



Development Amidst Crisis

PAKISTAN



MILLENNIUM DEVELOPMENT GOALS

Report 2010

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Government of Pakistan
Planning Commission
Centre for Poverty Reduction and Social Policy Development
Islamabad
September 2010

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Foreword

Pakistan along with other world leaders adopted the Millennium Declaration in the year 2000, and pledged to “spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty.” With only five years remaining, efforts for the achievement of the Millennium Development Goals (MDGs) become increasingly important.

The Pakistan Millennium Development Goals Report 2010 is the fourth in the series of reports produced by the Planning Commission of the Government of Pakistan. The report provides a keen analysis of present status and challenges towards achieving the MDGs. The Millennium Development Goals Report 2010 is exclusive in the degree of comprehensiveness with which it looks at the MDG goals and indicators. It will provide a widespread, robust fact base and enable an affluent series of discussions and analyses for both public and private sector organizations focused on economic and social development.

The report covers the period since 2006 in which numerous and far reaching developments have taken place, which have transformed the social, political, and economic landscape of Pakistan, all having an impact on the outcomes, achievements and targets of Pakistan's Millennium Development Goals. Pakistan has faced serious challenges in the last four years, stemming from a sudden meltdown in the global economy in 2008, along with a sharp rise in oil and food prices earlier that year. At the domestic front security issues, war on terror and IDPs have put further pressure on our economy. Furthermore the most recent catastrophic floods, have affected approximately more than 20 million people, ravaged different urban and rural areas and caused immense damage to the infrastructure and agriculture of the country. This will adversely impact the overall economy and the achievement of many of the MDG goals and targets.

Despite the adverse circumstances and problems, the Government of Pakistan is fully committed towards the achievement of the MDGs. The adoption of the National Finance Commission Award, will free up more resources from the federal government and channel to the provinces. A number of initiatives have been taken towards this end, with the most significant being the Benazir Income Support Programme (BISP). In addition to the efforts of the Government of Pakistan, provision of access to markets, new technologies and favourable terms of trade by the developed world would help in attaining the MDGs. Although half-a-decade may sound too short a period towards achieving the MDGs; however, with strong commitment, persistent efforts by the Government of Pakistan and great resolve shown by the people during current floods to lead their lives out of crisis, the MDG targets may remain achievable.

Prime Minister of Pakistan
August 2010

Preface

The Government of Pakistan's commitment to MDGs is reflected in its policy documents and is embodied in its overall development strategy, also included in the Medium Term Development Framework (2005-10). The MTDf advanced the agenda for pro-poor economic growth by allocating adequate resources for sustainable human development. Special emphasis continues on education and health. Taking this commitment forward, most recently, the federal government has settled the issue of distribution of resources among its provinces. A consensus has been reached on the National Finance Commission (NFC) award in 2010 freeing up resources from the federal government and making them available to the provinces. This will enable them to meet their obligations towards their inhabitants for delivery of basic services by increasing spending on both social and economic sectors; and above all creating opportunities and choices for poor and vulnerable people. However, during the last four years, international and domestic economic scenario has changed significantly having a far reaching impact on achievements of MDG targets. The global recession coupled with high fuel and food prices and the fight against terrorism has caused a heavy toll on the economic growth and development in Pakistan. The economic growth rate had reached an unprecedented level of 9.0 percent in 2004-05, and was as high as 6.8 percent in 2006-07, has fallen drastically to 1.2 percent in 2008-09. The energy crisis, high inflation, and other socio-political problems have aggravated the situation for the past two years. These difficulties have been compounded further due to the devastating floods of August-September 2010, which have ravaged the agricultural lands and crops has also destroyed infrastructure in rural and urban settlements. It is in this background that Pakistan, which was on track in many of the MDG targets up to 2005-06, is currently lagging behind in some of the MDGs. A study has been commissioned by the Planning Commission to assess the setback caused by the recent floods in achieving MDGs.

In the face of limited resource, our challenges are enormous. In terms of Human Development Index developed by UNDP in 2009, Pakistan stands at 141 out of 177 countries. The overall literacy rate at 57% is low among other developing countries. These challenges can best be met by pursuing an agenda of rapid inclusive economic growth; introducing concrete reforms; continuity and sustainability of policies and programs; and involvement of the communities in the development process.

It is a source of pride and strength that the Prime Minister has mandated CPRSPD in the Planning Commission to monitor progress on attaining MDGs in Pakistan. Since 2004, Planning Commission is monitoring progress and publishing MDG reports. This is the fourth report in the series. I congratulate the Center for Poverty Reduction and Social Policy Development (CPRSPD) for undertaking this important assignment. We look forward to reader's comments/ views for improvement.

Dr. Nadeem ul Haq
Minister of State/Deputy Chairman

Acknowledgments

The Pakistan Millennium Development Goals Report (PMDGR) 2010 has been prepared through a process of consultation. The process has been enriched through a series of data validation and consultative/workshops. The interactive consultative process resulted in verifying data and receiving input/feedback from Federal and Provincial Governments, Civil Society Organization and Development Partners. The Project Advisory Board also provided overarching guidance on the finalization of this report.

The Pakistan Millennium Development Goals report- 2010 has been finalized under the leadership of Dr. Nadeem-ul-Haq, Deputy Chairman, Planning Commission and Mr. Ashraf M. Hayat, Secretary, Planning and Development Division, Government of Pakistan. We are thankful to Mr. Ahmed Awais Perzada, Additional Secretary/NPD, CPRSPD, Planning Commission for his support. Furthermore, we immensely appreciate the support, guidance and encouragement provided by Mr. Mohammad Shahid, former Joint Chief Economist and NPD, CPRSPD, Planning Commission for the successful completion of Pakistan MDG Report-2010. We are thankful to Dr. S. Akbar Zaidi for peer reviewing the report. Thanks are also due to Ms. Rabia Awan of the Federal Bureau of Statistics (FBS) for providing much needed statistical support. We are also indebted to our colleagues from past at CPRSPD Ms. Lubna Shahnaz and Mr. Naeem Sarwar for working on the preliminary draft of the report. Thanks are also due to unsung support provided by the supporting staff at CPRSPD. In addition, we also appreciate the support and facilitation provided by the United Nations Development Programme (UNDP) in this regard.

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Acronyms

ARI	Acute Respiratory Infection	ESR	Education Sector Reform
ARV	Anti-Retroviral Therapy	EU	European Union
BCC	Behavior Change Communication	FATA	Federally Administered Tribal Areas
BDNP	Basic Development Needs Program	FBS	Federal Bureau of Statistics
BHU	Basic Health Unit	FDI	Foreign Direct Investment
BISP	Benazir Income Support Programme	FEE	Foreign Exchange Earnings
BOD	Burden of Disease	FER	Foreign Exchange Reserves
CBO	Community Based Organizations	FODP	Friends of Democratic Pakistan
CCT	Conditional Cash Transfer	FP	Family Planning
CDM	Clean Development Mechanism	FSW	Female Sex Workers
CEDAW	Convention on the Elimination of All forms of Discrimination against Women	FY	Financial/Fiscal Year
CFS	Child Friendly Schools	GDP	Gross Domestic Product
CMW	Community Medical Workers	GER	Gross Enrollment Rate
CNG	Compressed Natural Gas	GEPP	Girls Education Policy Project
CPI	Consumer Price Index	GNI	Gross National Income
CPRSPD	Centre for Poverty Reduction and Social Policy Development	GPI	Gender Parity Index
CSP	Child Support Program	GRAP	Gender Reform Action Plan
DAC	Development Assistance Committee	GSP	Generalized System of Preferences
DHQ	District Head Quarters	HDIP	Hydro-Carbon Development Institute of Pakistan
DOH	Department of Health	HIV	Human Immunodeficiency Virus
DOTS	Directly Observed Treatment Short Course	HSWs	Hijra Sex Workers
DS	Debt Servicing	IANGV	International Association of Natural Gas Vehicles
EDL	External Debt and Liabilities	IDU	Injecting Drug Users
EFA	Education for All	IDP	Internally Displaced Person
EIA	Environmental Impact Assessment	IEE	Initial Environment Examination
EmONC	Emergency Obstetric and Neonatal Care	ILO	International Labor Organization
EPI	Extended Program for Immunization	IMF	International Monetary Fund
		IMR	Infant Mortality Rate
		KP	Khyber Pakhtunkhwa
		LB	Live Birth
		LDC	Least Developed Country
		LHV	Lady Health Visitor
		LHW	Lady Health Worker
		LLW	Lady Livestock Worker

ACRONYMS

MCH	Mother and Child Health	PBM	Pakistan Bait-ul-Maal
MDGs	Millennium Development Goals	PESR	President's Education Sector Reform
MDR	Multi Drug Resistance	PFSS	Punjab Food Support Scheme
MoH	Ministry of Health	PHC	Primary Health Care
MMR	Maternal Mortality Ratio	PIHS	Pakistan Integrated Household Survey
MNCH	Maternal Neonatal and Child Health	PMDGR	Pakistan Millennium Development Goals Report
MSW	Male Sex Workers	PPAF	Pakistan Poverty Alleviation Fund
MTBF	Medium Term Budgetary Framework	PRSP	Poverty Reduction Strategy Paper
MTDF	Medium Term Development Framework	PSDP	Public Sector Development Program
M & E	Monitoring and Evaluation	PSLM	Pakistan Social and Living Standard Measurement Survey
NACP	National AIDS Control Programme	RED	Reaching Every District
NCHD	National Commission for Human Development	RHU	Rural Health Centre
NCS	National Conservation Strategy	R & D	Research and Development
NEMIS	National Education Management Information System	SPI	Sensitive Price Index
NEP	National Education Policy	TBA	Trained Birth Attendant
NER	Net Enrollment Rate	TB	Tuberculosis
NFC	National Finance Commission	THQ	Tehsil Head Quarters
NIDs	National Immunization Days	UNDP	United Nations Development Program
NGO	Non-Governmental Organization	UNICEF	United Nations International Children's Emergency Fund
NPDEW	National Policy for the Development and Empowerment of Women	USI	Universal Salt Iodization
NRSP	National Rural Support Program	WHO	World Health Organization
ODA	Official Development Assistance	WPI	Wholesale Price Index
OGRA	Oil and Gas Regulatory Authority	WTO	World Trade Organization

Executive Summary

The Political Economy Context

The fourth in the series, the Pakistan Millennium Development Goals Report 2010 covers the four years since 2006 in which numerous and far reaching developments have taken place which have transformed the social, political, and economic landscape of Pakistan, all having an impact on the outcomes, achievements and targets of Pakistan's Millennium Development Goals. Pakistan has faced serious challenges in the last four years towards meeting many of the MDG targets; stemming largely from a sudden meltdown in the global economy in 2008, along with a sharp rise in oil and food prices earlier that year. Additionally many serious political and economic problems, both external and domestic, have affected developments since 2006. The militancy, the political instability in 2007-2008 and the transition from a military-led regime to a democratically elected government caused severe disruptions in economic and social development. Furthermore, the most recent catastrophic flood, has affected approximately more than 12 million people, ravaged different rural and urban areas and caused immense damage to the infrastructure and agriculture of the country. This will adversely impact the overall economy and the achievement of many of the MDG goals and targets over the next few years.

For past few years, a 'security paradigm' has had to replace a development paradigm in the country. Although security issues have been of concern for Pakistan in the past, since around 2007-08 or so, they have been

highly aggravated affecting large segments of the capital stock, social and human capital, which subsequently undermined development priorities. Therefore, a war on terror has been launched. The costs of this war have been estimated to range between \$35-40 billion. While the exact numbers are perhaps difficult to assess, they are bound to be a non-trivial amount, especially when we translate them into numerous and multiple lost targets for the MDGs.

The high economic growth rate ranging from 7.5 percent in 2003-04 to 6.8 percent in 2006-07 have also seen a huge reversal on account of political instability and political transition in Pakistan, which has caused the economy, the priorities related to development and MDGs, to suffer. With 2007-the year of political activism; 2008-the year of moving towards the establishment and consolidation of democracy; 2009-the year of resolve for military action against the militants, the 2010 seems to be the one characterized by nation's resolve against natural floods. Clearly, most of the period covered by this PMDGR 2010 (2006-10), has been one of serious threat and grave instability, all likely to have had a considerable impact on MDG targets, as discussed below.

The economic upturn during the years 2002-2007 was largely built upon consumer-led growth and investments in the speculative sector, with remittances and foreign aid driving this growth. What was missing was a long-term strategy and direction needed to guide this money being sent to Pakistan into more productive sectors. The fiscal space created by years of economic prosperity allowed the government to provide much needed infrastructure, but these

developments were unable to keep pace with the increase in demand. The best example of this is the huge demand in power consumption which emerged as a consequence of the high spurts of economic growth, which the government was unable to meet, resulting in extensive shortages of electricity affecting domestic manufacturing activity and industry. Persistent inflationary pressures and weak performance of key sectors of the economy, the emerging bottlenecks in infrastructure especially in the power sector and the surge in global commodity prices, especially oil, led not only to an unprecedented rise in inflationary pressure but also made the balance of payment position very vulnerable. The down side impact of the boom years provides evidence for growing income inequality among the different income groups.

The inability, or reluctance, to deal with the speculative bubble that emerged in the economy around 2007, along with hyper political activity and the subsequent rise in oil and fuel prices, was a key factor which brought the economy down to a halt in 2008; registering a growth rate of mere 1.2 percent per annum. Having to accept an IMF stabilisation package, there has been considerable belt-tightening and stabilisation effort at the cost of growth and employment. The fiscal crisis of the state has returned, with debt increasing and the fiscal space of 2002-07 period hugely squeezed, the Public Sector Development Programme had to be cut considerably. All such fiscal and economic developments clearly indicate that the MDGs targets set for these years are unlikely to be met.

Nevertheless, one must also acknowledge the attempts made by the present government to address numerous problems, which have persisted until at least 2008. For instance, reaching consensus around the National Finance Commission Award, some attempts to reform the taxation structure, the commitment to fight against terrorism in Pakistan, and working with a largely supportive opposition in Parliament, which have given a sense of a strengthening and maturing of the political order, might effect the MDG targets favourably in near future.

Goal 1: Eradicate Extreme Poverty and Hunger

Although there are disagreements over what the extent of poverty in Pakistan is at the moment, there is a general agreement, that the poverty fell in Pakistan over 2002 to 2006 period, largely on account of high growth, greater donor assistance and increased remittances. Moreover, debt write-offs and rescheduling after 9/11, allowed far greater fiscal space than in the past, resulting in high pro poor growth. While poverty fell in this period, there is also a clear evidence that inequality increased, both in regional terms and in individual incomes as represented by the Gini coefficient.

Since around 2007 and 2008, the economy has been under considerable pressure due to the following domestic and external developments:

- ✍ Global financial crisis, which hit the country when it was already facing a balance of payment crisis stemming from high food and fuel prices in the world markets. The combined effects of the global commodity price shock, adversely affected the economy resulting in unsustainable current account and fiscal deficits and unprecedented high level of inflation, which hovered at more than 20 percent in the fiscal year 2008-09;
- ✍ The deteriorating law and order situation in the country further aggravating in 2008-09;
- The domestic costs of fighting militancy and;
- The growing tide of internally displaced persons has put severe strains on the government's finances.

The consequences of these factors have resulted in:

- ✍ Growth slowing markedly;
- ✍ Resource constraint manifesting in low public sector development spending;
- ✍ Adversely affecting the situation of poverty and employment in the country.

With declining fiscal space, the government was forced to remove a large number of subsidies, and it is probable that a larger number of people have fallen into poverty, which would have negatively impacted human development and, consequently, the country's ability to achieve the Millennium Development Goals.

Targets for the Medium Term Development Framework (MTDF) 2009-10, have not been met in the three indicators for Goal 1, and it does not look likely that the MDG target will be achieved. High growth, low inflation and job creation are required to help in coming close to achieving the MDG 2015 targets.

Goal 2: Achieve Universal Primary Education

This Goal focuses on three core indicators, (a) net primary enrolment ratio; (b) completion/survival rate from grade 1 to 5; and (c) literacy rate. Some of the major results for the above mentioned indicators are as follows:

- ✍ Net enrolment at primary level remained below 60 percent until 2008-09 although there has been marginal improvement in it over time. The MDG target of achieving 100 percent net enrolment ratio by 2015 requires an increase of 43 percentage point in the next five years compared to the 16 percentage point achieved in the last ten years.
- ✍ The completion/survival rate of students enrolled in primary schools also presents a dismal scenario that implies that almost half of the students enrolled in primary schools do not complete their education. The interim target for 2009-10 was set at 80 percent and could not be achieved.
- ✍ Pakistan's literacy rate remains considerably short of the MDG target of 88 percent by 2015, although it has marginally improved to 57 percent by 2008-09. The rate of increase needs to be more than four percentage points for the targets to be achieved. The female literacy rate, especially in rural areas, also needs to be accelerated at a much

higher rate since it has a much larger shortfall.

There seems to be considerable shortfall in achieving the MDG targets for Goal 2, even if there is to be a sharp upturn in economic activity or government spending for education and other sectors. However, this realisation that the targets will not be met does not deter the government from working to achieve the targets, rather it spur it on to rectify the shortfalls and to make the commitment, that it will move as close to the targets for 2015, as it possibly can.

Goal 3: Promote Gender Equality and Women's Empowerment

With regard to the four indicators for Goal 3, the status of Pakistan is as follows:

- ✍ Pakistan has made steady though slow progress with regard to the Gender Parity Index (GPI) for primary and secondary education. Despite the fact that Pakistan has missed the MDG target of gender parity in primary and secondary education in 2005, with the current pace, the MDG target of gender parity is likely to be unachievable by 2015.
- ✍ Youth literacy GPI improved during 2004-09. With the existing pace, the MDG target of 1.00 by 2015 is likely to be unachievable.
- ✍ Women's share in wage employment in the non-agricultural sector has increased but Pakistan is making slow progress in achieving the target. Keeping in view the slow progress, proper steps need to be taken to achieve the MDG target of 14 percent.
- ✍ With regard to number of women seats in the national parliament, Pakistan has shown substantial improvement over the years. The proportion of seats in the present National Assembly is substantial, and is amongst the highest in the world.

Goal 4: Reduce Child Mortality

Goal 4 'Reduce Child Mortality' focuses on six key indicators (1) Under- five mortality

rate (2) Infant mortality rate (3) Proportion of fully immunised children 12-23 months (4) Proportion of 1 year children immunised against measles (5) Proportion of children under five who have suffered from diarrhoea (6) Lady Health Workers (LHWs) coverage of target population. Some of the major results for this goal are as follows:

- ✎ The under-five mortality rate has declined moderately from 117 per thousand live births in 1990-91 to 94 deaths for every 1000 live births in 2006-07. However, it is possible that the gains in the economy which took place between 2002-07, with per capita income doubling during 2000-01 to 2007-08, have also had a significant impact on some of the indicators related to MDGs, including Goal 4.
- ✎ There has been a decline in the infant mortality rate from 102 to 75 per thousand live births between 1990-2007; however, it seems to be stagnant during the period 2001-07. The numbers are not very optimistic and need to be investigated further, as to why this indicator, despite lot of efforts and investment, is off track.
- ✎ The data relating to the proportion of fully immunised children 12-23 months immunized against six preventable diseases shows improvement to 78 percent in 2008-09 from 53 percent in 2001-02. These results are not very impressive and there is an urgent need to speed up the process. The LHWs programme, which encompasses a total work force of 95,000, has managed to provide primary health care services at the doorstep of the people in rural areas. For many years since its launch, the LHWs programme has been considered to be one of the most successful programmes in Pakistan's health sector.

Out of the six indicators for Goal 4, Pakistan's performance in achieving the desired MDG targets by 2015 is unsatisfactory particularly in case of the first two indicators, i.e. the under-five mortality rate and infant mortality rate. Though Pakistan has managed to lower the under-five mortality rate, there is still a need to reduce it by 42 percentage points by 2015, a highly improbable outcome. If the rising trend achieved during the first four years of the MDGs could be repeated, it is still

possible to achieve the MDG target by 2015, with regard to immunization, although it seems increasingly unlikely that this target will be met. The target for 2015 for the proportion of children under-five years suffering from diarrhoea was achieved in 2007-08 ahead of time. Similarly, the coverage of households by Lady Health Workers (LHW) increased from 38 percent in 2001-02 to 83 percent in 2008-09 in the first nine years of the MDGs; hence the attainment of 100 percent coverage by 2015 seems to be on track. However, while coverage has increased, the issues of skill and quality need to be highlighted. The LHWs can play a critical role in improving many of the health related indicators of the MDGs.

Meeting the targets of the MDGs for Goal 4 will be challenging, as is the case with other social sector interventions, given the state of the economy and fiscal constraints, which have resulted in the reduction of allocations to the social sectors. However, given the fact that the Seventh National Finance Commission Award and the 18th Amendment to the Constitution are now in place, it is expected that provinces will have far greater funds to spend on the social sectors; and perhaps some of the MDGs, including Goal 4, may be more feasible to achieve.

Goal 5: Improve Maternal Health

Some of the key findings for the indicators of maternal health are as follows:

- ✎ The maternal mortality ratio declined from 350 in 2001-02 to 276 in 2006-07. The MTR target has been achieved, however, in order to achieve MDG target, a dedicated effort is required.
- ✎ The share of deliveries attended by skilled personnel, which was already quite low (48 percent in 2004-05) has gone down substantially to 41 percent in 2008-09. The situation demands immediate attention and consistent efforts to increase this rate.
- ✎ During 2001-02 to 2008-09, usage of contraceptive increased moderately. A decrease in the total fertility rate has been estimated from 4.1 percent in 2006-07 to 3.75 percent in 2008-09, and it seems that the MDG target for both the indicators is unlikely to be achieved.

In terms of the first indicator (the maternal mortality ratio), Pakistan, while attaining

some success, has a considerable distance to go to meet the MDG targets by 2015. For the maternal mortality ratio, the MDG target for 2015 still requires almost a halving of the ratio. The 2015 target for skilled birth attendants is still more than twice of the proportion achieved in 2008-09. A third indicator relating antenatal care also shows low progress. In terms of family planning indicators, the contraceptive prevalence rate is considerably short of the 2015 MDG target.

What seems clear, sadly though, is that many of the specific targets for Goal 5 will not be met in the immediate future, and it will be challenging to meet the targets by 2015 unless herculean efforts are made to do so. With the economy still growing at a slower pace than the trend growth rate and with strong fiscal constraints on development spending, it is always going to be difficult to find the additional resources to raise the level of spending for Goal 5, or for any of the other social sector development targets.

Goal 6: Combat HIV/AIDS, Malaria and Other Diseases

Goal 6 covers five indicators, key findings for the indicators of the said goal are as follows:

- ✍ Recent trend shows that HIV/AIDS spread is increasing, however Pakistan is still classified as a low prevalence country. The government is giving special attention to the situation and with commitment shown to this disease it seems possible that Pakistan will achieve the target by 2015.
- ✍ The percentage of TB cases detected and cured under DOTS have increased from 79 percent in 2001-02 to 85 percent in 2008-09 and the MDG target has been met before time. However, attention towards the incidence of TB per 100,000 population needs to be paid as the figure is stagnant at 181 since 2001-02.
- ✍ Malaria related issues need attention as the proportion of population in malaria risk areas using effective malaria prevention treatment and measure has increased slightly by ten points (from 20 to 30) during 2001 to 2009.

Goal 7: Ensure Environmental Sustainability

The latest estimates show that the land area under forest cover has marginally increased from 4.9 percent in 2004-05 to 5.02 percent in 2008-09. The poor developing countries are constantly challenged in restoring a balance between environment and development. The trend rates since 2004-05 have stagnated and in order to meet the MDG target by 2015, a dedicated effort along with huge investments and community involvement is required.

Pakistan has become one of the largest users of Compressed Natural Gas (CNG) in the world and the MDG target for this indicator has already been achieved.

Halving, by 2015, the proportion of people without sustainable access to a safe and improved water source, is the tenth MDG target. Access to improved drinking water sources, especially for the poorest of the poor, remains a challenge. In addition to water scarcity and surface water pollution, Pakistan is also marred with low coverage in safe drinking water supply, which is a major source for water borne diseases. The PSLM survey for 2008-09 reported that:

- ✍ Water supply coverage increased from 53 percent in 1990 to 65 percent in 2008-09. However, it still has a long way to go in reaching the MDG target of 93 percent by 2015; and with current trends this may prove to be an insurmountable challenge.
- ✍ The sanitation coverage in the country has increased from 30 percent in 1990 to 63 percent in 2008-09 according to the PSLM survey 2008-09. However, it is still a long way to go in reaching the MDG target of 90 percent by 2015.

With regard to Goal 7 of MDGs targets for 2015, there are numerous environmental challenges, which face the country and need urgent redress.

Goal 8: Develop a Global Partnership for Development

The consequences of a globalised world have been felt and recognised by all participants who make up the global economy. Whether it is environmental

disasters or natural occurrences – such as the recent Icelandic volcanic eruption, the 2008 global financial crisis and the nascent European one of May 2010, or the war on terror in and around Pakistan and Afghanistan, the consequences of numerous local and supposedly isolated events, have global outcomes, some of which can be catastrophic. Since there is little doubt that the world is interconnected, just as the negative fallout can have disastrous consequences on different countries and their economies, so too can global efforts and initiatives improve the lot of one country or the region.

