financial crisis will aggravate problem in developing countries and Pakistan has no exception to this. The priorities mostly based on political capitalisation, have resulted in diversion of resources, especially by the leading super powers, yet the impact of resource diversion has started surfacing causing pinch to their own economies and people. The current crisis and the outcome of the G-20 summit was expected to have the contribution by individual states, the rich countries, in particular, however most of these allocations got in revival and reorganisation of their government spending and industrial sector. A trillion dollar deal for the globe to overcome the losses of financial recession in the world thus the International Monetary Fund and the World Bank had its toll, to say the least, and this would have its effects if the domestic resource mobilization.

The economic issues have to be sorted out, poverty in particular, on economic merits based on certain principles, while the political and global geo-political subjects have to be addressed separately. The development indicators, poverty and socio-economic issues have been referred to by the (2003) and the issues of regional conflicts, their impact on poverty and resource diversion. However given the Iraq, Afghanistan and now, Pakistan scenario, the outlay in billions of dollars, the formation of Friends of Pakistan to fight against terrorism, and the ‘G-20’ allocation of around one trillion dollar for revival of global economy, and to address the recession, would have an added impact on global “gross international income” and the poverty incidence. Despite these pledges some of the countries provided assistance besides China and Arab
countries, however the fight against terrorism has helped the country achieve some monetary benefit but much lower in quantity and value than the real estimated loss in around one hundred US dollars.

The Pakistani leadership could not disseminate and communicate the real loss in terms of infrastructure, terrorist activities etc and the slow- down of economic activities and poor direct investment from abroad. The government too failed in its responsibility in advocating the grievances of Pakistan through the only one English medium television for putting on air the issues of poverty and economic losses to the national economy. However the English print media did honoured its responsibilities by publishing news as and when it happened. The ministry of economic affairs has not been able to get estimates either from its subordinate departments, provincial governments or the central bank, SBP who could have pooled up resources in terms of money and men for mobilising them for near-correct estimates. However the random assessment show the loss of war on terror in Pakistan alone could be estimated to be around one hundred billion. Given the loss in terms of opportunity cost, the same could be more than one hundred billion dollar.

The government machinery has not been competent to undertake this exercise for mobilising and propagating the economic and social problems that Pakistan and its people have suffered. The loss and the suffering still continue and felt very strongly in all parts of the country. “World Free of Poverty” is the slogan which was introduced by the World Bank, and simultaneously all the member countries were asked to develop their own poverty reduction strategy papers. A decade was declared for poverty eradication for the period of 1997-2006 and efforts were initiated for achieving the poverty reduction. The MDGs too were framed by the UNDP wherein all the member countries worked for halving the poverty by 2015. Non of the countries could achieved the target excepting China.

With this prophesy the United Nations Development Programme, the overseeing body on poverty-related MDG, visualized that tackling poverty is a difficult issue and needs multi-pronged strategy. The prescribed areas (2000) included poverty, universal education in primary level, health, aids and other diseases, gender discrimination and empowering women. With around 1.15 billion people suffering from very poor to extreme poverty the world over, set to improve poverty conditions and social indicators bring about huge responsibility on all the developing and heavily indebted poor countries. The target set to halve the poverty by the year 2015 still continues to be a source of concern for the world’s leading agencies and the United Nations, yet China is
the only country on the globe which has already achieved this goal while no other country seems to be closing to the target to halving the poverty level. The target remained unachievable despite hectic efforts and funds availability on low rates of interest for poverty alleviation, and this forced the new incumbent of UNDP as its chief to review the target putting it to 2030 at global level to eradicate poverty.

The global estimates show that around as many as close to three billion people are suffering from poverty and living through less than two dollar a day and it includes those over 12 billion who are even less than 1.25 dollar day. Research by Pakistani and international organisations speak facts on poverty, hunger and external debt situation. In an annual meeting at Dubai the chief of World Bank said, “In this overall population of about seven billion people it is estimated that one billion alone holds the gross domestic product of the globe of around eighty percent while one billion struggle to survive on less than a dollar per day. A Group-20 summit at London (20) carried significance as, the question of war on terror, and the global recession, were the two focal points in discussion and a tangible solution to the problems of the poor nations. However there every indications and still there are apprehensions that the political agenda being in the limelight, the economic ills can not be resolved by those who have capitalistic designs over the centuries and poverty ridden continue to be under extreme pressure for a one-day living. Miseries have led to terrorism, extremism in the name of religion, or socio-economic disorder.

The richest countries holds 90 percent of the global gross domestic product (GDP) with around three billion population, however given the disparity, WTO, and globalisation regimes, the intentions could further be spelled out in the ultimate analysis that the root of the financial system is the wealth concentration than spread whereas the loans and heavy debt are the “forced destiny” of the poor countries across the globe. A maximum number people living in Asia, Africa and Caribbean, are poor who face tremendous problems by confronting the problems of food and hunger, health and medical assistance, water and sanitation, education and literacy and social disorder. The question remains in place as whether the poverty related MDG for 50 per cent reduction could be achieved by 2015? China is the only country which has already achieved the MDG by halving poverty well before the given target. This shows the sincerity and determination of a state which is otherwise known as a very highly populated country on globe with over 1300 million. But in case of a third-world proposition on the global level, South Asia, West Indies and Caribbean, Africa continent are those who have the poverty problems including that of ASEAN region where
Indonesia and its island are situated. Every country has its poverty reduction strategy and its policy plan. Pakistan has been there with this policy but one could see that the poverty related issues could not be addressed due to mainly because of low economic activities, low base of taxation, avoidance and evasion by those who should come under tax net and overall expansion of industrial and agriculture activities. Having a sizeable mineral and natural resources in Pakistan the same could not be exploited for national economic gains. The engagement on international security issues like war on terrorism has resulted in domestic critical law and order problems.

4.3 Definition and Concept: A poverty measure

There is no one universally workable formula of measuring poverty. There are different approaches however work being implemented by the World Bank or the individual countries. The variation is so because of non-usage of one single method of poverty measurement. The results are also found different in terms of poverty measurement, poverty line and indicators.

There may a simple version of head count ration however the developed and advanced countries have the consumption per head and nourishment as the key factors to measure poverty. In poor and developing countries one may think that the income per person may provide you the basic poverty line measurement however that does not give you the exact picture. This could be a comparison tool yet there are countries, societies and even in case of those communities living in urban slums or far flung remote areas only want to have food and eatables without any consideration of nourishing values in terms of calories or the fine quality food rich of proteins and fats. The supply of food is more important at a given time than having its nourishment values more is not the consideration in a poor society. As he puts poverty index under log-normality of living standard is the product of an inequality index by a poverty index well adapted to second order dominate analysis. The estimates from the World Bank show that around 57 percent population of the world is below the poverty line.

Around 76 per population covered under poverty gap index measure and how severely the poverty is having impact and how they are living. One should know that squared poverty gap index measures the severity of poverty by providing more weight to the poorest of the poor. However a good measure of consumption has been an applied mechanism than using current income. It is always difficult to measure incomes correctly. Though there could be the same answer that the income may not be measured correctly as there are instances that some may not have regular income or
may have seasonal or irregular incomes. A good and comprehensive measure would be however consumption, its pattern, expenditure on goods and services, grocery and food and non food items an so on so forth. The variance in consumption and income is bound to affect the results and measurement.

A method can be used for measuring individual’s standard of living that is known as consumption per equivalent male adult: Since household size and composition, population, gender vary from one family to other so it can be misleading about the welfare of individual member of the family. Consumption helps determining the level of welfare or poverty in a community or household, the economists have used “elasticity of demand” for wheat in England under direct inspiration of Marshall. But the serious progress in the econometric study of demand was achieved as demonstrated in a number of studies dealing with the problem of shifting of supply and demand curves with short and long run position of market.

To overcome this difficulty in any sample for research for any given housing unit, an equivalent scale is used to have an near-approximate number of adults and their consumption behaviour. One has to take in to account as what are the differences in needs and what are the patterns in consumption. Similarly adult females and children are assigned weights with a proportion that could give you a mean average. It has to be observed that consumption or their desire is less than others, however generally the labour put in by males desire more calories to them than other children or females in a family unit. It is always true that the consumption of one individual is at a given level while two persons could consume less that two individuals at different place. In a poor society like Pakistan, the consumption matters however more relevant is the low caloric food and under-nourishment.

This is a concept that also provides information about the poverty level. Food energy poverty has been there in African countries that means that there is no minimum-required diet available especially in children and female. Under-nourishment has been another classical case in Pakistan where in Thar region in the start of the year 2014 people suffered and children started dying out of diseases and poor food and malnourishment. It was a great challenge to the central government however the ultimate responsibility was vested with the Sindh government. The neo-classical writers would obvious conduct research on the subject, however this is more a case of poor governance and food energy poverty. There could be arguments in favour or against on this sector, however those families who have lost their children are the best source of their personal experiences. positive one in terms of measuring the low energy in food
poverty or those having comparatively high energy intake on daily basis even without making a measurement of cost of living and inflationary cost. While living in harsh weather conditions in a desert exposed in cold wave in the evening and morning in particular and attack of pneumonia are the finding of the government doctors and local administrative machinery, however low food intake and malnourishment is stated to be the killing factor. There has been no proper measurement of mal-nourished die in children. The rural pattern of consumption for children is always different as against urban population where a balance may strike for children whereas in rural areas an egg protein or a cereal based died is generally not available. The first and foremost is the breast feed. The concept of comparison will have a universally set of indicators like Pakistan and Sri Lanka, Pakistan and India or Pakistan and Vietnam where the education, health facilities, gender input in economic development, trade, gross domestic product and gross national income, population etc have to be taken in to consideration for a comparative analysis. The data show that Pakistan lagging behind many small countries in economic volume or population in terms of social indicators.

Once the intake for food energy is finalized and the cost involved per item in the package a certain allowance could also be added as non-food that will provide a total expense at which a person gets an average food consumption an could be judged through its poverty line. The consumption based poverty measure is always considered to be closer to near-match than income.

Relative Poverty Lines: According to the World Bank economists one could assess that the real poverty or absolute poverty could be seen in the background of poor consumption of food items. It visualizes to low-income groups that gives a fair idea on absolute poverty through the economic lens of food dietary and consumption per day.

General quadratic specification for the Curve and measure of line through the Gini index is directly related to the results on poverty rates. A definition of this indicator is applied in studying the poverty, its spread, contributing factors, ways to adopt an approach to address this very issue causing many social ills in a given society. Inequality has been another cause of poverty or other way round as ‘poverty causing inequality’ be it in rural or urban areas. Inequality in terms of income, consumption, savings and living standard may give a fair picture as the same would apply for different income groups. The varied standard of living and poverty incidence thus varies from one household to another, one community to other and one country to other. There is not a big inequality
scenario in South Asian region, though the high income groups exist however in most of the cases in four big countries of South Asia low income is commonly placed in majority of households. Inequality could be said to be where there is no equality. The measuring methods depend roughly within a given population (Panda P. S., 2008).

Inequality signifies departure from the state of equality. The tools used for measuring the extent of such departure are known as measures of inequality. Measure of inequality is roughly be defined as a scalar representation of interpersonal income differences within a given population study stated that if someone considers saying income inequality he simply differentiate in income inequality and variation in income. It is assessed that the “relative poverty is inequality in income distribution which changes with time and is invariably different for each society.” So measures of inequality are employed to study and compare the inequality in distribution of income which exists at different times and in different places. Poverty is a feeling of deprivation. Deprivation may be absolute or relative. Poverty, for argument, is relative because a person or a family may be termed as poor may be because of the society he is living in besides he has limited income and means to feed and get education for children.

Different economists have defined the inequality in terms of deprivation and limitation in income pattern. A person is relatively poor who is above the poverty line in income and above the absolute level, but below the income level required to meet the national average consumption expenditure. The Living Standard and Social Survey of Pakistan conducted few years back though discuss the poverty question however the inequality among districts, and provinces has not been compiled in a statistical data form or a book, however there are evidences like the SPDC working on poverty and social protection showing a vast differences among the intra-rural and sub-urban residents suffering from inequality and poverty. It is generally observed that consumption plays an important level in determining the economic well being, disparity in its distribution would represent disparity in the distribution of economic welfare.

There could also be estimates inequality. As discussed by Panda the inequality remains invariant if everyone’s income is changed by the same proportion. It should be homogenous and should be independent of the scale of measurement. This property is considered as income homogeneity.

Population size also matters in measuring inequality. If the number of people at each level of income is changed by the same proportion the inequality index depends only on the relative population frequencies at each income level. This is also called population homogeneity.
Another theory states (anonymity criterion) is if there is inter-change position of two, one rich and one poor, with each other then there will be inequality unchanged.

New poverty line? As an accepted line of poverty is the new international poverty line that is based on poverty estimates prepared from economists and international organisations. The inequality was increasing and most of the increase in inequality was the result of increase in inequality among communities and provinces. A divergent view could be that the poverty reflects the non-fulfilment of basic needs and a sense of deprivation. It arises from the class and income groups that vary from one to other household units or areas.

The surveys for the estimation are useful and play a dominant role play a leading role, unlike the poor economies, however in case of Pakistan, in South Asia, the major survey conducted in early 2007 provide useful information and data.

4.4 Economic Growth & Poverty ----- Pakistan Scenario to accelerate development Though the poverty in Pakistan has been on the rise, especially in past few years, yet the figure of poverty continues to be as high as 34 percent in the early years of 2000-04. The unprecedented inflation in Pakistan during the financial year 2008-09, and with around 35 to 40 per cent poverty figure, the government aims at reducing it by the end of the current calendar, however the measures so far introduced on macro front are unlikely to yield results to reduce absolute, comparative, extreme poverty in the country. The official report of central bank released recently show that the inflation noticed a downturn to “single” digit. It seems to be an unbelievable proposition where the general conditions of macro economy is not good and unemployment is on the rise. The law and order and extremely bad situation in terms of terrorists attacks have led to slow down process of economy. The nutrition value and daily intake is getting reduced day by day, suicidal attempts by individuals due to miserable socio-economic conditions and price hike are pressures and as such there are no sigh of relief to the low income group, which would benefit addressing the poverty issue.

In brief, it is quite unlikely to reduce the poverty whereas the ‘wheat price adjustment has added to the poverty, as a study made by the Asian Development Bank.’ With the new international dimension of War on Terror, the economic and economic pressure mounted on Pakistan resulting added poverty level, with a very big number of people suffering due to law and order situation and migration of people from one place
of to other. There are pledges and aid from G-20 and the USA, yet the poverty is rising up in rural areas while the price factor has put the urban residents facing high price level, thus added inflation and no savings at domestic level. The coalition support fund is being released by the United States as pledged, yet the economy seems to be in shambles.

The growth in Pakistan has witnessed a sharp decline in manufacturing sector, however in agriculture sector, especially wheat and cotton showed encouraging results. The prices of wheat flour and bread remained very high, uneven in different provinces. Wheat flour being a basic food item for most of the population of around 170 million, rice has been serving as an irregular diet in most of the areas of Pakistan, though in some northern parts of Sindh province, rice plays an equally parallel food item for those living in that rural area. The prices also remained unmanageable for rice and flour, causing problems to the poor and those suffering extreme poverty.

The import bill of petroleum products had witnessed a sharp increase in the year 2008 and in the subsequent years, however in the later half of the year the prices internationally started diminishing, having no good, or corresponding relief to the consumers. Even in the recently concluded regime of PPP-lead coalition, the macro-economic indicators proved to be a challenging task. The transport, power generation and all other sectors badly affected due to this factor alone, but the government could not play a constructive and positive role in controlling and administering the prices for poor, in particular. This put an unprecedented pressure on almost all the sections of society. The inflation reached to an unprecedented level of around 35 to 40 per cent, all that the interest rates by banks were also put at a very high level.

The multiplying effects yielded burden on poor class, and those deriving either daily wages or regular salaries. The small traders also stood in line with those affected in the price pressure. This high price wind caused no savings. The foreign investment remained very shy due to local law and order extreme grave situation, obstructing the visits of foreign businessmen to the mainland. The external debt and current account deficit was all time under pressure. The foreign remittances by overseas Pakistanis played a very significant role, but in the absence of a long term overseas Pakistanis' fund management, the money remained in the market spent by the recipients families in the country. It's reflection in the balance sheet however had positive show off. The other source mostly remained from the exports or the transfers from the IMF or the donor agencies. The war on terror funds were obstructed by the US and its allies for want of their "political designs." External debt and liabilities have surpassed their previous
figures and have reached to over US$ 60 billion or 31.5 per cent of the projected GDP for 2009. The external debt and liabilities grew both in relative and absolute terms. Of late the pressure mounted on local currency against leading international currencies. Since the US dollar is mostly used in international trading, imports and export earnings, the rupee value depreciated to an extent that it resulted in higher cost of living and the basic items also suffered due to “imported inflation.” The government announced that it was attending the phenomenon of falling rupee value and would overcome this tendency. “Pakistan’s latest estimates show “the budget deficit exceeded the target with a rising margin (2014).

While there has been already huge burden of foreign lending, yet the new government visited the IMF and negotiated in the macro economic interest to have extended facility of 6.64 billion dollar in order to have stability in local foreign currency market. There has been some positive signals emitting through the construction industry and robust growth in this sector helping in enhanced activities thus providing jobs to unemployed skilled labour. The report analysed that there have been negative factors like global prices of crude oil resulting in higher cost of imports. There has been another positive outcome that is related to export earnings. This along with overseas Pakistanis’ remittance, both the heads, provided a good support to over 30 billion dollar to national exchequer.

With a basic food and cloth protected from within the resources, the agriculture sector, still being not used at an optimum level. This is mainly because of water shortage. During the year (2008-09) Pakistan suffered a shortfall of 32 per cent in Rabi season alone affected the wheat, gram, potato and onion, however the wheat production has been to a record high and the government has arranged procurement of wheat to the tune of 6.55 million tons of wheat while remaining to be in the private sector, and the agriculturists for their own consumption. The shortfall of water has been due to insufficient water storage/dam facility. The water and power dams construction on Indus river is also a political issue while the role of India in occupied Jammu & Kashmir and its waters has very adversely affected the flow of water in Chenab river, besides non-availability of water through tube wells. The cost of electricity and diesel oil has been also high in the country, thus increasing the cost of total agriculture input. The gross domestic product (GDP) estimated to be very low as compared to average 6 to 7 per cent per annum during recent years.
The manufacturing, export trade have also been affected mainly due to higher cost of production and shortage of power to a very acute level. The private power generation has been affected and the debt-trap has caused a continuous load shedding for at least 10 to 12 hours a day. An estimate of growth is expected to be around. The subsidy question remained not fruitful to the agriculture sector. The decrease in use of fertilizer has been mainly due to high price per bag which an agriculturist was not able to use it in his fields. There has been positive use of agriculture loans.

Around 130 billion rupees were disbursed as subsidy while a fall recorded in maize and sugarcane has been mainly because of water shortage. However there has been some blessings that the rain water provided relief to wheat crop in the beginning of the germination process. There has been a satisfactory result in wheat due to price factor and more under-cultivation area this year. The sugar cane production reduced by around 18 percent which caused higher prices of sugar in open market, yet the consumers get slightly low price of sugar from utility corporation (a government owned company) for consumer items, mainly edibles.

The difference has not been so effective as a poverty trigger to poor consumers as these outlets are not covering the entire population. It is mostly covering urban centres, which is against not proper in coverage of population and area in big cities. Foreign Exchange Reserves declined very sharply, around ten billion US$ in a span of one year alone, as at 17 billion dollar in 2007, was the consumption of foreign exchange to kick off the import bill, especially the petroleum products, edible oil and other items of use. In the initial months of financial year 2009 the foreign exchange reserves dropped from 11.4 billion dollar at the end of 2008. This resulted in pressure on economy. The import coverage was not over 10 weeks in 2009 first quarter, which stood much higher in the early years of 2000. All this had direct impact on the value of Pak rupee which had been stable for almost four or five years with a one dollar valued to Pak rupee 60, however in the year 2008-09 the pressure resulted in depreciation by 21 per cent in the first quarter of the calendar year 2009.

Political uncertainty, non availability of foreign funds and huge spending on oil and edible oil, in particular resulted in pressure on foreign currency market, however when Pakistan returned back to IMF for standby arrangement to the tune of 3.1 billion dollar, it provided some support to currency value and exchange rate. The external debt and liabilities saw a downturn in both, relative and absolute in the first quarter of the
financial year mainly because of lower than projected disbursements and good impact of appreciate of dollar versus Euro and Yen. As there has been release of statistics by the State Bank of Pakistan in the middle of January 2014 the economy of Pakistan grew at 3.6 per cent and inflation came down to single-digit in the year 2013. A soft global prices of different commodities and a comparatively better currency rate has been positive achievement (statistics).

A budgetary target has been on the increase that was admitted by the State Bank, in other words the resource mobilisation remained mostly on the domestic resources than foreign one while there has been borrowing from the banking circles to the tune of around 1000 billion rupees and also got another 500 billion from the central bank (SBP).

Having experienced heavy power load management for about 12 hours a day the economic slow down impacted the poverty figures. The power sector remained under circular-debt till the time the new elected set up in 2013 had no option but to manage and pay off huge amount of circular debt amounted to around 500 billion rupees. The policy seems to be on emphasizing on power generation units and huge investment both in thermal, hydro and nuclear power.

Pakistan has successive privatization boards or commissions entrusted small and big units to privatise as the government functioning of such corporations resulted in huge losses by the staff and management. Non was taken to task for corruption. There are always a debatable argument and example as the 90s privatisation resulted in merger, acquisition and denationalisation in many a unit of public interest and utilities, but the 2008 changed the trend. Whereas in the United States and many other countries the units had to either re-nationalise or provide special funds to their banks and leading industrial units to work and remain in production. The unemployment rate had gone very high in the case of United States, estimated to be over 8.1 per cent unprecedented for the last 33 years. In many European countries the situation remained under stringent pressure, like Japan in Asia and some oil rich countries facing current account deficits in Middle East. The social contract seems to be re-defined; however, it all depended from one country to other, as a universal application of one "prescription" for all the poor countries.

Striving for a welfare in community, the private and public sector find not a competition, but supplement each other for the good of society. There are risks involved and the forecasting too becomes a challenge in launch of a project for the
purpose of development in rural or urban centre. But an understanding of the various reasons for which errors is useful in allocating the related risks between government bodies and private sector partners. Substantive risks (those linked to change in project scope or design) and pure economic risks (those associated with macroeconomic environment) are not insurable and should therefore be borne buy he public entity.” But technical risks (those linked to errors in forecasting cost and usage) should be borne by private sector. In case of privatisation the poor economies suffered a lot at the hands of private sectors who for the sake of profit- making introduce gradually two-systems in utilities, education and health.

Poor have to be dependent on the public sector while those having affordable living standard would prefer the private institutions in the field of health and education. Lack of awareness, and low education, or poorly educated males are more prone to fall in poverty line than being manageable family units. Pakistan has no exception to this phenomenon. The concept introduced by the international lending or donor organisations for Bangladesh, Pakistan or some in the North Eastern African countries, the heavily indebted poor countries, still suffer as, once it’s economy moved in a positive direction showing development in social indicators in the beginning of the 21st century. Pakistan did not feel any assistance from the IMF.

This scenario however could not last for more and now there was no easy solution but to move to the Fund and seek structural adjustment and support. Pakistan concluded “no more assistance” from International Monetary Fund, but when the new government set up came in power in 2008, it returned back to IMF for huge borrowing, who ultimately for the sake of “rationalisation and economic reforms”, introduced new taxation measures, putting the cost of utilities at higher level, reducing subsidies and fixing higher floor prices of essential food items. The pressure on economic needs and unprecedented inflation to the tune of around 40 percent in Pakistan, the prices went further high, once the wheat prices for growers were placed close to one thousand rupees per 40 kilograms. The food inflation alone could be termed as highest contributor in overall inflationary trend in the country. The government however says that the official rate of inflation is less than ten per cent. This tool, instead of providing relief to rural poverty ridden people, mostly in majority than the land owners and feudal club members, the prices went exorbitantly higher in all other sectors, thus raising inflation combined with the fuel and petroleum products higher adjustments at quite frequent intervals. These two resulted in accelerating inflation, both domestic and imported inflation, pushing the prices very high in edible, transport, health and other
social sectors. As and when there was petroleum prices getting down the benefit was generally not passed to consumer.

A huge ‘benefit’ continued with the national exchequer than the poor people of society. A totally mismanaged set up caused deteriorating law and order and the street crimes, added with the War on Terror, caused higher rate of poverty and extreme poverty in rural areas, and adding upward trend to national poverty line. Even the international organisations like Transparency International referred to previous regime as the poorest in governance and highest in corruption. A recent survey report released in June 2013 based on the previous fiscal year’s economic situation in Pakistan one could easily analyse as the social and economic indicators had no good reflection in any of the sectors of economy. In real sector the growth has had no positive baring while in manufacturing too the lack of power and gas supply led to closure and huge losses. Only the exports could be discussed as a positive gain in terms of higher value and international prices of cotton and allied products. In quantitative term the exports of textile, leather and other products remained under pressure due to power and gas shortage. One can simply summarise that the leading international institutions have been very good organisations in collection of statistics, analysing the economic and development aspects, however, they did not play a leading role in diagnosis and prescribing the socio-economic ills, that any single country is confronting with for over the years. Pakistan is a classical case in point.

There has been emerging role of private sector in the developing and advanced countries. However where there is a role for poor and low income groups in a country, the private sector is not found even with concessionary projects as against the public sector hospitals and educational institutions who provide service to the people. Private sector has been more for profit than the public one where the government has to subsidized for poor people. Affordable proposition is available in private sector institutions, however the experience shows that there has been a bizarre approach in private institutions. The development role of public sector organizations has not been effectively worked our and examined by any government. Local self government still prices a good window of competition, however in the absence of this government tier there has been a loss of service to poor.

Urban, Rural Poverty: The issue becomes further compounded when a comparison is made in a society living in rural or urban areas. The lack of basic facilities,
lack of infrastructure and non-availability of human resources in rural society and limited income in an urban sector, but having better equipped hospitals, schools and manpower, yet one feels surrounded with problems. The two sectors have different percentage of relative, absolute and extreme poverty levels. In the study conducted by different non-governmental and governmental organisations reveal that the cost of living affects a lot in an urban community whereas, lack of facilities directly related to high poverty to extreme poverty in a rural area where not only the limited income affects the resource availability, but the absence of facilities compounds further this very issue of poverty.

The urban poverty and inequality can be conceptualised in terms of two variables: firstly, how smoothly or speedily one is able to tap into and navigate various circuits of flow (water, electricity, sewage, transport, capital and means of production) that structure urban existence; and secondly, how effectively one is able to sequester and regulate these flows. The issue of urban poverty: Principles and practices in project and programme design discuss the issue with a reference to Kenya. They argued that an understanding of household livelihood strategies is necessary, although not sufficient to identify the most appropriate and effective ways of reducing poverty. In case of Pakistan the urban centres are adding to the existing major urban town planning, but the agro-based structure of country provides cyclical studies on the poverty question. At the time of harvesting there is some liquidity available to rural folks while in the urban centres it is daily wages or the monthly salaries to the working class provide regular income in quite frequent intervals which also helps provide variance in poverty levels.

Since 1947 Pakistan has been able to successfully develop the irrigation system from Indus and other rivers, though the intervention and uncalled for disruption by India has caused problems for Pakistan and its agriculture and power generation sector. Indus basin treaty, itself led to many an issue causing the water shortfall in its five rivers. The handing over of two rivers Ravi and Sutlej to neighbouring India, the critical shortage of water witnessed at the peak kharif and rabi seasons in the country.

