

Report highlights poverty in rural Pakistan

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A report issued earlier this month by the Pakistan Institute of Development Economics (PIDE), a governmental research organisation, highlighted the pervasive poverty wracking rural Pakistan. The document, “Rural Poverty Dynamics in Pakistan”, analysed data from its 2001, 2004 and 2010 poverty surveys. It concluded that more than half of the country’s 116 million rural population lived in extreme poverty during this period.

The findings expose the “poverty reduction” rhetoric of successive governments in Islamabad.

PIDE noted that most poverty statistics compiled in the country provided a static picture—the “dynamism of poverty, however, has been overlooked in the poverty debate.” It concluded: “When a longer period is considered, the proportion of population who ever lived below the poverty line during this period is much larger, 51 percent, than we usually get from the cross-sectional survey data sets.” The report added: “Moving into and out of poverty is a common phenomenon in rural Pakistan. This movement directly depresses the desired status of ‘never-poor’.”

Pakistan’s two most populous provinces, Punjab and Sindh, were the only two to be included in all three surveys between 2001 and 2010, due to security concerns in Balochistan and Khyber Pakhtunkhwa in 2004. PIDE concluded that in Punjab and Sindh, poverty fell between 2001 and 2004, from 29.5 to 21.8 percent, but increased from 2004 to 2010 to 28 percent.

These overall averages, however, conceal the reality that large numbers of people hover just above the poverty line and are in perennial danger of destitution. PIDE concluded that in southern Punjab and Sindh, only one-third of the population were “never-poor”, i.e. not poor either in 2001, 2004, or 2010. Two-thirds of all households were living in poverty in one or more of these years. While PIDE did not have the data for the long neglected Balochistan province and the war

ravaged area of Khyber Pakhtunkhwa, poverty rates are undoubtedly higher there.

The situation is all the more appalling when PIDE’s strict definition of poverty is considered. The survey counted as poor only those unable to consume an average of 2,350 calories per adult per day. That is, only those who were hungry or malnourished were counted as poor. The calorie consumption measure equated to an adult income of just 723 rupees a month in 2001, 879 rupees in 2004, and 1,672 rupees in 2010. The latter sum is equivalent to \$17.50, or 58 cents a day, far below the standard World Bank benchmark of \$2 a day.

Pakistani authorities have long downplayed the real extent of poverty in the country in their official statistics.

PIDE attempted to put a positive gloss on its latest report, declaring as “good news” its finding that “only a small proportion of population has continuously been in the state of poverty for long durations.” In Punjab and Sindh, 17 percent of the population were officially classified as poor in two of the three surveys, while 4 percent were poor in all three survey periods. This data reflected the vast underestimation of actual poverty levels, due to the very restricted definition used in the surveys, rather than any genuine opportunity open to the rural poor to improve their lot.

Since the last PIDE survey two years ago, poverty has only worsened in Pakistan. Major floods in 2010, the country’s worst natural disaster, and again in 2011 inflicted widespread devastation.

Floods were one of the “shocks”, together with drought and inflation, identified by PIDE as a major contributor to high poverty rates. The research organisation also pointed to large family sizes and lack of education in rural areas. Only in passing did it note the “structural nature of rural poverty in Pakistan”, caused by the enormous disparity in land ownership.

An estimated two thirds of the rural population owns no land.

The PIDE surveys amount to a devastating indictment of the Pakistan ruling elite, which has proved unable to satisfy even the most basic needs of life for the majority of the population.

The ruling class has failed to develop public infrastructure since Pakistan's inception in 1947. Basic services such as health and education remain abysmal, worse in Balochistan and other rural provinces. Vital resources have instead been diverted to promoting militarism and war, with the arms race with rival India now extending to nuclear weaponry. Much of the country's wealth is monopolised by semi-feudal landowners, whose political influence has sabotaged even the most limited land reform proposals and other measures to narrow the enormous social gulf in the countryside.

The social crisis in Pakistan is no less an indictment of world imperialism. Washington has for decades backed successive right-wing military and civilian regimes in Islamabad, and promoted International Monetary Fund (IMF) dictated "free market" reforms that have escalated poverty and inequality.

Since 2008, the Pakistan People's Party (PPP)-led government has worked with the IMF to slash public spending and raise regressive taxes hitting the working class and rural poor, privatise state-owned industries and promote the country as a new cheap labour platform for international investors. Earlier this month, Sherry Rehman, Pakistan's ambassador to the US, boasted that Pakistan offers one of the best rates of return for corporate investors and urged American firms not to miss out.



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