Pakistan's location, both in terms of geography and in terms of development, has become, and can remain a focal point requiring help and assistance to achieve all seven of its MDGs by means of the Eighth Goal, which includes greater market access, development assistance, and greater connectivity. Pakistan has been an aid dependent country for many decades and aid has been crucial for achieving many of its developmental goals and MDGs. However, the manner of aid distribution, with its conditionality, variability and uncertainty, has also caused problems, which may have undermined some of the benefits from that assistance. With trade now replacing aid as a means to development, Pakistan's desire for greater market access is largely supply-constrained, where Pakistan's narrow export base has limited exportable services and commodities. Therefore, bilateral and multilateral overseas development assistance can play a key role in providing support in developing the faculties of Pakistani producers to take advantages of the global economy, rather than be victims of it.

Conclusions

The improvement in the economy and stability in the country between 2002 and 2007 would have resulted in improvement in some of the MDG targets. However, with the numerous disruptions identified above, in 2008 and 2009, certainly, as well as in 2010, there is likely to have been a slowing down of progress and probably even a reversal of the successes achieved earlier. Yet, if 2011 suggests that the economy and political situation improves, and if they are sustainable, then one could probably see a return, albeit slow return, for most targets to

be on track in years to come. The adoption of the Seventh National Finance Commission Award in 2011 will free up some resources from the federal government to the provinces and allow the less developed provinces to access further funds. Since provinces are responsible for many of the Goals of the MDGs, this transformation in resource allocation may be fortuitous for achieving some of the MDG Goals, as long as these Goals receive their priority.

One of the key observations that emerge from this Report, and one which is repeated with regard to three or four Goals, is regarding the interconnectedness of numerous indicators. For example, the infant mortality rate and the maternal mortality ratio, as well as indicators about the population having access to Lady Health Workers and those having access to adequate drinking water, are all closely interlinked. If there is not enough access to safe improved water, there will be high diarrhea and this will result in higher infant and child mortality. Similarly, the maternal mortality ratio can be lowered with the provision of adequate antenatal care, trained birth attendants, increased usage of contraceptives and input by Lady Health Workers. Hence, while each Goal is separate with its own sets of indicators, this Report also emphasises the need to map interventions that are interlinked and inter-dependent.

However, unless there is urgency and a renewed and concerted effort to mobilise resources, both domestically and internationally, and to refocus the priorities in favour of these Goals, there is a high risk of considerable shortfalls in the MDGs set for 2015. Half-a-decade may sound too short a period to fill this yawning gap between performance and expectations that exists presently, but future trends do not necessarily have to be predicated on past performance and dramatic reversals in past trends often occur when nations are faced with overwhelming challenges. A popularly elected democratic government will need to take extraordinary measures to achieve many of the targets set up for each of the Eight MDGs, but that does not mean that it cannot do so. As long as there is a clear commitment to achieving these Goals, these targets can be met.

Chapter 1



Introduction
Pakistan's Millennium
Development Goals-
The Challenging Political
Economy Context

Chapter 1

Preamble

The *Pakistan Millennium Development Goals Report 2010* (PMDGR 2010) is fourth of in the series of such reports prepared. The PMDGRs serve a useful purpose not only in raising public awareness about the development challenges facing the country, but also help in building consensus, ownership and cooperation amongst the various stakeholders, including development partners, at the global, national and provincial levels, in achieving the MDGs. The PMDGRs are Government of Pakistan publications and are largely self-reflective, where they are used as a tracking device to highlight achievements and shortcomings over the previous years. They are not meant to be prescriptive and nor are they 'policy documents'. Another factor worth mentioning is that the data and statistics used in these reports are primarily generated from and verified by, Government ministries and departments, in order to have a reliable, comparable, series of data streams. Although a large amount of research is undertaken by research organisations and NGOs, it becomes difficult to generate a data set over a period of time that makes comparisons possible.

Unlike the three previous Reports, this fourth Report for 2010 differs somewhat in structure and format from the earlier Reports. The PMDGR 2010, covers the four years since 2006 in which numerous and far reaching developments have taken place which have transformed the social, political, and economic landscape of Pakistan, all having an impact, some favourable, others not so on the outcomes, achievements and targets of Pakistan's Millennium Development Goals. Unlike the somewhat

continuous and linked period 2004-06 when the earlier three Reports were produced, the period since 2006 has had far greater discontinuities and ruptures than in the past. For this reason, the PMDGR 2010 carries an introduction, which highlights some of those key structural shifts and shocks, that have taken place and which may affect subsequent progress in MDGs. This Introductory chapter provides a broad overview of the altered circumstances that have affected Pakistan and are likely to affect other outcomes and targets of Pakistan's Millennium Development Goals in a political economy context.

Introduction

With only five years remaining, countries are beginning to take a serious look at their ability to meet the targets of the Millennium Development Goals adopted by the international community in 2000 as the central focus of global development efforts for the first 15 years in this new millennium. Many countries, including Pakistan, have



faced serious challenges in the last four years, since 2006, in meeting many of the MDG targets, stemming from a sudden melt-down in the global economy in 2008, along

The PMDGR 2010, covers the four years since 2006 in which numerous and far reaching developments have taken place which have transformed the social, political, and economic landscape of Pakistan

Although security issues have been of concern for Pakistan in the past as well, however, since around 2007-08 or so, they have been highly aggravated affecting large segments of the capital stock, social and human capital and also undermine development priorities

with a sharp rise in oil and food prices earlier in that year. Pakistan has been additionally handicapped by many serious political and economic problems, both external and domestic, during the period 2006-10. In October 2005, the Northern and North-Western part of the country was hit by a severe earthquake, with over 70,000 dead and over a million made homeless, along with the wholesale destruction of schools, hospitals, roads and other infrastructure, which all adversely affected progress in the achievement of MDG targets. Political instability in 2007 and 2008 and the transition from a military-led regime to a democratically-elected government have also caused severe disruptions in economic and social development.

Furthermore, the rise in the incidents of militancy and terrorism in 2008 and 2009 and their spread from the tribal areas to



Khyber-Pakhtunkhwa (KP) and to all parts of the country have had a severe adverse effect on the Government's capacity to concentrate on social and economic progress in the face of the diversion of substantial financial and administrative resources needed to cope with the insurgency. The military operation in Swat and Malakand Division and later on in South Waziristan, led to the emergence of the problem of Internally Displaced Persons (IDPs) which sapped the resources earmarked for achieving the MDGs. Large chunks of funds allocated for development, have had to be redirected to other heads. Moreover, the destruction of very extensive infrastructure related to schools, roads and other sectors in parts of Khyber-Pakhtunkhwa, has also been highly deleterious towards reaching most of the targets related to the MDGs, directly in the province of Khyber-Pakhtunkhwa, but

also as militancy has spread to other parts of the country as well. A 'security paradigm' has had to replace a development paradigm in numerous districts in the country. It is important to emphasise, that it is not just those districts which have directly been affected by terrorism and militancy, the entire country has had to pay a high price for its role in the war on terror being fought on Pakistan's borders.

In the next sections of this Chapter, we deal with those areas or sectors, where over the last four years, numerous significant developments have taken place, which have affected the economy, society and the political situation, all having an impact on the quality of life of Pakistani citizens. Perhaps the three areas, which stand out most over the last few years, relate to issues of security, politics and political transition, and the economy. These are discussed in detail below:

Security, Militancy and Law & Order

It is very likely that the first decade of the millennium will probably be remembered as the decade of terrorism in modern times for some time to come. Not only was the whole world exposed and vulnerable to globalised forms of terror, with terror affecting global cities such as New York, London, Madrid, Moscow and many others, but the region of the Middle East and South Asia, has perhaps been the epicentre of this new expression of terrorism. While a war on terror is being fought in Afghanistan across our borders, Pakistan has been the more focused, as well as the target of terrorism. With large-scale international military actors in the region fighting their war on terror, one of the major consequences of dealing with terrorists has been that the local population in Pakistan have had to pay a very high price.

Although security issues have been of concern for Pakistan in the past as well; however, since around 2007-08 or so, they have been highly aggravated affecting large segments of the capital stock and the social and human capital, which subsequently undermined development priorities. There have been numerous consequences for the economy and for the people, more generally, following the increase in militancy in the northern parts of Pakistan. While many institutions, individuals, resources and o

facilities were targeted and destroyed in large numbers in 2008 and 2009 by the militants; however, wide scale destruction of public infrastructure, especially girls schools in Khyber-Pakhtunkhwa, was the most visible target. In response to the armed action of militants in the region, Pakistan's military also undertook full-scale military operations in Swat and Malakand and later on in South Waziristan. These operations necessitated the evacuation of the entire civilian population from these areas and the establishment of relief camps for the Internally Displaced Persons (IDPs) in adjacent areas, as well as in other parts of the country. While these military operations were highly successful in routing out militants from a number of districts in Khyber-Pakhtunkhwa, there was additional large-scale collateral damage to private and public property. Moreover, much of the economic activity in the province also came to a standstill affecting numerous families in the entire province. Clearly, since at least 2007, all bets on the former NWFP (present Khyber-Pakhtunkhwa), of achieving many of the MDGs targets in the short term, have been off.

It was not just one province which suffered as a consequence of the war on terror, but the blowback of the war and of military pursuit, brought the war right into the more supposedly safe and settled parts of Pakistan. Suicide bombers targeted civilians and uniformed personnel all over the country causing not just fear and loathing, but also substantial economic disruption. Foreign investors might shy away for many years from now, so will be the domestic capital. The costs of the war on terror have been estimated to have risen from Rs 259 billion in 2004-05, to Rs 677.79 billion by 2008-09.¹ While the exact numbers are perhaps difficult to assess, they are bound to be a non-trivial amount, especially when we translate them into numerous and multiple lost targets for the MDGs.

Economic Developments

In order to understand the nature of economic developments in the period covered in this PMDGR 2010, it is important to briefly look at the period before 2007 and

then emphasise how things have changed since then. This critical shift in economic performance will have, and has, a key impact on the outcomes related to MDGs.

There is little disagreement over the fact that the Pakistan's economy showed remarkable positive trends in key indicators over the 2002-07 period when General Parvez Musharraf was in power see Table 1.1. The single most important attribute of Pakistan's economy right through the 1990s, was its excessive and severe debt burden. In 2001-02, external debt was equivalent to 57 percent of GDP, with domestic debt accounting for 43 percent. Hence, overall outstanding debt was about the size of the GDP, with foreign debt servicing alone, in 2001-02, equivalent to as much as 10 percent of GDP. Pakistan was paying a huge share of its foreign exchange income each year as

There is little disagreement over the fact that the Pakistan's economy showed remarkable positive trends in key indicators over the 2002-07 period

Table 1.1: Growth Rates (%)

Years	GDP	Agriculture	Manufacturing	Services
1999-2002	3.0	1.3	5.1	4.2
2006-07	6.8	4.7	10.7	6.6
2007-08	3.7	1.0	4.8	6.0
2008-09	1.2	4.0	-3.7	1.6

Source: Pakistan Economic Survey, various issues

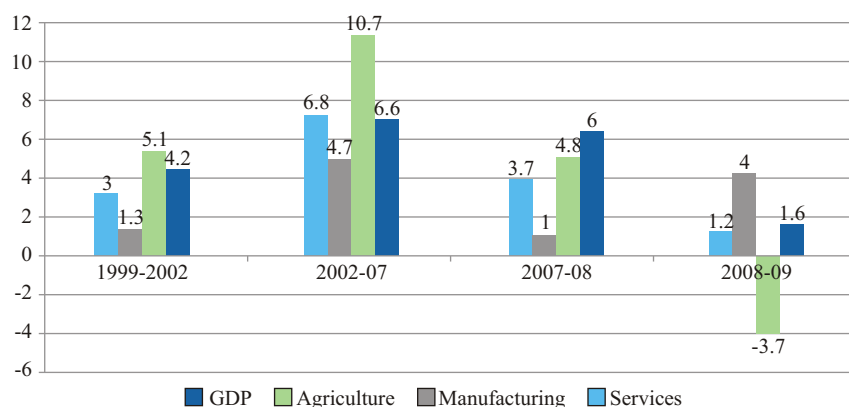
debt owed to foreign institutions and countries, leaving little for domestic development. By 2006-07, domestic debt had fallen to 30 percent of GDP, and foreign debt servicing was less than 5 percent of GDP. On account of agreements reached with bilateral and multinational donors following 9/11, huge amounts of debt were either written off or rescheduled, allowing the previous government unprecedented fiscal space to play with every year. It was because of this fiscal space and the fact that debt servicing had diminished, and large amounts of multilateral and bilateral aid was available, the economy turned around so sharply.

Following the 2002-07 period, it seemed that Pakistan was finally out of the ruinous decade similar to the 1990s and was set on

¹ Source: Finance Division, Government of Pakistan, September, 2008, PRSP II, p.6.

course for growth and development, on its way to achieving extraordinary and sustained economic prosperity. Despite exceptional and unanimous support from the

Figure 1.1: GDP and Sectoral Growth Rates



Source: Table 1.1

The inability, or reluctance, to deal with the speculative bubble that was emerging in the economy around 2007, along with political activity and the subsequent rise in oil and fuel prices, was a key factor which brought the economy down to a halt in 2008

international diplomatic and donor community, with little political opposition at home, and with uninterrupted stability and control of government unlike the eleven changes of government between 1985-99, these few years of remarkable growth, quickly unravelled.

The boom of the Musharraf years was built upon false foundations, largely consumer-led growth and investments in the speculative real estate and stock market sector, with remittances and foreign aid driving this growth. What was missing was a longer-term strategy and direction needed to guide this money being sent to Pakistan into more productive sectors. Banks awash with excess liquidity were eager to lend cheap money for consumption to the growing middle class, without perhaps taking cognisance of future repayment prospects. This consumer-led boom did signal activity in the manufacturing sector with demand for cars, motorcycles and other items increasing, yet the large inflows helped create a bubble, which eventually burst.

Subsequently, persistent inflationary pressures and weak performance of key sectors of the economy and emerging bottlenecks in infrastructure especially in the power sector, the surge in global commodity prices, especially oil, led not only to an unprecedented rise in inflationary pressure but also made the balance of payments

position very vulnerable. The drying up of capital inflows and the withdrawal of portfolio investment from the stock market, as a result of political uncertainties and the deteriorating security situation, after the intensification of the war on terror, further exacerbated the economic decline. As a result, rising fiscal and current account imbalances necessitated a domestic stabilization programme with the help of an IMF Standby Agreement (SBA). The SBA of \$7.5 billion was approved for one year by the Executive Board of the IMF on November 24, 2008, and was augmented to \$11.3 billion and extended through end-2010. However, the loan while helping the short-run stabilization of the economy has increased the external debt stock and has limited the room for fiscal expansion.

The inability, or reluctance, to deal with the speculative bubble that was emerging in the economy around 2007, along with hyper political activity and the subsequent rise in oil and fuel prices, was a key factor which brought the economy down to a halt in 2008, registering a growth rate of mere 1.2 percent per annum. While the growth rate is projected to be around 4.0 percent in 2009-10, it is still considerably below the trend for much of the period 2002-07. Moreover, with inflation at near 22 percent y-o-y in October 2008, down to 13 percent in April 2010, the people in Pakistan have suffered greatly. Furthermore, the IMF stabilisation package referred to above, has resulted in considerable belt-tightening and stabilisation at the cost of growth and employment. The fiscal crisis of the state has returned with debt increasing, and the fiscal space of the 2002-07 period has been hugely squeezed with the Public Sector Development Programme having to be cut considerably. All such fiscal and economic developments clearly indicate that the MDGs targets for these years are unlikely to be met.

Stabilisation and Recovery

There are still far reaching structural problems, which afflict Pakistan's economy. A poor tax-to-GDP ratio, severe power shortages, growing water deficits, low development expenditure in critical sectors, are just a few of these chronic problems. Yet,

one must also acknowledge the attempts by the PPP government to address numerous problems which have persisted since at least 2008, all of which might affect the MDG targets favourably.

While the consequences of an IMF stabilisation programme may slow down growth, as they have done, and may affect poverty and employment in the longer term, one must concede to the fact that the Pakistani government, under the worsening circumstances, may not have had a choice in having to turn to the IMF soon after taking office in March 2008. The present signs of stability in the economy are a result of taking severe measures to stabilise the economy under the IMF programme. However, certain conditions in agreements with the IMF especially the removal of subsidies on utilities have clearly made the situation far worse in the immediate term.

Numerous other measures have also been initiated which suggest a sense of stronger transition towards democratisation and greater stability that might result in better conditions to address the MDGs in the future. The consensus around the National Finance Commission Award, the reappointment of the Chief Justice of Pakistan, the passing of the 18th Amendment, some attempts to reform the taxation structure, the attempt to appease a sense of neglect in Balochistan, the commitment to fight against militants in Pakistan and working with a largely supportive opposition in Parliament, have given a sense of a strengthening and maturing of the political order.

It is difficult to predict how these developments as well as those which have not been addressed especially high inflation and severe power shortages will play out over the next year, but it would be unfair not to argue that the political and economic situation at the time of writing of the PMDGR in August 2010 seemed to be better than it was since late 2007 and early 2008. However, with the devastating floods the current economic scenario has changed, with the present scenario a major turn-around in achieving the MDGs is unlikely.

Progress towards the Achievement of MDGs

It is in light of the above social, economic

and political circumstances since 2006, that we examine the progress achieved in reaching the targets set for the Eight Goals of the MDGs, as shown in Table 1.2. The specific numerical targets and achievements of each of the Goals is given in the subsequent eight chapters of this PMDGR 2010, while in this section below, we merely show the trend rates and possible outcomes towards achieving those Goals, highlighting whether the country is on track towards achieving those Goals.

Prospects for the Future

The substantial improvement in the economy and stability in the country between 2002 and 2007 would have resulted in some improvement towards some of the MDG targets. However, with the numerous disruptions identified above, in 2008 and 2009, certainly, as well as 2010, there is likely to have been a slowing down of progress and probably even a reversal of the successes achieved earlier. However, if the economy and political situation improves in 2011, and if they are sustainable, then one could probably see a return, albeit slow return, for most targets to be on track.

However, unless there is urgency, a renewed and concerted effort to mobilise resources, both domestically & internationally, and to refocus priorities in favour of these Goals, there is a high risk of considerable shortfalls in the goals set for 2015. It is therefore imperative that the domestic and external political problems that have handicapped social and economic progress since 2008 are not allowed to stand in the way of future progress. Half-a-decade may sound too short a period to fill this yawning gap between performance and expectations that exists presently, but future trends do not necessarily have to be predicated on past performance and dramatic reversals in past trends often occur when nations are faced with overwhelming challenges. A popularly elected democratic government will need to take extraordinary measures to achieve many of the targets set up for each of the Eight MDGs, but that does not mean that it cannot do so. As long as there is a clear commitment to achieving these Goals, these targets can be met.

With the numerous disruptions in 2008 and 2009, as well as 2010, there is likely to have been a slowing down of progress and probably even a reversal of the successes achieved earlier

Table 1.2: Millennium Development Goals

Indicators	2008-09
1. Eradicate Extreme Poverty and Hunger	
Proportion of population below the calorie based food plus non-food poverty line.*	Lag (worsened since 2006)
Prevalence of underweight children under 5 years of age	Lag (worsened since 2006)
Proportion of population below minimum level of dietary energy consumption	Lag (worsened since 2006)
2. Achieve Universal Primary Education	
Net primary enrolment ratio (%)	Lag
Completion/survival rate: 1 grade to 5(%)	Lag
Literacy rate (%)	Lag
3. Promote Gender Equality & Women Empowerment	
Gender parity index (GPI) for primary and secondary education	Slow
Youth Literacy GPI	Slow
Share of women in wage employment in the non-agricultural sector	Slow
Proportion of seats held by women in national parliament	Ahead
4. Reduce Child Mortality	
Under-five mortality rate	Lag
Infant mortality rate	Off Track
Proportion of fully immunized children 12-23 months	Lag
Proportion of under 1 year children immunized against measles	On Track
Proportion of children under five who suffered from diarrhoea in the last 30 days and received ORT	Ahead
Lady Health Workers' coverage of target population	On Track
5. Improve Maternal health	
Maternal mortality ratio	Lag
Proportion of births attended by skilled birth attendants	Lag
Contraceptive prevalence rate	Lag
Total fertility rate	Lag
Proportion of women 15-49 years who had given birth during last 3 years and made at least one antenatal care consultation	Lag
6. Combat HIV/AIDS, Malaria and other diseases	
HIV prevalence among 15-24 year old pregnant women (%)	Ahead
HIV prevalence among vulnerable group (e.g., active sexual workers) (%)	Ahead
Proportion of population in malaria risk area using effective malaria prevention and treatment measures	Lag
Incidence of tuberculosis per 100,000 population	Lag
Proportion of TB cases detected and cured under DOTS (Direct Observed Treatment Short Course)	Ahead
7. Ensure Environmental Sustainability	
Forest cover including state owned and private forest and farmlands	Lag
Land area protected for the conservation of wildlife	On Track
GDP (at constant factor cost) per unit of energy use as a proxy for energy efficiency	Slow
No. of vehicles using CNG	Ahead
Sulphur content in high speed diesel (as a proxy for ambient air quality)	Lag
Proportion of population (urban and rural) with sustainable access to a safe improved water source	Lag
Proportion of population (urban and rural) with access to sanitation	Lag
Proportion of Katchi Abadis regularized	-
8. Develop a Global Partnership for Development	

* Based on data available till 2005-06

Chapter 2



Goal 1
Eradicate Extreme Poverty
and Hunger

Chapter 2

Goal 1: Eradicate Extreme Poverty and Hunger

Target 1: Halve, between 1990 and 2015, the proportion of people below the poverty line (%)

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger (%)

Table 2: MDG Indicators for Goal 1

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
Proportion of population below the calorie based food plus non-food poverty line.	Headcount index based on the official poverty line of R.673.54 per capital per month in 1998-99 prices consistent with attainment of 2350 calories per adult equivalent per day*	26.1 ¹	34.5	23.9	22.3	n/a	n/a	n/a	21	13
Prevalence of underweight children under 5 years of age	Proportion of children under 5 years who are underweight for their age	40 ²	41.5 ²	38 ³	38 ³	38 ³	38 ³	38 ³	28	< 20
Proportion of population below minimum level of dietary energy consumption	Proportion of population below 2350 calories per day of food intake (Food poverty line)	25 ⁴	30 ⁴	n/a	n/a	n/a	n/a	n/a	15	13

Sources:

1. Based on consumption data of households collected through household surveys by the Federal Bureau of Statistics and poverty trends analyzed by the Planning Commission, CPRSPD (whole series).
2. National Nutrition Survey, 1998-99 and 2001-2002.
3. Estimates of Nutrition Section, Planning Commission.
4. Planning Commission.

*National Poverty Line notified vide notification No. 1(41) Poverty/PC/2002 dated 16 August 2002.

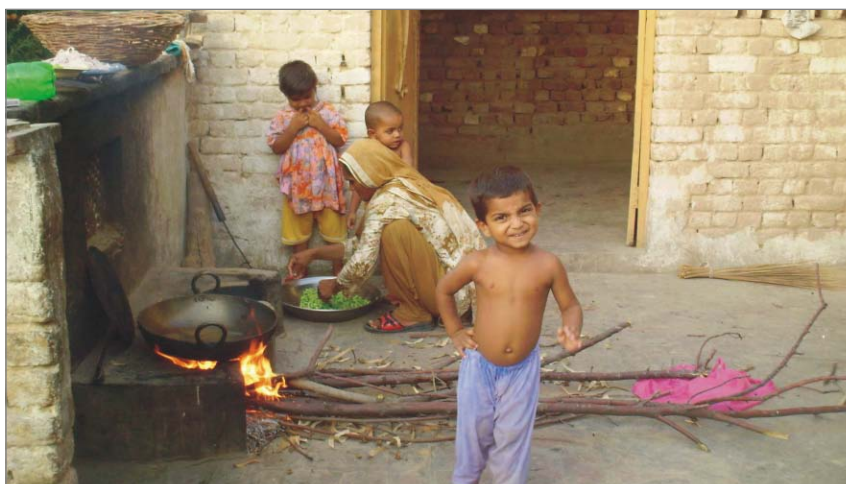
n/a: Not available

Introduction

Despite the growing consensus that poverty reduction is the central objective of development policy, there is as yet no unique definition available to measure poverty. Poverty is a multi-dimensional concept, encompassing many attributes which disadvantage households in their struggle for survival and bring them to the margins of society. These attributes include lack of availability of sufficient income or consumption and broader handicaps such as illiteracy, ill-health, powerlessness and social exclusion. In the context of a developing country like Pakistan, where a large percentage of the population lives at a subsistence level, poverty is often defined as the inability to afford consumption expenditure necessary to meet nutritional requirements.

A review of poverty studies for Pakistan shows that various authors/institutions have made attempts to examine poverty in the country, using different methods and thresholds. Poverty estimates are highly sensitive to a variety of factors, such as the choice of poverty line, its underlying data and methodology, the specification of the threshold level of poverty in terms of calorific requirements, expenditure or income, the determination of the scale of household in terms of number of individuals

PMDGR 2010 is being written at a time when there has been considerable controversy and concern about what the actual poverty numbers in Pakistan really are



or adult equivalents, spatial and regional differences in prices or consumption patterns. In the large number of poverty studies undertaken in Pakistan since the early 1970s, these choices have differed a great deal, with substantial differences in

their results and the policy usefulness of these estimates. Each methodology or choice has its own advantages as well as limitations. It is not surprising, therefore, that poverty estimates and their trends over time vary substantially among the various studies.

It is important to state, that PMDGR 2010 is being written at a time when there has been considerable controversy and concern about what the actual poverty numbers in Pakistan really are, and as we show below, different sets of numbers have been quoted by different sources see Box 1.1 (on page 22), which does not make our task easier. Nevertheless, as this chapter shows, it is possible to try to assess trends based on developments that have taken place in the economy as discussed in Chapter 1.