The mainstay of Pakistan remains on river water and it helps develop in terms of agriculture and agric sector industries. Incomes so depend on agriculture sector while non-availability of water has caused many problems. Not the issue of water shortage has been a source of irrigation between the provinces, the power generation and non-construction of water reservoirs and dams too has been a big problem. Contrary to this
India is developing dams and hydro-electric projects in Indian occupied Kashmir and Jammu valley. There is a total lack of confidence between the two while the issue of Kashmir is intentionally not being addressed by India that would lead to foregoing river projects once the valley conflict is resolved. At the cost of huge poverty concentration in India the piling of arms and weapons with huge spending at home and at imports do not provide sufficient fund to check the poverty level. The biggest poverty centre on earth is India where the non-judicious use of resources cause unrest in the country in particular.

A few decades ago people used to think that Pakistan had a lot of water in its rivers. No more. Everybody has witnessed and has suffered from water shortage problems. Nationalists in Sindh are opposed to the idea of big dams especially the Kala Bagh. They consider Punjab’s bureaucracy being the source of irritation that has bred mistrust between the two sides. A question is being assessed in the background of agriculture sector. Province-wise details show the real story. Although the World Bank report on Pakistan shows that it is one of the most arid (water-less country of the world with an average rain fall of 290 mm a years. It is one of the most water-stressed country as well and it is expected that the situation would worsen with the passage of time.

Energy

Energy problems and options though examined by the authorities in the federal government, yet the political leadership miserably failed to mobilise public opinion in favour of big dams, water reservoirs and hydro-electric generation. The existing capacity has not been positively moving upward causing more dependence on costly thermal power. People witnessed a huge lead-management in summer as well as winter seasons reaching to over 12 hours a day. The non-construction of Kalabagh dam, a late start of Bhisha Dam and now the new government initiates nuclear power and thermal power products in Sindh and Baluchistan coastal area, that would obviously take years to complete however the planning and future forecasting, both in their respective proposition, failed to workout with feasible benefits.

Not alone the Kalabagh project had to shelve because of a no-confidence situation between Sindh and Punjab, the people of Sindh are found in no mood to listen to this development project, despite the fact the same could have brought about a positive economic change for the whole of country, Sindh in particular, however the majority Punjab’s bureaucracy and pseudo Punjab’s leadership failed to come up to the expectations otherwise the breach of confidence could have been bridged the way it was breached. A lot of precious time has already gone down the drain and the people could not politically sort out the fate of development project. Pakistan’s electric power
capacity is around 25 thousand mega watt which is expected to grow to one hundred thousand MW by 2030. Thus the energy needs are doubling every ten years. Energy Security Plan of the Planning Commission of government of Pakistan has forecast for even higher, though improbable generation capacity requirements, that is up to 150,000 MW (Ali).

Though investment is being attracted from abroad, the foreign direct investment has not been mobilised more for the natural resources, gas and oil drilling in different parts of Pakistan. It was first the Sui discovery for gas that placed Pakistan to this level of development in terms of development and growth. The working of urea gas, CNG for automobile and fire and fuel consumption at domestic level has been only due to the Sui discovery. The lacklustre attitude over the past three decades led to the minimum level of FDI in gas and oil exploration.

The LNG came on surface, that too resulted in gross mismanagement for want of corruption money by the previous regime. The higher judiciary is seized to this situation. Where not the LNG project had to be intervened by the supreme court, the thermal power project on rent basis. An ill-conceived project that again cost to the national exchequer. Then conceived project included the Thar Coal in Sindh where there are underground reserves to the tune of around 200 billion tons of lignite coal. The experts believe that given the demand and use of this coal around 50 thousand mega watt power and use for about two hundred years would be sufficient to meet the energy demand of the country (Ali, Pakistan's Development Challenges, 2010).

With the given new proposition and joint ventures on may believe that the new pace of work would result in an effective beginning of the Thar coal and power project. Multi-national and foreign companies are there collaborating with Thar Coal authority and other provincial and federal authorities so that the ground work could be accelerated and in next three to fours the power generation begins at a faster pace. The Nandi Pur project of power generation is in full swing that shows the commitment and the sincere efforts that have been put in by the Nawaz Sharif Government now in driving seat. Chinese engineers are busy in day-and-night executing the “abandoned” project. It would obviously add power to national grid.

Power generation has tended to be an expensive affair in the thermal sector. The shortage of natural gas and non-usage of hydro facility has become a costly one. Estimates show that one mega watt electrical capacity requires around 1.8 to 2 million USD. It is a very big issue for Pakistan suffering already on account of current account deficit, deficit financing and taxing war on terror. The coalition support fund and other
funding facility has not been up to the mark. Pakistan is reportedly lost already to around one hundred billion USD and still the economic loss continues may be exceeded this estimates. Today Thar desert is the area known for its poverty. People are suffering and passing through the miserable life. Around 150 children have lost their lives and more suffering and getting medicines and treatment at different hospitals. A classical case of mismanagement and corrupt governance. The federal government has not taken any action so far against the provincial government to be held responsible and take constitutional action against the sitting chief minister. In the background of this poverty ridden region, the available Thar coal is a highly valuable source that not only would change the life-style and fortunes of Thari people the macro-economy of Pakistan could see the light of great prosperity and growth.

Wind power is another big source of energy that has just started but that too at a minimum capacity in North-East of Karachi, a close windy corridor off the Arabia Sea that provides a good windy corridor, suitable for wind-power projects. A Turkish company has initiated the project with around one wind mills operating and power generation has been started. The cost of machinery is very higher being imported from the West, however in India the wind-mills machinery produced locally has low cost element. It is a continuous issue and cost very high against the cost of thermal gas. However if the coal reserve is used properly and efficiently it would be a big source of indigenous material and the cost would be much lower in terms of thermal, nuclear or the wind-mill power generation.

Considering the option of nuclear energy, government of Pakistan has embarked upon the project and the selection of site has been ear-marked that is close to the existing Karachi Nuclear Power Plant (KANUPP). The present government having realised the power shortage has worked out good plans of energy mix that, if other things remaining the same, mostly in Chinese collaboration of huge foreign investment, may draw a practical shape and lead to good power capacity to enhance much higher than the demand.

With the expansion plans in place aimed at increasing the capacity of production and new proposed projects at hands, the existing energy prices are getting beyond the reach of poor people. This study especially examines the poverty issues when examines the poverty ridden people and the energy prices, it is evident that the energy, petroleum products, transport cost and tariff of electricity and gas add to the cost of living thus putting the poor in more vulnerable position on month to month basis. The industrial tariff in the US is not over 11 rupees (equivalent to cents at 75 rupees per dollar) while in Pakistan it is not less than Rs.19 thus making Pakistani products
expensive and not manageable by local manufacturers. With other energy items like petroleum, gas etc, the cost tending north in case of Pakistan having no comparison against South Asian countries while the European counties having the per capita enjoy much lower the prices as against Pakistan as compared to per capita and cost of energy. The study shows that the cost factors is government made resulting out of poor economic policy and taxing the poor people more than those who can afford having capacity to pay.

Rural Poverty in Pakistan

The rural poverty has been of a big issue that not only has generated law and order problem in rural areas, the influx of population from rural to urban has also been a contentious issue. The neo-colonialists have taken themselves to ride rough-shot over the dignity and human rights of the landless and non-farm households and of the country at large. Pakistan needs reforms for land holding where the issue of rural poverty could bring about positive outcome. Majority of population could get relief once the true land reforms are introduced unlike one in 70s in post-East Pakistan era by PPP regime. Pakistan land allocation is skewed because of the policies that were followed by the colonialists prior to the creation of Pakistan. They were interested in land allocation for a specific purpose. The masters being the British had the authority to allocate as much land to their dear-ones. Even governments distributed kutcha (river-bed) land to landless peasants in Sindh and the revenue estates of the Punjab that had been occupied by the powerful without authorization. What has been the criterion for selection. It was never advertised. The question is as if the land distribution was aimed at awarding to party workers or those involved in corruption. According to a study Pakistan has ninety three percent of its farms in the small sector, defined as those comprising less than twelve and a half acres. However sixty percent of these small farms actually have less than three acres. Thus the seven percent who constitute the large farmers possess sixty three percent of the landmass while the small farmers have only thirty-seven percent. There are thirteen ecological zones and the social structures from tribal to caste systems are diversified.

There has been an increase since 1998-99 in real household income while in case of agriculture income based households the income has also been higher but the cost of input in agriculture has out-numbered the benefit of higher income (Survey).

Urban agencies may be able to do little influence the broader economic conditions that determine the level of demand for urban produced goods and labour other than engage in macro-economic policy debates in order to ensure that the effects of economic
policies on urban economies and residents especially the poor recognized and that policies are designed to minimize their poverty-increasing effects to maximal their poverty-reducing effects.

The PSLM has shown the level of poverty has been declining however later after the period of 2006-07 the tendency move upward. The leadership in rural or urban areas should express their meaningful and sincere commitment in reducing poverty and providing social facilities like education and health. The leadership and elected representatives including those in the government departments should listen their problems and attend their issues. The real ownership lies with those who believe strongly in the economic development of the country. An estimate shows that non-farm households reflect higher slightly close for 60 per cent are rural poor. According to the figures from agriculture department (census), around 38 per cent of rural households own land and over 61.5 per cent of landownership is less than five acres or 14 percent of total land. Income in rural areas other than. The most important crops in Pakistan are wheat and cotton. Third in line is rice and sugarcane to follow as number four. As the government doubled the floor price of wheat for landowners, the general prices of kitchen items took a sharp upward turn while the production too reached to around 20 million metric tone.

With a rising trend of moving to urban areas in Pakistan for want of jobs, housing and better living conditions, most of the people with low education or poorly skilled (or no skills) suffer more miseries and have to live in slums. In every city of Pakistan such squatters, huts and manmade houses are the place where such poorly sourced persons live. Discussing poverty line based on expenditure gives a better outlook on poverty line however in the case of urban centres and rural area of a major city, poverty could be defined as non-availability of basic facilities like shelter, water and sanitation to live in a community or the food and clothing to them. At time poverty could be seen through inter-generational transmission. It takes decades for moving from squatters to organised but low income colonies.

In South Asian Region the worst living has been noticed in Indian urban centres where generations live for decades in overcrowded slums. Basic services: In any emerging and growing urban economy reliable services in infrastructural sector, be they are in transport facility, education, electricity supply, sanitation and water etc. They continue to suffer for decades and at time wait for external intervention through aid, NGO or other assistance from the government or philanthropic organisations. These are the challenges for any local government or the organised locality in urban centre. With
many non-governmental organisations work in different towns and cities however the problems could not be addressed to the satisfaction and minimum baring level for the good of such localities, however the basic responsibility is vested with the municipal set up in any such centre. The provincial or sate governments have to put development plans through the metropolitan/municipal councils. The effects of market conditions are transmitted to the household units faster than the rural areas. In urban areas there is poverty incidence more in working class colonies or those living in slums. The economic benefit in urban areas are their as infrastructure and markets provide good opportunity to the habitants than those live in rural area.

**Micro Finance and Micro Insurance as tools**

Lately the micro-finance has been the tool introduced in many a country for poverty reduction as a result of this scheme desired results were mostly achieved in poverty alleviation programme In India, Nigeria, Zambia and many other countries. Micro Finance initiative has been quite successful especially in Bangladesh where Professor Younus has been a unique example for poverty reduction and collective community-based welfare programme. Subsequently the micro insurance has further advanced providing small protection to low income group who as per the meagre savings and government contribution sharing premium help alleviate poverty in rural and semi-urban areas. Vietnam is a case to study in ASEAN region that has emphasised on micro-insurance as a broader tool for effective help and assistance and thus alleviation of poverty in urban or rural areas. With this observation the economists and urban socio-economic experts that the locally fabricated and indigenous programme should be the hallmark of a government agency to introduce the scheme that would generate good enthusiasm and participation level. There are some nation-wide private sector projects providing relief to the poor people with regular food three-time a day, health facility and some good means of work on partnership basis. Saylani and few other are good examples for poor community. The food support programme or the ‘food stamps’ in Pakistan were previously introduced with different intervals. The income distribution programme known to be BISP has been a good tool but not for a long term relief to poverty stricken community. The governance and its management remained an issue, mostly because of politicians’ undue interference, which did not yield poverty alleviation results to a satisfactory level. People have general complaints in many rural areas of southern Punjab, rural areas of Baluchistan, Khyber PK and Sindh that “the health system is of no use as there are no doctors or paramedics attending regularly their village-based units. Some facilities provided to the young students in the field of
pre-medical studies to have admission in medical colleges on a condition that they would, after completing their degree, would serve the remote and village areas. They in the beginning get a got start working in villages and small towns but at a later stage through their elected representatives move to urban centres and even get salary from their respective rural units. So there is a need for a proper system of ensuring presence of qualified staff and a doctor at every unit. The basic health units or village dispensaries with qualified doctors have been there in all the provinces but the facility could not last. The poor living in rural areas thus suffer in case of any emergency. They either visit the non-qualified persons posing to be doctors or those who are only registered practitioners and not the qualified doctors.

4.5 Poverty and Regional Conflicts: A case of Jammu & Kashmir

Does conflict create ‘poverty problems’? There are certainly domestic as well as international factors which cause poverty in a given society, yet in case of Pakistan or other regional countries, internal conflicts or cross border issues, like Kashmir between Pakistan and India, Afghanistan or other countries facing identical problems cause poverty. The growing “globalization in international trade relations” urge an understanding of conflict negotiation and alternative dispute resolution. Effective conflict negotiation has become a requirement when conducting international business and trade. Mediation and arbitration are increasing become third-party alternative to dispute resolution. Successful conflict negotiation require taking the party’s needs into account while satisfying our needs through others. Negotiations refer to a “special form of social interaction or decision-making. Conflict negotiation is a process not an event. The dispute between the two countries on Jammu and Kashmir has caused huge economic loss and those who continue struggling for their right of self-determination in the Indian held Kashmir.

The issues needs a win-win situation for the three parties involved in over 65 years’ conflict that has further aggravated and the recent one is the issue of water and construction of dams over the disputed territory. With huge resources being diverted not to poverty but to military equipment, this mindset needs to be changed, however given the modern day’s modern communication development, the two sides are not willing to have a serious though to economic development and poverty reduction than struggling hard to be the regional power. The conflict and poverty study was made by Norway and it has been referred to the World Bank study on this very issue. As a conflict
resolution will in longer run help stabilize the area population however the displaced population face obstacles to enter in to urban labour markets.

During past thirty years, Afghanistan suffered on various counts of conflicts internal as well as external. It has a chequered history that needs some in-depth analysis and research on Afghanistan. There as been an absence of local research institution to examine and study conflicts assess their impact on population and also recommend means for settlement of issues at local and international level. With over 300 districts, Afghanistan has its own history and culture and different languages. It has the broader category of division in south and north as there command mostly remained under the Pushtoon ethnic group. Not the districts alone, between villages there are differences in ethnicities, tribal affiliations, living conditions, cultural norms and social values. The traditional customs have overcome the norms of modern needs and development and education still remains at the bottom with no such priority (Ahmar, 2010).

There is fast linked socio-political neighbourhood between Afghanistan and Pakistan. A great population existing on both the sides of “Durand Line”. The conflicts are generally the clash of interests in political arena or economic sector. However the factor of law and order that is well entrenched in Khyber Pukhtoonkhaw carries impact and its roots in other parts of the country. The solution in Afghanistan will have positive outcome in Pakistan that suffered due to Afghan issue led by Osama and his support by natives of Afghanistan people. The conflict has its impact on poverty and it stops the pace of economic development by way of diversion of resources. The violence and terrorism certainly have cost to be paid by the local people and Pakistan has been paying huge cost. It has added poverty incidence and big problems by way of law and order and sluggish economic growth. In the north of Pakistan the issue of unresolved and continuous occupation of Indian forces over Jammu and Kashmir is a flash point in region and causing poverty incidence moving upward. The recovery has not been positive that remains less than four per cent. Unemployed youths searching for jobs have no contributory role in national affairs. This is where the government and research organisations should focus the question of extreme law and order, terrorism and violence, slow economic recovery and low investment.

The development projects need a consensus among different communities, provinces and a harmony in a country. Kalabagh hydro-electric project was conceived for the purpose of water reservoir and electric generation unit. Estimated to be a huge project on Indus river on the border of Khyber Pukhtoonkhaw and Punjab provinces, the controversy began as the political leadership in particular and the people in general started opposing the project and lately continued suffering at the hands of low water
supply for both the crops as well as power generation. The development is conceived differently by different economists and social scientists. For instance, (Escobar, 1995) reviews development as a historically produced discourse, arguing that thinking of development in terms of discourse makes it possible to maintain the focus on domination and to explore the most pervasive effects of development.

Considering the development as a unified overarching discourse, one believes is more useful to think of a plurality of development discourses. Nonetheless the interest in development action leads us to focus more on development practice. To visualise and view development as practice is to focus on its strategic, operative dimension. This is to say we conceptualise development as activity. It is a conscious action needed to bring about desired transformation (Dwivedi, 2006).

The conflict in case of a development project led to political differences, hatred and lack of confidence among the communities. It also resulted in regional and ethnic strings tight. However there has been no substitute projects for the years by the leadership who were found very advanced in opposition the project. This resulted in huge economic loss and hampered the growth in almost every sector of economy. The leadership has to provide an alternate, however given the so called democratic system and feudal based public representatives they never thought of any proper development plan excepting the money-making corruption-based projects like one could see the rental power projects. It proved to be very short-sighted approach with more loss than the economic benefit.

In case of internal law and order and attacks by extremists in Swat, the military operation remained result-oriented, however it resulted a loss of displacement of area residents. Later they were shifted to their native towns and villages, however the economic and social loss was for a certain period reflected in the Economic Survey of Pakistan which was overcome by the passage of time. Income generating programmes help to spur asset recovery and accumulation. Through better jobs and placement of individuals households and in last over 60 years, India has engaged in the growth verses equity debate. In his book Economic Development, Myth and Reality, (Chand M., 2007) writes in Developmental efforts and general deprivation that the problem with the paradigm of development is that it demands that the state find the capacity, will, sincerity and respect for the humanity and rights. He says that with comparing with
countries in the same income group as India with around $650 and over 35 per cent of its living below one dollar a day.

A case of Nigeria

The economic conditions prevailing these days in Nigeria, an African country that has been found with some big human capital and natural resources has not been able to address the issue of poverty. Two major issues are being confronted with the people that are related to food and energy poverty. Disease and health issues are in result of poor food intake. Here in case of Nigeria the poverty is looked into from two angles: 1. Nutrition and food and 2. Disease and health issues. It is a country though with crude oil and many other natural resources, meat and beef or poultry products are not available to ordinary citizens. In a miserable condition people have no good life at all in majority of the population. At a time when petroleum prices are globally very high the natural resources of crude oil have not been used in the interest of the people of Nigeria. The cost of living moves upward everyday so the quality of life moves down every day, drug addiction and more crimes. A society suffering from poverty experiences a rising trend in illiteracy where the children either drop out from schools or do not enrolled. Parents suffering from poverty in terms of income and food do not have resources to move their children to schools and pay regularly their fees. There is not even good programme for children education and training in government sector. One could raise a question as if the implementation of poverty alleviation strategy which is being managed by those officials who have “no understanding” of poverty alleviation programme, or those having no good sense of governance. This as a result of such poor governance, people continue to suffer and the career of young generation is totally at stake. It is generally observed that many of the people do not even know the meanings of MDGs. The priority is not the alleviation of poverty but are found “planning” how the rich few will more earn money in the name of poverty alleviation. It is a common phenomenon that there is no organised institution in the poor countries having specialised governance centres and poverty alleviation research forum.

The previous lines considered to be “outdated” though the method of calculation was similar. Due to this need the new international poverty line was developed. One could see that the prices of certain kitchen goods could be lower but at the cost of quality and this large quantity does not ensure standard and quantity. But with the low income in a community the attraction is more a quantity than the price and high quality. Poverty lures them to buy in quantity than pursuing quality for slightly higher price. The study has evaluated that consumption is the preferable indicator for welfare measurement due to many reasons. People avoid communicating about their income or expenditure. In the absence of such communication, inadequate information
will never conclude on positive outcome and result would not be meaningful and correct.

As defined, the Purchasing Power Parity is the use of local currency in comparison to the international currency like US dollar and have an estimate of prices of different commodities helping preparing out the food basket, savings, consumption, poverty. In order to have a good study on parity adjustment for differences in price levels, price index adjusts for changes caloric and nutritional needs are put to be identical though with different level of economic growth and development, community with more resources and money, and they have different food package than the poor one so the consumption matter is visibly available than the income pattern for estimate. Inequality may be reduced not ended through the government policies however there are no evidences as economic growth per se could lower income inequalities.

Given the scarcity of infrastructure and financial constraints, lack of proper governance, the problems compound for the people in any poor economy including Pakistan. This could be lack of sanitation and drinking water facility, inadequate schooling to children, and improper facilities in health sector causing tremendous pressure on poverty increase, be it in urban or rural areas. Hunger is a challenge combined with under-nourishment to the people struggling for a balanced diet per day. Besides the insufficient supply of basic amenities, food insecurity too has resulted in basic socio-economic issues and indicators depicting the state of affairs in any society. There have been triggers used for short-term benefits, but corruption in the poor and heavily indebted countries, ineffective governance with almost no governance indicators, provided no relief to the people. The corrupt practices in third world countries (developing economies or those least developed) have the corruption at the worst pilferages in terms of resource outlay.

The Transparency International in its publication (International, Global Corruption Report, 2004): The Global Corruption in particular deals with the corruption of rulers in poor countries including Pakistan wherein the rulers in Pakistan had a big role in making money through commissions, money laundering etc. In Philippine the government made successful efforts and forced the Swiss government to pay back and remit the looted money by Marcoses used later for poverty reduction through education and health. This scheme is known to be a practice that led to providing cash benefit to families with very low income than creating a regular source of income in
extreme to critical poverty groups. A political commitment to poverty reduction also implies willingness on the part of political leadership and government officials to listen to poor people’s own analysis of their situation, their identification of priorities and their preferred solution in order to ensure that interventions are appropriate. This implies attitudinal change, particularly with respect to gender, and a changed relationship between community habitants, officials and politicians.

It gives professional expertise a different status and function and requires new skills on all sides. It also implies a need for different channels and mechanism for decision making at community and city level for both traditional elected representatives and local technical hands. For having a good governance it would ensure minimum pilferage of national resources, thus ensuring participatory figures in a good number. Itself it ensures that the number of eyes on the project, society and community is ensuring more participation and more vigil eyes to curb corrupt practice if any in a given situation or building a project. The political commitment thus raises the credibility of the politicians and public representatives engaged in poverty reduction through development schemes. The leadership also ensures a sound economic activity in the society helping alleviate poverty and more social development schemes like health, education and population welfare programmes.

There has always been a political debate and criticism in Pakistan where the donor agencies and international lending institutions came under tremendous pressure. People generally are found criticising the IMF and World Bank for “dictating” the country for tailoring macro economic policies resulting pressure on low income group, through high rate of tax, sales tax or tariff of utility service. However foreign funding has always been a part of the budgetary measures in each fiscal year by any government in power. The funding and grants though continue pouring in to poor and low-income countries, however the prescription by the donor agencies and the funding institutions at times create bad effects, resulting no domestic savings, high rate of unemployment and critical law and order issues in a given region. Pakistan too has such classical examples in different provinces where people suffer due to corrupt leadership or the poor mechanism of government administration. The question of reducing the poverty level to fifty percent by 2015 as per the first MDG devised for poverty alleviation could not be achieved, however the newer deadline prescribed by UNDP in the month of April, 2013 for eliminating poverty by 2030 is another challenge and seems to be a dream in this South Asian region in general and Pakistan in particular. An engagement of leadership and community at large in the schemes for development etc ensures better
governance, less leakage of foreign and local funding in projects and speedy in-time completion of the schemes.

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Chapter 5
Social Sector: Poverty Linkage

Poverty reduction strategy prepared by poor countries, receives financial assistance on regular basis from the international lending organizations including the World Bank and Asian Development Bank for poverty reduction, take in to account education, health and water especially because they have direct linkage to poverty, which needed to be addressed adequately for providing relief to the poor. At times, planning always suffers badly due to high population rate, thus obstructing the given design to address the poverty issue. In thickly populated and dense areas of the world, the crude birth rate does carry affect on economic planning and development.

Introduction: Given the facilities available in the social sector, the compulsory needs and their supply to demand relationship are pertinent to assess in the context of poverty measurement in any country.

The development indicators do carry certain weight for these services. With new emphasis is on achievement of Millennium Development Goals worldwide, its Goal Number 2 is related to universal primary education. Concerted efforts will be made more by all member countries of the United Nations; Pakistan has no exception to it. By 2015 children at primary have to complete their full course of primary level however like poverty reduction failure in achieving target by 50 percent this too will not be attained. With a review by 2015 it is quite possible that Pakistan may not achieve the primary level education target in male and female gender.

Many counties have failed in poverty reduction by 2015. This first goal on poverty reduction has already be revised last year when the United Nations put this target further by fifteen years, i.e., by 2030 all member countries will have to reduce

[JEL classification: I12; on research and development and education H51; H52; H75 I100; I1, I2 related to health, education and welfare. A200 on economic education].
poverty by 50%. Now the provincial subject, education has been turned into a responsibility by the state/provinces that too is not likely to be achieved. The state of terrorist activities across Pakistan has led to many reviews of the target fixed in every budget at the time of new fiscal. The allocation and availability of funds is a severe problem for the government be it in centre or provinces. So the education is a big challenge. In case of Pakistan primary education remains the lowest in South Asia, thus an urgent and persuasive policy has to be introduced in the low developed provinces and unsettled areas of the country.

With around four hundred thousand schools around 55 per cent are run in the public sector where federal and provincial governments manage the primary education besides the public sector schools and institutions that are controlled by federal or provincial governments, the private sector too has been well placed that is not only serving the cause of education in low age group but also making sizeable profits. Thus the education through private sector is more a commercial venture than the service to the poor masses. The study and its analysis here are covering the question of population, human capital, its impact on resources, poverty effects, health, education and water needs. These being very important tools to address the poverty issue in any country. In Pakistan the struggle is shown in the field of education, health and environment, yet the primary education rate is lowest in South Asian countries and health facilities mostly being privatized, thus creating another class of poor, very poor and extreme poor.

Mostly the immunization is done freely for the poor section of population while in urban areas parents prefer the private hospitals or maternity centres for inoculation process for their children. It is a surprising fact that in poor countries having though over 72 per cent primary education enrolment in Pakistan, it has been observed that education is obstructed by poverty whereas education enhances poverty in low income group of society. In most of the interior or slums in major urban centres, most of the low income families live in are not able to enrol their children in schools for even primary education especially in low density high area population in Baluchistan (2010). With other social issues in place water being most precious and nature’s gift to people is not available, becoming an expensive commodity over a span of around ten years in major urban centres while the rural population has no good water to drink have to mostly depend on sub-soil or irrigation water for daily use. Poverty alleviation, food security and sustainability of environment are interlinked and representing major development
challenges for any society and those involved in this programme. Poverty alleviation requires continuous efforts, sustained growth in the field of natural management and allied development sectors which ultimately aimed at pro-poor growth and development. Analysis carried out by SPDC (2012) on the role and analysis of the local government benefits to the social sector show the provincial governments have to introduce local government acts as the subject matter lies with the provinces and not the federal government.

With a long debate and an inordinate delay in the finalising of local government set up the provinces have suffered to a great deal. As the constitutional changes have resulted the education and health to the provinces, the deliberate delay in holding local government elections have resulted more compounded results in social sector. The development issues has become more a political one where the sitting government fears as if it would loose its present political strength once the local governments are in place. The fact remains that the NFC award and the previous set up of local governments have been of immense public participation and produced tangibly good results in local development, both in rural and urban areas. Any further delay obviously will result in least development schemes and would add to problems in social sector in particular. (Ghaus A., 2010) Social Development in Pakistan in 2011-12 Report by Social Policy and Development Centre, an internationally sponsored research organisation working in Karachi and being headed by economist Dr. Khalida Ghaus.