Progress towards Goal 1

To ensure comparability of poverty estimates over time, the Planning Commission, after due deliberation and consultation, notified in 2002 the official poverty line, which was based on a threshold caloric intake requirement of 2350 calories per person per day. The dietary intake requirement of 2350 calories translated into a poverty line of Rs 673 per capita per month at 1998-99 prices. Using this poverty line, the poverty incidence in Pakistan was estimated at 30.6 percent in 1998-99. Estimations based on the official poverty line showed that absolute poverty in Pakistan had increased in 2001-02 to 34.5 percent. The increase was observed to be higher in rural areas compared to the urban areas. It is pertinent to mention that the country's economic growth rate during this period had reached an all time low, with agricultural growth in the negative due to a prolonged drought, which lasted for 3 years. The growth rate of the economy picked up while inflation remained low during the period 2003-06, reducing the population below the poverty line to 22.3 percent in 2005-06. However, consumption inequalities increased during the corresponding period.

Profile of Consumption Expenditure

Trends in household consumption expenditure per adult equivalent are

examined in detail, with a view to understand the dynamics of poverty in Pakistan during the last few years. Table 2.1 shows the mean and median *real* monthly consumption expenditure per adult equivalent for three

notable increase in shares between 2004-05 and 2005-06 is observed for fuel and lighting, transport and medical care. Food records show a decline of one percentage point between 2004-05 and 2005-06, while

Table 2.1: Consumption Expenditure 2001-06 (at 2000-01 prices)

Quintile	PHIS 2001-02		PSLM 2004-05		PSLM 2005-06		Growth (Mean exp.)
	Mean	Median	Mean	Median	Mean	Median	
Poorest 20%	508	524	555	557	580	601	4.5
Second	690	690	775	775	790	792	1.94
Third	845	843	961	959	978	975	1.77
Fourth	1070	1060	1238	1227	1255	1237	1.37
Richest	1908	1582	2327	1912	2431	1938	4.47
All	1004	843	1171	960	1207	975	3.07

Source: PIHS 2001-02, PSLM 2004-05 & 2005-06

years (2001-02, 2004-05 and 2005-06). The average *real* consumption of the population grew by 3.07 percent, with consumption of the lowest 20 percent and top 20 percent quintiles growing at nearly two and half times more than the rest of the 60 percent of the population. The top and bottom 20 percent exhibit greater divergence in consumption expenditures as the mean and median are different for both groups.

Comparing the share of major food and non-food items in total expenditure across the

the share of education also continues to maintain its downward slide. In the case of education, this may reflect substitution by households of own expenditure with that provided by the government via increased and better targeting of expenditures on education at the provincial level.

Table 2.3 compares the growth rate in per adult equivalent monthly consumption expenditure by commodity groups of bottom 20 percent with the top 20 percent of the population. Expenditure on health, education,

Table 2.2: Percentage Share of per Adult Equivalent Monthly Expenditure for the years 2001-02, 2004-05 and 2005-06 (by commodity group)

Commodity Group	PIHS 2001-02	PSLM 2004-05	PSLM 2005-06
Food	49	49.1	48.1
Fuel and lightning	8.1	8.0	8.8
Personal care articles/services, laundry cleaning, papers articles	3.9	3.8	3.9
Personal transport and travelling expenses (not commercial)	3.7	4.9	5.2
Other misc. Household exp. On goods and services (e-mail, internet)	3.9	5.2	4.4
Clothing, clothing materials/services	5.7	5.0	5.0
Medical care	4.5	4.0	4.5
Education	3.5	3.0	2.6
House rent	12.0	11.9	12.2
Other remaining expenditures	5.1	5.1	5.3
Total	100	100	100

Source: PIHS 2001-02, PSLM 2004-05 and 2005-06

three points in time provides another perspective on the stability of consumption behaviour and reliability of the data. Table 2.2 gives the percentage distribution of per month adult equivalent consumption expenditures by major commodity groups. A

house rent and personal transport for the richest 20 percent grew in double-digits during the one year interval. The poorest experienced a double-digit increase in expenditures on personal transport and rent. The phenomenal increase of 60 percent in the

A notable increase in shares between 2004-05 and 2005-06 is observed for fuel and lighting, transport and medical care. Food records show a decline of one percentage point between 2004-05 and 2005-06

Table 2.3: Comparison of per Adult Equivalent Monthly Consumption Expenditure at 2001 Prices (by commodity group and quintile)

Commodity	Poorest				Richest			
	2001-02	2004-05	2005-06	Growth	2001-02	2004-05	2005-06	Growth
Food	288.5	322.0	316.6	-1.7	799.8	951.8	866.8	-8.9
Fuel and lighting	47.3	50.0	54.1	8.2	140.6	169.9	184.7	8.7
Personal care articles /serices, laundry cleaning	22.6	22.3	23.0	3.1	66.9	82.8	80.5	-2.8
Personal transport and travelling expenses not commercial	11.0	16.6	26.9	62.1	92.1	153.4	184.9	20.5
Other misc. Household exp. On goods and services (e-mail, internet etc)	14.3	16.4	19.0	15.9	101.0	165.3	180.8	9.4
Clothing, clothing materials/ services	33.1	32.4	32.6	0.6	93.5	101.4	97.7	-3.6
Medical care	19.3	22.1	22.5	1.8	93.4	87.7	116.2	32.5
Education	9.0	7.8	7.7	-1.3	96.5	108.0	147.6	36.7
House rent	39.3	43.0	48.7	13.3	313.2	365.7	493.1	34.8

Source: PIHS 2001-02, PSLM 2004-05 and 2005-06.

former category during the two consecutive years is may be due to increases in fares of public transport.

National Poverty Status

Table 2.4 gives a comparative snapshot of poverty indicators during 2004-05 and 2005-06. The inflation-adjusted poverty line for 2005-06 was Rs. 944.47 per adult equivalent per month, up from Rs. 878.64 in 2004-05. The headcount ratio, i.e. percentage of population below the poverty line fell marginally from 23.9 percent in 2004-05 to

Table 2.4: Trends in Poverty Indicators

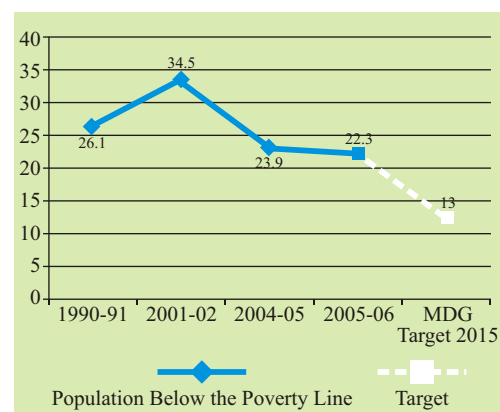
Quintile	Headcount			Poverty Gap			Severity of poverty		
	Urban	Rural	Pakistan	Urban	Rural	Pakistan	Urban	Rural	Pakistan
1998-99	20.9	34.7	30.6	4.3	7.6	6.4	1.3	2.4	2.0
2001-02	22.7	39.3	34.5	4.6	8.0	7.0	1.4	2.4	2.1
2004-05	14.9	28.1	23.9	2.9	5.6	4.8	0.8	1.8	1.5
2005-06	13.0	27.0	22.3	2.1	5.0	4.0	0.5	1.4	1.1

Source: PSLM (various issues)

22.3 percent in 2005-06, an improvement of 1.6 percentage points. Poverty in rural areas declined from 28.1 percent to 27.0 percent, showing an improvement of 1.1 percent;

while urban poverty also registered a decline from 14.9 percent to 13.0 percent depicting an improvement of 1.9 percent, during 2004-05 and 2005-06. The decline in urban poverty was more pronounced than improvement in rural poverty, during the period under review.

The poverty headcount ratio declined from 34.5 percent in 2001-02 to 22.3 percent in 2005-06, a 12.3 percent reduction in the headcount ratio in five years. In 2006, a highly optimistic trend emerged and it seemed that unless there was some significant reversal of observed trends, even if this slower speed of poverty reduction continued, this Goal was capable of being achieved in terms of headcount ratio indicator. However, now with hindsight, as Chapter 1 shows, a downward trend in the economy would have changed the direction

Figure 2.2: Proportion of Population Below the Calorie Based Food Plus Non-food Poverty Line


Source: Table 2

of that positive trend. Therefore, it is most likely that the MDG target of lowering poverty by 13 percent (Figure 2.2) may not be achieved.

Another noteworthy observation is that the incidence of poverty in urban areas became nearly less than half the rural incidence in 2005-06 for the first time since 1998-99. The incidence of high poverty ratio in rural areas as compared to urban can be traced to the low growth in the crop sector (-2.9%) in 2005-06 as compared to the manufacturing (8.7%) and services (6.5%) sectors, which are mainly urban based.

The other two indicators, the poverty gap and the severity of poverty are aggregate

measures of the 'spread' of the poor below the poverty line, i.e., they aggregate the distance (proximity or remoteness) of all poor individuals from the poverty line. A lower value indicates that most of the poor are bunched around the poverty line. In line with the improvement in headcount ratio, both the poverty gap and the severity of poverty were also reduced up to 2006. The headcount ratio gives only a single estimate of those below the poverty line. However, analysts and policy-makers are often interested in knowing the configuration of the population that lies within specified ranges above and below the chosen poverty line in order to disaggregate the population into various 'poverty bands', such as the extremely poor, the vulnerable and non-poor etc, according to the degree of their vulnerability to poverty.

Table 2.5 presents a comparative profile of 2001-02, 2004-05 and 2005-06 for the six bands, varying from a poverty level that is half that of the official poverty line to that

increased from 35 to 36.3 percent. The proportion of population defined as 'vulnerable' at 20.5 percent remained the same during 2004-05 and 2005-06. This group, as the nomenclature implies, is most susceptible to sudden negative economic shocks from within the household (e.g. death or illness of an earning member) or in the world outside (e.g. inflation, unemployment or natural calamity) can easily shift these households to swell the ranks of 'poor'. As discussed earlier, the highly negative trends in economic growth and food inflation from 2007-10, would have had significant impact on poverty numbers and on the poor across the board.

Consumption Inequality

The results available from the household survey of PSLM 2005-06, also provide an opportunity to update the analysis of consumption inequalities in the country. Though a one year interval is too short a

The poverty headcount ratio declined from 34.5 in 2001-02 to 22.3 percent in 2005-06. With incidence of poverty in urban areas nearly less than half the rural incidence in 2005-06 for the first time since 1998-99

Table 2.5: Population under Various Poverty Bands
(% of Population)

2001-02		2004-05		2005-06	
Poverty Line = Rs. 723.40		Poverty Line = Rs. 878.64		Poverty Line = Rs. 944.47	
Extremely Poor <50% that is <Rs.361.7	1.1%	Extremely Poor <50% that is <Rs.439.32	1.02%	Extremely Poor <50% that is <Rs.472.23	0.49%
Ultra Poor >50%<75% that is Rs. 361.7 Rs.542.55	10.8%	Ultra Poor >50%<75% that is Rs. 439.32 Rs.658.98	6.50%	Ultra Poor >50%<75% that is Rs. 472.23 Rs.708.35	5.43%
Poor >75%<100% that is Rs.542.55 Rs.723.40	22.5%	Poor >75%<100% that is Rs.658.98 Rs.878.64	16.42%	Poor >75%<100% that is Rs.708.35 Rs.944.47	16.41%
Vulnerable >100%<125% that is Rs.723.40 Rs.904.25	22.5%	Vulnerable >100%<125% that is Rs.878.64 Rs.1098.30	20.55%	Vulnerable >100%<125% that is Rs. 944.47 Rs.1180.59	20.46%
Quasi Non-Poor >125%<200% that is Rs.904.25 Rs.1446.8	30.1%	Quasi Non-Poor >125%<200% that is Rs.1098.3 Rs.1757.28	34.97%	Quasi Non-Poor >125%<200% that is Rs.1180.59 Rs.1888.94	36.34%
Non-Poor >200% that is over Rs.1446.8	13.0%	Non-Poor >200% that is over Rs.1757.28	20.54%	Non-Poor >200% that is over Rs.1888.94	20.88%

Source: Pakistan Economic Survey, 2006-07

which is double the official poverty line. It can be seen that the percentage of 'extremely poor' subsisting on less than 50 percent of official poverty line expenditures, was reduced by half from about 1 to 0.5 percent of the population, during 2004-06. Similarly, there was an improvement of 1 percent in the proportion of ultra-poor from 6.5 percent to 5.4 percent. At the other end of the spectrum, the proportion of the 'quasi non-poor'

period (statistically the difference may be insignificant) to make conclusive judgments on inequalities, trends and changes; however, small or insignificant they act as a signal for policy interventions. Inequality measures based on consumption expenditures are generally lower than inequality based on income as variations in consumption are lower and is based partly on a subset of homogenous (in terms of quality

Table 2.6: Gini coefficient and Consumption Shares by Quintiles

	PIHS 2001-02			PSLM 2004-05			PSLM 2005-06		
	Urban	Rural	Pakistan	Urban	Rural	Pakistan	Urban	Rural	Pakistan
Gini Coefficient	0.32	0.23	0.27	0.33	0.25	0.29	0.34	0.24	0.30
Consumption share by Quintile									
Quintile 1	5.3	12.8	10.1	4.8	12.6	9.5	4.5	13.5	9.6
Quintile 2	8.1	16.9	13.7	7.6	17.1	13.2	8.2	16.8	13.1
Quintile 3	12.1	1	16.8	11.6	19.7	16.4	11.1	20.1	16.2
Quintile 4	19.4	22.4	21.3	18.3	23	21.4	17.8	23	20.8
Quintile 5	55.1	28.4	38	57.7	27.6	39.4	58.4	26.6	40.3
Ratio of Highest to Lowest	10.4	2.22	3.76	12.02	2.19	4.15	12.98	1.97	4.2

Source: PIHS 2001-02, PSLM 2004-05 & 2005-06

and price) food items. The consumption inequality is measured by the Gini coefficient and the ratio of the highest to the lowest consumption quintile. The Gini coefficient takes on a value between 0 and 1. The higher the value of Gini coefficient, the higher is the level of inequality.

Table 2.6 shows the value of consumption Gini coefficient for Pakistan overall as

well as by rural-urban divide, obtained from the three surveys, i.e. PIHS 2001-02, PSLM 2004-05 and PSLM 2005-06. Starting from the beginning of the decade, the secular rise in Gini values continues at the national level and urban areas, indicating that consumption inequality continued to increase during the period, particularly for the middle quintiles 3 and 4

Box 1.1: Debates on Recent Trends in Poverty

There has been vibrant debate in government and academic circles in Pakistan about the recent trends in poverty in the country. This excerpt from the *Pakistan Economic Survey 2008-09*, highlights those debates.

Based on the Federal Bureau of Statistics' PSLM data, the Centre for Poverty Reduction and Social Policy Development (CPRSPD), Planning and Development Division estimated a sharp decline in the headcount poverty ratio for 2007-08. However, these findings appear to contradict other assessments conducted subsequently, and which better reflect global and domestic price developments after June 2008. These subsequent assessments point towards a strong likelihood of a sharp increase in the poverty incidence in Pakistan as a result of unprecedented food inflation and transmission of international energy prices to domestic consumers.

The main findings indicate that the high food prices are undermining poverty reduction gains, as food expenditures comprise a large share of the poor's total expenditures and food price hike has severely eroded poor household purchasing power. The assessment shows that the share of households that cannot meet medical expenditure increased from six percent to thirty percent in 2008. Similarly, there is a serious risk of massive school dropout and thus loss of the gains in primary school enrolment achieved in past years. The poorest households need to spend 70 percent or more of their income on food and

their ability to meet most essential expenditures for health and education is severely compromised. In addition, the diminished purchasing power has severely impaired capacity of poor households to seek health care, and children education, particularly for girls. This situation has further aggravated by falling nutrition levels, particularly for already malnourished children.

The Planning Commission's constituted Panel of Economists in its Interim Report based on 2004-05 poverty headcount number of 23.9 percent suggested an increase of around 6 percentage points in poverty incidence for the year 2008-09. Similarly, the Task Force on Food Security based on the World Bank estimates of poverty headcount ratio of 29.2 percent in 2004-05 estimated that poverty headcount increased to 33.8 percent in 2007-08 and 36.1 percent in 2008-09 or about 62 million people in 2008-09 were below the poverty line.

Since 2008, global increase in POL and commodity prices and financial meltdown has resulted in plummeting global economic growth and shrinking global trade to a level not seen since the Second World War and the Great Depression of the 1930s. These global developments together with sharp slowdown in growth and high inflation have adversely affected Pakistan's economy and negatively impacted poor households. While recent data, based on PSLM 2007-08 are being examined, independent estimates cited above suggest that

between 2005 and 2009 more than 12-14 million people may have been added to the ranks of the poor in Pakistan. This would translate into an increase in poverty from 22.3 percent of the population in 2005-06 to between 30-35 percent in 2008-09. However, firm estimates will only be available when data for 2010-11 comes in.

Subsequent to the poverty estimates of 2007-08 produced by CPRSPD, a validation exercise was conducted by the World Bank. In its analysis, the World Bank disaggregated the full year estimate into quarterly estimated HCR and found an almost 4 to 5 percentage point increase in the last quarter of 2007-08, to around 21 percent.

The World Bank estimates suggest, using methodology consistent with that used by CPRSPD in its poverty estimation, while taking in to account current projections of real GDP growth, that the poverty Headcount Ratio could rise to over 25 percent by 2009-10.

Given the flux produced by large changes in food and energy prices since late 2007, the government intends to commission a rapid household income and expenditure survey to better assess the current position regarding poverty incidence and vulnerability in the country. This survey is expected to be conducted shortly.

Pakistan Economic Survey 2008-09, p 196-7

in the urban areas. Between 2004-05 and 2005-06, the consumption Gini further increased from 0.29 to 0.30. One also observes that in a matter of a year the Gini of rural areas declined from 0.25 in 2004-05 to 0.24 in 2005-06. The estimates indicate that consumption inequality in urban areas of Pakistan is higher than in rural areas. Importantly, urban inequality increased faster than overall inequality during 2005-06.

Table 2.6 also reports the trends of share of consumption expenditure by quintile for overall Pakistan as well as the rural and urban regions for the three years. Comparing 2004-05 with 2005-06, a marginal but statistically insignificant improvement in the share of the lowest quintile is observed at the national level. For this group, the significant improvement in rural areas is offset by a worsening in urban areas. The consumption shares are stable between the two years for the next two quintiles. The decline in the share of quintile group 4, i.e. between 60 and 80 percent, is offset by further increase of 1 percent in the share of the top quintile. The ratio of the highest to the lowest quintile which measures the gap between the rich and the poor also deteriorated from 4.15 in 2004-05 to 4.2 in 2005-06 at the national level, indicating an increased rich-poor divide. Consistent with the increased share of the poor in rural areas in 2005-06, the rich-poor gap narrowed in 2005-06 as the ratio declined from 2.19 in 2004-05 to 1.97 in 2005-06; mainly because share of the highest quintile has declined.

Recent Developments

As Chapter 1 has argued, since around 2007 or 2008, the economy has been under considerable pressure due to both domestic and external developments. The global financial crisis hit the country when it was already facing a balance of payments crisis stemming from high food and fuel prices in the world markets. The combined effects of the global food and fuel crises adversely affected the economy resulting in unsustainable current account and fiscal deficits and unprecedented high level of inflation (more than 20 percent in the fiscal year 2008-09). Moreover, the deteriorating law and order situation in the country, the

domestic costs of fighting militancy and the growing tide of Internally Displaced Persons (IDPs) have put severe strains on the government's finances.

These adverse developments led to the signing of an IMF Standby Arrangement programme. While macroeconomic indicators relating to fiscal and external



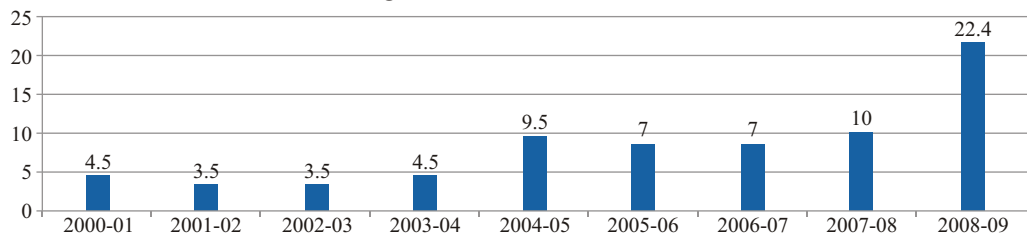
sectors have shown an improvement since the adoption of the IMF programme as we argue in Chapter 1, the performance of the real sector has slowed down considerably. The real GDP growth for 2008-09 was a mere 1.2 percent compared with 3.7 percent in 2007-08. The industrial sector witnessed negative growth, while respectable growth in agriculture and the services sector rescued the GDP growth in 2008-09 from falling into negative territory. The growth rate is projected to increase in 2009-10, to around 4.1 percent; it is still crucially below the trend rate of nearly 7 percent seen between 2003 and 2007. Furthermore, the most recent catastrophic floods make every other ill that has befallen Pakistan in last 63 years pale into insignificance. The floods have not only led to a huge loss of life but affected approximately 20 million people; the numbers are still rising as the floods continued to ravage the country, it means that one in every 8.5 people in the country is directly affected and much larger number of the population is affected indirectly. Furthermore, the huge damage to crops and infrastructure will severely affect the economy at large.

The deteriorating economic and political situation during 2007 and 2008 coupled with the global financial crisis is likely to have adversely affected the situation of poverty and employment in the country

The inflationary pressure on the economy has increased markedly during the last two years. According to the Federal Bureau of Statistics, the Consumer Price Index (CPI), Sensitive Price Index (SPI) and Wholesale Price Index (WPI) increased by 10.2 percent, 14.1 percent and 13.7 percent, respectively, during July-April, 2007-08 over the corresponding period of the previous fiscal year. Inflation has risen more rapidly during July-April, 2008-09 with the CPI, SPI and

exports of wheat due to exaggeration in its output forecast, poor administrative measures to check hoarding, smuggling of essential items and rise in transportation cost due to fuel price hike. Increased remittances and donor funds also gave rise to excess liquidity, which resulted in a loose monetary policy and easy credit availability, which may have helped drive the development early on, but soon became highly speculative and unproductive.

Figure 2.1: Consumer Price Index



Source: Pakistan Economic Survey (various issues)

WPI increasing by 22.4 percent, 26.3 percent and 21.4 percent, respectively, over the corresponding period of fiscal year 2007-08 (figure 2.1); and although it has come down since then, it is still above the target of 13 percent for 2009-10.

The rise in the price indices was mainly driven by food inflation, which rose rapidly by about 25 percent during this period. Prices of basic food commodities like wheat, wheat flour, eggs, fresh fruits, chicken, potatoes, rice, vegetable and cooking oil rose sharply during 2008-10. While a sharp increase in world food prices since 2007 was mainly responsible for having contributed to escalated food prices in Pakistan, a number



of domestic factors were also at play. These included but not limited to, generous monetary accommodation of easy fiscal stance during steep rise in international oil and food prices by the State Bank of Pakistan in pursuit of high rates of economic growth,

Likely Impact on Poverty and Other Indicators of Goal 1

The deteriorating economic and political situation during 2007 and 2008 coupled with the global financial crisis is likely to have adversely affected the situation of poverty and employment in the country. With declining economic growth and rising inflation, added to the fact, the IMF Programme has forced the removal of a large number of subsidies. Furthermore, in the wake of recent disastrous flood, it is probable that a larger number of people have fallen into poverty, which would negatively impact human development and consequently the country's achievability of the Millennium Development Goals. However, in the absence of any credible data on household income and consumption, it would be difficult to speculate on the level of poverty in 2010, although some speculation is perhaps warranted, even though any poverty headcount based on projections or forecasts is likely to be misleading as evidence shows that poverty estimates are highly sensitive to the methods of measurement of poverty.

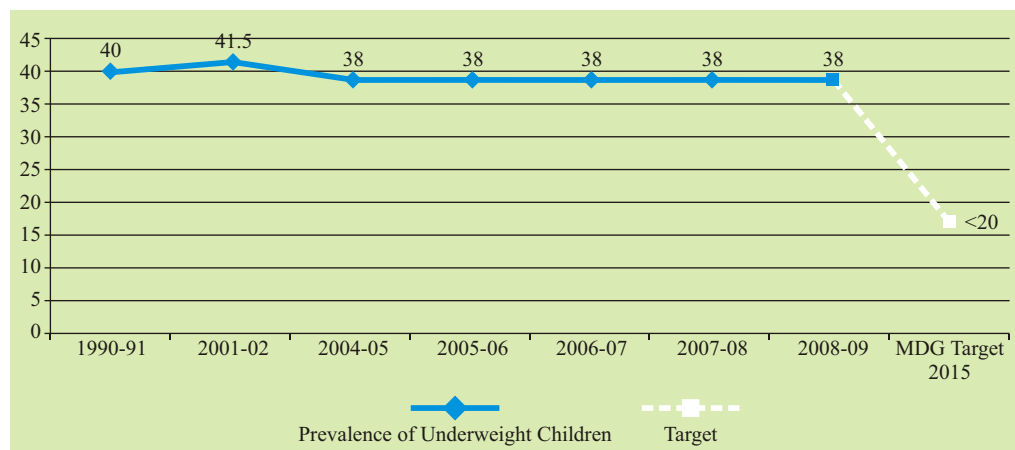
Though there are no recent poverty numbers available, one could argue that it is very likely that the high growth rates seen in Pakistan even up to 2007, would have resulted in lowering poverty well into 2008, while other partial evidence suggests a

worsening in income inequality at the same time. However, since 2008, with the multiple crises faced by Pakistan, with the economy slowing down and the quality of life deteriorating (see Chapter 1) it is equally likely that poverty would have risen again. With inflation of around 22 percent one year followed by 12 percent the next; the number

dietary energy consumption levels, both indicators are also linked to overall poverty. As Table 1.2 has shown, both these indicators are lagging and one of them has deteriorated since 2006-07. It is most likely that the MTFD and MDG target for both the indicators will not be met.

High food prices have undermined poverty reduction gains, as food expenditures comprise a large share of the poor's total expenditures and the food price hike has severely eroded the poor household's purchasing power

Figure 2.3: Prevalence of Underweight Children Under 5 Years of Age



Source: Table 2

of people in Pakistan below the poverty line must have risen, even if some of them were the transient poor. The removal of subsidies and a slowdown in economic growth are all known to aggravate poverty.

High food prices have undermined poverty reduction gains, as food expenditures comprise a large share of the poor's total expenditures and the food price hike has severely eroded the poor household's purchasing power. The large increases in fuel and food prices in 2008 and 2009, must have added millions to the ranks of the poor. Independent estimates suggest that between 2005 to 2009, more than 12-14 million people may have been added to the ranks of the poor.² Things have not gotten better since 2009, and one can safely expect that more households may have fallen below the poverty line. One has to accept this stark reality if we are to deal with solutions and address the core issues which affect around one-third of Pakistanis today.

Other than the proportion of the population below the poverty line, Goal 1 also deals with the prevalence of underweight children and the population below the minimum

Causes of poor nutritional outcomes in children result from a combination of inadequate caring practices at home and in the family. For mothers, the newborn and children, inter-current childhood illnesses such as diarrhea and inadequate nutritional intake, primarily low rate of exclusive breastfeeding and inadequate complementary feeding, complicate matters further. Exclusive breast feeding in the early months of life is correlated strongly with increased child survival and reduced risk of morbidity, particularly from diarrheal diseases. In Pakistan 70 percent children are breastfed within one day after delivery. However, 65 percent of children are given something other than breast milk in the first three days of life (prelacteal feed); the median duration of exclusive breastfeeding is less than one month; 27 percent of children under six months are bottle-fed and 56 percent of breastfed children in the age bracket 6-23 months also receive commercially produced infant formula or other milk. Nutritional outcomes are contributed by a range of sectors such as those dealing with food production, trade, regulation, education and health. Policies

² Ibid.

The absence of recent data on poverty, particularly on a disaggregated level examining the burden of poverty within the household, makes it difficult to propose policies and programmes, which better target the most vulnerable

and programmes that engage all these sectors will be essential to put the country on track towards achieving this Goal.

Moreover, economic downturns also give rise to particular circumstances which make the burden of poverty heavier and disproportionate within the household. Children in poorer households may be forced to work rather than go to school and the burden of poverty on women headed households and households headed by the elderly, will certainly rise. Poor children may have to work or live on the streets in times of high inflation since it becomes even more expensive to keep them at home. Moreover, evidence from around the world suggests that with increasing poverty, children and other vulnerable groups are further excluded from access to social services such as health care. The feminisation of poverty, where women suffer even more, is also one of the features of increasing inflation and economic downturn for the poor. The absence of recent data on poverty, particularly on a disaggregated level examining the burden of poverty within the household, makes it difficult to propose policies and programmes, which better target the most vulnerable.

Policies and Programmes

As we have discussed in this chapter and in the previous one, one of the main poverty reduction measures in Pakistan during 2002-07, was the high economic growth recorded by most sectors. With growth of around 7



percent on average and with population growth around 2 percent per annum, per capita income doubled from around \$ 500 in 2000-01, reaching \$ 1000 by around 2008. Moreover, another poverty alleviation

measure has been the large fiscal space that was created after 9/11, when much of Pakistan's debt was either written-off or rescheduled, allowing debt repayments to be put to far better use on development projects.

In order to arrest the high and rising trend of poverty in Pakistan at the start of the new millennium, the Government of Pakistan instituted an Interim Poverty Reduction Strategy in November 2001, which after further refinement was articulated in the shape of the Poverty Reduction Strategy Paper (PRSP) in December 2003. It encompassed a comprehensive poverty reduction strategy that consists of all poverty related interventions of both the federal as well as provincial governments in all sectors resulting in pro-poor budgetary allocations.

Largely on account of the deterioration in the economy as highlighted in Chapter 1, expenditures in pro-poor sectors during FY 2008-09 exhibited a declining trend relative to FY 2007-08 by 6.24 percent, from Rs.1,042,260 million in FY 2007/08 to Rs. 977,228 million in FY 2008-09. However, the aggregated expenditure figure is misleading as it conceals some positive trends in a number of sectors. Government policies have been geared towards providing better infrastructure, facilitating market access, improvement in human development, strengthening the safety nets for the vulnerable and destitute and the effective governance. These policies have been reflected in positive expenditure growth in the following sectors; Roads, Highways & Bridges; Environment/Water Supply & Sanitation (17.09 percent and 14.07 percent, respectively); Education and Health (28.1 percent and 34.14 percent respectively); Food Support Programme; Social Security & Social Welfare; Natural Calamities & Disasters and Peoples' Works Programme I & II (184.15 percent, 29.34 percent, 36.46 percent, 70.72 percent and 918.92 percent, respectively). Justice Administration and Law & Order have also experienced growth in expenditures between FY 2007-08 and FY 2008-09.

The Food Support Programme and the Peoples' Works Programme I & II remained the major gainers demonstrating positive increases in FY 2008-09 compared to FY 2007-08. Peoples' Works Programme mostly includes schemes in rural electrification, gas

supply, roads infrastructure and water supply etc., which incorporate infrastructure expenditures and appear with substantial increasing trends. The Peoples' Works Programme is only at the federal level while Roads, Highways & Bridges covers all four provinces and federation.

Given the focus of the PMDGR 2010 and the MDGs more generally, some developments, which need to be highlighted, include the substantial increases in Education, Health, Environment/Water Supply & Sanitation and Safety Nets i.e. Food Support Programme and Social Security & Welfare, which also includes Benazir Income Support Programme. As we highlight in Chapter 1, a major part of FY 2008-09 was a difficult year dealing with volatile and inflationary food prices coupled with the wheat shortage crisis. Externally there has been no sign of global economic recovery, which is reflected in poor exports' volume while internally our manufacturing sector remains crippled by power outages resulting in highly negative growth. Overall, economic growth remained abysmal with potential to hit the poorer sections of society harder. However, positive policy response of the government is evident in direct income transfers to the poor, provision of basic health services and greater access to education services reflected in higher expenditure outlays in all three sectors.

New Initiatives

PRSP II

With the first generation poverty reduction strategy (PRSP-I) having completed its period of implementation, the next generation Poverty Reduction Strategy Paper (PRSP)-II (2008-09-2010-11) was finalised with an aim to reduce poverty by regaining macroeconomic stability. The Strategy was built upon nine pillars, which were based on a nine point economic agenda of the government with the main thrust on economic growth, reduction in poverty and human development, which help to achieve this objective. This nine point agenda includes pillars like the provision of infrastructure particularly an integrated energy development programme, better and improved delivery of services in the form of

better governance, increasing productivity and value addition in agriculture, making industry internationally competitive, providing capital and finance for development and focusing on microfinance and the SME sector. In addition, the government is determined to empower women and to reduce gender disparities. This, along with environmental sustainability, is a crosscutting theme and is regarded as an integral part of the programme, which is woven throughout the PRSP II. The government is also putting in place a stringent results-based system to monitor and evaluate the implementation of the new Poverty Reduction Strategy. Monitoring and Evaluation (M&E) of qualitative, as well as, quantitative aspects of PRSP input, output and outcome indicators as outlined in the M&E framework of PRSP-II, are central to the PRSP process, and the government has attached critical importance towards their regular monitoring, analysis and transparency. The PRSP-II envisages much larger outlays on social safety nets to target the poor and vulnerable segments of society and to improve their standards of living.³

In addition to the PRSP II, Social Protection Policy is being processed very actively in the Planning Commission, which would provide a planned and systematic way forward for the Government and other stakeholders to ensure social protection for various sections of the society addressing their poverty, vulnerability, hunger, deprivation and social exclusion. In addition, the following initiatives have been undertaken by the Government:

Benazir Income Support Programme (BISP)

With a view to cushion the sharp rise in international oil and food prices and the adverse social impact of the global financial crisis, the Government launched the Benazir Income Support Programme (BISP) as its flagship safety net initiative in 2008. The BISP is to serve as a platform to provide cash transfers to the vulnerable identified on the basis of a poverty scorecard and are to be backed by an exit strategy. This strategy includes imparting training to one member of each vulnerable family to sustain itself.

To cushion the sharp rise in international oil and food prices and the adverse social impact of the global financial crisis, the Government launched the Benazir Income Support Programme (BISP) as its flagship safety net initiative in 2008

³ Ministry of Finance, *Pakistan Economic Survey 2008-09*, Islamabad, 2009, p. 199.

The Pakistan Bait-ul-Mal focuses on the poorest of the poor by providing assistance to destitute, widow, orphan, invalid and other needy people

In the initial stage, the programme was to provide monthly cash transfers of rupees 1000 to poor households identified through a poverty scorecard. The recipients of the cash transfer are the females of the household. BISP is expected to have a direct effect on consumption and income levels of the beneficiaries by: 1) reducing consumption based poverty, 2) improvements in health



and nutrition, 3) income generation and 4) human development.⁴ During FY 2008-09, a total of Rs. 14 billion was disbursed to 1.76 million beneficiaries across all parts of the country in shape of the cash grant of Rs.1,000 per month. Of the total BISP's disbursement, 36 percent was disbursed in Punjab, followed by 21 percent in Sindh, 15 percent in Khyber-Pakhtunkhwa, 5 percent in Balochistan, 2 percent in FATA, 1 percent in Islamabad, 0.10 percent in FANA, and 0.04 percent in Azad Jammu & Kashmir. An amount of Rs. 70 billion was allocated for the financial year, 2009-10 to target 5 million families. Expenditures amounting to Rs. 19.24 billion were incurred up till March, 2010. The programme is aimed at covering almost 15 percent of the total population, or 40 percent of the population below the poverty line.⁵

In the short to medium term, the BISP is to serve as a platform for various social assistance programmes. These include transition to a Conditional Cash Transfer (CCT) programme, complementary poverty exit programmes, health insurance programmes, and workfare programmes. As part of its exit strategy, the BISP is to provide grants for skills development coupled with rehabilitation to ensure that the poorest of the

poor are provided with skills to enable them to become productive members of the society. The skills development component is meant to undertake training of one family member of the targeted households enabling him/her to seek a job relevant to the skill acquired. The skills development programme is to be demand driven ensuring employment/self-employment to the trainee on successful completion of the training. Training is to be provided to 0.5 million people in the first year which is expected to be doubled in the subsequent years to a total of 1 million.

Punjab Food Support Scheme (PFSS)

The Punjab Food Support Scheme (PFSS) was initiated by the Government of Punjab in 2008. It was originally designed to provide food stamps for the poorest households, but has now been converted to a cash grant of Rs 1000 per household per month. In this sense it is exactly like the BISP, except for it is run by the Punjab province. The targeting relies on local government officials (district and union councils) and political appointees to propose an initial list of beneficiaries. The subsidy is aimed at households that do not have a bread-earner; widows, orphans, and the destitute; chronically sick and/or disabled persons; elderly persons who have been abandoned by their family; and the poorest of the poor segments of the society with marginal incomes. The scheme covers both rural and urban areas, with a total estimated subsidy of Rs 21.6 billion for 1.8 million families. The first two phases of the scheme have covered about 1 million beneficiaries.

Pakistan Bait-ul-Mal (PBM)

The Pakistan Bait-ul-Mal focuses on the poorest of the poor by providing assistance to destitute, widow, orphan, invalid and other needy people. The PBM has initiated the following measure to address the problems of disadvantaged and marginalised groups and deprived people:

- *Pakistan Sweet Home* is a project of the BPM for orphans. Under the project at least 40 orphanage centres will be established.

⁴Ibid, p. 202.

⁵Ministry of Information, *Promise, Policy, Performance: Two Years of People's Government 2008-2010*, Islamabad, 2010, p. 147.

- ✍ *Lungar project* provides food for poor, helpless and needy attendants of patients in 200 designated hospitals of 144 districts of Pakistan.
- ✍ *Child Support Programme* is a conditional cash transfer programme to alleviate poverty through education in Pakistan.
- ✍ *National Centre(s) for Rehabilitation of Child Labour* is currently benefiting 19372 students with 158 centres all over the country.
- ✍ *Vacational Training Centre (VTCs)* have been established throughout the country. These centres are providing free training to widows, orphans and poor girls in different skills. Until now, 59,897 female students have been trained from these centres.
- *Individual Financial Assistance (IFA)* helps the poor, widow, destitute women orphans and disabled persons for medical treatment, education rehabilitation and general assistance. Until now Rs. 4,989.35 million has been disbursed for benefiting 443,038 households countrywide.
- ✍ *Special Friends of PBM* provides wheel chairs to every disabled. A family who has two or more special children will be called as special family and will have the right to be benefited through this new scheme. Under this scheme, Rs. 25,000 per month are given to each family annually.
- ✍ *Wheel Chairs, White Canes and Hearing Aids for Disabled* have been provided under this program. Up till now, 9000 wheel chairs, 440 tricycles, 2200 canes and 300 hearing aids have been distributed.

Other Initiatives

The Punjab Sasti Roti (affordable bread) Initiative/Scheme is focusing on the urban population of the Punjab province. This scheme was launched during September, 2008. A total of Rs. 1.90 billion was spent on the initiative during the FY 2008-09. Sasti roti at Rs. 2 is being provided under this initiative on 14,226 enlisted tandoors. The government intends to help set up more than 30,000 subsidized bread-making sites. The

government of Khyber-Pakhtunkhwa has also provided Rs 2 billion per annum as wheat subsidy beginning in 2007-08.

Other initiatives pledged by the government include establishment of a new Employment Commission for the creation of new jobs in the public and private sectors, revision of labour laws as per the requirements of the International Labour Organization (ILO). It has been decided that the minimum wage of labourers will be fixed at Rs 7000 per month. National and Provincial Government are devising plans to build low cost houses, provision of medical insurance of Rs 15,000-20,000 per year for the poor people at the union council level. The Government of Sindh has set a target of about 100,000 households to be given health insurance in the first phase. The Sindh government is also launching a scheme to provide free medical treatment for poor orphans and widows.

Challenges and Constraints

While this is the first and the most important, of all the Eight Goals, it is also the most challenging to achieve, especially when the targets have gotten off track. In order to be able to return to sustainable growth path, which is equitable and inclusive in addressing the targets for Goal 1, the growth rate of GDP will have to be increased well beyond the levels seen since FY 2008. This is probably the biggest challenge for this Government, and given the fact that it is still struggling with numerous challenges such as a power shortage, the law and order problem, adverse global conditions, high inflation, recent devastating flood, this causes numerous constraints in achieving these targets. Nevertheless, even against adverse constraints and challenges, a number of initiatives have been taken to address many persistent problems. The Government, caught up in an IMF stabilisation programme, is further constrained by what it can do. Nevertheless, even within its limited resources, it can take measures, which allow it to move ahead with achieving poverty reduction in Pakistan. A better revenue generation mechanism and sagacious use of government funds, is one way of managing with limited resources. However, far greater thought needs to be given as to how the Government will work towards achieving probably the most important goal of the MDGs.

In order to be able to return to sustainable growth path, which is equitable and inclusive in addressing the targets for Goal 1, the growth rate of GDP will have to be increased well beyond the levels seen since FY 2008

Conclusions

Poverty in Pakistan fell in the period 2002-06 on account of high growth, greater remittances, donor assistance, and far greater fiscal space. Once the economy started slowing down markedly in around 2008, the fall in poverty slowed and then, in all likelihood, has increased in the last two years, largely because of slow economic growth, lower public sector development spending, and very high food and fuel prices resulting in high inflation. The drivers of reducing poverty in the past have been high growth and expanding fiscal space both, which have seen reversals since FY 2008. It is clear that for poverty to be reduced, growth has to return to levels seen a few years ago,

and a minimum level of 6 percent would be required to raise people out of poverty. Stabilisation has also been a necessary requirement, although there may now be a need to move towards growth, since stabilisation has also had negative effects, such as cutting subsidies, which may also have affected the quality of life of the common citizen in Pakistan.

Based on the above analysis, it is expected that the MDG targets related to Goal 1 will not be met for all the indicators.

Chapter 3



Goal 2
Achieve Universal Primary Education

Chapter 3

Goal 2: Achieve Universal Primary Education

Target 3: Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Table 3: MDG Indicators for Goal 2

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
Net primary enrolment ratio (%)	Number of children aged 5-9 years attending primary level classes i.e., 1-5, divided by the total number of children aged 5-9 years, multiplied by 100.	46 ¹	42	52	53	56	55	57	77	100
Completion /survival rate 1 grade to 5 (%)	Proportion of students who complete their studies from grade 1 to grade 5	50 ²	57.3	67.1	72.1	54.7	52.3	54.6	80	100
	Male		53.3	61.8	71.6	56.2	53.2	54.8		
	Female		64.3	75.8	72.8	52.9	51.1	54.6		
Literacy rate (%)	Proportion of people aged 10+ years who can read and write with understanding	35 ¹	45	53	54	55	56	57	77	88
	Male	48	55	65	65	66	69	69	85	89
	Female	21	35	40	42	43	44	45	66	87

Sources:

1. Pakistan Integrated Household Survey (PIHS)1990-91, 2001-02; Pakistan Social and Living Standard Measurement Survey (PSLM) 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 (whole series).
2. National Education Management Information Systems (NEMIS), Ministry of Education (whole series).

Pakistan like many other developing countries faces many challenges in improving its education sector.

Introduction

Education plays a pivotal role in the growth and progress of countries in an increasingly competitive, interconnected and globalising world, where the creation of skills and human capital is a key component of any development strategy. It helps to improve living standards and enhances the quality of life, and can provide essential opportunities for all. While education's contribution in the growth and development prospects of a country is widely recognised and is increasingly crucial, education, in itself, is recognised as a fundamental basic right for citizens in many countries.

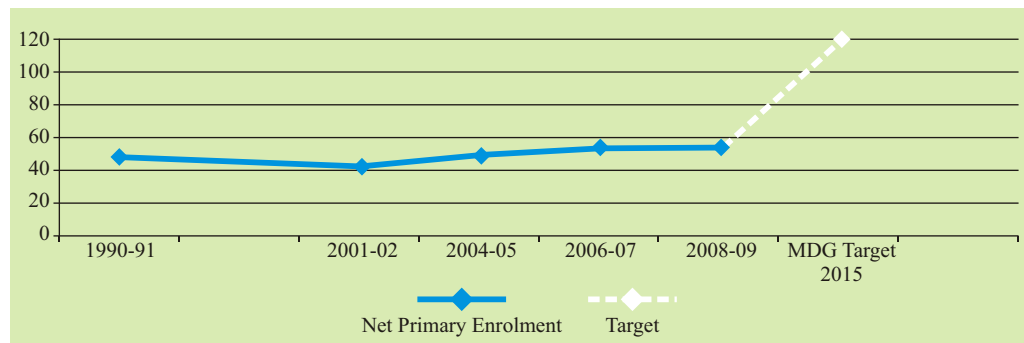
In a rapidly changing world, education has become more important than ever. Faced with increasing globalisation, the rapid spread of democracy, technological innovation, the emergence of new market economies and changing public/private roles, developing countries need more educated and skilled population. Similarly, individuals need added skills and information to compete and thrive. The critical role of human capital towards enhancing individual and collective prospects cannot be understated. Moreover, education, or the lack of it, has numerous second round effects on other outcomes, such as health, employment, income generation, etc. In particular, female literacy and education are known to be closely correlated with key outcomes regarding maternal and infant mortality, household and

Pakistan like many other developing countries faces many challenges in improving its education sector. The government realises the importance and inter-generational aspect of education on the lives of people and on the overall economy and is, therefore, committed to make not only education more accessible, affordable but also to improve the quality of education for all children, including the marginalized and children with disabilities. Despite the economic challenges and problems regarding the economy and fiscal environment, the government is committed to giving Universal Primary Education high priority. Moreover, a National Education Policy 2009 has been framed, the purpose of which is to chart out a national strategy for guiding educational development in Pakistan. Many of the proposed policy actions outlined there in have already been initiated in reforms during the process, most notably in the domains of curriculum development, textbook/learning materials policy, provision of missing facilities and a number of initiatives already being implemented by the provincial governments. The policy takes into account these ongoing reforms and integrates them into its recommendations. The success of the policy will depend on the national commitment to the sector.

Progress towards Goal 2

In the education sector, the target is to achieve universal net primary enrolment

Figure 3.1: Net Enrolment at Primary Level



Source: PIHS 1990-91, 2001-02 & PSLM 2004-05, 2006-07 and 2008-09

family health; with fertility levels and the population growth.

with a view to improving the overall education and literacy levels. A major focus must be on efforts to retain already enrolled

children so that they are able to complete their primary education. The second Millennium Development Goal aims to attain 100 percent primary enrolment of children aged 5 to 9 and an adult literacy rate (10 years and above aged population) of 88 percent by 2015.

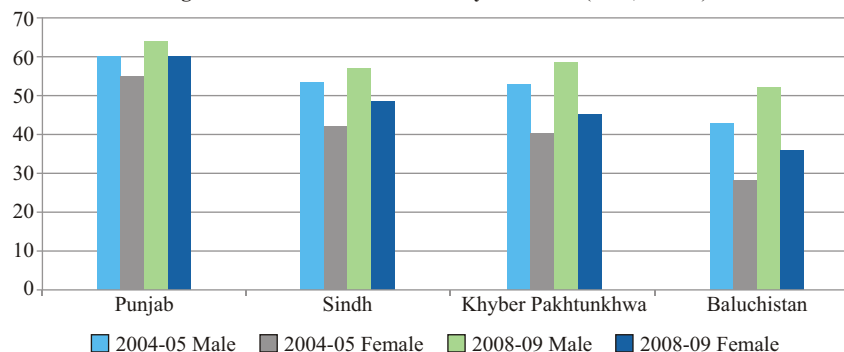
Net Primary Enrolment Ratio (NER)

In 2004-05, the net primary enrolment ratio was 52 percent and it rose up to 56 percent in 2006-07. According to the recent PSLM 2008-09, the NER has gone up to 57 percent (Figure 3.1). Economic recession and high inflation have adversely affected real incomes, resulting in a negative impact on enrolment rates of children of poor households. Therefore, efforts are required to keep this indicator on track. However, it would be pertinent to mention here that one of the reasons of low NER is that students whose age is higher than ten years (in class V) are not included in NER estimation. However, all these students are counted in gross enrolment.

There are significant variations in NER among the four provinces. The NER is highest in the Punjab as compared to other provinces with a slight improvement in 2008-09 by 1 percentage point. Gender disparity in NER has shown a slight reduction, except in the Punjab. During the last five years, the NER for girls has

total primary enrolment was in private schools. However in rural areas private school enrolment as a share of total primary enrolment increased from 18 percent in 2004-05 to 20 percent in 2006-07. This suggests that in rural areas, where the

Figure 3.2: Net Enrolment Ratio by Provinces (male, female)



Source: PSLM 2004-05 and 2008-09

majority of the poor live, public schools remain the main source for primary education and therefore special focus on improving access and quality of education is required.

Completion/Survival Rate to Grade 5

There has been a significant decline in the completion/survival rate to grade 5 during the last five years (Table 2). One of the main reasons for the decline may be a shift in the number of students from public to private

In rural areas, where the majority of the poor live, public schools remain the main source for primary education and therefore special focus on improving access and quality of education is required.

Table: 3.1 NER by Provinces

Provinces	2004-05		2006-07		2008-09	
	Male	Female	Male	Female	Male	Female
Punjab	60	55	64	59	64	60
Sindh	53	42	56	43	57	49
Khyber Pakhtunkhwa	53	40	56	41	58	45
Balochistan	44	29	49	32	51	36
Overall	56	48	60	51	61	54

Source: PSLM 2008-09

improved by 4 percentage points in Khyber-Pakhtunkhwa, indicating that gender disparity is decreasing in this province.