5.1 Population
The impact of population tends to affect directly on poverty incidence. As and when one examines the question of poverty, its impact on society, socio-economic ills and benefits, the population study is a must ingredient to have an adequate study of poverty. In case of Pakistan higher tendency, high fertility, though mortality is not low, population has a direct negative effect on planning and thus the desired growth is not achieved. Total estimates of population show that the population in the previous year as estimated to around 185 million. The growth rate in population shows a slight downturn improvement and it has decreased from 2.03 to 2.0 per cent. Pakistan’s Scenario Population has an upward tendency in Pakistan, may be because of various reasons. Unemployment, poor socio-economic household income, high fertility, no better entertainment and a family or demographic pattern leaves one to observe a higher per household members even at 6.8 per unit. The figures shows from the ‘Social Survey of Pakistan’ conducted in the first decade of the new millennium that population needs to be curtailed. It should be checked in provinces, northern areas, Baltistan and Gilgit and Azad Kashmir area. The heavy population growth tendency and then migration of
population to urban centres has caused many problems. The efforts of the family and
social planning have not been that effective and result oriented comparatively as seen in
Bangladesh in South Asian region where it has witnessed zero growth rate. In case of
Pakistan population has been estimated to be over 200 million growing at around five
per cent, and given the existing growth rate, it would move faster than Nigeria and
lower than Brazil, according to statistics available through the World Revision.

Salient features in Pakistan as reported in the official document show: Pakistan
has a fertility rate of 3.3 child per woman in 2013 as against 3.3 per cent in 2012. Usage
of contraceptives, tablets or other measures, has shown an increase from 28 (2011-12)
to little over 30 percent in 2012-13. There has been positive signal in recording changes
in crude birth rate that was over 27 per thousand in 2012 from the level of little closer
to 27 per thousand. With all the socio-economic constraints, the life expectancy
increases has been 66 years in female to 66.5 years while 64.3 in male. With the above
change in population indicators the expected upward change put labour force from 58
million in 2012-13 from 57.5 million in the previous year. As a result of economic
pressure in rural areas there has been unemployment on the rise, the population in
urban area. With a tendency of migration to major towns and cities, Karachi being the
por city and biggest urban centre faced more pressure in population exodus. With this
change new slums increased causing pressure on social sector, service of utility, water,
power and transport in particular witnessed more pressure. In term of people without
job the number of jobless people increased.

With a critical law and order and war on terror in the province one sees it is
because of migration of people to other parts of country. The agriculture sector
remained a major mainstay of Pakistan’s economy. Though the gross domestic product
remained under pressure, however the government still makes efforts to boost overseas
employment. It is the largest income in foreign exchange estimated to be around US$11
billion in a year. The overseas sector for money transfer has been a big asset for the
national exchequer with around ten billion dollar are being received every year by
overseas Pakistanis.

When the world population has crossed the seven billion mark and further
moving upward results a big food security challenge has emerged strongly for the
dependent and poor countries with limited water and agriculture resources. A total of
six countries are having pressure on maximum number of people with highest
population in the world, where Pakistan is very well present there with a high
population. It is observed that ‘globally speaking’, during past about half a century there
was a visible reduction in fertility rate (a fundamental reason for population growth rate) in developing and less developed countries ensure low grade education and a medical cover. It is important for the children to have a better foundation in their education and divert gradually to technical side. With over 50% of population comprising of youths, besides children and those having over 45 years of age, Pakistan has been blessed with a great human asset.

Precisely in sub-continent of India, Pakistan and Bangladesh, Sri Lanka etc the population if converted in to a productive hands the same could become a big economic power like China, who has turned apart the globe in terms of economic and industrial growth and manufacturing at a large scale. It has been a continuous programme of the government in particular where the second goal of UNDP Millennium Goal is receiving attention from the government. Today, over 100 million of the total population in Pakistan provide a unique proposition where youths have to lead the nation for tomorrow provided they are well equipped in terms of education and skills. Though there are estimates of population to go to a low level in the next fifty years, however it is important to note the question of fertility. It may be because of diversity in age group across the world. The education being the priority yet the employed labour is also receiving due attention and recognition to them with different welfare tools like social security and old-age benefits.

Government Labour Policy (2010) carries significantly the question of rights of workers in public and private sector companies. • Despite close to Millennium Development Goal in universal primary education there are apprehensions as if the education has not been up to mark. • Many who are close to their primary grade completion fear as the children may not continue for lower secondary, may be due to insufficient money for education or non-availability of secondary schools. There has been a big difference of facilities in urban and rural areas. There are more than one reasons for those who are migrating from small villages to big cities. Having insufficient funds— child labour emerges because of hunger and food insecurity. • The global trend of economic and technological change looks for workers for basic skills. The problem related to having no or not-productive education or training. The poor quality of education is also an important area of problems. Research indicates that the problems are generally severe for those who have no or limited resources. For poor communities in Pakistan, this issue could be settled through the government and private organisations’ joint efforts as the economic security is required for them in a given family who generally force them to go for work.
DFID jobs for poverty reduction: The British organisation working through the British High Commission in Islamabad has contributed a lot in poverty reduction and has also laid emphasis on youths’ contribution in socio-economic development. It has laid emphasis through different ways. Its working analysis say that The British department focuses on the filling blanks and stressing to develop productive hands in social sector and economic growth. In a nut shell one could see that this investment in human being is of highly technical and productive value and also help women capability and capacity. A lawful migration of young persons for jobs or education is obviously for good and helps both the countries to develop good social gains. Besides the purpose of education the youths tend to get admission overseas as not alone the higher education is an opportunity but they also, under the relevant country laws, find opportunity to work during week-days. With poverty in place, the youths in particular and those family heads in general face tremendous pressure and find discriminated, thus tempted by the foreign service recruitment agencies or human traffickers.

The human smugglers take advantage of the poverty stricken job seekers who manage resources to pay to traffickers’ agents and travelling expenses, either selling their small assets or getting loan from their friends or family in order to flee from the country to the Western countries or those states that have a higher per capita and provide mean jobs to the illegal immigrants. Pakistan has no exception to this situation where these human smugglers take advantage of such potential customers in the market. Human trafficking has been in place in Pakistan for years luring the people for money to get them abroad illegally.

5.2 Education

Despite being a signatory, Pakistan faces enormous challenge of achieving universal education goal. The funds availability has been the major concern however in the Punjab province the primary education has received attention while in the urban centres of Karachi and Faisalabad have been under the focus of the citizens who themselves regarded the government education of low standard and managed their resources to place their school going children in to private schools. The cost of education in the private sector is much higher and goes without any check and balance. The sector of education has made good progress where it is estimated that around 170,000 schools, colleges and educational institutions providing education to over 22 million students. It could be observed that the challenge is big and resources are limited.

Pakistan has introduced the gender responsive budget initiative project aiming at government spending in accordance to requirements of students and putting an
importance to the female gender. In the first phase of this initiative covered the key social sectors; education, health and population welfare and on the federal as well as provincial levels the education, in particular carried out recommendations and reports which started different projects. Lately through the constitutional changes the education has been fully tendered to the provinces here. The scenario is that Pakistan lags behind in education and literacy within the South Asian region and gender gaps remained an issue of concern for policy makers and planners. The literacy rate for population of in the age of ten and above is estimated to be 55 percent including 67 percent literate men and 42 percent literate women.

The overall literacy rate for Sindh is 55 percent including 67 percent male and 42 percent female. The difference between the urban and rural Sindh is greater where the literacy rate for women in rural areas is only 16 percent while 65 percent in urban areas. The gender difference intensifies according to rural and urban locations. It is arguable as what level of education is considered in “literacy” bracket. Gender gaps are greatest at the primary level due to the high dropout rates, especially among boys whereas the gender gaps narrow at the secondary and the high school level, but the participation rate for girls and the boys are lower at these level. At inter college/higher secondary level, the gaps further decrease but enrolment is extremely low. Socio-economic disparity creates problems for the poor, especially the parents with daughters at their end, whereas in rural areas generally the people in Sindh and Baluchistan do not want that their female children go to school, however in the Punjab province government introduced incentive programme for both, boys and girls with regular monthly stipend for promotion of primary education. Fata, northern areas and Khyber Pukhtoonkha have their provincial and local programmes for primary education, yet social customs and financial barriers do affect the normal pace of seeking education by girls.

The question of extremism and attacks on the girl schools has resulted posed a big question for female education in rural areas. The official statistics show that the literacy rate has been almost the same in past few years not with an extraordinary change. It is for the last year that remained at 55 percent, slightly higher than the previous year. It is estimated that 67 percent of men and 42 percent of women are literate. Gender differences become evident simply by looking at the difference in literacy rates with less than half the female population literate while almost two third of the male is literate. Pre-primary enrolment in the public and private sector educational institutions stood at 7.2 million of which 62 percent is are in the government sector while remaining are in private institutions.
Table: Literary Rate for Pakistan provinces and overall population

<table>
<thead>
<tr>
<th>Region &amp; Provinces</th>
<th>% Male</th>
<th>% Female</th>
<th>% Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>67</td>
<td>42</td>
<td>55</td>
</tr>
<tr>
<td>Punjab</td>
<td>67</td>
<td>48</td>
<td>58</td>
</tr>
<tr>
<td>Sindh</td>
<td>67</td>
<td>42</td>
<td>55</td>
</tr>
<tr>
<td>NWFP</td>
<td>67</td>
<td>28</td>
<td>47</td>
</tr>
<tr>
<td>Baluchistan</td>
<td>58</td>
<td>22</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: PSLM 2007, Government of Pakistan

In private sector schools mostly women teachers get the job and educate the children. Given the problems in rural or remote areas, the government started non-formal education and got boys and girls enrolled for non-formal education where male and female teachers provide education to the children.

Religious schools (madaris) do have a facility to a large number which comes to around 1.52 million students studying in these seminaries, mostly religious one, however with a reform agenda, some madaris started normal education side by side religious teachings. The total enrolment in both the private and public sector schools was over 17 million boys and girls which included 70 percent in the public, and 30 percent in private sector. In urban centres private sector education is getting a good return to investors and also provide good educational standard. Public sector in both, male and female, has not been up to mark. Overall, in both the public and private sector schools, female students constitute 45 percent. In terms of literacy, the gender gap continues to exist (64 percent men and 46 percent women) as compared to other provinces.

Sindh performs well where the female literacy rate is well above the 28 percent including Karachi and Hyderabad urban, for Khyber Pukhtoonkha and for Baluchistan it
is at 22 percent. However other provinces demonstrate slight improvement, the percentage for Sindh remains the same. The government of Pakistan committed with the UNDP for achieving MGDs, however in case of education-related millennium Development Goal, universal primary education has to be ensured by 2015 with no gender parity. Pakistan looks far from achieving this target as it has been committed. No target so far achieved as in case of primary enrolment 35 million additional students have to be registered by 2005 but it could be only 2.5 million while the target is not yet achieved. In case of primary schools an increase of 10,250 is the target whereas it was below eight thousand so the target in this case remained unachieved. In case of primary teachers an increase by 56,100 was the target for achievement, however only 23,000 were claimed to be increased, thus the three main areas remained not accomplished. An over-centralised policy in financial matters remained a big obstacle in devolution to the local self-governments in the districts.

The over political concentration which continues dominating the central and provincial political set up, has not only resulted impediments, the society remained under pressure in term of low or ‘no’ education to the poor. The In a family the children have no resources to get good education, or they have to become a workforce or member of any household working in agriculture sector. The approach in education is being obsolete, has not played a positive role in developing new institutions, students and teachers, but the teaching facility do not enjoy a desired respect from among the ruling class in a given constituency. Abuse of political power and corruption has been the order of the day in many rural areas of the country; however, the economic compulsions resulted in gradual migration by rural families to urban centres, thus adding complexity to existing urban problems. Pakistan is surprisingly at the bottom of the list internationally. The education sector is behind even very low in South Asian countries in terms of gender parity and funds allocation in education. Pakistan is at the bottom of five counties in the world with low public spending on education while in private sector, a big leap forward is seen, may be because of higher return on their investment through education at higher level. Pakistan's education picture though with some improvement, is unable to keep up with the growing demands of a fast increasing population. However at post-graduate level private sector universities provide a good alternative to students in almost all the modern sciences.

Benefits of Zakat allowance to children

Due to limitation in income generated either through the government funds, poverty allowance or the earning by the household members, the education of children has not been encouraging. Since there are no resources so the education is not a priority
for parents. A study shows that due to low level of benefits and irregular disbursements, Zakat allowance does not seem to have a positive impact on schooling of children. Nonetheless differences in the relative magnitude of child schooling in male and female recipients households may exist due to the caring roles of women. It is hypothesized that because women spend more time with children, they may have greater preferences than men for spending on children’s welfare, specially on education and nutrition. The net impact of such a contribution has been that the priority with women recipients of Zakat allowance they spend on food as their priority while second on male-primary education, as examined through the (Ghaus D. A., 2010) SPDC study.

South Asia is the fastest region of the world in terms of economic growth and development. It consists of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan and Maldives. It has been seen that GDP growth of 5.2 per cent in 1998 to around six percent now is a reflection of growth of the region though there has not been much done on poverty sector (Chand M. K., 2007). In Bangladesh the poverty has been diminishing while in Sri Lanka and Pakistan poverty has not been on a downturn. It may be because of both the countries suffered critical law and order however not Sri Lanka has shows sign of steady development and almost the problem of terrorism is controlled to a great extent. It is not the case in Pakistan where in almost all the parts the terrorist activities have resulted in great loss of life and property, restricting the usual economic activities, besides the power shortage that has obstructed the pace. In social sector Pakistan has been doing good in the MDG target of the first five years but began faltering after than. It is feared that the target would not be achieved further, however efforts continue in that direction. Initially may be due to better economic growth and aid in the background of 9/11 helped achieving the target, however the very first target related to poverty reduction by half could not be near success. Given the growth at a higher level, defence spending would not be a problem at all.

Though the member countries are chasing their given targets, however some believe that the MDGs are to distract the attention and is a “distraction”. However South Asia, with majority of poor live, may not be able to meet the 2015 targets for varying reasons; in India and Pakistan due to preponderance with recession and terrorism. An estimated account of enrolment is around forty percent of school going children with an emphasis on primary education where the parents have through the educational environment spread is stated to around maximum of 87 percent in few areas of Pakistan. It has been in primary enrolment by a global standard much lower by around over 12 percent as in many countries one could see that the enrolment is around 95 to be one hundred per cent and almost 100 percent elsewhere. Having a comparative analysis with other countries like Indonesia 18%, Malaysia 25%, and Pakistan is much lower near around 3 percent of GDP than these countries, and even less than Bangladesh in South Asia.

According to a study by the Social Policy and Development Centre (Aysha) “basic education is considered to be a critical determinant of economic productivity and contains several positive externalities”. In the year 2011-12 Punjab province has had the
highest enrolment at 61 percent while Sindh at 53 percent, Khyber Pakhtunkhwa 51 percent and Baluchistan 47%. That shows that in 2007-8 the percentage in three years remained unchanged in the Punjab, two percent higher in Sindh, 2% higher in Khyber PK and three percent decline in Baluchistan. The budgetary allocations for the education sector (federal, province and district combined) have increased from US$ 1.20 billion in the year 2000 to US$ 3.7 billion dollar, around 240 billion rupees which indicates more than a threefold increase in allocation, but the rate of literacy has not been to this corresponding ratio in the middle of the first decade. Education, politically, has been attached priority in social sector, but it is not properly funded as against general administration, debt servicing and defence. Though budget increase in education is usual and regular phenomenon, however poor administration caused always an under-utilisation of funds. The annual average spending in national education has been at 2.45 percentage of GDP in past five years.

Table: Education Budget as percentage of GDP/GNP

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (Rupees in Billion)</th>
<th>GNP percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>Rs, 4,401</td>
<td>1.8%</td>
</tr>
<tr>
<td>2002-03</td>
<td>Rs, 4,822</td>
<td>2.1%</td>
</tr>
<tr>
<td>2003-04</td>
<td>Rs, 5,640</td>
<td>2.2%</td>
</tr>
<tr>
<td>2004-05</td>
<td>Rs, 6,581</td>
<td>2.1%</td>
</tr>
<tr>
<td>2005-06</td>
<td>Rs, 7,713</td>
<td>2.2%</td>
</tr>
</tbody>
</table>


With low allocation and poor spending, under-utility of the budget has been there for years, even the spending at all, is mostly for the non-development and budget usage is mostly in the form of salaries, administration (non-development) etc. The actual development is still far desirable, the monitoring and audit however remains a big question.

As supported by international organisations a reform program in Pakistan is being emphasised that include professional development of teachers, textbooks development, and improving the system through good environment in educational institutions, good conditions in class rooms and a better assessment of examinations etc. There has been an irony that in case of Karachi alone the secondary schools are not of good standard in the government sector, whereas the students passing out secondary standard mostly from private sector schools have to seek admission in government colleges as the school at second level are more in private sector than good education at public sector schools under the government control. As allocated in the Annual Development Plan 2012-13 for new schools, it is a contradictory state of affairs that the local media carried stories for closing down many schools in far flung and least
developed area of Sindh province. The buildings are being used for the cattle farming by area elders and influential persons.

As there has been some technical and financial assistance from the World Bank etc to the governments in province and the centre, yet the work seems to be more a theoretical than executing the modern approach like the private sector has successfully been managing organisations. Though expensive yet private sector has put up some excellent institutions while in public sector few universities and their centres have had praiseworthy work in education and research. Similarly health and education play a strong role in addressing the poverty issue through different tools and triggers. The education helps in transforming the society not alone through the institutions and media. Pakistan faces many challenges. Education being on the top, if one could prioritize the social issues. Many provinces have simple medium of education, Urdu and English, however in Sindh the Sindhi language, has added a problem to school going children and the policy makers have not seriously viewed this issue that affects the normal course of education being taught to children. With decentralization through the 18th amendment in constitution of Pakistan, the provinces are independent to work their policy paper however a comparison could realize the best education in the Punjab at school and college level. These are social problems affecting poverty reduction programme. An unusual approach is needed with a different paradigm to address the social issues, not the stereotype and orthodox one as followed in past sixty years resulting no better solution but complicating the existing one.

However due to poor governance in the government sector education remained under pressure and a compromise could be visibly seen in terms of standard in public and private sector.

5.3 Health

Fundamental issues like under-nourishment, food insecurity and hunger, lack of medicines and inadequate health coverage for poor, presence of HIV and unsecured sexually transmitted disease are the policy areas for any government in Pakistan. The killer disease has no exception in any part of the world in general terms that include Pakistan where according to estimates around one hundred thousand people living with HIV. According to the World Bank Pakistan has to work hard in this area where there is potential threat of spread of such killer disease. Although the estimated HIV burden is still low around very low to around 0.1 percent of the adult population—the country is facing another threat that is the epidemic among injecting drug users with HIV prevalence above 5 percent among drug users through injection. With this scenario the male and female sex workers add to this complex situation.

Pakistan needs more targeted campaign on an urgent basis to control the HIV inn different groups. There are over one lac people suffering from this deadly disease
passing over 90 thousand people in mid of last century's last decade. There are serious risk factors making Pakistan in the face of a rapid spread of HIV if immediate and vigorous action is not taken: Epidemic in Injecting Drug Users: There is no exact survey that determines the people suffering from the drug use through injection. The number of drug using people in Pakistan is estimated to be around 600,000 and out of this over one hundred thousand use injection to have drug injected into their body. These IDUs are stated to be most dangerous phenomenon in HIV percentage that even goes to around ten per cent. By any standard it is highly big challenge. Besides the sex workers in male and female also tend to be a dangerous sign who have certain percentage of drug users. According to the government (ministry of health) estimates released by the economic survey the majority of these workers is either married or sexually active.

The problem further gets compounded as the statistics show that these drug injecting users do not find new syringes rather apply used one. Families having limited income where only the male family-head earns, but that too at a lower wage level, and young boys assist their families and parents for a supportive earning hand. Though the International Labour Organisation (ILO) prohibits child labour, however being in unorganised sector it is difficult for the government to discourage child labour, as poor government having limited resources, is not in a financial position to supplement monthly income to such poor families. A big number of countries have signed legislation internationally to stop use of children as labour force in their industry or commercial establishments.

The government departments, like one Social Welfare in case of Pakistan need to take more active role in addressing the needs of orphans and vulnerable children—Few orphan houses or religious seminaries too have 2 International Labour Organisation convention No. 182 deals with the use and abuse of children and their use in labour work. It prohibits the use of children (Geneva). These young boys (children) are hired at lower wages per day basis or on work basis With an increase in the blood related diseases the blood screening is done on a limited scales and that too in private sector. These blood laboratories facilitate people in their dire need in case of a trauma or critical injury while these institutions working for cancer-related disease also provide blood. It is not yet clear where the screening is properly done or not. The drug users or HIV carriers are likely to be among those who donate blood on a regular basis, obviously for a price. One could have a comparative study from Bangladesh which has been successfully managing the higher population growth rate. The tendency has been arrested helping in good national economic planning.
Communication goals in population

The stress of communication strategy is through persuasion and advocating the cause of low family with better opportunities. Such messages should be depending on media in electronic and print so that the people should see the benefits of more education opportunities, better infrastructure development and better educational facilities. In general terms the people do realise the importance of family planning and family welfare programme and the choices available to them. There is good coverage and a positive role by media through coverage of campaigns, seminars on population welfare and means available through different pharmaceutical companies and government functionaries. Few medicinal organisations too have come out projecting the population welfare needs and its benefits. Printed materials such as pamphlets, leaflets, brochures. For having impact-oriented policy results, it is mandatory for any programme to succeed through public awareness, and for that, the media’s role could be effective and far reaching.

A policy formulation includes the questions of nutrition, as Nutrition could be “a balanced and good nourished food is must for children or adults”. Any society can not survive with just three-time a day food and liquid. A well balanced diet is a must ingredient for a body as a regular food-in-take. Good health is defined as one who is physically stable and mentally alert. It is a prerequisite for a nation to be healthy and productive. An ill health not only covers disease but also hunger, if someone being in loneliness, develop sense of insecurity and powerlessness. With this state of mental and physical proposition it prevents the individuals or community to act independently on nation-building affairs through healthy policies. The national health agenda includes fighting with the malaria, tuberculosis, polio and other diseases like one previously taking a big tool through dengue fever. A survey conducted few years back and called Pakistan social and living standard survey plays an important source of basic statistics on health, poverty, social protection to poor resulting launch of income support programme by the government.

The survey results are said to be an important tool for PRSP, conducted by the government of. There has been some progress in indicator of sickness/injuries with a prevalence rate of about seven percent reflect a positive result. The survey report of PSLM gives information on health also and gave positive and encouraging signs and also showed positive results over the last fiscal year. On the expenses side the government has increased the allocation of 20 percent in total expenditure on health that has been to Rs.60 billion of which, Rs.27 billion provided for development budge in
health while over 30 billion spend on non-development (administrative) side. Previously it was around 50 billion rupees is estimated now as much low to even Vietnam or Sri Lanka.

Having no sizeable control over malaria, now the dengue fever outbreaks every year in different parts of Pakistan. Sanitation and poor sewage has been the major cause of breeding of mosquitoes for malaria and thus huge amount is spent on sprays of medicines in streets and infected areas. 5.5 Water linkage An important social indicator is the availability of clean drinking water. Ironically Pakistan’s rating in terms of access to safe water is not good. Integrated Household PIHS and PSLMS surveys provide information about the sources of drinking water. The statistics show that the share of tap water connections increased from 25% in the beginning of the decade to 36% in 2008 that still not in the bracket of developing nations.

It reflects a very poor scenario. During 2007-08 to 2011 however it reflects a downturn of four percentage point. Only ten percent of population lacks access to safe water than 11% in India and 18% in Sri Lanka and 20% in Bangladesh and Indonesia. Whereas in Malaysia only 1 percent people suffering from lack of water, 2 percent in Egypt and 3% in Turkey. Perhaps congestion also has played a role apart from under-investments in water sector. Another rare opportunity for Pakistan to feel better is in terms of % of water under weight children which being high at 38% is still less than 46% of India and 48% in Bangladesh; but only 29% of Sri Lanka’s. In almost all poverty measures, Pakistan fares better than India and Bangladesh but worse than Sri Lanka. Although being a signatory and have the objective to do better in universal primary education target, yet the performance is very sluggish.

5.5 Water Linkage

The poverty has another strong linkage related to natural resources, especially water availability for drinking, and agriculture etc. The agriculture-based economies have more dominant role through the development of agriculture through natural rivers and underground water availability. There have been disputes on water sharing within the states and intra-states, one classical example is Pakistan and India on the Indus basin treaty where India continues taking huge share of water from rivers flowing and originating from Himalayan region. Though a treaty was signed between the two countries, yet the upstream being in the control of India (by way of controlling and occupying disputed territory of Jammu and Kashmir) and downstream Pakistan facing problems by Indian controlled rivers. Another example could be cited from Afghanistan wherein river flowing upstream down to southeast of Afghanistan had caused problems between the provinces.
The resolution to dispute however not yet worked out between India and Pakistan and the irrigated land now facing tremendous shortage of water in Punjab province of Pakistan. In metropolis Karachi there are settled and organised areas and localities who usually pay different taxes, however are not getting water supply through the normal system of tap and water lines.

Reason: A huge corruption is found in water supply and management. The water management board (public sector organisation) responsible for supply has miserably failed. The supply is available through the expensive water tankers who get the water from water board reserves and supply chain. However people do not get water at their residential complexes and houses due to the reason the tankers supply is a daily affairs involving sales in millions of rupees. The management even involved the para-military force operating in the city for maintenance of law and order in support of police force that too has failed to deliver good to the people. This is because of no authorities want to forego their “share” in monthly gratification through sale of water boozers. This is a permanent and regular huge income available to the city managers. However those localities who have political leaning towards one party or the other they receive regular water supply however it is not sure whether they pay the monthly bills or not. Better sanitation and sewage is good for the health of anyone, the poor in particular from health risks. A dispute between different countries, a conflict within a country, between provinces have raised at many occasion, yet the territorial capture resulting in control over water is a serious issue between neighbouring countries, Pakistan and India. This needs to be settled in the region to answer the chronic problem of poverty and would ensure peace in the region.

This natural and common property between the communities provinces or internationally disputed and the “mighty” has become the owner of this “nature for all”. Although there are issues within the country like the Sindh, Punjab and the Khyber Pukhtoonkhaw for apportionment of water that has been resolved to a great extent however there are serious differences over the construction of big dams like one at Kala Bagh. There has been a late effort of building a major dam for water and power near the location of Dya Mir Bhasha on Indus. This is underway and may takes many years to see the sunlight and start producing power and makes good reservoir for irrigation water. 3 Water scientist from Nebraska University Dr. Shroder referred to a talk in Islamabad referring to flaws in Indus Basin Treaty with India; Published in The Express Tribune, June 28th, 2013. The biggest dam is already in place like Tarbela and Mangla. There exist the issue of repayment of royalty to province of Khyber Pukhtoonkhaw. Although it is a
good source of revenue to the provinces, however there is only Turkey who pay no royalty while other countries pay with a comprehensive formula of annual money, electricity concessions and a free package in certain value.

The problem as to manage water resources and how? Solutions and approach the same as in other parts of the world are There are certain laid down principles by the international lending institutions like the ADBs—the approach—that lead the institutions. It is a matter of record that the Delta people of Sindh River asking for more water to be thrown in Arabian sea “saving” their delta land and agriculture while those favouring water reservoir in upper region calls for stoppage of such water being flown in the sea. A solution has not been worked out yet and average supply of water in winter season becomes a big issue for agriculture sector. A majority of poor mostly in rural sector consider the water source as a common property helping them earn their livelihood. Indus river is a classical case where between the two provinces of the Punjab and Sindh have reached have lost confidence in between the two and people of Sindh and their leaders are not willing to accept any positive proposal related to water reserves or dams construction. It is also a fact that the floods water through Indus is thrown every year in to the sea while there is no understanding positively being developed to develop and construct water reservoirs and dams for power generation. A huge project has gone down in the trash having spent billions in feasibility and preparatory stage but the breach of confidence among the people of south has caused great loss of natural resource. Even the communication development and facilitators have had failed to achieve desired results in removing misunderstanding and restoring confidence for building dam. The people are not willing to even listen as they believe that they have been deceived in the past by the authorities belonging to the Punjab.

Though theoretically one may talk of drip irrigation, however that too is in a limited scale in some of the land farms owned by those farmers who have the resources, nonetheless other still depend on water available either through canal or tube wells. It is an expensive source of underground water as it consumers fuel or electricity for running the machine. There are people in political circles and media that dams restrict river flow down the Kotri which leads to encroachment of the sea. Do we have the technology to stop the sea encroachment by other means or barriers?

Why do not we do a cost analysis of the water Pakistan is flowing in to sea around 40 million acre-feet of water mostly in the monsoon season. as a commodity,
writes (Ali, Pakistan's Development Challenges, 2010) in his reference book “Development Challenges in Pakistan.” The food and agricultural productivity depends on water where there are many countries who have the best yield and much higher as against Pakistan with best of canal irrigation system in the world. The output per unit area is a common measurement indicator that shows that Pakistan’s cereal yield and ranking among selected counties in the world is over 71 in number while Belgium, Netherlands, Egypt and New Zealand are the best and top among five with the highest yield of different staple and cash crops. Pakistan falls much below the agriculture yield. India and Bangladesh face problems in these sectors. However India has been found to be country as the “Regional Power” needs to help sit across the two other main countries who have confronted with the issue of water. Bangladesh with India has had an old dispute over Farrakha barrage while Pakistan and India have the issue of Kashmir and Jammu where in the Indian Held area dams are being developed on rivers that are confronted by Pakistan. In such a situation the tension mounts and breach of trust has resulted more problems. The issue of compounding level has been there that is poverty, especially in India which second largest populous country in the world needs more resources diversion to economic development and poverty alleviation. There has been no plausible strategy in communication posing a great challenge in the region. Together in participation of the people the state of water and biodiversity has to be assessed and the benefits of mutual use of water and apportionment for the regional users could bring about judicious use of natural resource. However given the mega-size India, it is never willing to sit across and go for resolution of the dispute with Pakistan and Bangladesh separately.

It has had a controversy among the public circles mostly due to the fear of religious assertions saying that the population or family planning aimed at obstructing the population growth being un-Islamic. The federal government subsequently in 1960s changed the name as the public agitation had led to uncertain political conditions in the Ayub Khan era. So far Pakistan has not been able to introduce a better population planning than Bangladesh or China. The higher growth rate has badly affected the normal planning in physical planning and economic development. Not different is the matter related to health and water management. There is strong dispute between neighboring India and Pakistan on Kashmir and Indus water treaty and construction of dams and water reserves. This has at time led to higher tension and strong cold
relations. There has not been any redress of water problem with India. There are no good reservoirs of water in Kashmir or within Pakistan.

Huge water flows annually down to the Arabian Sea in monsoon season but also through the use of technology like internet, communication and electronic. The education certainly plays a role of stimulant for promoting healthy traditions in society and communities take due benefit.

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Chapter 6
Governance, Corruption and Prices: Poverty

Poor governance yields corruption, adding to poverty and wastes of resources. Pakistan, India, Bangladesh, Indonesia, or heavily indebted poor countries, in North-East Africa, have direct relationship between governance, corruption and poverty. Governance can be defined as at a macro, or any micro level, the management, or the government, its policies and system, adopted through the set rules of business, to administer for the good of their people, or business associates, resulting in the well-being of the people, company staff, and, or allied sections of society. An estimate show that with an average of around 1.8 trillion rupees business transactions per annum in different sectors in Pakistan, where corruption prevails through different routes, and illicit income flows, could amount to 10 per cent of gross domestic product.

Introduction: There has been quite a healthy debate in recent years, when the poor countries are not properly governed, pilferage in the foreign aid or debt, are noticed by the lenders, and thus the political elite of a country plunders public money and face no adequate accountability. There has been no proper propagation and effective execution of the process of accountability, mainly due to a curb on media, society, and those who raise public opinion for a corrupt-free society. In the absence of political stability, and insufficient judicial system, violence continues growing due to socio-economic problems, and effectiveness of a government comes to a total halt with no adequate regularity body introducing proficient and even laws thus controlling corruption and strengthening the cause of accountability. There has been tangible work on governance perception and indicators, however, subjective data is strengthened by proofs of corruption, yet the poor laws and delayed practice in adjudication process

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have not controlled the corruption nor provided good base for better governance. Of late economics and comparative political economy literature, books and papers have generated results, linking a variety of There are many examples that include the relationship between decentralization and corruption; effects of the legal structure working in any community or region, an adequate check and balance mechanism and effects on political system, the social and economic impact of policies and so on.

The political economy at times get stained due to corruption through different means. The corruption, black money and parallel economy are now being discussed by economists and development specialists. Having a classical organisation on anti-corruption, the Transparency International led to a perception study in all its member countries. The higher the perception about corruption a country will having low rate of corruption. The low perception about corruption will obviously result in high corrupt society.

The poor countries on the globe have the higher rate of corruption, and they lead top fifty positions in corruption chart. They have the lowest level of perception on corruption. The CPI pointed out that there is a good perception on corruption and bad governance while in the poor and low income countries with a democratic or military rule there has not been positive perception as what is corruption all about. The kickbacks received however are from the developed countries by way of importer getting machinery or capital goods from the advanced countries. This phenomenon one should keep in mind is a kind of financial corruption from the leading industrialized countries.

A Global Corruption Report (International, Global Corruption Report , 2004) speaks very loud on the corruption by Pakistani leaders however for the cause of "grand reconciliation" in the national interest the National Reconciliation Ordinance resulted in immunity to the reportedly corrupt politicians of Pakistan. The governments in the 90s were dismissed on the charges of corruption, gross misconduct and poor governance. There could be arguments that poor countries are more inclined to corruption, however the fact remains in place that majority of imported items of capital goods provide kickback benefit to importer through the exporting company either in any developed county. Unlike people living in rich countries, the corruption in poor countries have its direct impact on poverty. The poor level of scare resources if misused, the poverty will grow and it mostly happens in government procurements and contracts, non-productive use of public money and lavish spending for the maintenance of the government and its cabinet members. One can identify that in a poor country, like Pakistan and adjoining
countries in South Asia, the political parties, police and administration (bureaucracy) could be three areas who are generally found in corruption as all the major financial and project transactions are managed by these three forum. Around 48 countries surveyed by the TI, indicates a serious lack of confidence in their respective governance and authority. Debate related mostly on government data.

There are ecological damages by major cities citing as for an example the capital city of Delhi (International, Corruption and Governance, 2007) and other cities have large emission of carbon dioxide and other smoke generating industries, thus adding problems to the life of poor. 6.1 Corruption, How perceived Poor governance leads to corruption and wastes. It also adds cost to the funding community and those who lend money for development projects. In some corrupt countries, aid activities added cost due to corruption by officials and others. But this is a phenomenon affecting only a small proportion of aid; much aid is disbursed only when the equipment or construction or technical cooperation it pays for is supplied or built, which considerably diminishes the scope of illicit behaviour.”

Cremer has defined corruption saying “it is a word with a broad arrange of uses in everyday speech. It is closely tied to both designating the facts and passing moral judgment and condemnation. Corrupt is used to describe a wide spectrum of behaviour in an individual’s economic and political environment from illicit or illegitimate behaviour to the behaviour that is simply considered undesirable by the person using the word”. Accusing a political opponent of corruption is thus the ideal way to defame him or her. The term corruption is usually used in the context of political science and sociology. The experts believe that the corruption is a result of misusing the authority or breaching the trust and faith. It is a gainful proposition at the cost of public exchequer.

Given that definition, several prerequisites are set for using the term corruption. a)The behaviour of these persons involved in corruption is stated to be either illegal or at least contradictory to the behavioural norms attached with the office. The breach of trust could be for the financial gain by individual or group of influential officials or politicians to heir advantage or a group of vested interest holding the office. Gains could be material or immaterial and directly or indirectly beneficial to the person in the office. Prestige attained by the corrupt act constitutes immaterial gains. Privileges for family members are an example of indirect gains achieved by the misuse of an official
position. There could be further elaboration through: Nepotism, Bribery and Misappropriation.

**Bribery:** It is a link between the receiver or many sides for paying illegal gratification. It is a trade-off between two parties, groups of participants, one who bribes and one who accepts a bribe. The one who receives, (the bribe) or some kind of good, a service that he would otherwise not have received. The transaction may be the issuance of a license or giving a public contract to the one who does the bribing. The one accepts a bribe is an official or holds a similar position. In guaranteeing a bribed service and in accepting a bribe, an official in fact misuses his position and breaches the norms of his position.

**Misappropriation:** Misappropriation of public fund funds takes place by civil servants who have some scope in deciding how to allocate funds. The officers misappropriate funds when they acquire them in their jurisdiction of work. As opposed to the bribery, misappropriation of funds does not need a “partner”. It is observed that there is a group of different persons who pool up their contacts and create a situation for their personal financial gains in violation to the national responsibilities. There arise no morality or ethics or any discipline.

The receipt of illegal money through the kickback is another phenomenon that is placed under the misappropriation head. This is a dangerous omen and cause huge financial loss to lending organisation and governments who disburse aid and assistance. It is estimated that the funding and grants to certain countries where corruption is considered to be very high, billions have so far been siphoned off has caused loss to the poor community for whom the grant and welfare projects were initiated. Huge misappropriation is not generally occur through a person or a small group of persons involved in a department or a government. Huge corruption means a power group side by side smaller group of officials where in poor countries even the ministers and head of governments are found involved in misappropriation and misuse of government authorities.

The corruption perception index and corrupt countries’ report is evident of the fact released regularly by Transparency International Germany. Nepotism: It is generally believed that nepotism takes place where, “an official position is exploited to give a preference to individuals or groups with whom the officer has a close relationship. In particular, nepotism takes place when an official abuses his position to control access to
employment in an official circle. The officer in charge responsible for recruitment and selection favours someone disregarding the existing rules. This may be for family relations, his own ethnic group people from home region or people with same political leaning. It is also defined as the nepotism could be when the official awards privileges, licences or contracts on such a basis as mentioned earlier. Why a nepotism takes place could be a question to be answered as, “the simple satisfaction of fulfilling traditional obligations of solidarity in regard to family or other social groups or for financial gains.”

Selection on such a basis reflecting nepotism means that the person being engaged in official department would be not a competent rather an other addition in corrupt practice who later in the same department or government position would misuse his authority and lead to corrupt practices and uncalled for pressure on the colleagues. A corrupt official then would make secret arrangements and check adherence to them with people who are indebted to him for their jobs and are also related to him or share his ethnic or regional background than with people with whom he does not have such relationship. Is Corruption leads to advantage? As analysed by Cremer saying, in the western society people generally do carry no positive feelings for corruption or those who were involved in corruption process. Western society considers the potential societal advantages of such corrupt occurrences.

Contrary to this in developing or poor countries many consider what Westerners counties consider about corruption, however the fact remains totally different. This viewpoint has been strongly supported in economic literature. Analysis of the claim that corruption has ‘fruitful effects on development goals’ thus, poverty alleviation, has not substantial ground. However such a claim lives on in the organisations that sponsor aid, grant and assistance for development. Some of the arguments could be dismissed as one has to be watchful at some of the effects of corruption on development. Analysis of the effects of corruption should not be based on the fictitious ideal of an efficient, development-oriented bureaucracy. Rather, it should be seen through the realities of civil servants watching out of their own interests. If analysts concede that the bureaucracy in a particular case pursues its own interests, interests that often do not overlap with the goals of economic and social development, then corruption can have positive effects in regard to fulfilment of development goals.

Bribery, misappropriation or nepotism as earlier discussed here refers to the corrupt practices aimed at securing own privileges, benefits and gains from the government position by individual or group of people. Bribery allows for the weakening or removal of development-friendly bureaucratic intrusions. More to speak there are a
good number of development-unfriendly bureaucratic interventions into the economic process. In many societies domestic industrial production is shielded from international competitions by custom duties and through non-tariff trade barriers (Cremer).

Pakistan and India had the bilateral misunderstanding on the question of non-tariff barrier. It remained due to a wide gulf of confidence between the two. Though the initiative was taken by Pakistan, yet the restrictions are understood to be on the part of India more apprehending the Pakistani textile and leather products would capture a big market there. Corruption in custom administration allows for circumvention of trade limitation. The food department and prices of wheat floor are relevant to such practice in agriculture and food business. Bribery mechanisms, in other words, cannot completely remove the negative effects of governmental intervention, but the effects are supposedly better than if all people strictly obeyed the law. This observation lies at the core of the debate over the potential advantages of corruption. One may look into its importance: the authority being over-centralised with no delegation of authority and dishonest and irresponsible bureaucracy are the indicators related to poor governance and corruption.

Siding with state intervention is not the only object of bribery contracts. Another victim can be found in the governmental activities for guaranteeing the legal framework for the action of individuals and groups including the framework for competition. The sugar prices case in Pakistan is a relevant example where the competition commission failed to deliver to the interest of poor people suffering hard at the hands of influential manufacturers of sugar with political clout vested in individual sugar mills owners. It is in the interests of bribers to ensure that the courts remain weak. The predictability of business dealings is thus restricted substantially by the conditions of a corrupt administration and a corrupt legal system. There may be another argument that corruption promotes competitive processes under conditions of excessive governmental regulation. This makes an analogy between the mechanism for bribery and a legal system for price regulation. Economic models that depict a mechanism for bribery assume that licenses are awarded by officials to the highest bidder. In the end the few licenses or quote made available to those who can produce most efficiently and thus dispose of the greatest bribe potential. For developing transparency in government functioning the freedom of information and expression is highly relevant and important.
The role of independent media and law for access to information become more critically important here like Pakistan, India or low income poor countries where the bureaucratic control leads more to corrupt practices through concealing information, non transparent procurement rules. Red tape and corruption has been an approach in the government functionaries where the delays at the cost of development, need of poor and the urgency in a society are compromised. This approach could be termed as one of the corrupt ways leading to ultimate bribery. In many a case in a poor society the government official delays in concluding the job as requested by his fellows. It looks like an incentive for accelerating the work through such payments. Officials struggle for spreading the chances for getting delays in completion of desired official work. In passport offices there could be such delays despite the fact automation and information technology is in usage.

One should see in evaluation that in poor society the government officials who have strong integrity and believe in a public trust and service to the people should be evaluated for the purpose of awarding them. The corruption exacerbates destruction of the natural environment when environmental safeguards are overcome with the help of bribes and when selection of projects depend on their ability to offer better kickbacks and bribes. And to say the least corrupts are less effective in supporting the poor. The assessment should see that level of qualification among officials in civil service should provide incentives exclusively to honest and hardworking personnel. The government jobs provide security in service and post-retirement benefits unlike many in private sector do not abiding by government laws ensuring benefit to employees.

There is no single argument that support corruption in any society. Even in development projects and aid grant policy by the leading strong economies to poor one need a proper audit mechanism specially tailored by the donor agencies and lending countries who want a safe and correct usage of their money. The long-maintained neglect of corruption control issues by sponsoring organisations cannot at any rate be justified by potential advantages of corruption or by the supposedly ambiguous results of the analyses of the effects of corruption. Projects for poverty alleviation or the development one find good ways to corrupt countries and their representatives to make money.

The kickback is the most important procedure in carrying out misappropriation. A contractor, for example, in agreement with the client, bills the client more than the usual price a price above the market value or a price higher than the amount that would have been set in a proper procurement process. The contractor or buyer of the
machinery or products later repays the money to the government official who had cleared the bill and the higher payment thereof. The public procurement regulatory authority rules in case of Pakistan are very relevant and the speciality of such rules have even attracted the superior judiciary asking the government departments to be vigilant and proper in using the provisions of PPRA.

More than kickback, the delay in project also meant for making money. An external financer makes and allocates funds for larger projects in amounts proportionate to the progress made in project. If there are delays in implementation funds already disbursed can be invested elsewhere in the meantime. When profits are made from those investments are not returned to project funds but rather pocketed by people in charge of a project, misappropriation has occurred. Returning goods for refund is another practice in corruption by different officials. Disaster aid programmes that provide for the distribution of goods purchased locally or abroad are of relevance to this area. Currency Exchange rate fluctuation becomes another source of corruption. Externally provided funds and have to be exchanged into the local currency in order to cover cost incurred in the recipient end. As against the regular organised and formal banking sector for encashment of foreign currency provides attraction if the same is put before the private sector to secure higher rate. Corruption, not a good governance, has been a daily phenomenon in a society where the resources are limited and population in a particular group of income is low.

In order to fulfil the wants and necessities of daily life are abundant the temptation to fulfilment of basic needs tend to individual, group or a society as a whole to corrupt practice (Kaufman, Pradhan and Ryterman (1998). How corruption in phase of prior to project approval: It is important that see at even the level of initial scheme programme the officials in receiving side set the priority they want in negotiation. Little is known about possible pressure through bribery in decision making. It has been observed that it is conceivable that companies interested in a certain project pay bribe money to officials in the recipient company or promise to pay if they win a future contract. In doing so, they secure a spot for their preferred project on the list of projects presented to a donor country. “Public expenditure tracking survey (a tool used by the World Bank to monitor better use of money) even shows that in Africa the ghost workers accounted a big proportion thus causing not the financial loss alone the non-performance and not serving the community. These numbers represent a striking contradiction to the soothing words of the report known as Cassen Report. Of course,
one cannot use these numbers from Indonesia and some other African states to make a general statement about development work around the world.

The Transparency International’s perception index says that zero means that the country is completely corrupt (10 = a country completely free from corruption). In the index of 2006 Indonesia was ranked 130 of 163 countries with a score of 2.4 in both years Indonesia had scored similar to those of other countries involved in development work. Having intentionally a bad level of governance or with a favourable chance of tolerance interval for being incompetent, corruption adds to the cost of funding and thus the projects become expensive, ultimately a burden over the national exchequer that the tax payers have to share.

The cost of project may go even higher due to delays and thus adding more inflated cost to the overall completion cost and purchase of commodities and goods and services. It is a usual practice in Pakistan where the projects get delayed much higher in the original provisional cost or revised cost tends higher mostly due to corrupt practices and intentional moves. Those who are dealing with corruption specifically in developing countries run the risk of neglecting the global context of perceiving corruption and how counter productive it is. The Transparency International has worked out details about corruption perception.

There is no plausible reason to consider Indonesia an isolated case however the corruption perception index ranked Indonesia as 46 among 52 countries at an index score of 2.72 as being very corrupt. It would then appear to be primarily even exclusively a phenomenon that plagues poor and developing one. Because of this very risk, debate about the corruption in developing countries was long subject to an intellectual ban, in particular within aid institutions themselves. It violated the rules of political correctness to talk about corruption in developing countries and in aid without at the same time mentioning corruption in the administrations of industrial countries and qualifying the effects of corruption in poor societies by a pointing out other, especially external, factors that inhibit development. As important as it is to analyse a social phenomenon in its surrounding context, the pressure to qualify was much greater discussing the phenomenon of corruption than other issues.

Corruption is a global phenomenon, demanding corruption control through combined responsibility among poor and developing and industrialised advanced countries. It can be found worldwide, just like other forms of crime. Bribery could be said as an “exchange”. An active party pays the bribe while passive party gets it being a
recipient. In international economic relations corruption could also been seen there. As it is a global issue. A different proposition surfaced when the German government initiated a “unique” law against bribes. This regulation consisted of a direct share of responsibility for corruption in developing countries and for the misuse of aid funds. With tax benefits for bribe payments and no threat of prosecution, the law amounted to an instrument for promoting corrupt exports at the cost of competitors who were not willing to pay bribe. The German tax regulation cause outrage, especially in the United States where business partners risked criminal prosecution if they tried to bribe foreign officials. The federal government of Germany refused to abolish the regulation allow for tax deduction of bribe payments made abroad. This refusal was crassly inconsistent with policies toward developing countries.

Tolerating bribery in defence of international competition and bearing responsibility for bribes made to officials in developing countries were not compatible with the hypocritical demands placed on developing countries partners to promote competition and good governance. Developing and low income countries responded to this inconsistency in an appropriately malicious manner. The common practice among export nations of bribing officials in poor countries sin order to prevail in the struggle for contracts is reflected in the bribe payment index of Transparency International that categorizes the leading export nations according to their willingness to pay bribes. The previous index ranked thirty leading exporting nations according to the propensity of firms with headquarters within their countries when operating abroad.

Given the corruption level found in governments, in both developing and fast developing nations, it will remain very tempting for business to employ bribe payments in the fight for contracts. With such an international convention it could only be benefitted if all the member countries abide by it and follow strictly the norms of ethnical business and practice. Even the donors’ money should be used bearing in mind the critical importance of fund that is being diverted from the developed nations for the welfare of poor people. A proper audit and financial communication control is required for a better openness and transparency in every transaction disseminated to all the stakeholders.

Corruption control is not achievable? It is a question that is there for the non-governmental and governments to answer who flourish over the funds from donor organisations. Where there is an everyday phenomenon as in any poor country, it is difficult to manage corruption however there is always the role of legislation, media and independent organisations to play a lead role like the international watchdog
organisations, one Transparency International, human rights organisations and other identical forum. There could be many good practice in fund awarding and disbursement of money to projects, receiving countries and organisations like that the manipulating in bidding process; internal procedure and administration, receipts and evidences could be simplified and at time required more strict measures to control the pilferage. Extensive control and monitoring would certain result in positive outcome and would deliver good helping protect the funds and their best usage.

The non-governmental organisations who were also found in certain unlawful activities should refrain from such unethical doings as it defeats the purpose of setting up of a non governmental organisation. The purpose of NGOs has had been quite encouraging in a disaster situation however there are reports where corruption had misappropriated public money meant for managing the disaster losses and help rehabilitation. In order to have a desired positive and corruption-free model to work for foreign funding, project financing, scheme development for poor and pro-poor welfare programme, there has to be a revisit of the funds availability, the organisations to work for, those dealing persons their lifestyle and standard of living and of course studying their particulars of education, background and antecedents so that the selection of staff in for these organisations or the government one could be screened to the best of possible results.

The evaluation of project is equally important like the role to be given to civil society, legislature and the media men and ensuring access to information by all concerned so that the community residents as well public representative or media related persons should have their regular say and proposals help monitoring indirectly the activities and develop a good liaison for mutual benefits. The corruption control is a continuous process and would go by individual projects, scheme and welfare work and can not be just curtailed once for all. In the list of 135 countries under the corruption perception (1995) study, Pakistan is listed at 95 having very low rating, thus proving that the corruption grows at almost all public and private levels, while Bangladesh is at the lowest of all countries, in terms of understanding corruption a “bad omen in governance” and in state and public affairs.

The funding for reforms in governance, better dispensation of justice, electoral reforms, tax administration, police improvement and education, etc continues from the World Bank, ADB and other international organisations have been flowing in, but the results have not been in pace with the funds the countries have been receiving. The accountability has shown some positive and encouraging results, but the political set up
in any country, if introduces certain measures, rules and laws, they are construed to be “politically motivated” and thus prove no positive outcome. Pakistan is a classical case in point. The poverty is growing at a higher rate, however the National Accountability Bureau of Pakistan, turned into an amputated one by the new political set up and a new substitution (2012) in the name of Ehtesab (Accountability), would obviously be dubbed a 'political tool' at the hands of central government against its opponents. The victimisation of political opponents had always been the order of day, in any low income country, thus the ultimate outcome proves to be of no tangible results in controlling corrupt practices.

The evidences are there proving this argument that the accountability remained an unfinished agenda and has been more a political jargon than being an effective measure helping out poverty alleviation and transparency. There have been three different governments in the past who on their own initiated the accountability organisations at the federal level of the government and introduced anti corruption laws. Now with the new government in place they have repealed the previous NAB (National Accountability Bureau) and have introduced new law with a new chief from the judiciary to lead the organisation. The plea bargain and other previous arrangements and management have been done away with and would be known as Holders of Public Offices (Accountability) law. In a span of few years one chairman appointed under the constitution in Pakistan had to quit the office while his successor who was appointed belatedly had to leave as one of the leading opposition parties objected to the appointment of the new incumbent chief of accountability organisation who too left the organisation. The research continues by the economists internationally by conducting work to reach an acceptable formula to watch governance level in any country that should consist of different contributing factors to conclude the measure of governance. The aggregate indicators are seen to be information-based and give information about governance.

**6.2 Indicators**

There could be various reasons and style of corrupt practice and means to understand governance in poor countries, however the process of accountability, media’s role, political stability, legislation matter a lot in control of corruption. The World Bank has prepared “indicators related to all suffering from poor governance and asked for strictly follow the rule of law”. The responsibility is more with the government departments, organizations and the ministries. There are many reasons to be worked out in a study as mentioned earlier the corruption perception and different modes of
practice have to be taken in to account. Given the above well conceived and interpreted dimension on governance measurement indicators, education and awareness, still play a leading role in dissemination of moderate way of life, changing the behaviour in a given society, thus playing a positive and constructive role therein and be distanced from poverty effects.

The poverty, while mainly concentrated in low income countries, lack of proper information, awareness, and inadequate system of education have also affected the governance. Pakistan has no exception to it. So it could be another broader indicator leading to measuring governance and assessing it properly. This could be: In monitoring the corrupt practices either by individual, groups or government organizations or private sector companies in local or having multi-national presence.

There have been instance showing that in the name of privatization the state assets were sold out through corrupt means, kickbacks and bribes were paid and thus big chunk of state assets were held by one or two major groups. By this one could see that “assets control” like one could see the powers and authority vested in one individual or organizations like revenue collection federal board of revenue in Pakistan previously known as central board of revenue. This organization is reputed to be “running in huge corruption” in hundreds of billions of rupees. Political accountability refers to the role of media and judiciary more than the parliament itself. In case of Pakistan the parliamentarians supported their counterfeited degree holders despite the fact the Higher Education Commission and the Supreme Court did their best to clean such people who through the bogus affidavit submitted fake degrees required before participation in elections. Most of the members and even at time some cases are being referred to now one could see that their “honourable” elected representatives have cheated the entire nation, the election machinery and the superior judiciary. An identical provision could be seen in accountability of law of late 90s in Pakistan where officers living beyond known means have to undergo a process of accountability. There has been no accountability even at the parliamentary level and corruption mounts in a bigger proportion in poor countries like Pakistan. These public representatives finally ended up this law by repealing the same at the lower and upper house. That too was not later implemented due to change in the government from a civil rule to military one. Living beyond means had been a source of potential legal threat to corrupt political and bureaucratic circles. 6.3 Role of independent media An independent and free press plays an important role in exposing the bigwigs in corruption, state capture or undue influence. There are some quotable examples in business sectors in Pakistan who enjoy
sizeable influence over the government and cabinet members. If the authorities tend to reduce the role of free media it would lead to more corruption and injustice in the society. In today’s world the barriers do not help in development of a society based on transparent principles of justice.

The development now depends on the working of a free and independent media. In Pakistan the free and independent media has a strong role and is doing its best for advocating the people of their just rights, socio and economic rights of the people. Though there is always an ambit that helps operation of the media in any society, in Pakistan or in South Asia one could see that the major countries in the region have now independent and strong media presence that plays a role of “development of economic activities, social and fundamental rights”. It also helps ensure the social and fundamental rights of every individual. There is an argument that the private sector role if expanding not at the cost of monopoly and negative impact on prices causing difficulty to poor, the private sector could play a better economic service role. It is also a perception that the public sector (government) organizations are tending to more corruption by its officials than the profit- making purpose of a private sector company. A draw back of such private sector development and expansion is that society would be vulnerable to private sector control.