In recent years there has been a mushroom growth in private schools. According to PRSP II, in urban areas almost half of the

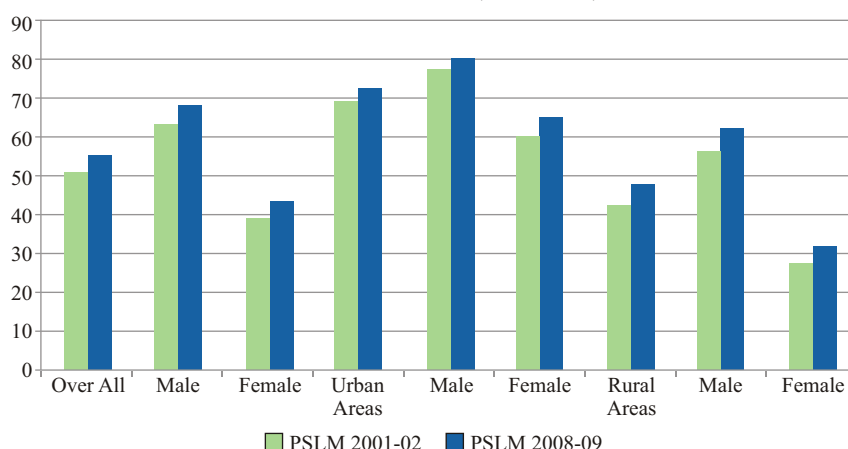
schools. Different studies show that families who have better income in rural and urban areas prefer to send their children to private schools due to decline in the quality of education provided by the public schools (unavailability of teachers, poor infrastructure and substandard quality of tuition). The

Table 3.2: Literacy Rate of Population (10 years and above)

Provinces	2001-02	2004-05	2006-07	2007-08	2008-09
Over all	45	53	55	56	57
Male	58	65	67	69	69
Female	32	40	42	44	45
Urban Areas	64	71	72	71	74
Male	72	78	79	80	81
Female	56	62	65	63	67
Rural Areas	36	44	45	49	48
Male	51	58	60	64	63
Female	21	29	30	34	33

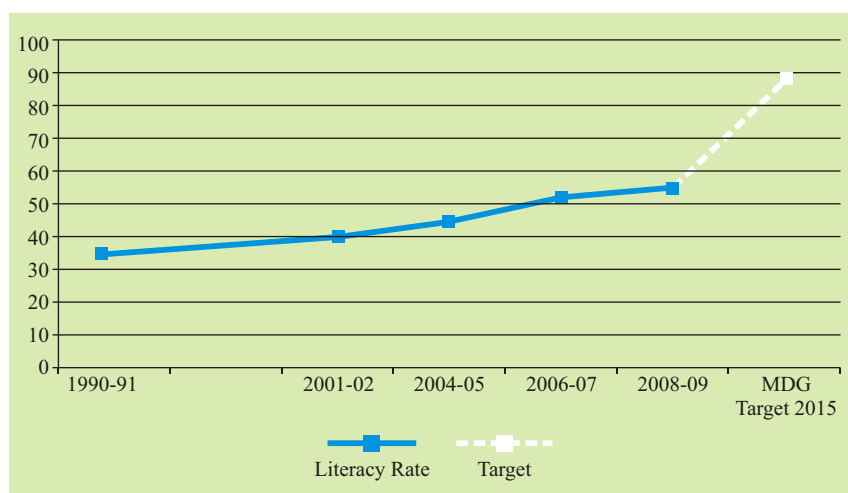
Source: PIHS 2001-02, PSLM 2004-05, 2006-07, 2007-08 and 2008-09

Figure 3.3: Literacy Rates in Pakistan 2001-02 and 2008-09 Overall, Urban, Rural (male, female)



Source: Table 3.2

Figure 3.4: Literacy Rate in Pakistan



Source: Table 3.2

completion and survival rate, however, has been stagnant after 2005-06 with being 54.7 in 2006-07 and 54.6 in 2008-09. The data is of public schools therefore does not reflect the complete picture as to whether children who have not completed their education have gone to private schools or left the school for work or any other reason.⁶

Literacy

Over the period 2001-09, the literacy rates of the population of 10 years and above has shown some improvement as indicated in Table 3.2. It is not surprising that the literacy rate is higher in urban areas compared to rural ones, as is the norm in developing countries. Moreover, the increase of 3 percentage points in literacy in urban areas compared to only 1 percent in rural areas between 2007-08 and 2008-09, could be on account of agglomeration economies and due to urban individuals moving to private sector schools as well.⁷ In many cities, especially in katchi abadis, numerous neighbourhood schools have been set up and this could explain this jump over a year.

As mentioned above, the literacy remains higher in urban areas i.e. 74 percent as compared to 48 percent in rural areas, and higher among men compared to women in the year 2008-09. When analysed provincially, the literacy rate in Punjab and Sindh stood at 59 percent followed by 50 percent in Khyber-Pakhtunkhwa and 45 percent in Balochistan. The literacy rate for Sindh as compared to other provinces has improved considerably during 2006-07 to

Table 3.3: Literacy Rate of Population (10 years and above)

Provinces	2001-02	2004-05	2006-07
Punjab	55	58	59
Sindh	56	55	59
Khyber Phakhtunkhwa	45	47	50
Balochistan	37	42	45

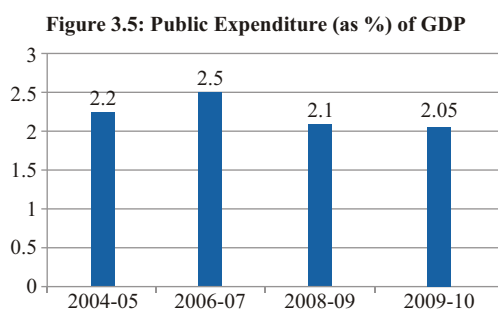
Source: PSLM 2001-02, 2004-05 and 2006-07

2008-09. According to PSLM 2008-09 data, literacy is strongly associated with household income. The data suggests that the

⁶The data used for completion/survival rate is obtain from National Education Management Information Systems (NEMIS). This data is of public schools.
⁷The data for literacy is obtain from PSLM 2004-05, 2006-07 and 2008-09.

literacy rate varies directly with income, and is highest amongst the high income quintile.

According to the recent PSLM 2008-09, male literacy remains higher than female literacy rate and higher in urban than in rural areas. The literacy rate of women indicates improvement from 43 percent in 2006-07 to 45 percent in 2008-09, however it still remains way below the male literacy rate of 69 percent in 2008-09. However, if data of the year 2007-08 and 2008-09 is analysed



Source: Pakistan Economic Survey (various issues)

there has been slight improvement in female literacy rate which has gone up from 44 to 45 percent where as there is no change in the male literacy rate which remained at 69 percent. However, despite some improvement, it is highly unlikely that the MDG target of female literacy will be achieved in 2015.

Financial resources for education come largely from the public sector, which account for 2.1 percent of the GDP for FY 2008-09.

The data on public expenditure on education reveals that Pakistan is spending far less on education than needed and there is a declining trend in Public Expenditure on education (as %) of GDP. It is worth highlighting that while Pakistan's spending on education is the lowest in South Asia, most of the countries have pledged to increase education sector spending to around 4 percent of the GDP. While enhancement of education budget is an urgent need, whether it will be possible in an era of belt-tightening and stabilisation needs to be seen.

Besides insignificant financial resources for education, weak governance, ineffective service delivery, poor administration and lack of accountability further aggravates the situation.

Non-Formal Education

When dealing with Universal Primary Education the status of all the children need to be captured. All the children include "the children studying in Non-formal education centers". The National Commission for Human Development (NCHD), National Education Foundation as well as many NGOs provide primary education, using formal education curriculum. While formal education will require time to reach all the unreached, alternate forms of schooling on a non-formal education approach should be followed by the government. However, more information on the outreach, presence and scale of non-formal institutions needs to be assessed and quantified. Madrasas are also an important outlet for literacy and non-formal education, particularly for the poor. The better documentation of madarasas and quality of syllabus, can supplement government educational efforts.

Literacy remains higher in urban areas i.e. 74 percent as compared to 48 percent in rural areas, and higher among men compared to women in the year 2008-09

New Initiatives

National Education Policy (NEP)

The National Education Policy (NEP) 2009 has addressed problems and issues hindering the development of education in Pakistan, and outlines a wide range of reforms and policy actions to be taken and pursued in a coordinated federal interprovincial process. To prevent failure of this policy an implementation framework, with a follow up and feedback mechanism, has been developed. An Action Plan will be developed by each Province and collated at the federal level. The purpose of the Action Plan shall be to outline and create an understanding and achieve consensus across the federating units as well as within each province.

In light of larger responsibilities expected by provinces following the 18th Amendment, the National Education Policy (NEP) document identifies following policy actions:

1. To achieve the commitments of Government of Pakistan towards Education for All (EFA) and the MDGs, inclusive child-friendly education shall be promoted.
2. Provinces shall affirm the goal of achieving universal and free primary education by 2015 and up to class 10 by 2025.

In spite of the commitment shown by the government, the budget for education still remains at less than 2 percent of GDP, out of which the major amount is spent on administrative issues like salaries and other requirements leaving only minimal amount to be spent for new initiatives

3. Provinces shall develop plans for achieving these targets, including intermediate enrolment targets and estimates of the required financial, technical, human and organisational resources.
4. The plans shall also promote equity in education with the aim of eliminating social exclusion and promoting national cohesion. Greater opportunities shall be provided to marginalised groups of society, particularly girls.
5. Governments shall improve quality of educational provision at all levels of education.
6. National Standards for educational inputs, processes and outputs shall be determined. A National Education Standards Authority shall be established. Steps shall be taken to make educational provision relevant for the labour market and for promoting innovation in the economy.
7. Universities and research institutes shall place greater emphasis on mobilising research for promoting innovations in the economy.
8. Educational inputs need to be designed with a comprehension of the challenges and opportunities related to globalisation. Strategies shall be developed to optimise opportunities and minimize the potentially negative impacts.

Major Programmes

An Education Sector Reforms (ESR) specific programme was provided Rs 732 million which was spent on the provision of missing facilities in primary and middle schools, revamping of Science Education at secondary level and the establishment of Polytechnic Institutes at districts level, especially in the underdeveloped areas of Balochistan at Muslim Bagh, Khanozai (for boys), Turbat (for girls) and Gilgit (for boys). The National Education Foundation intends to establish community schools in the country at places where primary schools are not available within a reachable distance. It has also established skill based literacy centres. For capacity building of Teachers Training Institutions and training of

teachers, Rs 1 billion were expended under Canadian Debt Swap Projects.

Child Friendly School model, which is a framework for all children to enroll in schools and learn effectively, has been expanded in the country to over 2,700 schools. The programme is mainly concentrated in Punjab and Balochistan, and to a lesser extent in Gilgit-Baltistan and Khyber-Pakhtunkhwa. It is being implemented through effective partnerships between Provincial education departments, NGOs and CBOs. Besides the expansion, mainstreaming effort of CFS is being initiated in provinces, but most systematically in Punjab province, where CFS concept has been integrated as a part of 'Dustul Amal' (Code of Conduct). Furthermore, CFS framework will be an integral part of the government teacher training module.

Challenges and Constraints

In light of the new NFC award the devisable pool from the provinces has increased from 50 percent to 57 percent but the sector wise allocation is given to the provinces in light of the 18th amendment. No mechanism exists to monitor the allocation in MDG goals at the provincial level; importance of the MDG commitment is not well understood, particularly in the smaller provinces. The recent budgets indicate allocation in terms of amount but not in terms of proportion to GDP. A mechanism for monitoring and capacity building of the MDGs is most important task for the country.

The Government and donors need to show far more commitment towards achieving the education indicators of MDGs than has been demonstrated in the past. At present, the budgetary allocations are not sufficient enough to successfully implement these projects and accomplish the goals of achieving universal primary education by 2015. In spite of the commitment shown by the government, the budget for education still remains at less than 2 percent of GDP, out of which the major amount is spent on administrative issues like salaries and other requirements leaving only minimal amount to be spent for the new initiatives.

There does not seem to exist a suitable mechanism of gathering information at the

federal level of the programmes and large scale successful interventions which are going on in the provinces. Provinces are independent in running their own projects and programmes and do not need to work with the federal government. Therefore, monitoring and evaluation of these programmes at the federal level is difficult, making the analysis of such interventions more complicated for researchers and policy makers. Following the 18th Amendment in the Constitution, which does away with the concurrent list, it is likely that resources and power will be further devolved to the provinces. The National Finance Commission Award should also allow some of the smaller and less-developed provinces to have greater funds for development. Clearly, at this stage of planning far greater emphasis will have to be given to how provinces deal with these new powers and how implementation takes place. For this reason, coordination and sharing between provinces also needs to be strengthened in all social sector delivery programmes. Moreover, there are many success stories at the district level, and at times at community level, and their replication at a national level can lead to best practices being adopted.

One of the causes for children not attending school is the lack of quality in education, particularly at the primary level and due to incompetent teaching staff. In many places, parental attitudes towards girls are very conservative as they set lower priority for

female education and hence sending them to schools is not appreciated, especially in some areas of Balochistan, Sindh and Khyber-Pakhtunkhwa. Major factors which hinder enrolment and retention of children are opportunity cost, poverty and illiteracy of parents.

Moreover, girls schooling requires extra effort to be made and schools need to be located closer to their residences compared to schools for boys. The cost of education is also very high in Pakistan and has increased as inflation has also soared. Due to poor delivery by government schools, the private sector has emerged as an important partner in the education sector. However, the cost of private schooling has been increasing and is greater than that of government schools, making it impossible for even lower middle class families to utilise this option for their children.

Conclusions

Goal 2 of MDG focuses on three core indicators, (a) the net primary enrolment ratio; (b) completion/survival rate from grade 1 to 5; and (c) the literacy rate. According to data available, the net enrolment at primary level has remained below 60 percent until 2008-09 although it has improved marginally over time. The MDG target of achieving 100 percent literacy by 2015 requires an increase of almost 40 percentage point in the next five

Girls schooling requires extra effort to be made and schools need to be located closer to their residences compared to schools for boys



years compared to the 22 percentage point achieved in the last ten years. The performance of the provinces in achieving the net enrolment ratio (NER) target is, not surprisingly, in line with their ranking in terms of resource endowment and population size. The highest net enrolment rate (both male and female) is for Punjab followed by Sindh, Khyber-Pakhtunkhwa and Balochistan.

The completion/ survival rate seem to have declined rapidly in the recent years. This implies that more than a quarter of the students enrolled in primary schools do not complete their education. The interim target for 2009-10 was set at 80 percent and seems unachievable. The reasons for a high dropout rate lies both within the educational system and the economic conditions of the households of the students. Intensive research is needed to bring out the factors that account for such high dropout rates and the measures that need to be taken to increase the attractiveness of schools and reduce the need for households to keep their children at home or at work. Furthermore, surveys regarding the extent and quality of private school education need to be carried out.

There is a need to offer incentives to girls and disadvantaged groups like income incentives, provision of books, uniforms and mid-day meals, etc. There is a need to invest in proper infrastructure and strengthen

teachers' training. Other obstacles identified by various studies include, the non-availability of teachers, non-availability of schools especially for girls in the vicinity, insecurity (to and from schools, within schools), lack of female teachers in rural areas, lack of gender-sensitive and clean learning environment, the lack of secondary level education in the communities and often early marriages.

Pakistan's literacy rate remains considerably short of the MDG target of 88 percent by 2015; however, yet it has marginally improved from 53 to 57 percent during 2004-05 and 2008-09, respectively. The rate of increase needs to be more than double for the targets to be achieved. The female literacy rate, especially in rural areas, needs to be accelerated. Clearly, this discussion points to a considerable shortfall in achieving the MDG targets for Goal 2, even if there is to be a sharp upturn in economic activity or government spending for education and other sectors. However, this realisation that the targets will not be met does not deter the government from working to achieve the targets; rather it spurs it on to rectify the shortfalls and to make the commitment that it will move as close to the targets for 2015 as it possibly can.

Chapter 4



Goal 3
Promote Gender Equality
and Women's Empowerment

Chapter 4

GOAL 3: Promote Gender Equality and Women's Empowerment

Target 4: Eliminate gender disparity in primary and secondary education by 2005 and to all levels of education no later than 2015

Table 4: MDG Indicators for Goal 3

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
Gender parity index (GPI) Primary Education	Proportion of girls' enrolment at primary, secondary and tertiary levels in comparison with boys	0.73 ¹	0.82	0.85	0.85	0.81	0.85	0.84	0.94	1.00
Secondary Education		n/a	0.75 ¹	0.83	0.84	0.8	0.8	0.8	0.90	0.94
Youth literacy GPI	Proportion of females as compared with boys aged 15-24 who can read and write	0.51 ¹	0.64	0.68	0.74	0.75	0.78	0.78	0.80	1.00
Share of women in wage employment in the non-agricultural sector	The share /proportion of women employed in the non-agricultural wage sector (%)	8.07 ²	9.65	10.11	10.93	10.53	9.89	10.64	12	14
Proportion of seats held by women in national parliament	Proportion of seats held by women in the national parliament (%)									
National Assembly		2/217 0.9%	*	73/342 21%	73/342 21%	73/342 21%	76/342 22.2%	76/342 22.2%		
Senate		1/87 1% ³		17/100 17%	17/100 17%	17/100 17%	17/100 17%	17/100 17%		

Sources:

1. PIHS 1990-91 & 2001-02, PSLM 2004-05, 2005-06, 2006-07, 2007-08 & 2008-09 (whole series).
 2. Ministry of Labour and Manpower based on the data of Labour Force Survey 1990-91, 2001-02, 2003-04, 2005-06, 2007-08 & 2008-09 (whole series)
 3. National Assembly Secretariat (whole series)
- *Their was no National Assembly in 2001-02.

Introduction

Gender equality is not only a goal in its own right, but an essential ingredient for achieving all the other Millennium Development Goals.⁸ Attempting to meet the MDGs without promoting gender equality and closing the gaps between women and men (in terms of capacities, access to resources and opportunities, etc.) will increase both the costs and minimise the likelihood of attaining the goals.

The MDGs provide a vision of a much improved world by 2015, where extreme poverty is cut in half, child mortality is greatly reduced, and gender disparities in primary and secondary education are eliminated. Education is crucial for achieving the goal of poverty reduction. Evidence from around the world shows that eliminating gender disparities in education is one of the most effective development actions a country can take. When a country educates both its girls and boys economic productivity tends to rise, maternal and

the key to overcoming oppressive customs and traditions that neglect women, help them to achieve greater self fulfilment, improve their earnings prospects and enhances productivity and economic growth. Educated women are also more likely to participate in the political process, as education enables them to access relevant information and effectively deal with the electoral procedures and political issues.

Participation of women in wage employment can contribute to women's empowerment by providing independent income, autonomy and status within the family. A number of studies have demonstrated that women are more likely to spend their income on basic household items than men, such as food, education and healthcare; and therefore, women's paid employment provides substantial benefits to the household at large and to children in particular.

Women's political participation in the public decision-making process is an important indicator of women's empowerment and has also been linked to improvement in the implementation of government programmes and policies. Political participation of women also provides a rough estimate of the openness of the political system to women's voices.

Progress towards Goal 3

MDG Goal 3, to promote gender equality and empower women, has one important target, that of eliminating gender disparity in primary and secondary education, preferably by 2005 and to all levels of education no later than 2015. The following four indicators are used to measure progress towards this goal in Pakistan: The ratio of girls to boys in primary and secondary education; the ratio of literate women to men in the 15 to 24 year old age group; the share of women in wage employment in the non-agricultural sector and the proportion of seats held by women in national parliaments.

Update on the status and progress of Pakistan with regard to the above mentioned MDG indicators for goal 3, is discussed in detail below.

infant mortality rates usually fall, fertility rates decline and the health and educational prospects of the next generation are improved. Furthermore, educating women is

Gender equality is not only a goal in its own right, but an essential ingredient for achieving all the other Millennium Development Goals



⁸ Introduction to Gender, Economic Development & Poverty Reduction, Moheyuddin Ghulam, November 2005.

The Gender Parity Index for Primary and Secondary Education

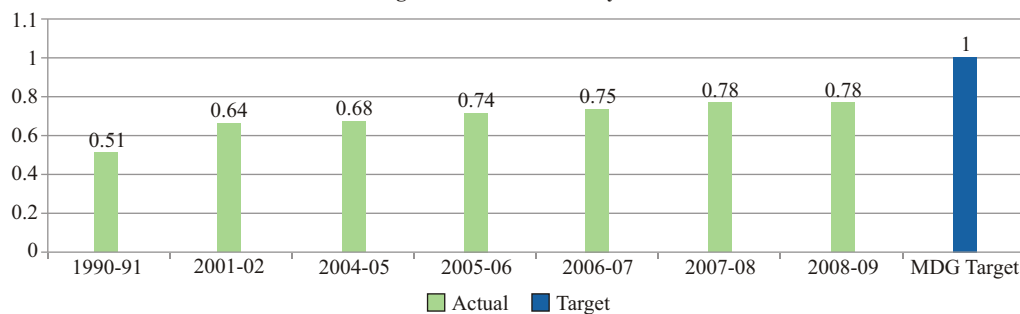
Eliminating gender disparity in education is the only time-bound target for Goal 3 and also the earliest target for any of the MDGs (Gender parity in primary and secondary education should have been reached by 2005, with parity at all levels by 2015). Pakistan has made steady though slow progress with regard to the Gender Parity Index (GPI) for primary and secondary education. However the pace of the progress is not enough as Pakistan has already missed the MDG target of achieving 'gender parity in primary and secondary education' in 2005.

In terms of GPI in primary education, a slow but steady pace of progress has been achieved. The GPI in primary education has increased from 0.73 in 1990-91 to 0.85 in 2004-05 and 2007-08. The GPI in primary education for the year 2008-09 is 0.84 with a one percent decline compared to the previous year. A further analysis of gross enrolment

for girls and boys, it is also relevant to consider the levels of enrolment and completion rates. Achieving gender parity in enrolment under Goal 3 is obviously less meaningful if there is a slow progress towards Goal 2 (achieve universal primary education). In Pakistan, the reason for the existing level of gender disparity in primary and secondary education is the low enrolment of girls and the high dropout rates. A number of factors influence girl's school attendance, especially in the rural areas. These include the direct and indirect cost of attending school (including the opportunity cost of girl's labour in the household), distance to school, quality of school facilities (including safe water supply, separate toilet facilities and presence boundary walls) due to parental ignorance and attitude about the benefits of education for their daughters. To address these factors and to achieve the MDGs target a number of diverse programmes and strategies need to be pursued by the government, ranging from stipends and scholarships, food

Pakistan has made steady though slow progress with regard to the Gender Parity Index (GPI) for primary and secondary education

Figure 4.1: Youth Literacy GPI



Source: Table 4

rate at primary level reveals that the GPI in primary education in urban areas in 2008-09 is 96.2. In urban areas of Punjab the GPI during 2008-09 is 1. Gender parity in urban areas of Punjab has therefore been achieved.

The GPI of secondary education is consistently stagnant 0.8 since 2006-07. Despite the fact that Pakistan has missed the MDG target of gender parity in primary and secondary education in 2005, the progress in terms of gender parity in primary and secondary education is slow. However, with concerted efforts this may be achieved by 2015.

To gauge Pakistan's performance in providing equal access to primary education

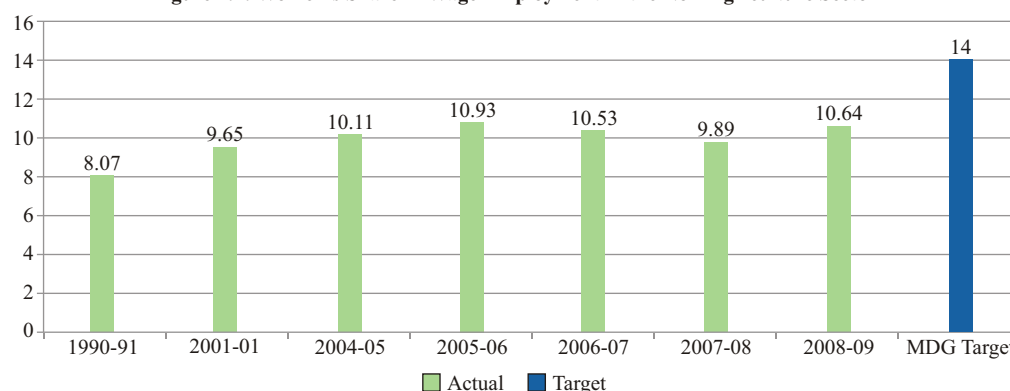
rations/nutritional support to girls, better infrastructure facilities and trained staff.

Youth Literacy GPI

Pakistan has made consistent progress over the years towards the achievement of Youth literacy GPI. Youth literacy GPI has increased from 0.51 in 1990-91 to 0.68 during the year 2004-05 and to 0.78 in 2007-08. However progress of this indicator is quite slow and the MDG target of 2015 for this indicator may not be achieved, without big strides in the development efforts for the progress of this indicator.

Gender disparity in terms of women's labour force participation and their unemployment rate is persistent

Figure 4.2: Women's Share in Wage Employment in the Non-Agriculture Sector



Source: Table 4

Women's Share in Wage Employment

Women's share in wage employment in the non-agricultural sector has consistently increased from 8.07 from the year 1990-91 to 10.64 in the year 2008-09. A slight dip was seen in the year 2007-08. The data reflects that the share of women in wage employment in the non- agriculture sector has increased over the years; however, the progress is slow in terms of Pakistan's progress towards the said target. Keeping in view the slow progress proper steps need to be taken to meet the MDG target of 14 percent.

Gender disparities in terms of women's labour force participation and their unemployment rate are persistent. However, a slight improvement made over the years is reflected in the table below:

According to the Labour Force Survey (2008-09) the number of women in the labour force in Pakistan is 11.81 million as

Table 4.1: Number of Females in Labour Force

	Labor Force (In Millions)	
	2007-08	2008-09
Male	40.82	41.91
Female	10.96	11.81
Total	51.78	53.72

Source: Labour Force Survey 2008-09

compared to 41.91 million men. There has been an increase in the female labour force as compared to male labour force.

Furthermore, the share of women employment in agriculture sector, which was 34.28% in 2007-08 has increased to 34.74% in 2008-09.

A strong pattern of horizontal gender segregation in employment (with women concentrated in low-paying sectors such as education and health) as well as vertical gender segregations (with most women in lower-level jobs or self employed, and relatively few at management levels) persists. According to an estimate, around 77 percent of the total employed women are working in elementary occupations, followed by 20 percent in mid level and less than 3 percent in high level occupations.⁹ This highlights the fact that the labour market in Pakistan creates greater job opportunities for women in elementary and mid level occupations, which require low level skills and less education. The trend is the reverse for men. Furthermore, high proportion of women in Pakistan are engaged in the informal sector due to limited employment opportunities, as girls education is not considered an important investment by their parents.

Proportion of Seats held by Women in National Parliaments

Women's inclusion in the decision making process at the local, provincial and national levels provides them the opportunity to voice their concerns and to promote their perspectives on governance. Furthermore, the strong synergy between women's political participation and the reduction in

⁹ Social Development in Pakistan- Annual Review 2007-08, Women at Work, SPDC, Karachi

the incidence of female poverty has been increasingly recognised. Gender inequalities in terms of women's political participation have consistently persisted over the years

first time in its history has a woman Speaker (Dr. Fahmida Mirza). A first ever Women Parliamentarians' Caucus has been formed. The first National Women Convention was

Table: 4.2 Number of Women Parliamentarians (as share of the total)

Election Year	Total No of Seats	Number of Elected Members of National Assembly			
		No of Women	% of Total	No of Men	% of Total
1009-91	217	2	0.9	215	99.1
2004-05	342	73	21	269	79.0
2007-08	342	76	22.2	266	77.8
2008-09	342	76	22.2	266	77.8

Source: National Assembly Secretariat

Women's political participation has not only increased in terms of number but also in terms of their contribution.

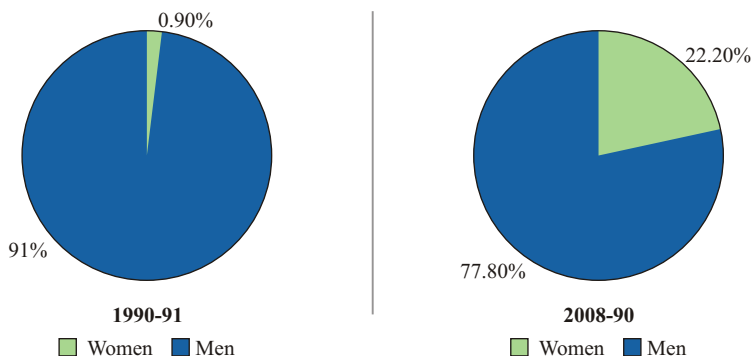
due to dominant male governance structures. However, women's political participation and share in the national decision making process has greatly improved over the years in Pakistan, with being granted political space through the affirmative action of reservation of women's seats and implementation of the Devolution Plan 2001. With the affirmative action of quotas for women, their representation rose from 0.9 and 1 percent in 1990-91 to 21 and 17 percent in 2002-03 in both the National Assembly and Senate, respectively.

The 22.2 percent participation share of women in the National Assembly is much better than that for any other Asian

held by the Women Parliamentary Caucus. Furthermore, in comparison with their male colleagues, women raised 27 percent of all questions, 30 percent of calling attention motions, 42 percent of private member bills, 24 percent of the total number of resolutions, and eight percent of all adjournment and privilege motions

With 33 percent reserved seats for women at all levels in the devolution system (2001-09), 36,066 women councillors were elected and nominated in the first round of local government elections in 2001. With the size of the councils reduced in 2005, but still with 33 percent reserved seats for women, 24,528 women were elected to serve the public

Figure: 4.3 Elected Members of the National Assembly by Gender



Source: Table 4.2

democracy and even for several western democracies, including the UK and the USA. Women's political participation has not only increased in terms of number but also in terms of their contribution. Pakistan for the

through the local government system. In a society which was considered to be 'tribal', backward, conservative and much worse, the entry of women as public representatives, must stand out as the most important

Women's visibility in the formal political bodies has increased substantially over the last few years

outcome of the devolution reforms process undertaken; perhaps ever in Pakistan. While cynics point out that women in Pakistan are largely tools in the hands of their men folk, one cannot be oblivious to the impact the public presence of many thousand women had on the lives of their respective communities.

Women's visibility in the formal political bodies has continued substantially over the last few years. Women's participation in the senate was a rare sight in 1990-91 with only one woman senator. The situation has however, greatly improved with 17 women senators in the respective senates. Similarly, with the fixing of a 33 percent quota for women in local councils at the union, tehsil (municipality) and district level an unprecedented number of women have been elected at the local councils. Women's participation in politics as voters, candidates and political activists has increased

their status and help to bring about a change in social attitudes.

Policies and Programmes

The Government of Pakistan is committed towards protecting basic human rights and gender equality, as reflected by the Government of Pakistan adopting and being signatory to several international commitments. Pakistan acceded to Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), in 1996. The convention calls for zero tolerance against exclusion, marginalization and oppression of women in society. Pakistan has also acceded to the Beijing Platform for Action and various ILO conventions. Pakistan's international commitment on gender reforms are reinforced by the governments overarching goal to mainstream gender issues at all levels. A number of national policy



substantially over the years. However, due to the traditional notion of women's role in the domestic sphere, the nature of the political parties and the fear of character assassination still restrain women from actively participating in the political arena.

Women's inclusion in governance structures is critical to bring about a substantive change in the development policies and programmes that would lead to a shift in gender relations in the society. Furthermore, their viability in the formal political bodies will challenge the gender division of labour and will enhance

commitments to mainstream gender have been undertaken by Pakistan. The main policy documents reflecting Pakistan's commitment to gender mainstreaming include, National Plan for the Advancement and Empowerment of Women, Gender Reform Action Plan (GRAP), National Policy for the Development and Empowerment of Women (NPDEW), Medium Term Budgetary Framework (MTBF), Poverty Reduction Strategy Paper (PRSP) and Medium Term Development Framework (MTDF).

The Gender Reform Action Plan (GRAP), a policy document reflects Pakistan's commitment to gender mainstreaming. GRAP (2003- 2010) was implemented at the federal and provincial levels. It focused on engendering the planning and budgetary process and narrowing the gap in public expenditure, restructuring of national machinery dealing with gender issues, facilitating policy shifts from social welfare to social development, and women's commitment to gender equality. GRAP aimed to introduce widespread reforms to engender all levels (federal, provincial and district) of the government machinery with a positive bias for women. GRAP sought to address the gender gaps through reform in four major areas namely: (i) political reforms (ii) administrative/institutional reforms (iii) reforms in public sector employment and (iv) policy and fiscal reforms. Substantial capacity building and support actions were added to this programme. Under GRAP, five

cover missing facilities over a 5 year period (2006-2011). This initiative would contribute towards increasing girl's education. Furthermore, Girls Education Policy Support Project (GEPSP) is contributing towards eliminating gender disparity at primary level by engaging policy makers and implementers in improved gender responsive budgeting.

Economic opportunities in rural areas have been increased through the provision of credit to communities. The micro credit loan portfolios of major financial institutions like National Bank of Pakistan, First Microfinance Bank, Khushali Bank, First Women Bank, Pakistan Poverty Alleviation Fund (PPAF), National Rural Support Program (NRSP) and Provincial RSPs have also played an important role in increasing the economic opportunities for rural women. Major financial institutions provided an amount of Rs. 28.3 billion to 5.9 million

Economic opportunities in rural areas have been increased through the provision of credit to communities



Gender and Development Sections were established in key ministries.

A number of initiatives have been taken by the Government of Pakistan under the Presidents Education Sector Reform (PESR), the project management unit of the Ministry of Education has started a mega project of "Provision of Missing Facilities" which is being executed throughout the country except Punjab. As per the original scope of the programme, a total of 16,000 schools in 111 Districts with estimated cost of Rs. 31.7 billion were to be provided to

beneficiaries including 4.4 million women during the FY 2006-07. Khushali Bank, primarily working for rural communities, extended its outreach from 82 to 85 districts and extended microfinance facilities to almost 0.1 million rural women in 2006-07.

Similarly, other financial institutions like the National Rural Support Programme (NRSP) provided credit of Rs. 8.6 billion to 0.63 million beneficiaries including 0.225 million women. The Pakistan Poverty Alleviation Fund (PPAF) credit component extends to 79 districts and the Fund provided Rs. 9.6 billion

In order to protect the poor and vulnerable the government launched a huge targeted social protection programme under the Benazir Income Support Programme

billion of micro-credit to 0.901 million beneficiaries for the period which included 0.397 million women. The First Women Bank is also focusing on economic empowerment of women and has provided finances of Rs 38 million to some 3.66 million women.¹⁰ Despite these efforts, there is much to achieve in order to redress the gender balance in Pakistan.

In order to protect the poor and vulnerable the government launched a huge targeted social protection programme under the Benazir Income Support Programme (2008-13) in FY 2008 (see also Chapter 2). The concept behind the direct cash transfers of Benazir Income Support Programme is not only to provide financial assistance to the needy but also to ensure women's empowerment and child care. Its unique feature is that payments will be made only to the female head of the family. It is estimated that five million families would benefit from this increase in 2009-10.¹¹ The Benazir Income Support cards serve as vehicle to address the needs of the vulnerable and to enhance women's empowerment. The women's empowerment impact is likely to be decisive as it will help improve women's agency, bargaining capacity and decision



making power particularly in the context of social development. The payout is not claimed to be able to alleviate their poverty, but it should certainly serve to protect their nutrition intake to a large extent.

A Five Marla scheme has been launched in rural areas for homeless citizens where government land is available. The title of land will be given to the female member of the household. This would help women gain financial independence and confidence. Other initiatives for improving women's skill and increase in income include Lady Livestock Workers (LLWs) being trained to disseminate knowledge and to train other women in their areas for better rearing of livestock. Some 3500 women will be trained with the support of the University of Veterinary and Animal Sciences. A number of other measures have been taken to enhance the economic empowerment of women through training, jobs and protection measures. A number of projects are being implemented in this regard, i.e. Supporting Skills and Micro Enterprise Development, Patti Development Project, Aik Hunar Aik Nagar (AHAN a rural enterprise modernization project) and Economic Empowerment of Rural Women in Punjab.

According to the constitution, protection of life, property and honour of the citizens is the foremost responsibility of the Government of Pakistan. With the ever increasing role of women in the productive sector and economic development of the county, the Government of Pakistan has enacted the Working Women (Protection of Rights) Act, 2008. The Bill seeks protection for working women and provides means for stopping women's exploitation. A number of other legislations have been enacted, i.e. Act for the Protection of Home Based Workers Social Protection Act-2008 'Protection against Harassment of Women in Workplace Act-2010' and the Prevention of Domestic Violence Act-2008.

Challenges and Constraints

The quality of life of women in Pakistan has improved in the recent decade in terms of access to education and health services, and women's participation in the economic and political sphere. Despite all the improvements, large gender inequalities persist with mainstreaming the gender concerns into the overall planning,

¹⁰ Mid Term Review of Medium Term Development Framework 2005-10, Planning Commission of Pakistan, May 2008, pg 20.

¹¹ Budget Speech, 2009-2010

implementation and sectoral programming framework for improving women's status. Despite improvement in girl's education a substantial gender gap exists in terms of girl's literacy and enrolment rates. The main factors responsible for the low literacy rate are poverty, domestic and farming responsibilities, low access to schools, early marriages and socio-cultural practices.

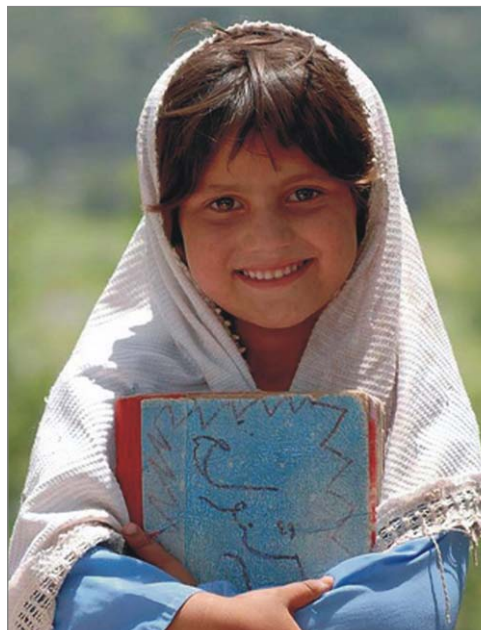
The gender gap in the labour force participation rate, continues to remain very high, with over 78 percent of women of productive age excluded from the labour force, although such statistics do not include the unpaid contribution of women as domestic workers/helpers and nor as home based workers. Gender discrimination persists not only in terms of women's entry but also in terms of access to paid work, occupational level and the wage rate. In the labour market, lower education, social cultural norms, constraints on women's mobility are limiting women's employment opportunities. As compared to men, women are more involved in unpaid family work and the informal sector therefore they require extension of welfare legislation to the informal sector. The achievement of Millennium Development Goals (MDGs) requires specific reduction in the above mentioned gender gaps.

The present capacity for monitoring and reporting progress on women's development programmes and policies being implemented is for the most part inadequate. The lack of gender disaggregated data is an impediment for policy makers and planners; besides, it is also weakens the quality of implementation and monitoring.

The attempt to establish child friendly schools (CFS) would encourage more girls to attend school and help bridge the divide in gender disparity when it comes to girls and will help in reaching the MDG targets for 2015. If latrines and washroom facilities for girls, safe spaces, child protection committees, clubs that operate through schools, can be set up, involving parents and the community, one is likely to see an improvement in girls' enrolment rates and participation. Unlike boys' schools, the location of a school for girls, as we argue in Chapter 3, is critical to ensure that girls

attend school. Schools nearer to the residence will ensure that more girls attend school as that addresses some of the issues identified in this chapter.

In order to reduce the gender gaps, not only is access to basic services and equal opportunities for women through adequate public policy formation required, there is also an urgent need for the creation of an



enabling environment in terms of their economic, social and political participation. Effective implementation of laws protecting women's rights (land acquisition, protection against violence and a fair deal in marital contract) need to be strictly enforced. A situation which has emerged in recent years in Pakistan of women in conflict areas also deserves far greater focus. Rather than be treated as one of the statistics, women in conflict areas need to be treated as special cases and policy interventions designed accordingly.

Conclusions

The MDG target of GPI in primary and secondary education was missed by Pakistan in 2005. The progress on this indicator is slow and it is possible that the MDG target of gender parity in primary and secondary education may not be achieved by 2015. Similarly, the progress with respect to the MDG targets youth literacy GPI and the own

Gender discrimination persists not only in terms of women's entry but also in terms of access to paid work, occupational level and the wage rate

share of women in wage employment in the non-agricultural sector, Pakistan is making slow progress; therefore, achievement of this target is unlikely. With regards to the MDG target of the number of women's seats in the national parliament, Pakistan has shown substantial improvement over the years. The proportion of seats in the present National Assembly is also substantial, and is amongst the highest in the world. Women's political participation in Pakistan has not only increased in terms of number but also in terms of their participation and contribution. For what is considered to be a 'traditional' society, these sets of statistics are laudatory however, one must also recognise that this participation is a long term process and as representation by women increases, better representation will take place where women parliamentarian will be in a better position to represent women.

While the gender related indicators for Goal 3, as discussed above are better than many others and have been improving, one cannot become complacent of these achievements. Gender is a cross-cutting theme and when we turn to other indicators related to women such as maternal mortality ratio, antenatal care etc., as we do in Goals 4 and 5, we realise that the perspective of gender parity changes. Even if there are a large number of women in parliament, the average poor woman is susceptible to high mortality rates and to disease, hence women continue to require special focus and attention. This point cannot be emphasised enough, that a number of these Goals are interlinked and most of them affect women. Clearly, many of the policies which need to be devised need to ensure that there are clear inter-linkages.

Chapter 5



Goal 4
Reduce Child Mortality

Chapter 5

GOAL 4: Reduce Child Mortality

Target 5: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate

Table 5: MDG Indicators for Goal 4

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
Under-five mortality rate	No. of deaths of children under five years of age per thousand live births	117*	n/a	n/a	n/a	94 ¹	n/a	n/a	77	52
Infant mortality rate	No. of deaths of children under 1 year of age per thousand live births	102 ²	77 ³	77 ³	76 ³	75 ³	n/a ³	n/a ³	65	40
Proportion of fully immunised children 12-23 months	Proportion of children of 12 to 23 months of age who are fully vaccinated against EPI target diseases (%)	75 ²	53 ³	77 ⁴	71 ⁴	76 ⁴	73 ⁴	78 ⁴	90	>90
Proportion of under 1 year children immunised against measles	Proportion of children 12 months of age and received measles vaccine (%)	80 ²	57 ⁴	78 ⁴	76 ⁴	77 ⁴	76 ⁴	79 ⁴	90	>90
Proportion of children under five who suffered from diarrhoea in the last 30 days	Proportion of children under 5 years suffering from diarrhoea in past 30 days (%)	26 ⁴	12 ⁴	14 ⁴	12 ⁴	11 ⁴	10 ⁴	10 ⁴	16	<10
Lady Health Workers' coverage of target population	Households covered by Lady Health Workers for their health care services (%)	n/a	38 ⁵	66	72	76	76	83	90	100

Sources:

1. Pakistan Demographic and Health Survey 2006-07
 2. Baseline set by Health Section, Planning Commission.
 3. Pakistan Demographic Surveys 2006-07. Survey after 2006-07 has not been undertaken.
 4. PIHS 2001-02, PSLM 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09
 5. The LHW Programme, Ministry of Health (Whole series), The LHW Programme started in 1994
- * National Institute of Population Studies, NIPS
n/a: Not available

issues related to child health and mortality, are multidimensional, and problems connected to education, training, access to clean drinking water, sewerage and a host of other inputs all have an effect on child survival chances

Introduction

Addressing child health concerns is an essential part of the national health strategy and the last few years have seen a renewed focus on improving child health outcomes in the country. Despite improvements made over the years, Pakistan continues to lag behind other countries in South Asia in terms of child health indicators.

As this report highlights issues related to child health and mortality are multidimensional, and problems connected to education, training, access to clean drinking water, sewerage and a host of other inputs all have an effect on child survival chances. For example, with diarrhea often being the main cause of death for new born and children, by ensuring clean and adequate drinking water the Government can reduce mortality rates of children considerably. Many of the Millennium Development Goals are interlinked and have a positive knock-on effect on each other.

Progress towards Goal 4

Under Five Mortality Rate

According to estimates available for 2006-07, the under-five mortality rate has declined moderately to 94 from 117 per thousand live

under five children will be met. Hence, a rise in income may improve the survival chances of children. Moreover, immunisation programmes targeting children, and the use of increased health services, including Lady Health Worker (LHW) services should all have a positive impact on many of the indicators of Goal 4.

Infant Mortality Rate

Persistent decline has been observed during 1990-91 to 2006-07 as infant mortality rate has declined from 102 deaths per one thousand live births in 1990-91 to 75 by 2006-07. However, the Infant Mortality Rate (IMR) shows a constant trend during 2001-05. The results are not only surprising but disappointing as no remarkable achievement has been made, this needs to be investigated that despite a lot of investment and various policy initiatives why Pakistan is far behind the MDG target. Reasons that have impact on under five mortality rate also have an effect on IMR as mentioned above. But it is also important to remember, that with many indicators, especially in the health sector, a fall can be drastic. However, it tapers off and the rate of improvement in the decline slows. This could be the case with many of the social sector indicators observed as part of the MDGs.

Table 5.1: Child Health Indicators (%)

	Full Immunization Coverage		Measles Immunization Coverage		Diarrhea Incidence	
	2004-05	2008-09	2004-05	2008-09	2004-05	2008-09
Total	77	78	78	79	16	10
Punjab	84	85	85	86	15	10
Sindh	73	69	73	70	18	12
Khyber Pakhtunkhwa	76	73	77	75	15	10
Balochistan	62	43	62	44	13	6

Source: Pakistan Social and Living Standard Measurement Survey 2004-05 and 2008-09.

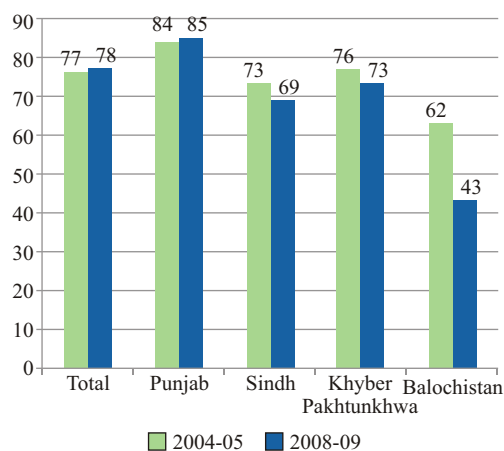
births in 1990-91. However, it is possible that the gains in the economy which took place between 2001-02 with per capita income doubling from 2000-01 to 2007-08, have also had a significant impact on some of the indicators related to many of the MDGs included in Goal 4. As income increases and as the quality of life improves, it is highly likely that the nutrition and other needs of

Proportion of Fully Immunized Children 12-23 Months

The proportion of children under two years who have been fully immunized against six preventable diseases has increased by 1 percent between 2004-05 and 2008-09. The provincial breakup during the year 2004-05 to 2008-09 shows that immunization

coverage has fallen in all the provinces except Punjab where minor increase in immunization coverage has been observed during this period, with the highest decline being observed in Balochistan, where the coverage has gone down by 19 percentage points, Khyber-Pakhtunkhwa and Sindh have experienced the low decline in immunization coverage of 3 and 4 percentage points, respectively during the period under review. These results are surprising and also not up to the mark, given the commitment of all the governments, including the present one, to extend immunisation coverage to all new born.

Figure 5.1: Full Immunization Coverage (%)



Source: Table 5.1

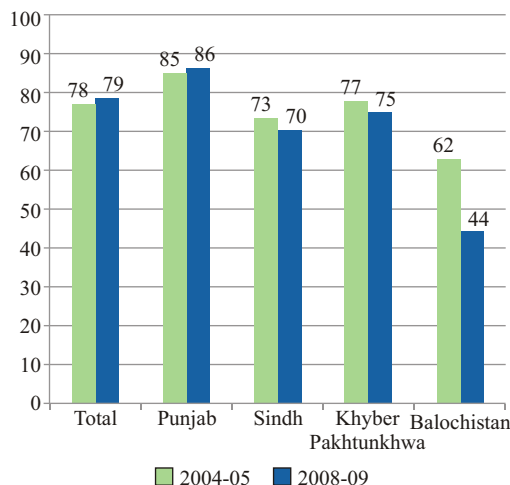
Proportion of Under 1 Year Children Immunized Against Measles

Looking at the data regarding the proportion of children under 1 year of age immunized against measles, the provincial disaggregation of the indicator during 2004-05 to 2008-09 shows a decline in all the provinces except Punjab, where the share of children under one year immunized against measles has increased minutely by 1 percent. Measles Immunization coverage in Balochistan has declined from 62% in 2004-05 to 44% in 2008-09.

It is apparent that there are weaknesses in immunisation service delivery planning, implementation and overall management resulting in sub-optimal access and utilization of immunisation services. The Reaching Every District Strategy (RED) was

adopted in the country to address immunisation as was the single intervention supplementary immunization activities (SIA). Progressive deterioration of security situation due to war on terror in FATA, Khyber Pakhtunkhwa and political unrest in Balochistan is hindering access to immunization services. However, what might be the main reason why the immunisation rates are unsatisfactory could be because the government has begun prioritising the polio eradication campaign, perhaps at the cost of the other diseases. There is a need to look into this factor a great deal further, to try to fathom why the

Figure 5.2: Measles Immunization Coverage



Source: Table 5.1

immunisation programme has faltered before corrective measures can be put in place.

Proportion of Children Under Five Who Suffered from Diarrhea

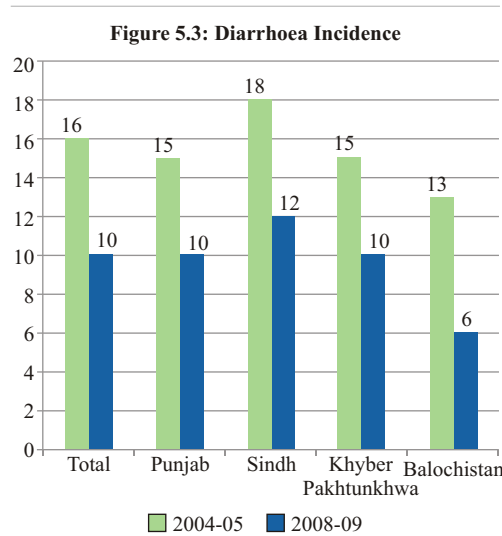
The proportion of children less than 5 years of age who have suffered from diarrhea during the past 30 days has gone down to 10 percent by 6 percentage points improvement since 2004-05. The largest improvement has been observed in the province of Balochistan, where the diarrheal incidence has declined from 13 percent in 2004-05 to 6 percent in 2008-09.

Lady Health Workers Coverage of Target Population

As per the latest available data, the lady health workers' coverage of target

Children under 1 year of age immunized against measles, the provincial disaggregation of the indicator during 2004-05 to 2008-09 shows a decline in all the provinces except Punjab

LHW coverage has increased manifold and is one of those MDG targets which Pakistan can achieve by 2015

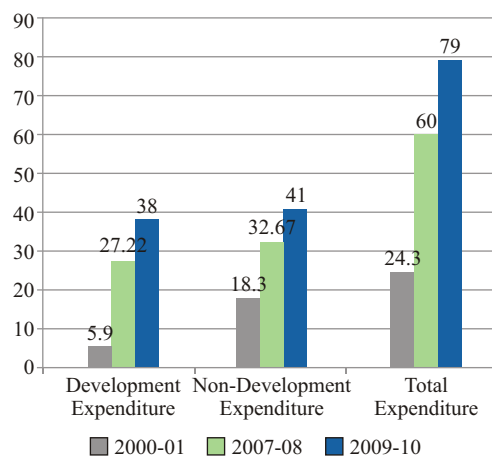


Source: Table 5.1

population has increased significantly from 38 percent in 2001-02 to 83 percent in 2008-09. LHW coverage has increased manifold and is one of those MDG targets which Pakistan can achieve by 2015.