The Pakistan case could be found that the anti money laundering laws, though in place, yet there are controversies on money laundered for personal gains and assets development. In the neighbouring India, experts make a case and delineates in detail, “the enormous economic and political clout through more wealth and control over the assets while smuggling, corruption, fraud and misfeasance are the main tools of the “under-world.” Pakistan could be an identical examples of political rule and inefficiency and corruption born by consumers is a usual feature. Socio- economic evils like smuggling, fraud and corruption should be watched by the media, besides the government machinery on anti-corruption and accountability. Tax evasion and other offenses tending to make wealth at the cost of national exchequer needs special legislation. It is being suggested that enforcement of law, detention of smugglers, action under the process of law, strengthening the hands of enforcement agents, plugging loose ends of law, seizure of properties and assets and nationalization of smugglers’ banks and seizure of shadow accounts would help control corruption in the society. A discreet observation comes to light by the same author saying that the judgment should not leave any ambiguity about the extent of responsibility the court would like to pronounce responsibility in such situation. The costs of state assets control either
through privatization or disinvestment, the role of anti-monopoly organization (competition commission in case of Pakistan) There are budget anomalies in policy that may cause corruption, for example, monopoly causing price hike and affecting poor segment of population”, the are the factors need to be properly watched through its effects and impact on low income group.

6.4 Poverty contribution and obstructing development

A simple assessment could yield the results of quantum of resources looted by the corrupt leadership, if spent on public welfare would yield positive results on infrastructure projects. The education, health and social sector that needs more budget allocation in Pakistan should be given priority. The looted money if brought back and repatriated through a good legal system could be used and for this an international mechanism needs to be developed. A brilliant example could be the money plundered by Marcos’s family of Philippines was brought back by the parliamentary leadership through the political and international contacts exerting pressure on Switzerland. The banking history in Geneva or the Assembly proceedings of Switzerland provide good record and evidence who acted on the change of law. Enactment of new laws specially for this demand led to sending the money back to the people of Philippines which was exclusively used for education and poverty reduction programme. The transparency organization has the necessary details on this classical case. Controls to the extent that affect the government policies protecting the poor or low income groups is a must proposition by any government in a free market economy.

Pakistan is no exception to this scenario where one business tycoon and a group indirectly in politics played this role. Discussing the Market Economy and Urban change, impact in the developing world analyzed the subject saying, “recognition of the limitations of focusing almost entirely on economic policy and rolling back the state in favour of the market gave rise to increased emphasis, once again, on systems and institutions of governance, including democratization, renewed attempts to develop an efficient; effective and capable public sector, and decentralization. In addition the increased availability of evidence that showed continued widespread and, in some cases, deeper poverty, especially from World Bank-funded living standards measurement surveys and poverty assessments, resulted in renewed attention to directly address the needs of the poor.” A recipe for development should carry a strong and credible leadership and a system involving masses from local government to a federal one. A strong political system is required in a country to combat the corruption and introduce and execute fair policies having no corruption. The political aspect is
affected by the corruption and the reputation of a country if goes negative the investment is badly disturbed. There are international reference data confirming that the private sector ownership of state enterprises has its own dynamics and it leads to so-called capture of national assets. Police control and power in any state in low income group has at times led to peoples’ disappointment to the extent where they get frustrated on account of poor socio-economic policies. A case of judicial activism could be cited in relation to Pakistan where during past five years or so, the supreme judiciary acted to the voice of the people to an extent that it had been able to add confidence in it and in the state. In general terms the previous phenomenon changed to an extent that people had more credibility and confidence in the state institutions and organs in Pakistan.

Corruption is also seen as a bad phenomenon and a counter-productive act for attracting foreign direct investment. It goes with bad reputation and brings about negative marks against even good investment policy. The anti corruption policies and role of international watchdog societies and independent media too have their strong role and be presented forcefully as a result of that would help attracting more foreign investment and thus accelerate economic activities. A case study: Corruption no corruption The mechanism of profit taking, prices and hoarding could be examined through the exorbitant prices fixed by the sugar mills cartel in Pakistan in recent years. Even the judiciary was hoodwinked by the big industrialists who in the case of sugar industry even enjoy the role of being legislatures. Sitting in the parliament in Pakistan they were even able to dictate the federal government fixing the prices of sugar cane levy, prices of sugar cane at the crop level and then the excise duty on the finish form of sugar. This could not help the poor people who had no forum but the media came to project their just demands for a regulatory role of the government. When the government itself had a control by these legislatures then there was no one to protect the rights of consumers. The economic rights were compromised and the intervention by the supreme judiciary could not yield results in terms of a genuine rationale-based price of sugar. It reached by almost three time the given prices in a span of few months. The rising trend in price still continues and the consumers had no option but the accept the upward prices then putting it to a lower level, but still to almost double the prices of some five years back. The higher revenue through the sale did not bring about revenue to the national exchequer rather it helped hoarders and manufacturers to earn more profit. With a sizeable number of sugar mills the government had almost nil share in production and the control of supply remained at the hands of private sector. The KSE
Scam: In the year 2005 the government in Pakistan witnessed a big financial scam in the country's biggest stock exchange. The Karachi Stock Exchange brokers and small to medium investors saw an unprecedented fall of prices of listed shares. Big brokers and heavy weight minted money and the stock fell to an unprecedented level. It was a crash of the market. The government and its regulatory organization controlling the security companies asked for investigations and hired a forensic experts firm from the US with "fabricated terms". They worked for investigating the story and came out with their findings according to terms of reference. No action could be taken against any "big fish" and those who suffered huge losses never gained strength again. The classical cases in point could also be referred in case of Pakistan where the corruption scandals emerge on daily basis involving high-ups in the government with huge financial volume. The poor small investors suffered financial loss and few suffered shocks putting their lives to threat. The unresolved mystery is that how the Security and Exchange Commission had been playing for the interest of investors or the country.

Whether there is improvement in governance or it is worsening over time is a generally question debated through media. The wrong estimates or perception error in all governance indicators makes assessment a challenging task. Over the years governance indicators have substantially changed. Poverty matters in the measure of governance as it becomes a great challenge to be honest and deliver benefits to the poor masses. Pakistan’s ranking of 162 (out of 178) from the top, and 17 from bottom may also improve as democratic rule sets in. The on-going tussle with terrorists has also contributed to Pakistan’s low ranking. It may improve over the net years if success is achieved on terrorism.

Complications in law How the looted money and wealth should be brought back is a question. This has been a long drawn exercise in Pakistan when the head of the state through the “immunity” got his case time-barred from the Swiss Banks. Immunity is one of the protection covers to a ruling class of politicians thus putting them under the umbrella of law. The corruption case and immunity to the former president of Pakistan led to a long battle in the supreme judiciary where even nothing tangible could be secured by the judiciary. The delays caused benefit to the accused in massive corruption. Immunity could be termed as an obstruction to justice, and an “umbrella for protection”. Instead of being leader by example, they get protection under the guise of being the heads of state or the governments. A misconception drawn and incorporated in Pakistani constitution also which is in contradiction to its Islamic posture. The divine principles do not allow any discrimination for the rulers or its people for any excesses or
violating the law. In the legal and constitutional history of Pakistan, National Reconciliation Ordinance (2007) has its long tale and still continues to be in live in the National Accountability Bureau’s files related to former president Asif Ali Zardari of Pakistan and finally the highest court could not yield desired results and the case though pronounced judgment against corruption and its beneficiaries the Swiss Authorities themselves could not support in the name of international laws for repatriation of looted money. People here generally observe a discriminatory behaviour at the hands of Accountability Bureau’s officials and term a partial and favouring style in not pursuing cases of corruption against Nawaz Sharif.

In the absence of proper banking law the stolen money remains in the Swiss banks and there has been no check and balance on those who lawfully or having illegal funds in their control.

6.5 Justice system help to Pakistan

Leading states support. The comprehensive reform package likewise enforces the environmental rights of the poor and helps increase the number of female judges. The training for good public and corporate governance is still being provided by different channels. Though such an advice is provided, but the practical evidences continue existing with more vigour wherein case of Pakistan, corruption moved upward in recent as usual as in the past. The NAB (Pakistan) officials through their middle-men earned huge money. The mediators piled up new urban property and still nothing surfaced against such persons. In fact the corruption has been come a usual and common practice in day to day business or government affairs. In case of Pakistan, the radical actions in some northern parts of the country are related to governance issue.

There has been no proper long-term economic management, poverty eradication plans as the economic issues are addressed through administrative tools. The gross domestic product has been on the rise in mid-90s while in early 2000 the investment as well as growth rate has been impressive. This yielded good impact on economy besides the aid flowing into from the donor agencies and friendly countries added a stimulant. The foreign exchange reserves were high at record level. But, given the international pressure, and war on terror issue, the US and its allies exerted further pressure on the central government. As a result of that new elections were held, and the governmental set up witnessed a change. A new political arrangement came in place, and it also pursued the international policies as were followed in the past,
however on economic front not much could be introduced on macro-economic discipline. This caused no adequate price management, poor economic policies and exorbitant oil price hike. Though all these affected the price structure, causing enhanced poverty level, however, once the prices of petroleum products started falling internationally, the benefit was not passed on the consumers. The prices with very high inflation could not be managed and these still causing problems to the poor and low income group.

Poor governance has been a continuous source of problem for decades in case of Pakistan, or many other developing and poor countries. However, it has been witnessed that rampant corruption surfaced on 'availability of funds' and inequality in income distribution, that widened gaps in various income groups. The judicial reforms, education and health policies could not yield outcomes to the poor in the society, yet the privatisation of health and education resulted in vast difference in using of expensive educational and health facilities in public and private sectors. Economic forecast: The IMF has advocated the cause of early warning in case of any potential economic set back to any member state. So it would be immense help to either of the poor courtiers or those who are involved in joint ventures in huge projects or also help the concerned country for a rescheduling of its major economic steps.

6.6 Food prices, inflation

There has been a tendency that the global prices of food items moved upward very fast. This trend caused a big loss to the poor countries. It was a challenge for those nations who have to be dependent on food support programme to poor. Pakistan is a classical case of enhancing staple food, wheat and rice. It ultimately led to exorbitant increase in all the food items following the government fixed higher prices of wheat in about two years by over 100 per cent. The rise in food prices is a critical problem especially the import of petroleum products in most of the countries directly affect the prices and thus cost of living goes higher. Study below shows low income population spend a bigger amount of their income on food and allied items that the higher income countries. It has been a special significance for the poverty and distributional impacts of the recent increase in food prices in Asia. This is because of the large share of rice in expenditures—not just food expenditures but total expenditures—in Asian economies, especially among their poor. Wheat being the number one food item in Pakistan followed by rice and other products the wheat price for agriculture sector fixed by the
government carried no study to examine the impact of higher wheat price on other products similarly the imported petroleum products led to almost every edible item going higher thus causing more problem to poverty stricken people. Such potential across developing Asia can likewise be tapped through agricultural reforms and better farming practices.

The pricing of agriculture policy should also be caring of the fact as how the yield could be increased and how the technology in agriculture is made available. New equipment and economy scale is important to watch. The big fields now using combine harvester that at time becomes a rate machinery however an expensive option. The higher yield and output would always facilitate the poor and the prices could be managed through the supply and demand mechanism. 6.6 Countries under debt Though not indebted heavily, Pakistan is still under the debt burden that carries away a huge chunk of annual budget to debt servicing, putting aside the basic needs of development funding and infrastructure, health, education etc.

With over 60 billion US dollar, the debt is on the rise and no government in place or the previous ones have been able to reduce the debt burden rather adding every year on the people and the national economy. The latest report by the State Bank of Pakistan shows that inadequate external funding, the onus of financing the fiscal deficit fell entirely on domestic debt. It outsourced specifically from the commercial banking system. The government borrowed Rs.939 billion from commercial banks and an additional Rs.506 billion from the State Bank. In effect, Pakistan’s domestic debt increased by 1.90 trillion a 24.6 percent increase from the end of financial year 2012. Depending more on the foreign debt has been the source of poverty also as the diversion of resources not being available caused problems in spending on social sector, thus on poverty reduction programmes.

How food is managed in Pakistan could be examined through the present position that around one fourth of population is suffering from this kind of poverty where food and allied items are not properly available to individuals, male and female. This comes to around fifty million of Pakistan’s population that is suffering with this ailment. The World Bank evaluation report says tat the meet daily dietary energy needs on regular basis is not available. This includes historical data, news and forecasts for prevalence of undernourishment by the evaluation group. The role of agriculture
research centre has been on the rise now. The Pakistan Agriculture Research Council and the Agriculture Universities though doing their productive contribution the genetic agriculture is taking place in many products. The organic agriculture having its traditional importance needs not to be replaced however the biotechnology needs is critically importance for food items.

6.7 The question of ‘Globalisation’

In building a World Economy, it has been witnessed that the phenomenon has helped fight poverty. It has reduced poverty and social problems as the globalization has been quite positive in adding to foreign direct investment. Third world countries usually found to seek more funds for their development projects and poverty alleviation, yet the globalisation has shown in a positive outcome helping through the electronic media exodus and new information on daily, hourly and minute-to minute basis. This is where the change has been brought in the usual customs, cultures, habits, traits and the system of governance and the government. The phenomenal change through the market; service, governmental effects and competition has led to new set of rules internationally and amendments in the existing one develops an international community urging for human and social rights, right of information and fostering an independent (but responsible) media. The economic presence of multi-national organisations in every continent now speaks the global relationship of investors and the consumers.

The consumers have developed their own community globally and as such this relationship is more alive to the needs of the day and what the technology would deliver for tomorrow. It may be a need for one market today and tomorrow the same or a new product is introduced. The economic globalisation should be seen as a fact. One could see that not the local brands are being acquired and merged in to the international one, the investment and new technological development too brings about fruits of change. This new environment could be addressed as a modern one, however the globalisation at time has resulted in higher cost of living and the theme of globalisation remained towards income group. This is a taboo and a reality at time when the consumers taking benefit but move towards a consumption pattern than the savings orientation.

Globalisation’s benefits to people

In the process of discussing globalization ultimately one understands the importance of “Millennium Development Goals, their targets and indicators, emerged”.
The MDGs creation projects the objective for development and alleviating poverty. as well as provide as such having its direct impact on poor to extreme poverty level moving upward, causing more problems to the indebted countries or low income countries, including Pakistan. With continuous efforts by international groups and agencies poverty continues to be in place with more dangerous proposition of controlling hunger, undernourishment, health and educational issue.

The domestic approach by any individual country is proven to be more effective, yet far away from the desired results demanding more concerted efforts and approach to control poverty spread. Looking to the future, the question is as how to handle the poverty issue. How this is addressed will determine whether or not poverty can continue to monotonically decrease as it has over the past decades. There are other challenges to be sure, but there are no others that are so immediate and pressing. After all Asia is a place for settlement of over three billion people and South Asian Region with around 1.6 billion alone. In absolute terms the poverty could also be addressed mainly through proper set of policies and good governance.

The corruption in a poor country has been the major source of wastes and pilferages costing a huge portfolio on the national exchequer. The organizational transparency in transactions and usual project awards to contractors need to be checked. All previous organizations working in the name of accountability remained ineffective, though certain recovery made, were dubbed to be victimizing tools against the political or bureaucratic rivals. Such an approach required to be addressed. Unless there is a public jury system launched properly in such cases, the accountability would remain a far distant idea for the good of society. The repatriation of looted money from abroad had been so far a dream for Pakistani judiciary and authorities. The political or military leadership at the helm of affairs who had been involved in corrupt practices managed to secure this ill gotten wealth and obstructed successfully repatriation of state assets.

Given three main features and factors to a good governance, Pakistan needs to put emphasis on a transparent accountability system where in the government owned sector companies, departments, divisions and ministries and civil service set up, the political leadership, if at all serious and honest in addressing this issue, required to deal
the issue appropriately. Without the participation of the society and its representatives, one can not accomplish this main goal, as the people who are badly affected due to poverty should be true beneficiaries.

The authority should be delegated and adequately framed devolution needs in place than over concentration government system. This leads to participation by all with maximum input by the people's representative and a transparency works in public projects and development work. In order to give legal protection to such a public-oriented set up of accountability and participation rules and laws be framed at the district, provincial and federal level by the elected assemblies of the public. This puts in mind the sense of belongingness and participation by all sections of society. This is what would help control the corruption and thus providing funds to real sectors for development and alleviation of poverty.

Bad and Good Governance

Any system of governance will not work unless it is democratically developed in the interest and benefit of common people. Be it urban or rural centres, the use of internet or e-governance has now become mandatory in terms of benefits being disseminated to the people of the area. Democracy as a form of government signifies the empowerment of people at grassroots ensuring genuine participation of people. A local self government means a grass root elected body of the people for the good of people so that they do not come in the entanglement of bureaucracy who through the corrupt practices has had delayed response and has no productive contribution.

At time the service of bureaucratic circles has been highly commendable but that too if the elected public representatives are not found dependent over the procedural rules and regulations. A change would be of immense productive gains if the government employees are gradually put on training courses for e-governance that would minimise the clerical and non-productive bureaucratic hurdles. This would help discharge their duties effectively and without delayed time. It has the benefit of decentralisation and a big canvas for rural and semi-urban people to have say in the political and governance affairs. It leads to quicker acceptance of new ideas as well as a continuous cycle of leadership development (Prasant Sarangi, 2007).
The development support communication with a great support from the lending development institutions is a big step towards achieving the community development orientation and that too helps mobilising participatory groups and also neutralises the opposition bred through the taboos in rural areas and feudal culture. It will ultimately have the sense of accountability as the public representatives and involvement of youths will have a watch over the financial and administrative matters.

There have been the programmes launched at different intervals, obviously financed by the lending organisations in the name of poverty reduction. All such programmes in the past failed to deliver. Means can never be tuned into ends. The attending circumstances round the world are going to be different so with every country that will have to have to chart its own course for poverty reduction. The previous strategies that were brought in failed miserably. The amount of time and resources spent on the quantum and measurement of poverty need not be elaborated at this stage by the fact remains that there seems to be greater effort of measurement and tangential activities rather than something direct and tangible. The decades of seventies, eighties and nineties are replete with failures. Had they been seen as failures, matter could have been put right but that has not been the case. The self-justification and the moral high ground that the moneyed and the powerful have displayed are astonishing. They can never be wrong. The sloth of the poor goes back to the justification propounded in Dickens’s time. Justification ex-ante can always be given and these were given.

The powerful have no one to answer to. And that is how it has remained. The World Bank is constant under review to determine its optimal working size and it has still not found one. *Lords of Poverty*³ and *Masters of Illusion*⁴ are two well documented books which give a graphic picture of what goes in the World Bank (Altaf, 2004). If good governance is the missing link and it has failed to deliver then it will continue to be in place. Reality requires that the matter be handled in such a manner that the uniqueness of a nation is harnessed to create a structure that will deliver. Pakistan has again been made victim. The reasons my be both from within and outside. Poverty alleviation means policy should work at home and be formulated on the basis of local needs and customs. A McDonald policy with KFC feeds and menu is nothing to do where over fifty percent have no adequate means to have a one-day caloric diet. Malnourishment is the issue for majority. What has been the intake few years back has reduced now and the

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changing habits and a bundle of grocery has also changed over time due to prices and poor governance.

For poverty alleviation it is of paramount importance as how the rich would lose their share in the cake. Let the poor handle their own destiny. In rural areas there are no markets or exchange centres. Only the whole-sale groups operating at the cost of poor farmers and agriculturists. Their life has become so miserable that one can not understand as how the farmers and landowners survived yesterday and today struggling for the food alone. This is the question of agriculture and economic governance. The philosophical change is badly required at all level. The urban residents, though with poverty, find comparatively good opportunities to earn some bread and butter however in rural areas the social crimes reflect the poverty incidence where the movement has been restricted from the dusk to dawn. Who should be held responsible. It is the question of triggers to be used for poverty reduction, a good governance model, curtailing the role of middle-men who snatch away the big portion of profit and even in the transportation of vegetable and fruits to urban centres these traders earn millions and millions at the cost of national exchequer paying no tax in trading. If there are exemptions granted to agriculture income then in trading tax could have been mobilised. The planners and masters do not realise this amount of collectible from land and agric sector.

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Chapter 7
Divine Measures for Welfare

Discussion and Results

In the first decade of the current millennium and in late 90s the global economic recessions carried impact for over the years and the debate continued across the globe as who were basically contributing factors and countries in such an international economic crisis.

This discussion and analysis in media continue for many years which brought in to more focus on the Marxism, Free Economy, and how does the Islamic System work. Following are salient points on the subject, which refer to the different systems of economy, and are presently in use globally.

Introduction: With a general perception among the Muslims at large that Western anxiety about the challenge of Islam to once again dominate the news in the coming decade. It is also a fact that Marxism is dead. Marx was advocating a false argument. The capitalist economists and economies too have their systems based on exploitation of poor and weak in a society. With Islam, history has to be measured in centuries. Now Islam is on the move again. It could prove as frightening to the West, and perhaps as economically disruptive, as the stolid Soviet empire ever was. This was driven home by the trillion-dollar losses in world capital markets following Saddam Hussein’s invasion of Kuwait—and the war that resulted to set it right.” Given the observations made, the readers may wrongly conceive the perceptions on poverty under the Islamic code. Some of the holy verses of Quran and the sayings of Prophet AS have been placed in order to examine what the divine teachings have relevance in welfare system and as what are means to protect those who are poor. The authors of __________________________ [JEL Classification codes and descriptors and Econlit: B200, B210 on History on economic thought, methodology and heterodox; history of economic though through 1925; B240: history of economic thought: socialist; Marxist.B310 on History of Economic Thought: Individuals.]
The Great Reckoning had published their book following the Iraq’s invasion of Kuwait. They (writers) first quoted the Iraqi President (deposed and later hanged till death by the US-led Allied Forces), who had called upon the Muslims for a united action against the West, who, according to Saddam, had “captured” the world through their economic policies, based on exploitation. The authors also elaborated the Marxism, and made an absolutely wrong comparison of secular Marxist system with a Divine code. The Divine code of welfare of human being, economic principles etc are also mentioned in Bible, so one can not just deny that the Holy Quran carried such a Divine injections and not the Bible. The question of perception on welfare, state control over public and government assets, and distribution of wealth varies and is in conflict with other theories of economics in free market, Islamic economic system and the capitalist one.

The father of socialism, Carl Marx has always been projected even by the controversial largest seller who even did not hesitate saying that Marx has replaced Mohammad (PBUH) who carried Divine Book and teaching by the creator of Universe. Anyway such controversies continue against Islamic values of social welfare, teachings and distribution of income through the deduction of compulsory alms, Zakat and Ushr so that the wealth stands purified and is ready for use for personal consumption and as well as for the welfare of community.

7.1 Church and Bible on poverty

Similarly a view on poverty reduction and social welfare through Bible has also been investigated in the West. Bible, a holy divine book speaks loudly on socio-economic welfare and the West, though has not directly taken guidance yet there are many a country where divine teachings from Bible, Quran and Sunnah etc have been the source of welfare tools. Like one among many citation in Bible speaks in For the poor there would be no ending of means and you should always open your arms for them, meaning thereby to help them and support them in the time of poverty they are suffering (15:11). Adding on the principles of poverty reduction and welfare to the people, the religious leader. Money in Islam

The economic system and money varies from the famous Keynes (1930) who argued that price stability in a national economy was possible within the global order, only if all nations were induced to agree on a grand contravention of monetary discipline that would be based on strict convertibility in terms of gold. Keynes had recommended a return to the gold standard, whereas on the other hand, the motive to
hold money for gaining speculative rents, caused world price levels to remain volatile. During the life time of Prophet Mohammad (ASW) gold and silver served as major standard of value for currency.

Debasement of currency in all shapes and forms was strictly forbidden. This is an injunction to be derived from the Qur’an and Prophetic practices (Sunna and sayings, Ahadith). The Qur’an stresses justice with the widest meaning of ‘just balance’, near to the highest of Divine attributes. A verse says in this regard, Further on, “and withhold not thins justly due to men nor do eveil in the land, working mischief” (Chapter xxvi). Having a contradiction between the policy by the western economists and the Divine teaching vary to the extent that one allows concentration of the wealth while the latter does not allow but asks for spread of wealth through distribution among the poor and deserving through payment of Zakat and alms.

Of late a debate continued among the scholars whether the present-day capital market system based on usury be replaced by a riba-free (system without any interest), however there is a question which needs to be elaborated well by the monetary experts as the majority of transaction, sources of funding and money supply based on interest based transactions need to be replaced first. The concept of the need for an Islamic capital market has been referred to by say that it is important to have the stronger role of Organisation of Islamic Conference for creating an international Market of Capital by the member Islamic states so that the base is first created and later its application is made plausible by the institutions want to deal in the Riba-free system of finance.

7.2 System and Assertions

Although all the religious scholars stressed the need as strongly referred to by Holy Qur’an on Riba (usury) however there is always a doubt in the so-called system of Islamic finance introduced by different financial institutions being operated with different banking and non-banking financial institutions. It is important to note how the environment of endogenous money and capital markets can be generated in the Islamic cooperative arrangement. Sound policies for establishing monetary stability and to strengthen such an endogenous monetary regime in its relationship with real market transactions and trade, can lead to the future prowess of the endogenous monetary under the ummah (Muslim community). Such a policy remise in the ummah must indispensably be based on the institution of shura (Islamic polity). The socio-economic relationship in Islam could be referred to as a ‘Dome’ because of the overarching nature
of interaction between instruments and principles as in a mosque the Dome plays a central role. This dome in Islamic politico-economic working could be characterised by the main principles of Islamic political economy. These are the fundamental principles of unity of God (Tawheed), belief in Prophet (Risalat) and the Holy Book (Qur’an). The principle of equality and principle of entitlement go side by side with a great importance as the equality is the essence of serving the humanity. It is the basis of the welfare system through a divine message.

The principles are institutionally secured in the Islamic social order though the joint role of profit-sharing and equity participation under the cooperation system (modaraba and musharaka), elimination of interest, institution of wealth tax for specific targets of spending as enunciated in the Qur’an (Zakat): Quran chapter 2, verse 177 and abolition of economic waste in consumption and production (israf). The economic and financial policy instruments once premised on the above points one can thereafter be extended to a vast number of possibilities. The Islamic economic principles result in Islamic cooperative and profit-sharing enterprise as a very specific example of cooperative institution. There is no such concept of monopoly or dictating the terms to the society, rather it is a mutually exclusively principle where all the stakeholders have a strong proposition.

With cooperatives in the trade and business there is no question for a monopolistic control either by the workers or entrepreneur. It is made possible through implementing equi-proportionate voting rights of the workers and shareholders in the cooperative. Profits are shared with proportion on the basis of equity participation by workers and shareholders. This equity may be in terms of subscribed capital alone. It can represent money value of labour time in production in industrial cooperatives, especially by those who are initially asset less at the advent of a mudaraba financial contract. During the course of profit determination it has been shown that there is an intrinsic structure of profit-sharing rates and ratios that can be considered optimal in any mudaraba/musharaka contract (Siddiqui 1983). Mudaraba/musharaka contracts in labour-intensive organisations would constitute a high proportion of equity in the form of wages. A consultative share capital from external sources until the time when workers and shareholders have established their joint ventures and have managed to pay back a substantial amount of external equity capital.

The one-person-one vote industrial democracy is maintained. Similarly Mudaraba/musharaka contracts in capital-intensive market would constitute much of the profit shares in proportion to initial investment of capital among equity participants.
The need for external financing, although not eliminated it would be reduced to the extent that there is equity participation available to reduce the debt/equity ratio in the capital structure of cooperative enterprise.