In the case of Pakistan, high levels of mortality rates amongst the population aged less than or equal to 5 years, are attributed to Acute Respiratory Infection (ARI), diarrhea, malaria, measles, and prenatal causes, while malnutrition is either an aggravating or

Figure 5.4: Public Health Expenditure (Rs. Billion)



Source: Ministry of Health & Planning and Development Division (Table 5.2)

predisposing underlying condition for these causes. Furthermore, although child health has been the subject of much attention for several decades, overall progress in this area has been slow due to vertical implementation

of programmes. The focus has been on training and on case management with little attention to integration, collaboration and management. Moreover, recent trends indicate that Pakistan has begun to lag behind many regional countries in major health related indicators.

Despite increasing expenditures in nominal terms, the real expenditure on health as percentage of GDP has remained stagnant at around 0.6 percent and is projected at 0.54 percent of the GDP in the current fiscal year (Table 5.2) against the target of 0.92 percent, required under the provisions of the Fiscal Responsibility and Debt Limitation Act 2005. Like the Education sector, Pakistan's budgetary allocations for the Health sector lag as compared to other countries of the region with similar income levels.

Physical achievements for health sector from 2005 to 2008 include an addition of approximately 1,547 hospital beds, 15,894 doctors, 2,278 dentists and 14,117 nurses. As far as the status of the health delivery system is concerned there were 948 hospitals, 561 rural health centres, 5310 basic health units and 4794 dispensaries in the public sector in 2009. The health manpower comprises 133,956 doctors, 65,387 nurses and 10,000 lady health visitors (Table 5.3). The LHWs programme with a total work force of 95,000 and coverage of 170 per 1000 households has managed to provide primary health care services at the doorstep of the people in rural areas for many years since its launch. The LHW programme is considered to be one of the most successful programmes of Pakistan's health sector.

Policies and Programmes

Since 2005, efforts to improve child health outcomes in the country have been guided by the policy frameworks i.e. PRSP-II, Health Policy 2009, and the Medium Term Development Framework (MTDF) 2005-10. Some of the major measures/programmes undertaken by the government during the last few years to further substantiate the betterment in child health are as follows:-

- **The Expanded Programme on Immunization (EPI)** aims at protecting children by immunizing them against

Table 5.2: Public Health & Nutrition Expenditures (Billion Rs)

Years	Development Expenditure	Non-Development Expenditure	Total Expenditure	Percent Change	As % of GDP
2000-01	5.9	18.3	24.3	9.9	0.7
2001-02	6.7	18.7	25.4	4.6	0.7
2002-03	6.6	22.2	28.8	13.4	0.6
2003-04	8.5	24.3	32.8	13.8	0.6
2004-05	11.0	27.0	38.0	15.8	0.6
2005-06	16.00	24.00	40.00	5.3	0.5
2006-07	20.00	30.00	50.00	25	0.6
2007-08	27.22	32.67	60.00	20	0.6
2008-09	33.00	41.10	74.00	23	0.6
2009-10	38.00	41.00	79.00	7	0.54

Source: Ministry of Health

Table 5.3: Health and Medical Facilities and Personnel

Years	MCH Centres	Doctors ('000)	Dentists ('000)	Nurses ('000)	Mid-wives ('000)	Lady Health Visitors ('000)
2000-01	856	92.7	4.2	37.6	22.5	5.4
2001-02	879	97.2	4.6	40.0	22.7	5.6
2002-03	862	102.5	5.1	44.5	23.1	6.3
2003-04	907	108.1	5.5	46.3	23.3	6.5
2004-05	906	113.2	6.1	48.4	23.5	6.7
2005-06	907	118.0	6.7	51.1	23.8	7.0
2006-07	906	123.1	7.4	57.6	24.6	8.4
2007-08	903	128.0	8.2	62.6	25.2	9.3
2008-09	908	133.9	9.0	65.3	25.5	10.0

Source: Ministry of Health

The Expanded Programme on Immunization (EPI) aims at protecting children by immunizing them against Childhood Tuberculosis, Poliomyelitis, Diphtheria, Pertussis, Measles, Tetanus and also their mothers against Tetanus

• Childhood Tuberculosis, Poliomyelitis, Diphtheria, Pertussis, Measles, Tetanus and also their mothers against Tetanus. The programme has progressed significantly overtime in terms of immunization coverage and disease reduction as a result of an effective system of surveillance, regular monitoring, evaluation and sufficient trained manpower across the country. This ensures the commitment of the Government for the provision of vaccines, syringes, cold chain equipment, transport, printed material and launching of health education/motivation campaigns. The major objectives of the programme include:

- Reduction of mortality resulting from the seven EPI target diseases by immunizing children of the age 0-11 months and women of child bearing age;
- 90 percent routine immunization

coverage of all EPI antigens with at least 80 percent coverage in every district;

- Interruption of polio-virus transmission;
 - Elimination of Neo-natal tetanus;
 - Reduction of measles mortality.
- **The Lady Health Workers programme (LHW)** has developed a very strong outreach of 95,000. Overtime, the role of LHWs have expanded to identifying pregnant women, providing them with multivitamin supplements, referring them to antenatal care services at BHUs/RHCs and participating in immunization days, in addition to their basic functions of providing family planning services along with basic health care. There is currently a proposal to expand the number of LHWs so that they can reach

Pakistan needs to improve the performance of the health sector significantly in the coming years in order to achieve the targets for Goals 4 on child health

- underserved areas, and for adding male workers to help them in difficult areas and to deliver immunization to children. However, these and other similar interventions through vertical programmes will only be effective if district health systems are strengthened and improved.
- **The Maternal, Neonatal and Child Health (MNCH) Programme** has been launched in order to improve MCH services for all, particularly the poor and the disadvantaged at all levels in the health care delivery system. It aims to provide improved access to high quality MCH and FP services and train 10,000 Community Health and Nutrition Workers, comprehensive Emergency Obstetric and Neonatal Care (EmONC) services in 275 hospitals/health facilities and family planning services in all health outlets.
- **Micro Nutrient Deficiency Control Programme** address Micro nutrient deficiencies, i.e. Iodine, Iron and Vitamin-A. It is being implemented by the Nutrition Wing of the Ministry of Health through donors' assistance. Through this programme salt iodization



in the private sector was strengthened in more than 60 districts along with the distribution of awareness material. Draft legislation for Universal Salt

Iodization (USI) has been forwarded to the concerned quarters. Wheat flour fortification has been expanded to 82 flourmills in the country and mass media campaign for consumer education has been prepared and launched. Under the aegis of the Nutrition through Primary Health Care (PHC) programme, micronutrient supplementation for anaemia control, vitamin A supplementation to children under five years of age, micro nutrients to women of child bearing age, growth monitoring, counselling on breast feeding and weaning practices and awareness are being provided through Lady Health Workers.

New Initiatives

Pakistan needs to improve the performance of the health sector significantly in the coming years in order to achieve the targets for Goal 4 on child health. The roadmap for the future health sector reform is envisaged in the PRSP-II and the Health Policy 2009, both of the documents have been launched after extensive consultations with the relevant stakeholders. The new Poverty Reduction Strategy will attempt to provide more resources to the health sector and aims to increase public health expenditures from 0.6 to 0.85 percent of the GDP by the end of PRSP-II period (in 2011-12).

The public policies/programmes calls for strengthening of maternal and child health services within the existing health system, by scaling up essential health services through the National EPI Programme, the Lady Health Workers Programme (Family Planning and Primary Healthcare) and the newly launched National MNCH Programme to maximize the synergies between these interlinked programmes and further reinforce linkages with existing nutrition programmes. The Ministry of Health has already developed a framework to reinforce sector specific nutrition interventions; these will be translated into a new Nutrition Programme.

To address the persistent challenge of child mortality at facility and community level, the National MNCH and LHW Programmes will implement standard protocols for

management of common childhood illnesses and strengthen emergency neonatal care at secondary level hospitals. In addition, 12,000 Lady Health Workers (LHWs) will be deployed in different parts of the country

Khyber-Pakhtunkhwa and Balochistan there will also be an emphasis on improving the quality of the campaign in some districts of Sindh. The Programme will continue with NIDs with implementing a new strategy to



Pakistan's nutrition outcomes have been relatively intransigent over the last two decades, as a result of which a significant burden of malnutrition and micronutrient deficiencies affect children and women of childbearing age.

over the next 3 years to address problems associated with low birth weight babies, help in clean delivery to minimize sepsis, and manage asphyxia and hypothermia at birth. To reduce mortality due to diarrhoea and respiratory infections, a BCC campaign to enhance hand washing will be initiated through the LHWs Programme.

The Expanded Programme of Immunization has played a key role in reducing morbidity and mortality from childhood vaccine preventable diseases; coverage of fully immunized children is reported to have increased over the last two decades, although as we argue above, despite commitment from governments, this trend has been reversed in recent years. The immunization programme is trying to respond to the systems level challenges by beefing up the cold chain and district immunization programme, increasing coverage by focusing on low performing areas, attempting to reduce dropouts and improving monitoring and supervision systems e.g. EPI programme has expanded its scope with the introduction of Hepatitis V vaccination in addition to the prevalent vaccine; the feasibility of introducing other vaccines is also being explored. The programme is also attempting to get around overarching issues, such as the security situation in Khyber-Pakhtunkhwa and large scale population movements, which were responsible for the increase in the Polio transmission during 2008. By continuing with the momentum built around the National Immunization Days (NIDs) in

continue with NIDs in security compromised areas and expand the use of monovalent vaccine during the next three years.

Pakistan's nutrition outcomes have been relatively intransigent over the last two decades, as a result of which a significant burden of malnutrition and micronutrient deficiencies affect children and women of childbearing age. The current global increase in food prices which is affecting Pakistan as well is likely to compromise these nutritional outcomes further. The MoH will develop a practical programme with an objective of improving the nutrition status of women of childbearing age and children below 3 years, by improving the coverage of effective nutrition interventions with a focus on the poor and marginalized. The focus of the proposed programme will also be to scale up some interventions like salt iodization, promotion of breastfeeding, wheat flour fortification, and provision of zinc during treatment of diarrhoea. The programme will pilot test interventions before scaling up, including management of severe malnutrition in young children, Vitamin A supplementation during the neonatal period, use of 'sprinkles' to see if it can also improve feeding practices as well, multiple micronutrient supplementation for pregnant women and a conditional cash transfer scheme targeted at the poor. A new National Nutrition Survey is being planned to assess the situation and to establish benchmark for the new programme.

Challenges and Constraints

The slow progress in improving child health outcomes can be attributed to contributing factors both external and internal to the health sector. External factors largely include causes implicit in the social determinants of health; these include illiteracy, unemployment, gender inequality, social exclusion, lack of access to safe drinking water and inadequate sanitation and food insecurity; the stresses of urbanization and a range of environmental determinants of health add to these challenges. Moreover, the recent fiscal crisis and economic slowdown have also had their fair share in affecting the health and other social sectors with the PSDP allocation having to be reduced in 2009-10.

Inherent factors contributing to the inadequate performance of the health sector are deep rooted. These include weak management and governance systems, partially functional logistics and supply



systems, poorly motivated and inadequately compensated staff, lack of adequate supportive supervision, lack of evidence based planning and decision making, low levels of public sector expenditures and their inequitable distribution. As a result coverage and access to essential basic services remains limited and unequal with poor quality of services, which are generally

perceived to be less responsive to community needs.

One of the most pressing challenges faced by the child health is lack of integrated management of childhood illnesses. Other challenges include lack of access to availability, affordability and awareness of health services. An estimated 85 percent of the Public Sector Development Programme (PSDP) allocation for health goes to preventive programmes and out of this; approximately 80 percent of the overall budget goes toward meeting salary expenses. The focus on the provision of health care facilities is heavily skewed on the diagnostic and treatment side. The preventive programmes are mostly vertical and are not integrated at lower levels of service delivery such as the district and tehsil. Other major challenges include inadequate social sector services delivery (including safe water and sanitation), professional and managerial deficiencies, drug pricing, and high prevalence of communicable diseases.

Serious institutional weaknesses and governance deficiencies also adversely affect this situation. Although coverage has improved over recent years, progress has been slow in terms of providing quality health care to the vast majority of the population. Lack of capacity in district health offices in terms of human and financial resources impinge on their ability to effectively cater to the needs of the local population. Similarly a shortage of equipment and staff at Basic Health Units (BHUs) and Rural Health Centres (RHCs) especially lady doctors, nurses, lady health workers, laboratory equipment and drugs continue to pose serious constraints.

Nutrition greatly influences the infant, child and maternal mortality and morbidity indicators. Malnutrition can in fact be considered a major determinant of the death and disease rate in the country. The design and implementation of past nutrition initiatives have been fraught with weaknesses including a lack of ownership and responsibility, weak managerial and technical support to provinces and the absence of a national nutrition policy and strategic framework. Fragmented and

uncoordinated implementation of nutrition related activities has resulted in limited impact.

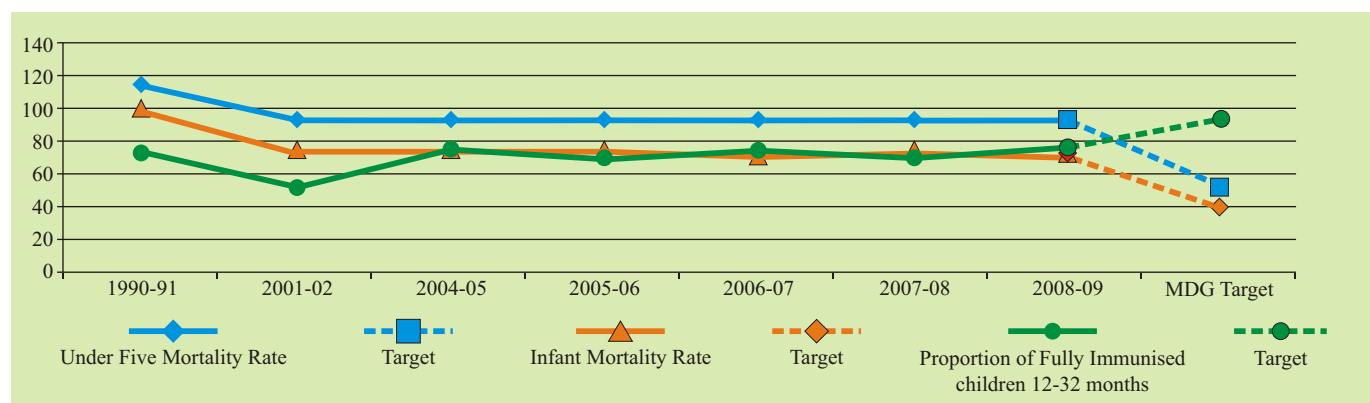
A number of important and worrying points emerge from this discussion with regard to Goal 4. Firstly, as we mentioned in the previous chapter, many Goals are interlinked. Child and infant mortality, maternal mortality, access to clean drinking water, immunisation, and the availability of LHWs are all linked and have an impact on a number of indicators. With regard to children and infants, it is clear that if a household does not have access to clean water and does not have adequate access to health workers and health facilities, infant and child mortality rates will continue to be high. Clearly, there is a need to make sure that there are good linkages with many inputs.

child mortality in a country is indicative not only of the medical and health care facilities available for the mother and child but also about society's concern for the future generation. The two main indicators of child mortality are child (under 5 years) mortality and the infant (under- one year) mortality rates. Currently for both these measures Pakistan stands among the worst performers.

Out of the six indicators for Goal 4, Pakistan's performance in achieving the desired MDG targets by 2015 is not up to mark in the case of the first two indicators, i.e. the under 5 mortality rate and infant mortality rate. Though Pakistan has managed to lower the under 5 mortality rate still there is a need to reduce it by 42 percentage point during the next five years, a highly improbable outcome. In the case of

Out of the six indicators for Goal 4, Pakistan's performance in achieving the desired MDG targets by 2015 is not up to mark in the case of the first two indicators

Figure 5.5: Reduce Child Mortality



Source: Table 5

What is worrying however is the fact that despite the increase in access to lady health workers, disease incidence remains high, particularly for infants. While it is important to expand the scale and outreach of lady health workers, perhaps it is now important to improve their quality and service delivery as well. There is little point in having full coverage by LHWs, but if the maternal and infant mortality rates remain high, clearly there is a shortcoming in the delivery chain which needs to be rectified.

Conclusions

Child mortality is considered to be one of the most telling summary indicators of the country's development. The incidence of

infant mortality, the progress was insignificant, with a reduction of just two percent from 2001-02 to 2006-07, while in the next five years, it needs to be reduced by 40 percentage points or by nearly half the present rate.

In case of immunization, while overall progress between 2001-02 to 2008-09 has been satisfactory for both full vaccination and measles vaccination, much of the increase in coverage was concentrated during the years 2001-02 to 2004-05 while the coverage increased at an insignificant pace during 2004-05 to 2008-09. If the rising trend achieved during the first four years of the MDG could be repeated, it is still possible to achieve the MDG target by 2015. Yet achievability of the target with respect to

immunization seems increasingly unlikely.

The decline in measles immunization coverage during 2004-05 and 2008-09 is evident in all provinces except Balochistan where the coverage in measles immunization increased by 5 percent. Punjab ranked the highest in terms of coverage of both types of immunizations in 2004-05 and 2008-09, while Khyber-Pakhtunkhwa ranked second in both years, and Sindh and Balochistan are ranked 3rd and 4th respectively.

In respect of the proportion of children under five years of age suffering from diarrhea, progress has been satisfactory as the target set for 2015 was achieved in 2007-08 well ahead of time. Similarly, the progress in the coverage of households by Lady Health Workers (LHW) was increased from 38 percent in 2001-02 to 83 percent in 2008-09 in the first nine years of the MDG and the

attainment of 100 percent coverage by 2015 seems to be on track.

Meeting the targets of the MDG for Goal 4 will be challenging, as is the case with other social sector interventions, given the state of the economy and fiscal constraints which has resulted in the reduction of the allocation, to the social sectors. However, given the fact that the Seventh National Finance Commission Award is now in place, it is expected that provinces will have far greater funds to spend on the social sectors and perhaps some of the MDGs including Goal 4 indicators may be achievable.

Chapter 6



Goal 5
Improve Maternal Health

Chapter 6

GOAL 5: Improve Maternal Health

Target 6: a) Reduce by three-quarters between 1990 and 2015, the maternal mortality ratio;
b) Achieve universal access to reproductive health by 2015.

Table 6: MDG Indicators for Goal 5

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
Maternal Mortality Ratio (MMR)	No. of mothers dying due to complications of pregnancy and delivery per 100,000 live births	533*	350 ¹	400 ¹	380 ¹	276 ⁴	n/a	n/a	300	140
Proportion of births attended by skilled birth attendants	Proportion of deliveries attended by skilled health personnel (MOs, midwives, LHV's)	18 ²	40	48	35	37	40	41	60	>90
Contraceptive Prevalence Rate	Proportion of eligible couples for family planning programmes using one of the contraceptive methods	12 ¹	28	n/a	n/a	29.6 ⁴	30.2 ³	78 ⁴	51	55
Total Fertility Rate	Average number of children a woman delivered during her reproductive age	5.4 ¹	n/a	n/a	n/a	4.1 ⁴	3.85 ³	3.75 ³	2.7	2.1
Proportion of women 15-49 years who had given birth during last 3 years and made at least one antenatal care Consultation	Proportion of women (15-49) who delivered during the last 3 years and received at least one antenatal care during their pregnancy period from either public/private care providers	15 ²	35	50	52	53	56	58	70	100

Sources:

1. Estimates of Ministry of Health
2. Pakistan Integrated Household Survey (PIHS) 2001-2002, PSLM 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 (Whole series)
3. Based on Survey findings of PDHS 2006-07, estimates of National Institute of Population Studies (NIPS)
4. Pakistan Demographic and Health Survey 2006-07.
5. Estimates of National Institute of Population Studies (NIPS)

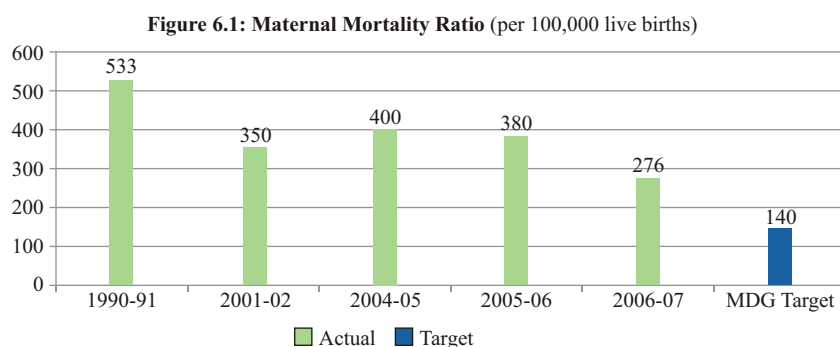
* Pakistan Reproductive Health and Family Planning Survey 2000-01 has quoted MMR as 533 based on Sisterhood Method.
n/a = not available.

Introduction

Maternal mortality is a serious cause for concern in developing countries. Worldwide, it is estimated that half a million women die annually from maternal causes, 99 percent of which occur in the developing world. Pakistan is no exception to this situation and suffers from a high rate of maternal mortality. It would be pertinent to mention that Pakistan is the world's sixth most populous country with an estimated population of 169.9 million and Total Fertility Rate of 3.75 in 2008-09¹.

Better nutrition and education along with medical facilities that are more accessible to expectant mothers and the availability of Trained Birth Attendants (TBA) can significantly improve the quality of life of expectant mothers as well as their new born children. Moreover, the greater use of family

The situation of maternal mortality has improved during the last few years



Source: Table 6

planning services and conveying of simple messages such as spacing between births, etc. will also have a positive impact on the health of women. However, like other MDGs, Goal 5 is also dependent on a larger and more holistic approach towards achieving the targets.

Progress towards Goal 5

Maternal Mortality Ratio (MMR)

The situation of maternal mortality has improved during the last few years; MMR has declined substantially to 276 deaths per 100,000 live births (LB) in 2006-07 from 400 in 2004-05 (Figure 6.1). This decline has reversed the rising trend in this indicator. In fact, the MTDF target for the indicator of 300

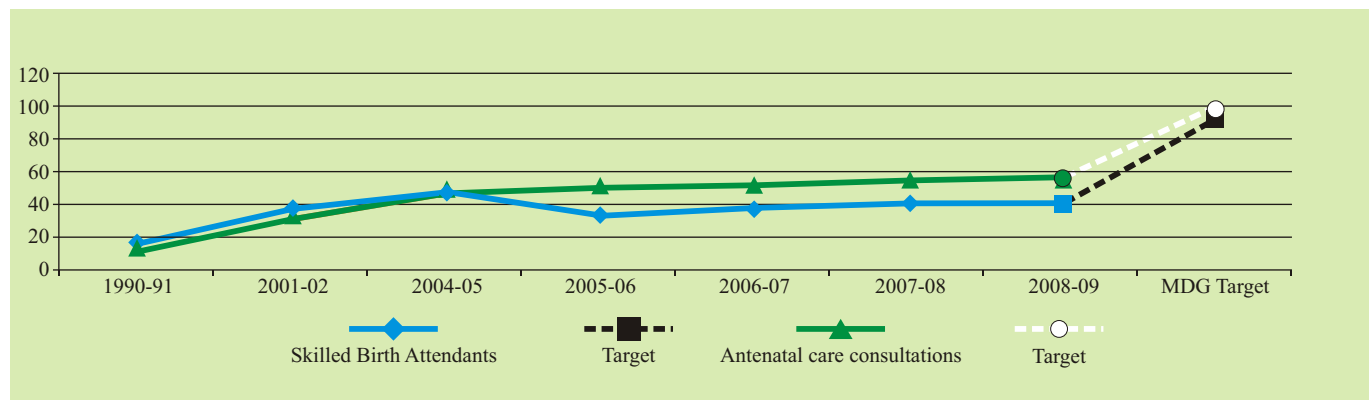
maternal deaths per 100,000 live births in 2009-10 has been exceeded. However, in order to achieve the MDG target of 140 per 100,000 live births will be challenging and require immense resources and efforts.

The Pakistan Demographic Health Survey (PDHS) 2006-07 reported a maternal mortality ratio (MMR) of 276/100,000 LB. The MMR in rural areas at 319/100,000 of live births was almost double to that of 175/100,000 LB in urban areas. An estimated 22.9 percent of deaths in rural women of reproductive age are due to pregnancy and child birth related complications as compared to 14 percent among urban women. An estimated 61 percent of mothers are reported to have received some prenatal care from a skilled health provider. Among those who did not receive prenatal care 73 percent did not consider it necessary to have antenatal check up; 30 percent reported that prenatal care costs too much; 9 percent said they were not allowed by their families to go for any check up; 8 percent said that the health facility was too far, and others cited reasons such as unavailability of transport, no time to go for prenatal checkups, no one to go with her to the health facility and lack of knowledge of where to go. Other factors like low quality of services, long waiting times for check up and lack of female health staff in the hospitals and health centers causes MMR to increase.

Proportion of Births Attended by Skilled Birth Attendant

Most pregnant women deliver their newborn at home and without assistance from skilled birth attendants. Child birth without skilled attendants involves great risk for mothers. The share of deliveries attended by skilled personnel, which was already quite low (48 percent in 2004-05) has gone down substantially to 41 percent in 2008-09 (Figure 6.2). The situation demands immediate attention and consistent efforts to increase this rate. The effective way to prevent maternal deaths is that deliveries must be attended by skilled personnel who can recognize and treat or refer any complications that arise.