Shiraka (Musharaka): It is a partnership where property is commonly held, as being joint proprietors. A person thus alienates an undivided share of his property in return for an undivided share of property of another, each having a right to administer the whole. An external financing structure of a modaraba/musharaka is totally devoid of interest transactions. In the interactive-integrative-evolutionary knowledge-centered world-view, mudarabha/musharaka as principal Islamic financial institutions necessitate extensive inter-linkages among agents and sectors, good and services and opportunity. “Without universal complementarily among ends prescribed by Shari’ah and discovered by assertions (ahkam), both working upon economic and risk diversification outlets, the uncertainty of ventures cannot be reduced. Only in the presence of effective risk-diversification and grow out into diverse direction of development and growth, can the interest rate be eliminated on logical grounds. So the joint ventures under the mode call forth an extension of the underlying cooperative mechanism economy-wide.

According to reference to the demand and supply of share capital which ultimately determines the profit-sharing ration for the financiers and the mudaraba/musharaka enterprises. There could be a question as, can a disproportionate profit-sharing ratio between mudaribs or mushariks exist when new real sector-wise activity generates demand and supply of capital from external financiers, with effective risk-diversification, and when healthy profit prospects prevail? Given the conditions of the shuratıç or consultative decision-making process, the condition of integration of mutually agreed decision-making exists at various levels. The modes of financing as these discussed here are the risk sharing and aimed at no-monopolies as other system could develop as such. The philosophy is non-concentration of wealth in few hands rather meant for spread of wealth and trickling down effects of welfare from those who are rich and people who are suffering from poverty related issues. It is mandatory that no economic system could exist for ever that is based on exploitation of one individual or a section of society.

This also means that the concept of prosperity, spending and creative evolution through the action of Divine laws on the diversities of goodness, must mean a continuous circulation of money and not the concentration in few hands.
“On the Day of resurrection the believer’s shade will be his charity, says Holy Prophet (Al-Tirmidhi).

“The Holy Prophet once has had several coins in his hands and asked one his wife to distribute them in charity. But due to the illness of Prophet at that time, she did not have time to distribute the coins. However the Prophet learned of this he asked for the coins and got in hands. He at this time said, “what would the Prophet of Lord think if he were to meet the God, the great and merciful. (Al-Tirmidhi)”

The insertion further says in the Holy Book where some of the Companions seeking knowledge asked some questions: The revelation at this time say:

“They ask you (O Mohammad) what they should spend in charity, Say, “Whatever you spend with a good heart, give it to parents, relatives, orphans, the helpless (poor), travelers in need. Whatever good you would do, God is aware of it. (2:215) Quran”

The stress is on distribution of what you have surplus out of your needs. Islam provides a system of welfare where all have the role in the state and their welfare is dependent on the socio-economic policy of the head of the government. It emphasizes on being simple.

Spend in the name of charity from that We have bestowed on you before that time when death will reach to someone and he shall say, “O my Lord! If only you would grant me reprieve for a little while then I would give in charity and be among those who are with righteous--- (The Holy Quran).

The economic system in Islam prohibits the fixed rate of interest, usury which is a form of financial exploitation. In fact any kind of exploitation is strictly prohibited under the code of Islam, and as such, the new products are being launched, by many a bank and financial institution, around the globe, calling their products as ‘interest free.” (Baqra-287 & Quran)

The interest, as such is not appreciates and used in the Shari’a (Islamic code), and is strictly prohibited, yet there has been no proper financial system introduced by the Islamic financial managers. Lately some financial products were launched by some financial institutions international and in Pakistan, too but the products in borrowing seemingly not attractive and are found expensive. Some specialised interest-free Islamic products are in the market for trading, modarba and hire-purchase system, but the mode of finance has not been worked out by leading Islamic organisations, but individually some financial companies have been doing so. Poverty has been there for
thousands of years, though there has been no scientific study based on modern day science, it could be observed through the ages.

While one passes through the Holy Bible and Holy Qur’an, and the first ever drought in known human history, was recorded some 4000 years ago, shows that the poverty continued from centuries till today, however the centuries old welfare concepts introduced by different governments, in either system, aimed at providing relief to poor and a sense of protection and security in the given society. Poverty linguistically means not fulfillment of needs. The verb Faqara (becoming poor is just opposite or antonym to rich or ghani).

In terms of richness (Al-ghina), means that persons having sufficient resources to meet their both ends well while poor can be defined as persons who are in need of basic necessities and are dependent either on a society or the state. This very disparity, which exists for centuries, in quantitative and qualitative terms, brings social and economic obligation on the society and the state. In order to ameliorate a lot, persons falling in the category of poor, the welfare system in Islam brings about certain disciplines, which give protection and security to the poor. In the Islamic code the state is responsible for accommodation, clothing and food to every citizen and for this very purpose concept of welfare state brings about certain deductions (taxes) at different produce, wealth and usage (consumption).

7.3 Poverty and Islam

It has been examined through different literature, economic literature or the socio-economic plans in the capitalist society that poverty is being seen as a relative matter and not as a subject for the poor. It is the economic that could be seen as a rich who roll in riches. It is always the proper definition in a particular sector of education that those who have been experiencing the subject have a better understanding and definition. Poverty is being a relevant one and not absolute issue for the people as well as the planners who have the capitalist economy so those in the poor or low income countries have different understanding of hunger and necessity of food, nourishment and a strong and balanced diet, well dress and clothing and other luxuries of life. However the poor only have the lens of poverty and nothing beyond. They continue struggling for their whole life and the countries struggle for decades to enter one higher income bracket, however it has not been the case excepting few countries, that too who
were bestowed upon by nature with good minerals, agriculture output and higher yield in food grains etc.

If needs are not satisfied and people continue living in a state of helplessness, living “one time a day” means that some immediate intervention is required from the government or those institutions who cater to the need of poor for providing them the basic means for food and clothing. The needs required to be fulfilled and children and men and women are provided medical facilities and basic health shield. This is where the concept of a welfare is required when there are resources and the system of economic judicious distribution and equality is prevailing. However the element of contentment is a basic ingredient for any section of poor population and those who have the money and wealth need not to chase greed. It is a permanent punishment and a curse on people in any society. This creates disequilibrium and a race for wealth. The avoidance of taxes, illegal business practices and unethical gratification lead to corruption and poor governance.

There has been some practices in the past and even today in low income groups people suffering from critical poverty commit suicide or kill their innocent children for want of food and medicines. Islam has prohibited such act and has defined in terms of food, clothing and shelter saying, the duty of feeding and clothing, nursing of mothers is upon the father of the child (233-Quran)

The basic needs as narrated are food, clothing and accommodation, and non-satisfaction of these needs can be called poverty. This shows that other needs, other than these basic needs, could be required as either luxuries or needs which required to be fulfilled through the resources of one individual, family, society and country. It is true that the Islamic economic system provides modes of transaction in finance, trade and barter, besides the agriculture land, property and all other spheres of economic life, yet there are very few countries out of over fifty Islamic states, who are either members of Organization of Islamic Countries (OIC), or Arab League, who claim to practicing Islamic economic modes. The welfare concept introduced by the Muslim Caliphs1 over the centuries provided relief, satisfaction, contentment and sense of participation in a given society, thus helping the poor in meeting their day to day needs. Basic needs are well protected, and the State is held responsible for the protection of their human or economic rights. The question however arises as how many Islamic countries implement their economic directions provided in the Quran and Sunnah. One does not omit institutionalised concepts of welfare and protection of basic rights of poor in divine economic principles, however if one studies Islamic system of economic governance,
charging interest is strongly prohibited and even in Bible, the interest (usury) is not allowed. Practicing Jews, during their financial transactions among themselves do not generally allow interest based dealings, but in the modern day western economic system, mainly run by the capitalist principles is based on a fixed rate of interest which is strongly prohibited. This practice continues for centuries and the poor countries, without any discrimination of any religious bond, are compelled to ask for funds based on a fixed rate. If someone is not able to fulfill the basic needs of himself or his dependent and is unable to feed the family could be called poor. Not satisfying the just and basic needs on daily basis could be called poverty.

The essence of Islamic teachings is in confronting poverty.

One should view seriously a holy verse from Quran that says, “the devil promises you destitution (poverty)” (233-Quran).

Paying of charity and cooperative working is an essence of Islamic teachings for downtrodden and poor, however in practice it is not done in letter and spirit. Weak persons in a society required to be taken care of by the society and those who have enough wealth. They are advised to spend their wealth on poor and deprived. In the following paragraphs the welfare tools, the strongest means for alleviation of poverty. A period spread of Islamic 632–661 H. The Era of The Four Caliphs The era that followed the death of Allah's apostle ... During this period, Islam flourished and spread far beyond the limits of the Arab peninsula. A welfare state for poor and a true model of an Islamic Welfare State. under the welfare concept and Islamic provisions could be seen. Islam provides welfare and protects the poor. There are many a country where welfare concept has been introduced by their governments. It include prominently Canada, Scandinavian countries who provide food to children, free education like Germany and minimum allowance in the name of social security to jobless. This social security valve is a great service to poor and unemployed persons, thus controlling social evils on the one hand and providing means to live on the other.

An important objective of Islamic code of economic system is the elimination of exploitation by one individual, a group or the company ((2003)) is a must proposition that exploitation is not permitted as it leads to distortions and disorder in a society. People suffer at the hands of injustice and feel unsecured. This is where the worst kind of exploitation could be seen. The interest or usury is a form of exploitation of financial obligation. This way the lender gets more advantage over those who gt money from the

rich people. The monetary transactions too for the sake of exploitation by way of more return is not allowed by the divine teaching. Holy Quran calls it *Ribā*.

### 7.4 Monetary System

There are several sayings of Holy Prophet that talk of stability in monetary system, equality and moral determination of different choices through the ethical mechanism of market. The determinant is clear pronounced by the Holy Prophet Mohammad saying, “Gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, and salt for salt --- like for like, equal for equal and hand to hand; if the commodities differ, then you may sell as you wish, provided that the exchange is hand to hand (on the spot)”, narrated by the Muslim. In order to have a better understanding of this saying of the Prophet one should refer to the verse from Quran: “Those who devour *Ribā* [undue increasing over the value of a good or service=interest] will not stand except as stands one who the Evil One by his touch hath driven to madness.” This is because they say (Chapter ii, verse 275): “Trade is like riba, but Goth hath permitted trade and forbidden riba.” Again (chapter ii and verse 276), “God will deprive riba of all blessing, but will give increase for deeds of charity: for He loveth not creatures ungrateful and wicked.’ Finally one should see (Chapter ii) verse 282.

“Disdain not to reduce to writing your contract for a future period, whether it be small or big; it is just in the sight of God, more suitable as evidence, and more convenient to prevent doubts among yourselves. But if it be a transaction which ye carry out on the spot among your selves, there is no blame on you if ye reduce it not to writing. But take witnesses whenever ye make a commercial contract; and let another scribe nor witness suffer harm.”

Like the capitalist or a socialist economic system there are certain laid down principles in an Islamic economic system that allows individual to seek economic prosperity and own the money however the concentration is not allowed rather the distribution among the poor, relations and those deserving whether related to or not is a must proposition with any believer.

It does not imply to restrict any profession. Rather it gives independence for any profession and source of income that falls in the ambit of *Halal*. Within this permissible permits doing any kind of business, entering in to any joint venture at home or abroad gives one the great capacity for expanding business and earning wealth. There is a general perception that the capital is strengthened under the Islamic teaching, however
this is not the case. You can own wealth however if you pay regularly the state taxes and Zakat, charity etc there is no such bar.

In a just and fair welfare system there is no room for beggary. It is below the dignity and self respect. It is not fair for the Muslim society or neighborhood to allow anyone sleeping without food. It is mandatory to look after its neighbor that too for the sake of welfare. The well-knitted system of welfare ensures a role for everyone in a society. It is also for the guidance from Quran and sayings of Prophet where it has been said that alms are for the poor.

*(Alms are) for the poor who are straitened for the cause of Allah, who cannot travel in the land (for trade). The unthinking men accounteth them wealthy because of their restraint. Thou shall know them by their mark: They do not beg of men with importunity. And whatsoever good thing ye spend, Lo! Allah knoweth it” Quran (2:273)*

Revenue collection: In Pakistan one could assess the total means (gross national income) specially agriculture sector which is mostly managed by those who are the public representatives in most of the cases, thus they avoid paying taxes, Ushr or Zakat in general terms (1980). It was the federal government who through the promulgation of an ordinance introduced system of collection of Zakat at source from the saving accounts of banks, central directorate of national savings, dividends of stock shares etc. This provided a huge fund to the federal government and under the law the money is maintained in a Zakat account managed by the central bank, State Bank. From this, under the said ordinance, the money is appropriated to the provinces who also held the fund in bank account and then transfer the fund to district level onward to the union committees to deserving persons.

While referring to the concept of Zakat one should examine as it is a system from the Lord Almighty or has been initiated like a tax by any consultative body or the government. The answer is in affirmative. It is an act ordained by Gold to be carried by every adult Muslim who is capable to pay this provision. It is also said to be a purifier/filter that purified the wealth. It is mandatory for any person who is eligible to pay Zakat to pay 2.5 per cent of the income to deserving people. It is an annual obligation and preferable paid either in the month of Ramadhan or before it so that the needy and deserving could have resources available to meet their family expenditure.
With this system of collection of Zakat, the machinery never, may be for political reasons, implemented the part of Ushr under the said 1980 Ordinance. Only the forcible deduction of Zakat is made through the savings bank accounts, schemes, dividends and prize bond scheme while other individual contributing and paying Zakat is personal and private affair. This has not been even decided at the state level where Zakat has to be deducted other than given modes or not. Subsequent paragraphs will discuss the Zakat means and collection possibilities other than simply deduction from bank accounts. 

Ushr, a very big source of agriculture income remains voluntarily untouchable. Again the agricultural aristocracy having sizeable political control over the governments have not seriously viewed the large contribution of Ushr to national exchequer for onward distribution to poor and needy.

7.3 Meaning of Ushr

It is an obligatory payment from which you earn from the earth. The sharia has made it clear that the people should pay it who earn from the land. There are quotes from the Holy Book as well as from the Holy Prophet.

“O Believers ! expend in Allah’s way the best portion of the wealth you have earned and of what We have produced for you from the earth.” (Quran 2:267 and 6:141).

The interpreters and commentators agree that this is Ushr which is from farm cultivation. The Holy Prophet has clarified this saying, it is obligatory for all those having agriculture income to give away Allah’s due share at the time harvest. It is one-tenth of the farm produce. Thus Ushr has to be calculated and taken out from all kinds of corn, mustard grain, ground nuts, sugarcane, dates, dry fruits, etc., and also from fresh vegetables and fruits, like cucumber, carrot, turnip, melons, lemon, oranges, guava, mango, etc. ‘Ushr is obligatory on honey as well.

The Holy Prophet has said : “Give away tenth part of honey” (Baithaqi). He has explained it thus : “One leather bag of honey out of every ten leather bags is obligatory” (Tirmidhi).

“I went to the Holy Prophet and said, ‘O Prophet of Allah (SAW)! I have kept bees whereupon he instructed me to give away the tenth part” (Siyadah.)

With these assertions one could see that the followers of Imam Ahmed Bin Hanbal, Hanafites and others believe that Ushar is also obligatory to be paid on income derived from agriculture grains.
There are agreed rules of business based on and be measured from the total produce after the deduction of allied charges like cultivation, seed, pesticides, water, supervision etc. It is there when the crop is ready for harvesting and has reached to the final process and is ready for sale. It is further stated by the Islamic jurisprudents and scholars that if a person sells away a crop or orchid before the fruit is ripe, Ushr will be the responsibility of the buyer but if it is sold after the fruit has become ripe, Ushr would be paid by the seller. It is the responsibility of the cultivator of the land whether he has taken it on lease or borrowed for a short period.

It is said to be obligatory to the owner of the crop and there is no restriction or being eligible in terms of Nisab. It is to be paid on the produce of lands even if it is two kilograms. The lands under the government control or by those who are the private or family owners have to pay Ushr on their income. It is different from the levy of Zakat. It is a must pay provision even if the land is owned by minors or orphans. Ushr is not annulled if one has paid the land revenue. The spending is the same as in case of Zakat fund (Fatawa Deoband).

(Maududi) has expressed the view that honey be considered as away fromhowever it is being traded for money that it provides Zakat deduction just like other items of trade and business. It is also said to be the view of Imam Abu Hanifah. His noted pupils and also the Imam Shafei the minimum quantity for Ushr is five wisqas that is about two thousand pounds.

Hypothesis: With over 23 per cent contribution of agriculture in gross national income, the taxable/Ushr deduction has not been that of in accounts whereas the revenue collectorate (revenue department) in all the four provinces do not find active in collection of this billions of rupees from different crops, orchids and agriculture revenue. The big landholders intentionally avoid paying Ushr, thus criminally evading billions of rupees income to national income from this real sector alone. Ushr, a minimum collection of 10 per cent on irrigated land is the Islamic provision, however in connivance of the revenue department’s officials this contribution is almost negligible and has no tangible contribution. This collection is a very source of revenue exclusively meant for poor section of society. With a minimum of ten per cent contribution in
agriculture provides over 2.2 million ton of wheat, around one million ton of other food grains and fruits income besides seven hundred thousand of rice. Putting together this food grain amount in kind or revenue equivalent thereof is sufficient source of ensuring food to needy, poor class and those suffering from food insecurity. Malnourishment in Pakistan could also be addressed properly through these allocations. This under nourished children and aged persons thus get food umbrella, yet there are no government mechanism for this collection.

The life in this world is alluring to those who reject faith and they scoff of those who are believers. But the righteous will be above them on the Day of Resurrection; for Lord bestows His abundance without measure on whom He will (212)-Baqara.

Yet another novel concept in alms giving approach being taught to believers saying, “if you reveal and disclose your alms-giving it is well however if you hide it and give it to the poor people, it will be better for you” (271.) This is how the good deed provides a temptation as well as not allowing unnecessary show-off.

For the poor a great motivation and persuasion for the good deed is mentioned in the holy book again: “And feed therewith the unfortunate (alba’is) the poor” Quran Alhaj (28).

There are many citations from the Divine Book on socio-economic justice and means of resources to the state and the noble way of spending, like:

“Eat the things which Lord hath provided to you, law and good however fear Allah in whom yet believe” (Al-Mayda).

The collected amount and deduction under the alms head from those who are covered under a prescribed wealth they possess, alms collection and distribution, deduction from the agriculture produce known as Ushr and the functioning of State Treasury (Bait ul Maal) are the concepts which provide sizeable funds to the State and the society which could cater well the needs of poor and needy. The collection of Zakat in Pakistan on those entitled to pay (ahle-Nisab) is through the savings/Profit and loss accounts being maintained by individuals, institutions, firms or companies are liable to be deducted on 1st of Ramdhan in Pakistan every year besides the profits/dividends collected from companies, savings schemes etc are other sources for Zakat funds maintained by the federal government and distributed through provincial, district and local level among those deserving.
Stocks means shares and their trading in the market known as bourses or stock exchange. This is permissible according to the jurisprudents. The shares of a company listed at the stock market is traded and investors through their brokers or agents buy and sell the shares of the company and indirectly play a role of owner, however they do not have major share in opinion or policy guidelines. Unless they pay Zakat on the dividend they receive it is not called a sharia merchandising. It is a highly risky affair as at time the company if making profit may declared profit/dividend to the shareholders of the company and if the management in fact suffers loss due to the faulty policies of the management or due to some government measures suffer losses, thus generally may not pay dividend. They some time receive shares benefit not a cash instrument but an enhanced value of the already held shares. The preferential stocks or ordinary shares through the right shares though increase the holding however the loss and profit is a distinguished feature of stock companies.

According to the system of Islam one is able to pay Zakat called ahle-Nisab; i.e. having a wealth liable to Zakat (2.5% deduction) with around 17.5 tola of gold or 52.5 tolas silver. This 1:7 ratio also matters in both the metals. There is as such no difference of opinion among any jurist to collect Zakat from the prescribed formula, however there is different of opinion in ‘how’ to collect and at what wealth or sources of wealth the same could be deducted. The Asna Ashari school of thought though does not oppose the pillar of Islam, yet there is difference as what the government considers it deductible, they consider the government should not forcefully deduct from saving accounts of the banks. So the banks and saving directorate amended the rules of business and asked the saving banks account holders to deposit an affidavit seeking exemption.

There has been some difference of opinion in terms employee stock options as a form of benefit for the completion of a given work or service. Contemporary scholars insist that the rate of such type of wealth should equate to the rate on agriculture produce where the land is exempted. Their view point is that Zakat must be paid on profits earned from one’s shareholding.

Mutual Fund: This again refers to the ownership through mutual funds and as such this is also liable to Zakat provision. The owner of funds as per the earnings of the mutual funds should pay the Zakat at the payable level.
The income distribution for poverty fight has been in many country whereas in Pakistan simple distribution either through Zakat fund or from government resources is aimed at addressing the income poverty to poorest of poor. This grass root system of distribution has had positive impact, but that too was just to distribute money and nothing beyond that. Simply distribution of money is an ordinary tool of poverty reduction that other than Zakat fund, could be utilized in a much long-term poverty alleviation basis than the income support programme. The previous regime in Pakistan introduced BISP whereas the present one led by PML-N has enhanced the monthly one thousand rupees by only 200 per month to registered/needy family or individuals (2012-13). Though it may reduce the income-poverty but that too lacks basic long-term goals for addressing poverty of common low-income group or those who are white-collar need support in a manner where they are thought deserve to get Zakat, but do not come forward due to some societal encumbrances.

Protecting hunger: The divine teachings are very particular that precisely assign the society and those who have been bestowed wealth by the Lord Almighty. The Holy Prophet Muhammad (PBUH) said, “in any community if there become any one hungry among the people, Allah has nothing to do with them,” Prophet further narrating, “He would not have believed in Me, he onw who slept with his stomach full when his neighbours were hungry” (Nabvi). The Islamic society is obliged to take care of its members, neighbours and relatives with in the families. This proposition too is well guarded by Islam and directed the Muslims to take care of such people in a latent manner. Lord Almighty says, “Those who leave their homes in the cause of Allah and then are slain or die, on them Allah would bestow verily a goodly Provision. Truly Gods is He Who bestows the best provision,”Al-Hajj (58).

Even the protection and food security is there in teachings of Islam where the head of the family has been strictly prohibited not to kill children for want of food. In Arab peninsula, prior to Islam, fathers used to kill innocent children having no food to feed them. Poverty struck at time which forced the head of family killing the children and it was just a common phenomenon prohibited since the Holy Prophet Mohammad (PBUH) pronounced divine orders.

The Holy Book reveals, “Kill not your child for fear of food/want: We shall provide, sustenance for them as well as for you. Verily the killing of them is a great sin” (Sura Bani Israel).
And prior to that the teaching is for educating a moderate living and spending so that the society is controlled for lavish consumption orientation. In any developing country the savings is badly affected due to higher pattern of consumption.

7.5 Tools for Welfare

The protection of poor in an Islamic system is generally taken care of through Bait ul-Mal (Treasury) An organization created by the government of Pakistan, may be in the identical name of that initiated by Holy Prophet after the migration from Makkah to Medinah for the alleviation of poverty and providing basic needs from the state treasury and stocks.

A welfare concept in Islam be it the agriculture, trade, industry and financing, the most of the weaknesses are with the governments and its functionaries who either do not know the application or have no will to implement it. The Ushr itself ensures food and clothing to every citizen, but in case of Pakistan, the land owners, mostly Muslims, avoid intentionally payment of Ushr to the state. Neither the government has the will to implement this deduction from the agriculture produce from the land owners. This is a political decision by any government than this being Islamic economic provision.

Welfare through Ushr (Real sector: Agriculture) With an estimated 22 million metric ton of wheat, and around 12 million cotton bales produced every year in Pakistan, the demand of around ten percent poor and needy could easily be met through Ushr alone. This provides around 2.2 million ton of wheat and around 1.1 million bales for producing cloth required by the poor if the Ushr is collected and allocation is separately made exclusively. This is however not happening in the society and concealment in connivance with the Revenue officials in all the four provinces is a normal practice. This corruption continues fore years since the Zakat and Ushr act was approved by the parliament. With a subsidy to the tunes of billions is provided to agriculture sector in the name of food support price, and fertilizer, but there is a total failure by any federal or provincial governments to work seriously on this welfare tool. This poverty reduction trigger is highly effective and could be implemented in all irrigated and cultivated lands. The food support price on the one hand is meant a minimum assurance of their crop prices, yet the ultimate consumers too get a benefit from the government in order to be exploitation-free prices from the middleman, who makes sizeable profits and hoardings. This practice is strictly prohibited in the Islamic teachings, as it is obligatory that there
has to be a moderate profit and a concept of comfort to the people in a given society. In case of Pakistan, the price adjustment of wheat, a basic food for the whole population, has had negative impact on poverty, prices and inflation.

The government, without any proper study of minimum floor price, just fixed a very high prices for agriculturists benefit, which has caused tremendous effect on wheat flour, thus a higher percentage of household budget is spent on food items, than education, health and other usual expenses by any family. It was a negative trigger which contributed higher on the consumption, with low income, but under compulsion the prices of wheat flour and bread obviously went exorbitantly high. The central government had for political gains fixed a high price whereas the FOB prices of imported wheat remained much lower than the prices prevailing in domestic market. In order to neutralise this impact, in case of provincial governments, the only trigger was used by Punjab provincial government, by way subsidising prices of bread for common man. That too resulted in stoppage of this scheme as it was properly planned on a sustainable level. A huge outlay was provided for this subsidy. This inexpensive bread project came under strong criticism by all opposing political parties, however given the relief at a particular time to low income group is undoubtedly a poverty alleviation tool, well used by the provincial government of the Punjab.

There were certain shortcomings, yet one could understand that with high inflation and higher cost of loving any relief through bread or wheat flour was highly welcomed by the poor segment of society. No other provincial governments could introduce any identical measure to provide relief to their people so far. So, in any case Islam does not prohibit any individual for becoming rich as long as he pays his Zakat on the wealth he owns, however the principles are laid down for earning livelihood and making business and making money, however concentration of wealth without any use is certainly prohibited.

The concept of welfare for the poor, in modern day’s social security and unemployment allowance is nothing but protection to needy and poor, which could be well guarded, in a just society, through the concept of Bait ul-Mal (the government treasury). The federal government in Pakistan introduced a department in its federal and the provincial set up known as ‘Biatul Mal’. The organisation gets funds from the central government and provides relief to the needy and poor of the society. With the original concept as embodied in teachings of Islam, the organisation is doing its best to alleviate poverty and fulfil the needs, yet the hunger, shelter, health and education problems continue. There has to be a proper comprehension on this highly
commendable concept, which continued for hundreds of years in the early days of Islam some 1400 years ago. The sense of participation and ownership among the poor emerged to the level when the people used to lay any sacrifice for their governments and the welfare system. The case study shows that the organisation could not effectively play its due role in this corrupt society, wherein the inequalities remained perforce. The poverty level continues to be moving upward and economic scene getting critical by every passing day. The important sector of welfare needs attention by the government in Pakistan yet the limitation in resource mobilization is obstructing more welfare triggers and tools. Helping poor through different type of charity has been spoken by the Holy Prophet while the Holy Book too has been advocating the cause of help through their wealth and financial capacity one holds.

Charity has been taught by all divine religions. It is a discipline that teaches the sources of revenue to the state exchequer and spending. Individuals have also been obliged to pay religiously their payable Zakat, Ushr and other charity contributions to the poor, needy and those who are neglected like orphans, widows and old-age persons who are not being properly taken care of by their families. Here the government has the intervening role and also the supervising duty for the poor. It has to ensure welfare and minimum food requirements through the government kitty. This, however has not been the case in Pakistan where exploitation of poor on the one hand and the inequitable income distribution on the other are sectors which need to be tackled. This would help create a balanced society where there is no room for exploitation.

Again one may refer the act of charity through the divine learning from the Holy Book that says, “And be steadfast in prayer and pay Zakat/charity; whatever good you send forth for your souls, you shall find it with Allah, for Allah is well aware of what you do” (2:110).

One simply says and observes in the true Islamic society that there is no room for a miserly living person. The charity is always very close to one’s heart and is in fact a focal point in one’s life. The Holy Prophet said, “No wealth is decrease because of paying for charity” (Al-Tirmidhy).

It is a big concept of welfare of the people. Those who adopt good deeds through their act of worshipping Almighty Allah, they have to act for welfare through the wealth they have been bestowed upon.
Similarly another concept has been added here as Ihsan. A good behaviour and act with your parents is mandatory for anyone. He has to serve his parents with good intentions and with purity of intentions

A person who receives Zaka can receive Sadaqat-ul-Fitr. The political economy of development using the intrinsic value theory of Fitra can be seen as an interplay of endogenous preferences of individuals, households, polity, the market order and development organisations. Hierarchies of inter-relationships are now developed and extended to apply with greater details to a wider range of socio-economic phenomena. Since preference changes provide the groundwork for the interactive-integrative-evolutionary mode of interrelationships, therefore, they assume the intrinsic value parameters in this case. Development finance, monetary flows, projects, technological choices and inter-institutional collaborations, are all consequently logical choices and inter-institutional collaborations, are all consequently endogenized by preferences than emerge from the hierarchies of interactions and integration in the dynamic sense of change within the knowledge-induced world-view.

Beyond the sheer value implications of prices or labour use, the intrinsic value theory of fitra in Islamic political economy turns out to be knowledge flows as substantively defined in the sense of the interactive-integrative-evolutionary model of unified reality. (a contribution by the Muslims paid before the offering of Eid ul Fitr prayer to the deserving and poor one by a pre-fixed measure). As has been referred to by (M.A.Choudhury and Malik, 1992), “it may be tempting to compare the idea of conspicuous consumption and cultural observances as marks of historical transformation of markets given by the institutionalisms’, and the endogenous transformation of preferences of the two are far apart in concepts and consequences”.

“Ethical” institutionalism made one believe in the economic forces of change without inquiring or raising the normative question of what causes historical patterns of consumption preferences to evolve as they have evolved in Western markets. On the other hand, the methodology of Islamic political economy is fundamentally normative in nature, which is then used to bring about social change through inaction of the institution-market interface through Shari'ah. The Darwinian evolutionary construction is embedded in society. On the other hand, Islamic political economy sees Darwinian process as the reflection of hedonic markets, while the ethicized markets as the goal of moral transformation in a universally discursive order endowed by its distinctive methodology of circular causation and continuity model of unified reality. The historical institutionalists have not given a coherent methodology; the new institutionalists
provide a sheer neoclassical or utilitarian methodology. As there are banking institutions along with the leasing and modaraba companies operating on the basis of their “interest” free or Sharia compliance, the people in Pakistan still have reservations about the system operating in the name of Islamic mode of financing, while some are lured to this calling a better substitution for those who want to have finance borrowed for trade, purchase of assets etc.

The question is that in the absence of a dedicated Capital Market based on Islamic principles having no any transaction or funding based on non-interest mode, how these institutions are operating who have some “Sharia board” or advisors calling the transactions as Islamic. The general operations are carrying certain element of interest as the funding may be from the State Bank or from abroad for carrying out financial operations in Pakistan.

The pre-fixed rate of mark-up is there with almost every institution, though may be some with exception, the majority of funds being mobilised without the existence of a Capital/Money market based on interest-free mechanism. Islamic economy on finance, money and trade is an exercise in ummatic globalisation. It stands apart from the capitalist world-system in which today’s unholy globalization is premised. Yet this is not an exercise for Muslim isolationism. The knowledge-centered transformation inherents in interactions, integration and creative evolution from lesser to higher degree of certain propositions. From this an axiomatic law are derived by Sunnah and then discussed in ummatic constitutional life and thought for developing ijtehad, ahkam, ijma (collective) and creative re-origination.

The Qur’an says in this regard “O mankind, o people We created you from a single pair of a male and female and made you in to nations and tribes so that you may know each other. Verily the most honoured of you in the sight of God is who is most righteous. And God has full knowledge and is well acquainted (with all things)” (13). In different phases and Ummatic transformation and globalisation this world-system must take cognizance of policies and institutions of the policies and institutions of the capitalist world-system. It must be ameliorative, by Shari’ah principles, to the rest of the world with which the umma will inevitably deal on foreign affairs. All this must proceed even as the internal dynamics of the ummah are being well strengthened. The process of ummatic transformation is from within to outside.
Fidya Fidya may be said to be a compensation for unintentional act/omissions. It is paid when for poor when a person is not in a position to fast may be due to illness or old age. It is mandatory for those people to compensate on daily basis for missed number of days with the intention if he gets well then he would honour his commitment. And in case he or she being poor and can not pay as compensation then he should pray Almighty Lord for forgiveness for not being able to fast and not able to pay for fidya.

Kaffarah It is a compensation for intentional act of omissions. Kaffarah is sort of punishment/penalty of atonement when the fasting is deliberately broken without any valid reason through drinking, eating, smoking and sexual intercourse. The prescribed penalty is to set a slave free; to fast for sixty consecutive days; to feed the poor.

Qurbani as the sunnatic act of Prophet Ibrahim and his son Ismail AS it is a noble practice performed on the day of Eid ul Azha. Eid-ul-Adha, a festival and celebration in recognition of the belief, humility and devotion show to Almighty by his Prophets Ibrahim and his son Ismaili (AS). It has been described in detail in Holy Book Quran as well as sayings of Prophet Mohammad. When Ibrahim received a revelation through his dream that he will sacrifice Ismail Ibrahim informed his son about the revelation on which Ismail immediately expressed his willingness for the same. He was taken to a nearby place in order to slaughter his son for the Divine’s entrustment. In this process of dedication, sincerity and commitment, Ismail was replaced on the altar by a ram sent from the heavens in acknowledgment of his faith in Allah.

Holy Prophet Mohammad on this occasion said, “There is nothing dearer to Allah during the days of Qurbani than sacrificing of animals. The sacrificed animals shall come on the Day of Judgment with its horns, hair and hooves. The sacrifice is accepted by Lord Almighty and accepted by Lord Almighty before the blood reaches the ground. So the Muslims should offer sacrifices with an open and happy heart (Hadith: Tirmidi).

Holy Quran, “Satan makes you afraid of poverty (sto stop you from spending in the way of Allah) and enjoins you to commit indecency. And Allah promises you His forgiveness and bounty. And Allh is All-embracing, All-knowing” (268).
“And do not eat up one another’s wealth among yourselves through injustice, nor take wealth to the authorities (as a bribe) so that, this way, you may (also) swallow a portion of other’s wealth unfairly, while you are aware (that is a sinful)” (188).

“They ask you what they should spend (in the way of Allah). Say: “Whatever wealth you spend (is right), but the deserving ones are your parents, and near relatives, and orphans and the needy and the wayfarers. And whatever good you do Allah indeed knows it full well” (215).

It is further asserted by the Holy Book wherein Lord says, “Those who spend their wealth in the cause of Allah and then do not follow up their spending by reminding of their benevolence or by hurting, there is reward for them with their Lord. And (on the Day of Resurrection) they shall have no fear, nor shall they grieve”

Charity

Charity is an act defined as “the right of poor who have been restricted from earning their livelihood in the case of Allah. They can not even more about in the land due to their who-time involvement in matters of Din (religion). Because of their aversion to greed, the unwise consider them wealthy. You will recognize them from their appearance. They do not ask people for help at all lest they should humble themselves (before them). And whatever wealth you give in charity, Allah indeed knows it well” (273).

“Those who spend in the case of Allah, privately or publicly, by night and day, have their reward with their Lord. And (on the Day of Resurrection) they shall neither fear nor grieve” (274).

The interpreters of Quran and Sunnah say it is better to seek no publicity in charity. But if its is known there is no harm. It is is for public purposes, it must necessarily be known, and a show of concealment may itself be a fault. The harm of publicity lies in motives of ostentation. We can better reach the really deserving poor by quietly seeking for them. The spiritual benefit ensures to our own souls, provided our motives are pure, and we are really seeking the good pleasure of Allah (Interpretation done by Mohammad Yousuf Ali).
7.6 Tools Forbidden

Riba [usury]. With a categorical assertion in the holy divine message no followers are allowed to go in any practice of usury (a system of based on interest in finance) whatsoever. “Those who live on usury will not be able to stand on the Day of Judgment but like the one whom Satan has made insane with his touch (damnation). This is because they used to say that trade is similar to usury whereas Allah has declared trading halal (lawfully permitted) an declared usury as unlawful and haram. So if someone refrained from usury on receiving admonition from his Lord, then he can keep whatever he took in the past and his case is with Allah. But those who continued with usury (despite admonition) would be the inmates of Hell. There will they stay permanently” (Baqra 275).

The important consideration is to understand here the question of socio-economic relevance of interest. Riba generally means an increase over the due worth of a thing, no matter how big or small this could be, during the time period of transactions of all kinds of contracts, financial or otherwise. The exploitation was main objective of Riba in money dealing. The writing of the agreements was stressed due to the reason that it does not allow any future contract for the financial gain as had been the practice in agreements, verbal or writing, with the purpose of exploiting the person (s) and resources owned by individual or the group of persons or families. Islam does not allow any kind of exploitation whether it is in finance, labour or in any form not related to finance or monetary terms. In today’s financial and monetary world the pre-set rates of return, interest or profit do not cater to the provision of any loss or a natural calamity in case of agriculture produce or industrial manufacturing concern.

The presumption is the protection not only to the principle but the interest thereon. Any future costs stand rejected while the non-interest bearing contract allows real costs and benefits of the contracts. Such a contract is equivalent to profit-sharing or equity-participation/joint venture under economic cooperation, called mudarabah/musharakah. The cooperative profit-loss sharing contract is fixed initially and can be subjected to periodic contractual changes such as decreasing or increasing mudarabah/musharakah contracts. This method of contractual valuation explains the meaning of the verse: “disdain not to reduce to writing your contract for a future period...”. The concept of usury/riba, whether in small or large amounts of capital and other resources linked with contract—‘whether it will be small or big’---is now to be
applied to all kinds of excesses, both non-temporally and inter-temporally (Choudhury, 1997). The *fiqi* explanation of some kind of “market period” concept for exchange, or of the instantaneous equilibrium concept caused by instantaneous demand-and-supply conditions, cannot explain the ethical nature of market transformation. Thus the *ahkam* or *ribaa al-fadl* would apply simply to the determination of the currency numeric for purposes of economy-wide valuation. The *ahkam of riba al-nasia* would apply to all cases of valuation inter-temporally or cross-sectionally.

In other words for a welfare system in the Islamic countries the *ijma* and *ijtihad* are must ingredients and the unity would emerge if the concept of social welfare and development becomes a common agenda of all the members of Organisation of Islamic Conference. As discussed earlier for a social and economic order in allowing the member countries there is a need for a riba-free monetary concept. This percept indicates towards setting up of an international monetary market of Islamic world. This needs ummatic shoora (a consultative forum) for all the work and finalise the modalities of Islamic, riba-free monetary system.

A debt-equity has been swapping prescribed by the IMF for indebted developing countries. This instrument involve the financial method (Corden, 1989): the investing organisation acquires existing debt in the secondary market or in the case of commercial banks, utilises its own holdings. Then it exchanges this debt with the debtor government for local currency so that the debt is retired. Finally it uses the domestic currency to purchase local equity or finance approved domestic projects. Given the presence of International Islamic Monetary market, the members would certainly take the benefit of getting away from the riba in financial transactions on mutual basis.

In order to achieve the social development among all the members of Islamic *shoora* the methodology of these interpretations and *ijtehad* is based on syllogistic reductionism. It underlies the social choice formulation of an Islamic polity, and thereby clearly defines the social well being function. This will obviously involve a grand interactive-integrative-evolutionary methodology that once premised on the Precept of Divine unit and the methodology of knowledge formation through the unification. The ummatic *shoora* and consultative process is s must for economic integration and the seed money proportionally to be worked out for all the members would lead and become the beginning of international Islamic monetary mechanism and would help resist the pressures of foreign leading currency and also the trade and financial benefits.
in terms of having no interest based funding. The philosophy of Islamic financing development evolves around the urgency of elimination of Riba and financing system based on Islamic traditions and values in trade and finance. The interest based instruments and transactions could be replaced by means of instruments that link up with as qard-e-hasana, trading and equity distribution through musharika/modarabah etc. The IMF and the World Bank thus could be given an added opportunity to work riba-free mechanism for those who intend to join them or vice versa. The endogenous monetary aspect provides with the powerful alternative of evaluating assets by means of the social well-being functions subject to the recursive relationship among the socio-economic and policy variables that define the social well being functions.

Interest occupies a central financial position in the interest-based economies in the world. Pakistan too follows this course despite the fact there has always been hue and cry by the religious scholars. Of late there has been some off-shoots of Islamic modes of financing introduced in the way of musharika and modaraba etc. Yet there are certain circles who still consider that there is the system based on interest and nothing pure has emerged. In Islam as mentioned earlier there is a categorical assertion against riba/interest/usury.

“According to Islamic teachings any excess on the capital is riba (interest). Islam accepts no distinction in so far as prohibition is concerned between reasonable and exorbitant rates of interest, and thus what cam to be regarded as the difference between usury and interest; nor between returns on bonus for consumption and those for production purposes and so on”, (Medinah) Yousuf Ali of Quran Complex.

According to Quran (277), “Allah eliminates usury (i.e. deprives usurious profits of prosperous growth) and multiplies alms gifts (increases blessings of clean wealth manifold through charity donations). And Allah almighty does not like anyone who is ungrateful and disobedient.”

“Surely those who believe and do pious acts and establish Prayer and pay Zakat (due almost on a regular basis have their reward with their Lord. And on the Day of Judgment they will neither fear nor grieve” (Baqara).

If a debtor is under financial stress, he should be given respite till he realizes and feels at ease to pay. And your forgoing (the loan) is better for you if you know (this is where significance is found in favour of poor). In order to understand the sayings of Holy Prophet AS on trade and riba, one may refer to the Quranic verses, “Those who devour
riba (undue increase over the value of a good or service is) interest will not stand except as stands one whom the Evil by his touch hath driven to madness”. This is because they say Trade is like riba.” Whereas God hath permitted trade and disallowed riba (275).

The important point to understand is the question of socio-economic relevance of interest (riba also called usury. Riba generally means an increase over the due worth of a thing, no matter how big or small this may be, during the time period of transactions of all kinds of contracts, financial or otherwise. It also implies clearly that the verses mandate the establishing of contracts that at the time of such signing between partners all subjective and speculative components of valuation in a future delivery of goods must be rejected. Only real costs and benefits of the contracts would be included.

The Divine code is so discreet that it motivates one to spend for the cause of Allah and help poor from within the family or outside, neighbor or those who deserve assistance.

It is imperative to see the importance of trade agreements. The Quranic teachings are quite clear and have no ambiguity. It says, “O Believers! Whenever you strike deals with one and other for a fixe period, put the transaction to writing. And the scribe among you should write it with justice and should not refuse to write as Allah has taught him to write. So he should write (he should do it with utmost honesty and in accordance with the law). And he on whom th liability (debt) falls should dictate the contents of the contract. “And he should fear Allah, Who is his Sustainer, and (while writing) he should not diminish anything from the indebted sum. Then if he who has under the liability is mentally deficient or physically weaker or lacks the ability to dictate the contents, his guardian should dictate with fairness. And get two witnesses out of your own men. But if two men are not available then a man and two women: (they) should be from among those whom you like as witnesses (i.e. consider trustworthy), so that if either of the two men forgets, the other may remind her. And the witness should not refuse whenever they are called for evidence. And do not be weary of writing it down for its term whether the transaction is small or large. This documentation (paper work) by you is more just in the sight of Allah, and makes evidence more solid and nearer to keeping you from doubt, except that if transactions are hand-to-hand which you carry out among yourselves then there is no sin on you if you do not write it down.
And take witnesses whenever you bargain among yourselves. And let no harm be done to either the scribe or the witness, but if you do so it will be sheer disobedience on your part. And keeping fearing Allah. And Allah grants you knowledge of (principles of mutual dealing) and Allah knows everything well” (282).

While there are covenants laid down in the teachings of Islam, one can not just ignore the rights of orphans. The guardians have responsibility of such minors. The principles have been laid down for the distribution of assets held by individuals. As in the beginning of this chapter the discussion carried out by in the “Great Reckoning” (William) who referred Marx who was “replaced by Prophet Muhammad (PBUH).” The totally ignorant writers cited no parallel illustrations in their so-called research book. The fact remains that the divine teachings of the Holy Prophet could not be discussed as a parallel to Marx at all as a person, who being a secular and his philosophy died in less than a century. The divine principles continued for centuries now, and would continue for an indefinite period. Infinity is the minimum term for these provisions under the Quran and Sunnah.

The question of social and economic equality is being debated by the donor agencies and rightly so, however the Islamic welfare system simply provides this protection and security to the society. There is no comparison whatsoever between the two, one being the secular and one being the Holy Messenger of God Almighty, with finality of prophet hood, bringing in the Divine Principles for the good of humanity. In fact the divine principles prohibits strictly any kind of exploitation, be it the state, organisation or any individual. The justice, social as well as economic, would also ensure a balanced distribution of income in any given society and as such there are laid down regulations for a just fair socio-economic system.

Sahih Al-Bukhari and other books by writers of Hadiths have referred to many sayings of the Holy Prophet related to socio-economic rights and trading tactics, yet two are being cited here, related to: The sale of fruits before their benefit is evident: In the life-time of Allah’s Apostle, the people used to trade with fruits. Whey they cut their dates and the purchasers come to receive their rights the sellers used to say: My dates have not rotten; they are blighted with diseases, they are afflicted with Qitham (a disease which causes the fruits to fall before ripening) : They would go on complaining of defects in their purchases. Allah’s Apostle said,” Do not sell the fruits before their
benefits are evident (free from all the dangers of being spoiled or blighted); by way of advice for they quarreled too much” (2193, vol iii Bukhari).

In yet another narration related to a person who holds the wages: Abu Huraira narrated: The Prophet (the blessing and peace of on him) said, “Allah says, I will be an opponent to three types of people on the Day of Judgment: 1) One who makes a covenant in My Name but proves treacherous; 2) One who sells a free person and eats of is price; and 3) one who employs a labour and takes full work from him but does not pay him of his labour” (Bukhari).

There are a number of categorical assertions introduced by the Divine Book, Holy Quran wherein food has been referred to be distributed by Lord Almighty with all regulatory and controlling authority under Him.

The assertions other than referred above could be said as: Al-Ra’ad 26 (13); Al-Hajj 58(17); Al-Anakaboot 17(20); Fatir 13(22); Al-Momin 13(24); Al-Shoora 27(25); Al-Zariat 58(27) and Al-Mulk 21(29). Other than the above mentioned holy verses on Food (Rizq), the Islamic system has been placed under references in Holy Book.

For concentration and managing wealth it is said in: “O ye who believe! Here are indeed many among the priests and anchorites, who in falsehood devour the wealth of mean and under (them) from the way of Allah. And there are those who hoard gold and silver and spent it nor in the way of Allah: announce unto them a most grievous chastisement: That when ye are asked to go forth in the Cause of Allah, yet cling heavily to the earth? Do ye prefer the life of this world to the Hereafter? But little is the comfort of this life, as compared with the Hereafter” (35 T. 3.) Tauba.

And the punishment for those who hoard money keep it away from use that ultimately helps all segments of society has been referred to by the Book:

On the Day when it will be heated in the fire of Hell, and with it will be branded their foreheads, their flanks, and their backs, “this is the treasure) which ye hoarded for yourselves: tase ye, then the (reassures) ye hoarded” (35 T. ). The analysis show that there is no provision of misusing the wealth, property and resources and those doing so are frequently condemned. The principles emphasize that one should avoid in acquiring anything wrongfully or on false grounds; one should not hoard or buy or amass wealth
for its own sake rather he or owners of wealth should use it freely for good here and thereafter, for yourself or for your neighbours; and one should particularly ensure not to waste wealth for idle purposes, but only so that it may fructify for the good of the people.

The punishment is quite clear that those who introduced wrong and exploitative practice in managing wealth and doing trade by way of concentration and control over wealth, hoarding of goods for want of high profit would be punished and that is the reward that has been announced by Lord Almighty.

“That man can have nothing, but what he strives for (39), (Al-Waqae & Al-Hashr). are also The citations are referred to about the system that provides guidelines for earning livelihood and to how to spend thereof.

Further on concentration of wealth: A stern warning for:

“Who pileth up wealth and layeth it by, Thinking that his wealth would make him last for ever. By No means, He will be sure to be thrown in to that which breaks to pieces” (it is the fire of Allah) (104).

“The (mutual) rivalry for piling up (wealth) diverts you from more serious things until ye visit the graves” (Al-Takathur 1).

As regard to charity and distribution of wealth for the good of people, relatives and those who are poverty ridden the Lord Almighty pronounced very beautiful reward.

Charity has direct relevance to the sacrifice by a believer in the name of Allah through the best of his wealth, property or possession. Alleviation of poverty through the alms, welfare tools, Zakat, Ushr etc are repeatedly asked by Islamic teachings and thus the wealth does not remain under concentration but is in circulation, a principle of good economic practice even in today’s world.

Conclusion

A joint venture or joint stock is the valuable concept in Islamic economic system. However it depends as how the people responds once they have to be told fully about the financial sources and its use not based on usury. It is important to note and implement that the musharika (partnership) is a crux of the system where there is no exploitation on the basis of funds or labour. Profit-sharing whether in the banking, financial institution or trade all the participating parties have to ensure judicious and equal partnership in the transaction. It is not a ‘win win’ position to the institution alone
but the depositor of money has to be a principle partner who at time acts like a modarib or owner of finance (rabb ul maal). The Islamic cooperative system as is not simply a fact derived from secondary sources of literature. Rather it emanates from the fundamental Islamic decentralized decision-making under the Islamic consultative body (shura) exists at all levels of society and the political economy. The principle of social control of production by workers and shareholders, the profit-sharing as the basis of distributing equitably the resources and output of production, are activated in the Islamic political economy by a cogent set of policy and financial instruments. These instruments from the banking, non-banking and financial trading groups establish the principle of Islamic political economy through the institution of profit sharing basis.

Spending, as opposed to hoarding and saving in assets, is made the central point of socio-economic prosperity, and of the moral nature of social well being. The idea presented is that of financial saving, which follows the lure of creating wealth out of hoarding in interest-bearing assets and speculation of future returns. Both of these acts are considered to be abhorrent to the distributive and circulating nature of wealth and capital in Islam. On the one hand hoarding and saving in pursuit of interest-bearing and speculative assets that have no knowledge of certainty in them, that human inter-subjectivity leaves that wistfulness to randomness are show to be the root causes of socio-economic depravity, instability and social injustice. On the other hand, charity as the act of giving and circulating wealth, spending in the good cause that brings prosperity to self and the other in an endless terrain of increases and abundance are show to be the purpose of circulating money.

The production of abundance is thus directly linked with the natural process of spending of wealth and resources. This is the essence of the continuously circulating nature of money as the means of valuation of wealth. With it, the time value, not of money but of the real assets, is measured. The debasement of money is shown to be causally linked with the idea of depreciation of real assets. Such depreciation of real assets leads to injustice and oppression by the ones who own wealth on th ones who do not. It is the source of deprivation, entitlement failures and disempowerment in society. Inequitable distribution causes the relationship between money and real assets to be debased and obsolete.

Contrary to this the continuity of charity as the moral act of spending on all that is life-sustaining in light of Shari’ah, brings about continued prosperity like abundant gains of corns. This is the result of richness induced by complementarities among all opportunities. Debasement of assets is stopped only the midst of such an act of
diversification caused and regenerated by universal complementarities. Likewise the tools for welfare of poor masses, and middle income groups used in Islamic economic and welfare system. The charity itself is a big source of welfare and provides huge sources of funds and commodities through the industrial, agricultural and financial system. Given the fair and just economic system based on human values, serving humanity and addressing social and economic protection this very system in the Islamic code provides protection to shelter less people, education and justice to every citizen, be he a Muslim or non-Muslim, but a citizen of the State, fundamental rights to every one, women and men, respect to elders and affection to younger.

It is evident from the divine teachings that the public welfare is the hallmark of any government. It is the responsibility to be fair in flow of justice and economic benefits to every individual of a given society. The Biblical view on poverty alleviation or the welfare concept of Islam provide enough tools and triggers which ensure a prosperous and self sufficient society. The people enjoy equality and no discrimination either on the basis of cast or religion. Every citizen is treated at par and thus has the fundamental right of being the equal partner of national and natural resources. However one has to address this issue of poverty while one being well contended, having patience, and have no greed or self attaining designed.

The destitution has no room nor it is a big issue in a welfare state. Any government under the Sharia (the Islamic code) helps the people in generating their livelihood and do not create hindrances. With only capacity to pay taxes is the essence of such a welfare programme that is ensured in any society following divine teaching. The human traits, behaviour and contentment is the basis for resisting any economic pressure. After all it is the prime responsibility of the government in an Islamic society to provide basic sustenance to its people. A welfare state means where the fundamental socio-economic rights are protected by the state and those governing the country.

The provision of welfare means and provisions by the government without promoting the unethical business practices, the Ushr and Zaka the fundamental charter of welfare economy. In case of Pakistan these two instruments are not being properly managed by any machinery rather the collection and spending of the two is mostly based on corrupt practices. There according to agriculture sector’s contribution to the gross national income, the amount to be annually collected stands to over 75,000 million alone, however non of the government policy makers, economists or the top ministerial officials are found ignorant of the benefits through these two tools alone. It only ensures honour and dignity and contribution by every one to the state exchequer.
(Interpretation from Quran, King Fahad Quran Complex Madinah) pp 89, (1410H). The poor and their needs are catered through the welfare system of Islam, which provides deduction, distribution and protection to such people.

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More References and Biblio, Pp 160-163
8. Research Discussion and Conclusion

Poverty is not a problem of the modern day world. It existed in the past and was for hundreds of years. With this study that stands concluded on poverty alleviation through communication, poverty gap index, poverty triggers with special reference to a welfare state has discussed and investigated different possible sectors that are related to poverty reduction. The poverty reduction policy of the government of Pakistan who is the member of UNDP as well as member of IMF and the World Bank has assumed the responsibility like many other member states, to emphasize upon the poverty reduction and alleviation program.

The main thrust has been on the role of media and communication tools for educating people of their socio economic rights and obligations and the government functionaries playing their fair and just role, without indulging in to corruption and non-transparent practices, so that the benefits of the economic schemes and infra-structure development plans are trickled down to the most affected and poor segment of society. Poverty in any region of the world, one could see the concentration of poor living more are in South Asia, East Africa and Central Africa, Caribbean and West Indies. A majority of poor have been found in Eastern Europe where the things are getting improved, however hunger is a bold challenge to the governments, who in post-communism era, have assumed the democratically elected set up.

The emerging global economy of the new millennium, China has its secrets of ‘Chinese Capitalism’. In Chinese capitalism “not only are economic organisations embedded in social contacts but the players in these networks of relations also have hybrid identifies that are strongly influenced by their discursive and institutional context. The very territorial unbounded-ness of capitalism of China contributes to its rising hybridism given the supra-national multiple forces that condition its structures and trajectory. Chinese capitalism is now a serious mixture and juxtaposition of traditional practices and established global normal and conventions.” That is why it is important to mention the name of China, the mainland as the only country in the world securing millennium development goal on poverty reduction and it achieved it by halving the target. This is evident from the fact that given the largest populated country, it has the highest level of foreign direct investment and the trade volume.
In Pakistan there is no single source that provides you the data on poverty in all the four provinces and north areas. The incidence of poverty is stated to have declined in the previous years against there is solid statistical ground to believe it. In income distribution, inequality and consumption pattern against income are other areas that too required to examine poverty or income disparities. If empirical evidence have began to accumulate against them and require further support in their favour in order to convincingly contradict both the widely held view points (i) poverty is more a direct reflection of low levels of per capita income rather than skewed income distribution and (ii) relative poverty and income disparities increased initially with the increase in real per capital income but subsequently it diminishes as per capita income grows further (Professor Kuznet, 1955), famous inverted-U theory.

One has to see through the analysis that the per capita alone is not likely to hit the poverty incidence nor it would directly reduce the estimate of poverty rather it is mandatory to have a broader distribution of income and prices of food items be administered properly, a government function to control poverty. This contradicts the believe that per capita income has a direct reflection of low levels of per capita income rather than skewed income distribution.

It is said that higher inequality promotes growth finds no clinching evidence in its favour during recent studies. Rather the focus should be on economic policies which provide broader benefits and lessen relative poverty or income inequalities.

The emphasis has been more on corrective measures and transparency in government policies. The question remains whether poverty can be limited, eliminated or cured. The answer lies in the policy of the government and individual household’s traits and behaviour. Though different subjects carried in this study discuss the cause and reasons of poverty, yet the control and cure lies in the divine teachings.

The investigations in the study divulge different propositions of media, role of transmission channels, means in mass communication, yet there is still dire need for strengthening the role of media in economic development. The prime question of this study is the poverty reduction. Pakistan has the resources, potential and will to get hold of poverty spread, however the roots of problem are in the leadership and style of governance combined with the model of poverty alleviation.

There is an emergent need for a specially designed poverty reduction model which should incorporate the philosophy and mechanics of all modern economic tools and triggers and tools available in a welfare system through Divine guidelines.
Although every country wants to have proper social protection index, the chapter 3 has discussed this topic drawing attention towards the key role of media in any society. It is not just the role of entertainment that media provide, yet the socio-economic development and prosperity to a desired extent is achievable through the media. It also helps educate people for properly empowering them through this fundamental right of people globally accepted by all international organizations.

Poverty triggers and tools are other areas that have been taken care of in this study. The measurement of welfare of common people and matching the same with the existing poverty level and diagnosis of poverty eradication are the subjects which have been debated in this thesis. It includes he economic growth and poverty; urban and rural poverty, regional conflicts and purchasing power poverty. The phenomenon has changed where poverty used to be measured through head count ration (P.Townseed, 1985). Now the progressive economic approach includes the World Bank generally accepted formula of poverty calculation that uses purchasing power parities known as “Povcal”. Besides it has also taken care of question population, education, health and water. These necessities are a must ingredient for any socio-economic betterment programme. Population has been a big challenge for the world. In every country an indigenous programme for population welfare has been initiated.

A success story could be referred to as Bangladesh and China, not Pakistan or India have been there to achieve a desired result. An equal rate of crude birth and mortality achievement is not a simple answer to a rising population trend. All availability and usage of resources outclass the results if the population tends to be moving north. Health and HIV challenge have been there especially in all the poor and low income countries. Africa, India and many other countries are the target of HIV and hundreds of people are suffering from this killer disease. A communication strategy discusses this issue of lack of infrastructure development. Population welfare in Pakistan has a unique controversy like the rightwing political parties term use of contraceptives as un-Islamic. Unlike Pakistan, Bangladesh being a majority Muslim country has been success story in managing population growth. Two cases from Delta of Sindh and India have been discussed on water linkage or poverty in the chapter 5 that has concluded that the water for drinking purpose is not safely available to majority of population.

The policies of the government remains without tangible results if the same are not introduced with proper and fair approach. Poor governance has been a menace in any poor or heavily indebted country.

State functioning and new emerging issues like public demand for the creation of new provinces, federalism and decentralisation, local self-governments and devolution
are all aimed at the possible structuring for good governance. The issue of governance has been mostly discussed through the lens of corruption however one could see the organisational and constitutional framework of the federalism that would result in better serving results.

The Social Policy Development Centre (Ghaus D. A., 2010) has been conducting research, a unique work done by the Centre for the good of the country suggesting ways and means for better delivery and governance. The report on “Social Development 2012” suggests that globally there are 28 federations, 10 in developed countries and 18 in developing countries. They cover large countries both in terms of area and population such as India and US and small countries such as Comoros and Federated States of Micronesia. International experience may help Pakistan to a better understand and resolve some of the issues experienced in the process of implementing the 18th Amendment in Constitution and situation thereafter.

In the background of the above with a federal system, the voices are there for creating new provinces. SPDC has analysed that there could be a better deliverance to the problems of the people in different areas through creation of new provinces in Pakistan. Perhaps the size, diversity, population and challenges of governance demand that Pakistan should have more federating units. Also an international comparison shows that of all the federations in the world, Pakistan has the lowest number of constituent units with very high population per unit. An argument can, perhaps, be made that Pakistan should have comparative smaller, more manageable federating units, where people are able to participate more fully and directly in development decisions that affect them. Regarding what should be the basis of this division, some argue that provinces be created following proper research and debate regarding the social, cultural and very importantly, the economic viability of an administrative basis, using population, area, resource base, source of income.

The question of borrowing other than the federation could be assessed in the background of the provincial needs. There are resources available with all the provinces and they generally are complimentary and supplementary in nature and would be of greater help to them for sub-national borrowing. There are many illustrations on the globe that could be used for better provincial administration and governance, once the who package of reforms and issues are taken up at the national parliament level and analysed one by one by the elected representative, however prior to that the experts groups could be formed and reports are generated through a well knit exercise. Although the new National Finance Commission Award has resulted huge diversion of national funds to the provinces, however the delivery and governance has been
extremely low especially in the Sindh province where corruption seems to be the order of the day in almost all the departments. The objective was not that the provinces be more independent and autonomous to run their day to affairs, the obligation is more on the provincial governments to deliver for the sake of better economic recovery, poverty reduction, higher education, health and better infrastructural facilities. This is not the case by any standard. Media produces every second day a story on corrupt practice in the provinces and as such nothing sort of any remedy or administrative action is taken against the corrupt ministers or officials. The worst governance indicators could be found abundantly available in this province of Sindh.

Pakistan is not an exception to this phenomenon. Media of late has had a direct impact-oriented role in disclosing corruption and corrupt practices. The “threat and impact” of media has become a reality in Pakistan where the governments take precautionary measures for escaping scandalous stories. The clout with journalists and the field of journalism has witnessed a multi-fold value resulting a “fear” in government circle that media may put on air or print the same in newspapers. Indicators, and Governance and Millennium Development Goals have been described as critically important. An independent media has a strong role here helping out control the wastage of resources and educating people for their right in the national wealth that had been looted away and placed in foreign banks. Repatriation of looted money by corrupt leadership has been a challenge for many a country, however the people of Philippines have been fortunate that their efforts results fruits and hundreds of million dollars were repatriated and used for poverty reduction and education to poor. Pakistan has not been lucky so far in this sector where hundreds of million dollars have been looted and were siphoned off in the name of National Reconciliation. The case was dragged for years in the Supreme Court of Pakistan with no results whatsoever.

Human greed ignores limits. This unchecked phenomenon also adds to poverty and unhealthy competition. The check and balance in price mechanism and fair play in fixation and payment of wages to poor labour class too have their say in poverty reduction in a society. Mere government policies alone can not work and achieve desired results. For the goal for poverty eradication or alleviation the whole society has a strong role to play under the competent set of policies introduced by any government. The last but not the least the human wants and deeds, as referred to in the last chapter, have a direct role in poverty control and achieving prosperous living. Quality of life index has more positively been seen for those who have enough resources than the poor community.
Poverty is quantifiable. No satisfaction of basic needs for living souls defines abject poverty. Primary needs like food, shelter and clothing are the responsibility of a State, however there are certain rich countries that provide basic needs without cost. Some are there who educate their people without any fees, however in a divine teaching, like Islamic one ensure food and clothing to the people. The agriculture sector alone can provide sustenance to the people without any additional taxes. The Ushr alone in case of Pakistan is the source of enough wheat, rice, cotton are other produce that are sufficient to meet he basic requirements of the people who need them badly. This head of account in agriculture is other than the compulsory deduction of Zakat from those who come under a specific category and having wealth provision to a certain extent. The benchmark is provided in the divine teaching. The charity and many other such items of welfare means are also implemented but need an organized mechanism.

In Islamic political economy of finance, money, trade or socio-economic cooperation aimed at prosperity and hitting poverty ménage is an exercise in ummatic globalization. It stands apart from the capitalist world system in today’s riba-based global economic horizon which is in generalized terms, a totally exploitation based, however excepting those countries who have introduced their own indigenous law of welfare. The Law of Omar is considered to be welfare oriented by some Western Countries, yet the OIC needs to act in this sphere as noble and international assignment for a just socio-economic order through the Islamic Monetary Exchange or concept of financial market. In today’s unholy globalization the Islamic interest-free is not just the case for a isolated efforts by Muslims but informing the people the benefits of such a system that has no exploitation or fixed notions of interests, thus exploiting the receiving parties. The OIC and its member countries should consider the centre of knowledge in finance and economis and be a transformation for the mankind by integration and interactions through creative evolution. The axiomatic laws to be derived by Sunnah and then discussed at the ummatic constitutional forum making further workable through ahkam, ijtehad and ijma.

The Divine message is, “O mankind! We created you from a single [pair] of a female and male, and made you into nations and tribes, that you may know each other (not that you may despise each other). Verily the most honoured of you in the sight of Lord Allah is the mot righteous of you. And God has full knowledge and is well acquainted [with all things]” (Quran).

For individual country like Pakistan there are welfare triggers available that needed to be applied, however the government mechanism and political expediency does not allow it to function in the larger interest nor there are socio-economic groups who pressurize the government for a shuratic ushr-based welfare system that is bound
to affect the poverty and help expand income pattern, thus hitting the inequality in income. Even during the phases of ummatic transformation and globalization this global-system of riba-free welfare system would take cognizance of the policies and institutions of the capitalist system.

It must be ameliorating by Shari’ah principles to the rest of the world capitalist system.

- All the Muslim countries should bring-in indigenous change through a democratic system of elections and transform into democratic norms and values.
- The change should be non-violent, constructive and defensive for the values of Islamic teachings and the leadership must be tolerant and accommodating. Not fearing the change would lead them to forego their position of authority and monarch.
- The proposition must go along with the concept of ‘ummatic shoora’ based grand consultative council caring the needs of riba-free monetary and commodity exchange and a unitary monetary exchange value. This would also help in devising an international trade based on shari’ah compliance.
- The present ineffective role be enhanced and Organisation of Islamic Conference should lead the sphere guiding all the members to follow a buoyant, progressive economic charter.
- Technological and economic research should be the distinguished cooperation.
- Endogenous money, trade and finance must compete among themselves and with the Western world.
- The shuratic methodology for ummatic change, with being a scientific one, is deeply human-motivated. It is the ‘anthropic’ presence in the shuratic process that operationalize the knowledge simulative process of creative evolution. The origin of this system being belief in unitary and Tawhidi Epistemology (M.A.Choudhury and Malik, 1992), ummatic change cannot come from any other sources or dilution o focus. The change at the intellectual level, practicing business and trade at international level must be deeply and courageously filled with taqwa. The holy Quran and the authentic Sunnah are to be the basic for this deeply training-related understanding.

An organized and proper governance means that the prices are managed constantly, in the reach of common man. Clothing and housing are in excess. Security of food and social protection is in place. Savings would channelize in to investment and thus a cycle of economic well being and prosperity could be achieved, all through the best, positive and constructive policies and intentions and not through poor governance, loot and corruption.
The socio-economic policy framework with welfare tools utilized properly, along with development and supporting communication policy are must ingredient to fight poverty. Poverty is beatable, manageable and controllable.

Poverty and inequality were the major issues that surfaced importantly in policy debate during nineties when several developing countries launched their poverty reduction programmes. Poverty is a feeling of deprivation. It may be absolute or relative so there arises the notion of relative poverty or absolute poverty. Poverty is a relative measures because a person would be regarded as poor with reference to the society in which he lives. The relative poverty refers to a man’s relative deprivation in a society and he may be above a minimum standard of living but below the level of standard of living of many other in the society. The World Bank has defined “the poverty as not being able to achieve a minimum standard of living”. This gives rise to three pertinent questions: a) how do we measure standard of living; b) what does minimum standard of living mean; and c) how can we express the extent of poverty in a single measure. A most obvious measure could be the individual’s income or real expenditure at a given point of time. Measure of living standard based on per capita income, therefore should be supplemented by other measures that may include variable as the United Nations Development Programme has estimated a human poverty in taking into account some of the above factors.

Poverty is called a phenomenon which is complex in its origin and manifestations, and a great moral and social challenge. In Pakistan it is a huge issue and needs to be handled not just through cosmetic measures or one or two triggers for welfare. It would generate more problems and breed poverty more every year. It is required to work out the growth rate of poverty on annual basis like other index or development indicators. There are tall claims of development and growth while the fruits of development do not seem to be percolated to the poor. One could see that along with economic poverty, social poverty is seen which is the result of economic poverty and reflects problems in infant mortality, unemployment level moving higher and high illiteracy rate.

The study has examined the case of poverty and alleviation through communication, human behaviour, welfare tools and triggers as well as divine measures in the background of a welfare state. The stress has been the measures through media and communication while the government responsibility could not be absolved through few schemes for the poor and huge non-development spending and lavish style of
There are examples of loot, plunder and massive misappropriation of public money. The statistical data and information has been through the National Social Survey, Household Survey, FBS, SBP, SPDC, and international organisations like the World Bank, Asian Bank etc providing as good and credible source of data.

Domestic inequality and international trend in supporting the cause of terrorism and war on terror are the factors that mostly affected the over all economic activities, thus the poverty incidence could not be tackled. There are more imbalances than the balance striking in either the payment position, or trade, local production of indigenous industries or major manufacturing sector, influx of small to medium industrial goods from abroad and power and energy crisis locally have had very bad impact on growth and development. It is a continuous issue to be in place and may reduce if there is a constant growth and uninterrupted economic development for at least one decade with consistent of good policies and pro-growth plan at the centre and provincial levels. Having said this the economic engagement of policy makers find obstructions when the extreme law and order brings about hampers and barriers. The entire policy move and plan is thus stopped in going through the motion.

The international incidence of poverty in developing economies has varied across the regions. Poverty has declined in the regions of Asia, Latin America, Middle East, North America and South Asia. Wide variations in poverty across countries within each region are also observed (Panda P. S., 2008). Poverty has gone higher as because of financial crisis in the world in late 90s. Poverty is rampant in teh less developed countries of Africa and Asia. The situation in development counties like China, India and Pakistan much better than the poor countries where incidence is very high in all such counties especially on a $2-a-day basis. The poverty incidence enhances the sentiments of deprivation and social complication. It also adds problems of law and order with no adequate schooling and education to children and emerging youths.

There could be application of “Greer and Thorbecke Cost of Calories Function” method to estimate poverty line on the basic of monthly per capita consumption and expenditure, and monthly per unit expenditure separately. However given all these applications in the absence of proper data and statistical research, it is difficult to estimate the caloric based nourishment and estimate of poverty.

Policy Recommendations: The research should be continued on this subject with new dimensions including the rural poverty and urban one in the background of consumption and inequality, good and bad governance, corruption watch and
independent and fast track dispensation of justice by judicial team. As suggested earlier in the previous chapter that the divine teachings combined with the modern day concepts of welfare and use of triggers for the welfare of poor people, not alone the government is responsible the society in which one live is equally responsible. It is the neighbourhood who would also be asked as what he did for his neighbour in terms of food and care. The continuity of research with different propositions would obviously help generate more interest and new tools and triggers would emerge helping out the poor and protecting them from the clutches of food insecurity. The sense of participation would only generate if the community considers the urgency of food, shelter, medicines and health and of course, education to all by the state that is ultimately custodian of the social rights of every individual.
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<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACP</td>
<td>Automated Clearance Procedures</td>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>AEDB</td>
<td>Alternative Energy Development Board</td>
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<tr>
<td>AJK</td>
<td>Azad Jammu &amp; Kashmir</td>
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<td>ANC</td>
<td>Anti Natal Care</td>
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<td>API</td>
<td>Agricultural Policy Institute</td>
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<td>APO</td>
<td>Asian Productivity Organisation</td>
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<tr>
<td>ASF</td>
<td>Agribusiness Support Fund</td>
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<tr>
<td>ATMs</td>
<td>Automated Teller Machines</td>
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<tr>
<td>BCFD</td>
<td>Billion Cubic Feed Per Day</td>
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<tr>
<td>BHUs</td>
<td>Basic Health Units</td>
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<tr>
<td>BTU</td>
<td>British Thermal Units</td>
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<tr>
<td>CDC</td>
<td>Central Depository Company</td>
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<tr>
<td>CDNS</td>
<td>Central Directorate of National Saving</td>
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<td>CDWP</td>
<td>Central Development Working Party</td>
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<tr>
<td>CED</td>
<td>Central Excise Duty</td>
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<tr>
<td>CFC</td>
<td>Chlorofluorocarbon</td>
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<tr>
<td>CFS</td>
<td>Continuous Funding System</td>
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<tr>
<td>CGA</td>
<td>Controller General of Accounts</td>
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<td>CGE</td>
<td>Computable General Equilibrium</td>
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<tr>
<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<tr>
<td>CIRC</td>
<td>Corporate &amp; Industrial Restructuring Corporation</td>
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<tr>
<td>CLIC</td>
<td>Crop Loan Insurance Scheme</td>
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<tr>
<td>CLTS</td>
<td>Community Led Total Sanitation</td>
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<tr>
<td>CNG</td>
<td>Compressed Natural Gas</td>
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<tr>
<td>CPRA</td>
<td>Central Power Purchase Agency</td>
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<tr>
<td>CPR</td>
<td>Contraceptive Prevalence Rate</td>
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<tr>
<td>CPRSPD</td>
<td>Centre for Poverty Reduction and Social Policy Development</td>
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<tr>
<td>CPS</td>
<td>Contraceptive Prevalence Survey</td>
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<tr>
<td>CrPc</td>
<td>Code of Criminal Procedure</td>
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<tr>
<td>CSF</td>
<td>Competitiveness Support Fund</td>
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<td>CSP</td>
<td>Child Support Programme</td>
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<tr>
<td>DAP</td>
<td>Di-Ammonium Phosphate</td>
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<tr>
<td>DFIs</td>
<td>Development Financial Institutions</td>
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<tr>
<td>DISCOs</td>
<td>Distribution Companies (electricity distribution)</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>EIA</td>
<td>Environmental Impact Analysis</td>
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<td>EMIS</td>
<td>Education Management Information System</td>
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<td>ENERCON</td>
<td>National Energy Conservation Centre</td>
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<td>EOBI</td>
<td>Employees Old-Age Benefit Institution</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation</td>
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<tr>
<td>GCI</td>
<td>Global Competitiveness Index</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GDR</td>
<td>Global Depository Receipt</td>
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<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IRRI</td>
<td>International Rice Research Institute</td>
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<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<tr>
<td>LNG</td>
<td>Liquefied Natural Gas</td>
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<tr>
<td>LPG</td>
<td>Liquefied Petroleum Gas</td>
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<tr>
<td>MMCFD</td>
<td>Million-Million Cubic Feet Per Day</td>
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<tr>
<td>MTDF</td>
<td>Medium term Development Framework</td>
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<tr>
<td>MTOE</td>
<td>Million Tones of Oil Equivalent</td>
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<td>MW</td>
<td>Mega Watt</td>
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<tr>
<td>NAB</td>
<td>National Accountability Bureau</td>
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<tr>
<td>NADRA</td>
<td>National Database and Registration Authority</td>
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<tr>
<td>MAF</td>
<td>Million Acre Feet</td>
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<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
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<tr>
<td>NEPRA</td>
<td>National Electric Power Regulatory Authority</td>
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<tr>
<td>NORAD</td>
<td>Norwegian Royal Agency for Development</td>
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<tr>
<td>NTDC</td>
<td>National Transmission and Dispatch Company</td>
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<tr>
<td>NWFP</td>
<td>North West Frontier Province/Khyber Pukhtoonkha</td>
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<tr>
<td>OGRA</td>
<td>Oil and Gas Regulatory Authority</td>
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<td>PSLM</td>
<td>Pakistan Social and Living Standards Measurement Survey</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>STIs</td>
<td>Sexually Transmitted Infections</td>
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<tr>
<td>TB</td>
<td>Tuberculosis</td>
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<tr>
<td>UNDHR</td>
<td>United Nations Universal Declaration on Human Rights</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNEP</td>
<td>United Nations Environment Programme</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>UNICEF</td>
<td>United Nations International Children Emergency Fund</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organisation</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>VAT</td>
<td>Value Added Tax</td>
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<td>WAPDA</td>
<td>Water and Power Development Authority</td>
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<td>WB</td>
<td>World Bank</td>
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Extract

Poverty Alleviation through Communication
Poverty Gap Index, Poverty Triggers
in a Welfare State

Poverty has been there for thousands of years, though there has been no scientific study based on modern day science, it could be observed through the ages. While one passes through the Holy Bible and Holy Qur’an and the first ever drought in known human history, some 4000 years ago, shows that the poverty continued from centuries till today, however the welfare concepts introduced in different governments, in either system, aimed to provide relief to poor and a sense of protection and security.

Research Proposal

The model of research is based on communication channels, awareness among the society to adopt ways and means in urban and rural sectors, combating the poverty and help improve the habits avoiding consumption and adopting saving practices.

It carries the details on the question of using tools of communication and education of the indifference curve in the usual daily style and addressing the poverty question through media, books and through the deliverance of educational talks to the people.

Since the rural population living most in the case of Pakistan, the women folk are mostly dependent in spending, however the income is secured through both the sects, especially at the time of harvesting and thus providing them tools for taking benefits of the government schemes in health, education, thus savings their limited income and making better off in comparative terms.

Talking of the models of poverty; definitions and measuring poverty, socio economic studies and government and private sector plans and policies in helping address the issue of poverty and alleviation.
The approaches and designs by the donor agencies, NGOs, government departments and local
governments and their role in poverty related issues.

Measures to combat the menace of poverty and discussing the design and model for adopting it
by the society, individuals, government etc by different channels; triggers etc all helping the
masses for means management. The issue of poverty, communication to the people, education
and awareness on the subject and its relationship and concept of Poverty in Islam are also being
discussed in the research.

**Poverty**

Alleviation through Communication.....

**Need to conduct research**

In any under-developed economy with different concepts of economic development and
growth are being pursued in today’s world, unlike a few countries running the socialist model,
apply different policies in order to address the question of poverty.

The definition of poverty may be almost identical in a western or socialist concept, yet the
approach and policies vary from one country to other, however given the role of donor
agencies, yet most of the countries, especially heavily indebted nations, apply conservative
approach in poverty alleviation in rural and urban areas.

The poverty and social problems differentiate each other in rural and urban population,
however by and large the poverty and social question are widely addressed mostly depending
on availability of domestic and foreign aided resources.

This outline covers the question of poverty, poverty gap index, poverty alleviation,
education and dissemination of information and communicating the masses as of their role,
triggers, social welfare concepts, poverty and Islam, and tools introduced in an Islamic welfare
state. The welfare system and generation of resources through taxes, enhanced gross domestic
product, question of per capita income and inflationary trend all those contributing factors on
poverty and income variance.

The approaches adopted by the international organisations like the World Bank, the
International Monetary Fund, Asian Development Bank, Islamic Development Bank, IBRD etc
and lending programme through approved Poverty Reduction Strategy Papers of each country
have to be take in to account before reviewing the poverty in Pakistan’s context.

The resource availability either through indigenous resources or sponsored mostly by the
donor agencies in the form of grants, aid or debt, the inequitable distribution of income,
exploitation of poor and economic models and different patterns followed by the society in a
given country also contribute to the poverty spread, especially in a debt-ridden or poor-income
group countries world wide.
The concept, tools and variations in poverty, alleviation and economic growth:

Poverty definition; concept and triggers;

Poverty and water linkage;

Population and poverty;

Debt relation and impact;

Corruption linkage;

Welfare State and Islam and Poverty; and

Tools in a welfare state; and

Communication role in alleviation.

Underlying Definitions and Concepts: A poverty measure is a summary statistic on the economic welfare of the poor in a society. There is no one universally accepted single measure of poverty. A number of different approaches exist. This methodology sheet guides the reader along certain key issues, such as the different approaches to measuring individual welfare, without prescribing decisions. Consequently, it is directed at comparability over time within a given country, as it helps national practitioners specify poverty indicators that match their specific situation and preferred approach.

Nutrition is a distinct concept, although closely associated with poverty. Under nutrition can be viewed as a specific type of poverty, namely food energy poverty. There are a number of arguments for and against using this as a measure of well-being. A practical advantage is that this measure does not have to be adjusted for inflation and would not be constrained by any inadequacy of price data. Measures of child nutritional status can help capture aspects of welfare, such as distribution within the household, which are not adequately reflected in other indicators. However, nutrition is not the only aspect that matters to the well-being of people, including the poor. Thus, poverty comparisons based solely on nutrition alone may be limited and deceptive.

The strategy

In this case the strategy is to help disseminate basic information to the planners and those executing the policies, planning and organising different approaches to address this very issue which has drawn the attention of all over the world. While in case of Pakistan the fundamentals have to be undertaken and as such there have been research conducted with different strategies, yet this model is specifically being addressed only on the question of poverty and allied issues, its alleviation through mass media, planning of the private and government sector agencies and departments.

Defining the Poverty Line: In practice, there are a number of alternative approaches to defining poverty lines—Absolute poverty lines: An absolute poverty line is one which is fixed in terms of the living standard indicator being used (consumption, nutrition). It is fixed over the
entire domain of comparison, that is, a poverty line, which assures the same level of economic welfare, would be used to measure and compare poverty across provinces or different situations. The poverty line may still vary, but only so as to measure the differences in the cost of a given level of welfare. Absolute poverty lines are more common in developing country literature. The most common approach to defining absolute poverty lines is to estimate the cost in each region or at each date of a certain bundle of goods necessary to attain basic consumption needs (this is called the basic needs approach). The most important component of basic needs is a recommended food energy intake, supplemented by essential non-food goods. To measure food energy requirements, one needs to make an assumption about activity levels, which in turn determine energy requirements to maintain the body’s metabolic rate at rest.

Poverty and Islam

*How the World will change in the Depression of the 1990’s has been the issue under discussion for over a decade which brought in to focus the Marxism, Free Economy and Islamic System. Following are salient points on the subject which refer to the different systems of economy and that presently in use globally*

There are many relevant verses and sayings of Holy Prophet Muhammad (Peace Be Upon Him) on Islamic economic system and principles to protect those who are poor. There are institutionalised concepts of welfare and protection of basic rights of poor in divine economic principles, however if one studies Islamic system of economic governance, interest is strongly prohibited and even in Bible, the interest (usury) is not allowed. Practicing Jews, during their financial transactions among themselves do not generally allow interest based dealings, but in the modern day western economic system, mainly run by the capitalist principles is based on a fixed rate of interest which is strongly prohibited. This practice continues for centuries and the poor countries, without any discrimination of any religious bond, are compelled to ask for funds based on a fixed rate.

Poverty as defined in Islam, which is the failure to satisfy the basic needs, is considered one of the matters that caused the decline and destruction of the Islamic Umma. Islam made poverty one of Satan’s promises.

The research design

*It carries information and data collection through the public sector and a private organisations, government agencies, media resources and suggesting the ways and means address this issue of society which has drawn attraction of all UN, World Bank and individual countries across the globe.*

*In this study, references of different researches; state bank, bureau of statistics and independent organisations are to be applied and help provide a sum to the people at large as how the question is put before the society and promote this question to an understanding as what their role could be collectively and individually*
Traditional means, modern tools, information revolution and different means would obviously to be taken in account for the research and preparing the logical conclusions on the subject.

These have dominated developed country literature where many studies have used a poverty line, which is set at, for example, 50% of the national mean income. When the poverty line is fixed as a proportion of the national mean, if all incomes increase by the same proportion, there would be no change in relative inequalities and the poverty line would simply increase by the same proportion; that is, the poverty measure will not change. This can make such poverty lines deceptive for some purposes, such as assessing whether poor people are better or worse off.