Figure 6.2: Antenatal Care Consultations and Skilled Birth Attendants



Source: Table 6

Contraceptive Prevalence Rate (CPR) and Total Fertility Rate (TFR)

Higher contraceptive use and low fertility contribute to the improvements in maternal and child health. However, the situation in Pakistan is not optimistic. During 2001-02 and 2008-09 contraceptive use among married women has increased from 28 to 30.8 percent in 2008-09. Family planning leads to longer birth intervals and fewer births to older and very young mothers which are key factors in reducing maternal mortality. The socio-cultural norms in the country are a formidable barrier to wider adoption and use of contraceptive, which

usage/practice is low. This could be supply-side issues such as distribution, outreach, costs and subsidies of contraceptive products etc. Moreover, there is a close relationship between the TFR and the CPR. If the CPR rises the TFR will fall. This decline in the TFR could be more substantial if there was greater use of contraceptives in the country.

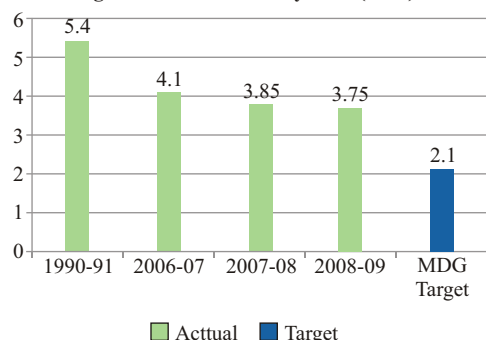
Higher contraceptive use and low fertility contribute to the improvements in maternal and child health

A marginal decrease in the TFR can be observed over the period 2006-07 to 2008-09 from 4.1 to 3.75 percent in 2008-09 (Figure 6.3) and it seems that the MDG target is unlikely to be achieved.

Proportion of Women 15 to 49 Years Who had Given Birth during Last Three Years and Made at Least One Antenatal Care Consultation

There has been a slight improvement in antenatal care between 2004-05 and 2008-09. Antenatal care has increased from 50 percent in 2004-05 to 58 percent in 2008-09 (Figure 6.2). This indicator needs more determined efforts and attention for reducing maternal mortality ratio, infant mortality rate and defective births.

Figure 6.3: Total Fertility Rate (TFR)



Source: Table 6

requires concerted efforts at social and behavioural change, rather than simply increasing the availability of contraceptives. This is particularly so since there is high knowledge and awareness about contraceptive products and services, but

Policies and Programmes

The key objective of various policies (MDTF, PRSP II and Health Policy 2009) in the context of maternal health includes reducing the widespread prevalence of communicable diseases, addressing inadequacies in primary/secondary health care facilities, correcting urban biases,

The role of federal and provincial governments is being redefined, with more responsibility regarding primary health care lying with provincial governments after the NFC Award and the 18th Constitutional Amendment

bridging basic nutritional gaps and improving the drug sector to ensure the availability, affordability and quality of drugs.

As the previous chapter has emphasised, the expansion and strengthening of the LHW programme has been very successful. In the 1990s the LHW programme was designed to provide basic community services to all rural and poor urban areas in Pakistan. As of 2009, approximately 95,000 LHWs were recruited, who are covering 90 percent of the target rural population. The lady workers offer a range of preventive services including family planning. The population served through LHWs has been found to have better health indicators. Thus, with the improvement of preventive services through LHWs, the maternal mortality ratio is likely to decrease further in the coming years. With an increase in the number of LHWs, it will also be possible that the coverage of more remote areas will take place.

The role of federal and provincial governments is being redefined, with more responsibility regarding primary health care lying with provincial governments after the NFC Award and the 18th Constitutional Amendment, which should allow more funds for provincial governments for development and the social sectors. The provincial governments have been taking



measures to ensure that public health systems work efficiently at the district and tehsil levels. Administration and financial powers were transferred to the district health office under the Devolution Plan (2001-09). Although with the end of the system of District Governments that are to be replaced by a yet unknown system of local government, it is difficult to predict how

social services will be delivered. The provincial governments have also initiated public-private partnership on experimental basis in health care services.

The Government aims to institutionalise quality ambulatory midwifery care at community level by providing one local resident midwife or a lady health visitor for a population of 35000. Furthermore, the World Bank is assisting in designing an Enhanced LHW Programme where the services of LHWs will be utilized more efficiently to reduce morbidity and premature mortality, especially maternal and child health services. The Behaviour Change Communication (BCC) strategy has been revisited to improve knowledge, attitude and skills of caretakers and parents of children for immunization of children, care of women during pregnancy/childbirth and immediately after birth.

In developing countries, NGOs are playing an important role in the delivery of health care services. NGOs involvement is important for providing better and expanded health services to remote areas. The government of Pakistan has also been encouraging NGOs and local communities in providing health and other basic services.

By developing partnerships between grass root communities, civil society organizations, district authorities and public sector line departments, a Basic Development Needs Program (BDNP) is required to be developed which involves communities in remote and backward areas to pinpoint their development needs and work together for their achievements. In short, the main objective of this programme is to address all the determinants of health collectively through the community. Presently, this programme is running in seven model areas and two new areas have been covered under this programme. This programme has been very successful in delivering quality services to the local population.

New Initiatives

Under the framework of the Health Policy 2009, some aspects of which have already been discussed in the previous chapter, the health sector will specially focus on the

provision of Family Planning (FP) services through the healthcare network and community based workers, by:

- Ensuring financing and provision of at least three modern contraceptive methods and skilled manpower in all health outlets of the Departments of Health (DoH) over the next three years;
- Strengthening the provision of FP services and products through the LHWs at the doorstep of the community, especially in rural areas and exploring use of social marketing techniques;
- Fostering greater functional integration between the two vertical institutional entities, (Ministry of Health and Department of Health vis-à-vis Ministry of Population Welfare and Public Works Department) in order to maximize synergies for ensuring the introduction of a minimum uniform and comprehensive reproductive health package in health and population outlets and a move towards better functional integration at the service delivery levels. The main constraint to be addressed through above measures is to ensure commodity security and availability of contraceptives in each and every health outlet.

The Maternal Neonatal & Child Health (MNCH) Programme will ensure training and deployment of the new cadre of community midwives. The strength of the LHW Programme will be further expanded in line with the priorities of the government to 120,000; further expansion will be decided upon as part of strategic planning. The LHW Programme intends to expand the scope of services focusing on introducing new methods of family planning, non-communicable disease prevention, control and health promotion. The MNCH Programme will also expand provision of round the clock comprehensive Emergency Obstetric and Neonatal Care (EmONC) services through 214 District Headquarters /Tehsil Headquarters (DHQ/THQ) hospitals.

It also aims to provide the basic EmONC services through 662 Rural Health Centres (RHCs)/THQ; it will promote the use of standard management protocols to deal with obstetrical and neonatal emergencies with the training of doctors. To provide leadership and strengthen management of maternal health services, fully functional federal, provincial and district MNCH cells are to be created.

Challenges and Constraints

Primary health care facilities are important for improving women and children's health outcomes at the community level. However, in some areas of the country lack of primary health care facilities results in travelling over long distances to seek health services. Where facilities are available, they are of very limited use due to a lack of staff and medicines. Poorly functioning health care services disproportionately affect women. Primary health facilities lack female staff at many places, which restrict women's access to health care facilities.

The LHWs programme was started with the objective of serving the community free of charge for neonatal and antenatal services. With polio campaigns which are carried out many times a year, the LHWs get engaged with these activities and this shifts their focus from the main job. Lady Health Workers are regarded as the most important maternal, newborn and child health services and information providers but a recent evaluation concluded that they were not having intended impact in hygiene and sanitation behavior, breastfeeding, growth monitoring, diarrhea and pneumonia prevalence and skilled attendance at delivery. It was reported that one in three LHWs failed to identify life-threatening conditions.

In the process of deliveries, experts have classified the underlying causes of maternal mortality according to the 'three delays' model: delay in deciding to seek medical care, delay in reaching appropriate care, and delay in receiving care at health facilities. The first delay stems from a failure to recognize danger signs. This is usually a consequence of the absence of skilled birth attendants. The second delay is caused by a

Poorly functioning health care services disproportionately affect women. Primary health facilities lack female staff at many places, which restrict women's access to health care facilities

Expenditure on health has remained around 0.56 percent of the GDP in year 2008-09 indicating low priority to the health sector

lack of access to a referral health facility or non-availability of transport or a lack of awareness of existing services. The third delay relates to the problems in the referral facility (including inadequate equipment or a lack of trained personnel, emergency medicines or blood). Responding to the three delays will ensure that women survive obstetric complications.

Community participation may be focused to reduce the risk of avoidable maternal deaths. The community education activities should address women's rights and should focus on the family to raise awareness and a sense of participation. Further these should raise awareness about pregnancy and childbirth complications and the need for immediate action. Community stakeholders are also vital to hold the government health system accountable on the one hand and assist health facilities to deliver quality EmOC services on the other.

While there is a critical shortage of health human resources, there are ways to respond to this problem. Upgrading skills of existing staff, for instance is an incentive for health personnel to remain in their jobs. This can include training nurse-midwives in life saving skills, training general practitioners, medical assistants and midwives in obstetric surgery and training nurses in aesthetic skills.

Another big challenge is lack of sufficient resources to improve health care facilities. Expenditure on health has remained around 0.56 percent of the GDP in year 2008-09 indicating low priority to the health sector. Moreover, the major share of this expenditure is consumed by tertiary health facilities with the result that primary health care facilities especially in rural areas remain neglected. While communities and donors can be expected to provide some resources, the government's allocation to the overall health sector, will have to be increased if MDG targets on Goal 5 are to be achieved.

This increase in budgetary outlays will be a constant challenge as long as the economy grows slowly and as long as there is a constraint on development spending. Key decisions, which affect the economy and government's resources, will have to be taken in order to address all of the MDGs.

Conclusions

In recent years, the focus of population planning programmes has shifted from reducing the rate of population growth and the fertility rate through the increased use of contraceptive methods, to greater care for pregnant women and the prevention of the high rates of maternal mortality. The first two indicators of Goal 5 relate to the reduction of the mortality ratio and increase in the proportion of births attended by skilled health personnel. In terms of these two indicators, Pakistan, while attaining some success, has a considerable distance to go to meet the MDG targets by 2015. The latest available data shows that the maternal mortality ratio has fallen to 276 per 100,000 in 2006-07 from 350 in 2001-02 but the MDG target of reducing MMR to 140 for 2015 still requires almost a halving of the latest maternal mortality ratio. A third indicator relating antenatal care also shows low progress towards the 2015 target. In terms of family planning indicators, the prevalence rate of contraceptive methods was estimated 30.8 percent in 2008-09 which is considerably short of the 2015 MDG target. From the analysis, it is clear that many of the specific targets for Goal 5 will not be met in the immediate future, and it will be challenging to meet the targets in 2015 unless herculean efforts are made to do so.

Chapter 7



Goal 6
Combat HIV/AIDS
Malaria and Other Diseases

Chapter 7

Goal 6: Combat HIV/AIDS, Malaria and Other Diseases

Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS

Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases

Table 7: MDG Indicators for Goal 6

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
HIV prevalence among 15-24 year old pregnant Women (%)	Proportion of the 15-24 year old pregnant women who are HIV positive	n/a	n/a	n/a	n/a	n/a	n/a	<0.1 ¹		Baseline to be reduced by 50%
HIV prevalence among vulnerable group * (e.g., active sexual workers) (%)	Proportion of the sub population of vulnerable group who are HIV positive	n/a	n/a	n/a	IDU=10.8 ¹ FSW=<0.05 MSW=0.4 HSW=0.8	n/a	IDU=15.8 ¹ FSW=<0.02 MSW=1.5 HSW=2.1	IDU=20.8 ¹ FSW= - MSW=0.9 HSW=6.4		Baseline to be reduced by 50%
Proportion of population in malaria risk areas using effective malaria prevention and treatment measures	Proportion of population living in 19 high risk districts of Pakistan having access and using effective malaria prevention and treatment as guided in roll back malaria strategy	n/a	20 ²	30	25	25	30	30	50	75
Incidence of tuberculosis per 100,00 population	Total number of TB cases per 100,000 population	171 ³	181	181	181	181	181	181	130	45
Proportion of TB cases detected and cured under DOTS (Direct Observed Treatment Short Course)	Proportion of TB cases detected and managed through DOTS strategy	n/a	79 ³	80	85	85	85	85	80	85

Source:

1. NACP, Ministry of Health (data before 2008-09 for HIV Prevalence among 15-24 year old pregnant women unavailable)
2. Malaria Control Program, Ministry of Health (whole series).
3. National TB Control Program, Ministry of Health (whole series)

*IDU=Injecting Drug Users FSW= Female Sex Workers MSW= Male Sex Workers HSW= Hijra Sex Workers
n/a= not available

The HIV prevalence amongst the vulnerable groups show increasing trend particularly in case of Hijra Sex Workers (HSWs) and IDUs

Introduction

Pakistan is in the middle of an epidemiological transition where almost 40 percent of the total burden of disease (BOD) is accounted for infectious/communicable diseases. These include diarrhoeal diseases, ARI, malaria, tuberculosis, hepatitis B&C, HIV/AIDS and childhood diseases. The prevalence of HIV/AIDS in the general population is still less than 1 percent of the population and Pakistan is therefore, considered a low prevalence country. Malaria, Hepatitis, and tuberculosis continue to be an endemic disease in large areas of the country.

Goal 6 of the MDGs covers two targets i.e. Targets 7 and 8 which focus on combating HIV/AIDS, malaria and other diseases. Both of these targets have to be achieved by 2015. Target 7 aims at halt and to reverse the spread of HIV AIDS by 2015, while Target 8 endeavours to halt and to reverse the incidence of malaria and other major diseases. In both the targets the baseline is to be reduced by 50 percent by 2015 which by all assessments and previous trends seem to be a challenge.

Progress towards Goal 6

HIV/AIDS

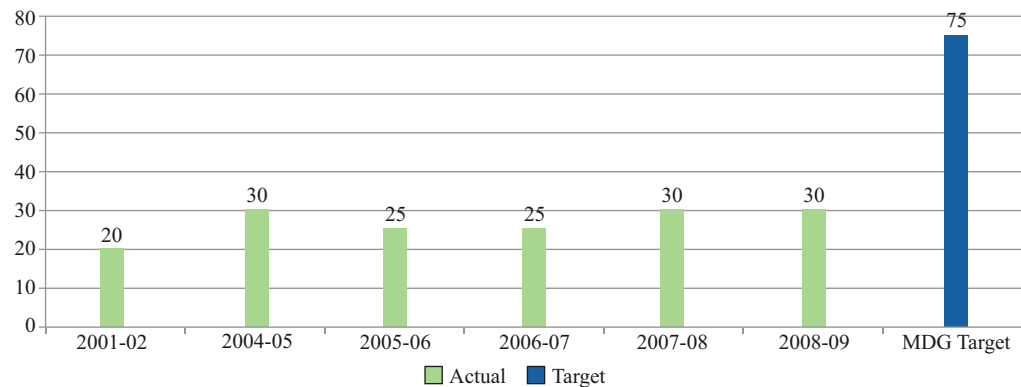
The indicators for measuring progress on Target 7 include HIV prevalence among 15-24 years old pregnant women and HIV prevalence amongst vulnerable groups. Although in Pakistan, the burden of this disease has not been very significant but HIV

epidemic is expanding particularly among Injecting Drug Users (IDUs) and Sex workers. Since 1987, over 4000 cases have been registered (NACP) however, number of people infected with HIV may be higher than registered. Though no comprehensive survey has been conducted yet, but small studies reflect that HIV prevalence among 15-24 year old pregnant women is reported to be still less than 0.1 percent. The HIV prevalence amongst the vulnerable groups show increasing trend particularly in case of Hijra Sex Workers (HSWs) and IDUs as HIV among IDUs has increased from 10.8 percent in 2005-06 to 20.8 percent in 2008-09, while for HSWs it has increased to 6.4 percent from 0.8 for the same period. Among other factors that have contributed in spread of HIV are low level of literacy and education, large number of migrants & refugees and vulnerability due to social and economic shortcomings.

Malaria

In Pakistan malaria has been a major public-health problem for many years threatening millions of people due to the prevailing socio-economic conditions and the epidemiological situation. The disease is now emerging as a prominent health problem in Balochistan and FATA, as well as in parts of Sindh and Punjab. Malarial epidemics in Pakistan, occurring at the interval of 8-10 years remain a mystery and the cyclic reoccurrences of epidemics are not fully understood. However, these have been attributed to a number of factors such as the influence of the weather & environmental

Figure 7.1: Proportion of Population in Malaria Risk Using Effective Malaria Prevention and Treatment Measures



Source: Table 7

changes, vector species composition, vector population dynamics, behaviour of vector species that prefer to feed on domestic animals and the extent of immunity amongst the local population.

The proportion of population facing malaria risk using effective malaria prevention and treatment measures in 2004-05 was 30 percent which declined to 25 percent in 2006-07, however latest figures of 2008-09 show that there has been a reversal and the number has gone up to 30 percent.

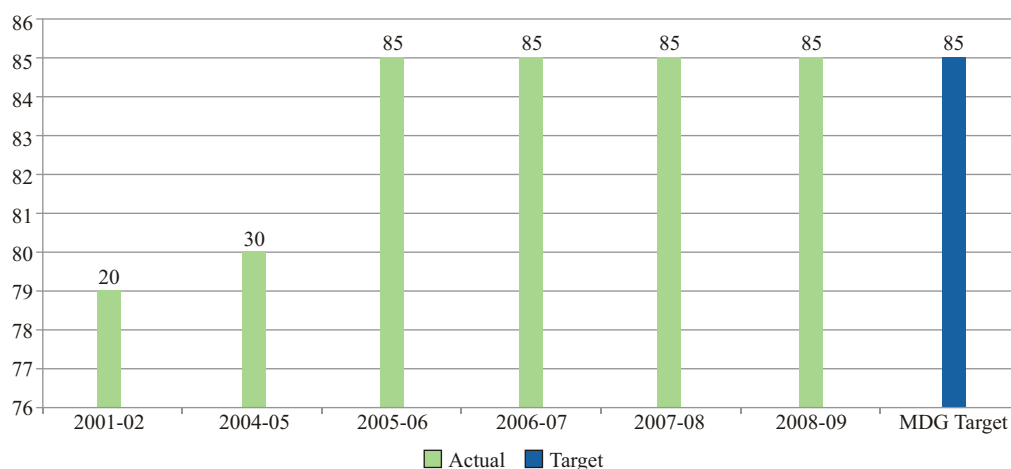
Tuberculosis

Tuberculosis still remains a major health problem in Pakistan with a large proportion

of TB cases in the age group 15-49 years. Higher population growth, lack of adequate immunisation & health care facilities and incomplete treatment of TB patients are the main causes of its prevalence. The percentage of TB cases detected and cured has increased from 79 percent in 2001-02 to 85 percent in 2008-09 and it seems that the MTFD target was met three years early. Moreover, this indicator is one of the few, which seems on track and may be met well before 2015. However, the incidence of tuberculosis per 100,000 population has not shown any improvement since 2001-02 as the number is stagnant at 181 since 2001-02.

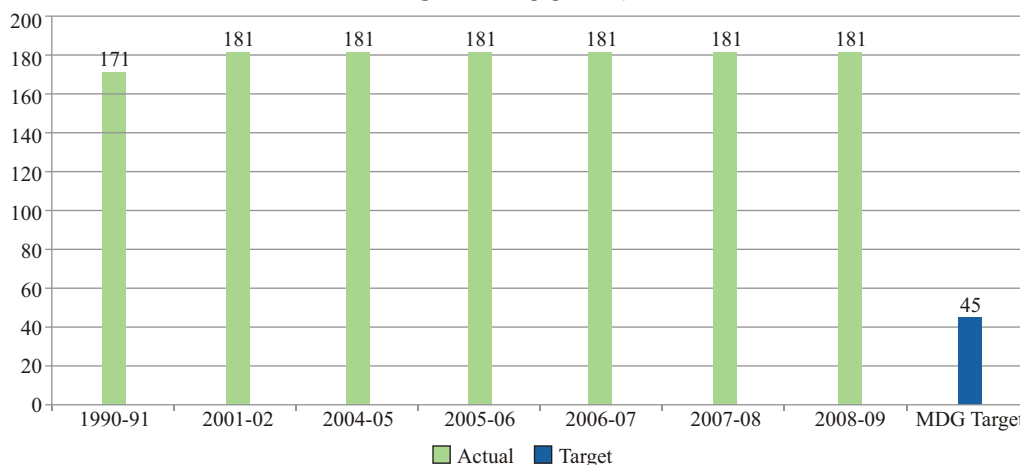
Tuberculosis still remains a major health problem in Pakistan with a large proportion of TB cases in the age group 15-49 years

Figure 7.2: Proportion of TB Cases Detected and Cured Under DOTS



Source: Table 7

Figure 7.3: Incidence of Tuberculosis (per 100'000 population)



Source: Table 7

Policies and Programmes

National Aids Control Programme (NACP)

The National AIDS control programme is a national response to the existing epidemic of HIV/AIDS in Pakistan, under this programme different activities are under implementation at both national and provincial level in collaboration with donors. The Programme since its implementation in 1988 has undergone many policy changes that reflect the overall change in the HIV/AIDS epidemic. Different activities involving awareness and control campaigns particularly for women are under execution by HIV/AIDS Control Programme.

Currently 7400 people are estimated to be living with HIV/AIDS in the country. With the HIV prevalence rate of less than 1 percent and up to 2008, 4900 deaths by the epidemic have taken place. Until now 4500 HIV positive cases have been reported to the National and Provincial AIDS Control Programmes which includes 2000 full-blown AIDS cases. Around 850 infected patients are receiving free treatment through 12 AIDS treatment centres. The total cost of the project is Rs. 1.1 billion and Rs. 246 million has been provided in the PSDP for the year 2010-11 although with fiscal cuts in the current scenario it is not clear as to how much will eventually be spent.

National Programme for Malaria Control

Malaria is the 2nd most prevalent and devastating disease in the country and has been a major cause of morbidity in Pakistan. Pakistan launched its malaria eradication campaign with the help of WHO in 1960. However, the eradication of malaria has not been achieved due to socioeconomic and epidemiological factors and continues to pose a potential threat to the health of millions of people. On the advice of WHO the Malaria Eradication Programme was converted into a Malaria Control Programme. The current project is an extension of the on-going Malaria Control Programme. The goal of the programme is to

improve the health status of the population by effectively controlling malaria through the implementation of the Roll Back Malaria strategies. The total cost of the project is Rs. 664 million. An amount of Rs. 100 million has been provided for the year 2009-



10. The prevention and control of malaria through the Roll Back Malaria Programme has improved the diagnosis of the cases and treatment provided accordingly. Considerable progress has been made with regard to the involvement of NGOs, awareness and operational research. Recent data shows that large-scale use of WHO recommended strategies can rapidly reduce malaria, especially in areas of high transmission such as Africa. WHO and member state countries including Pakistan have made significant gains in malaria elimination efforts.

National T.B. Control Programme

The fight against TB in Pakistan in the coming years has become a greater challenge in the wake of the emerging threat of Multi Drug Resistance (MDR) TB. Pakistan is 6th amongst 22 high disease burden countries. The National TB Control Programme has achieved 100 percent DOTS coverage in the public sector. In Pakistan, although the total number of TB cases stands at 76,668 the country has achieved the outcome target of MDGs that is the detection of TB at 80 percent which was achieved in the year 2007-08. The total allocated cost for the programme is Rs.1.2 billion with Rs. 230 million provided for the year 2009-10. This is one of the few targets of the MDGs which have been achieved.

The National TB Control Programme has achieved 100 percent DOTS coverage in the public sector

Priorities for Development Assistance

The priority areas identified for greater support include the following:



- There is a need for a better coordination of efforts and sharing of information among the various national and international agencies working on strengthening HIV/AIDS control efforts in Pakistan.
- Developing the capacity of national organizations to conduct useful, high quality operational research.
- Along with different policies and programmes there is a need to educate people about HIV/AIDS particularly it is important to create awareness among women as HIV infection through infected woman can be easily transmitted to their children, education and awareness programmes should be launched at both national and local level.
- The Enhanced AIDS Control Programme needs to focus more on infection control. Needle exchange programmes can be used to achieve this end. Syringe disposal by health care facilities is also an area that needs more work.
- Service delivery in the form of treatment through the health system, VCTs and provision of ARVs etc. need more investment of financial and human resources.

- The programmes of other ministries like those of education and labour and other health programmes, like the PHC, need to incorporate HIV interventions in their delivery mechanisms.
- Increasing access to contraceptives, promoting information and education to the masses.
- Strengthening public private partnerships and the involvement of the local community in service delivery at all levels.
- Training of doctors, LHWs, LHVs relating to TB to extend facility at the district level.

Both malaria and TB are contagious diseases and factors such as living conditions and proximity to carriers can affect others in the population resulting in epidemics

Challenges and Constraints

Although the percentage of TB cases detected and cured has increased from 79 percent in 2001-02 to 85 percent in 2008-09, and the target for the MDG has been met much earlier, there is a continuous need to bring down this rate further. Both malaria and TB are contagious diseases and factors such as living conditions and proximity to carriers can affect others in the population resulting in epidemics. While federally funded vertical programmes have played an important role in controlling the spread of both diseases, it might become necessary, especially as more resources are transferred to the provinces, for provincial governments and the new likely arrangements at district level, to take greater initiative in addressing all communicative diseases. Whether provincial and district governments have the ability to address these issues at this stage needs to be seen and will be one of the major challenges affecting the MDG targets. However, one thing is clear, as for most of the MDG targets, provincial governments will be expected to take greater responsibility of dealing with local issues.

Conclusions

Many of the targets identified in Goal 6, seem to be approaching successful completion of the MDG targets perhaps by the end of 2015. There has always been a low prevalence rate of HIV/AIDS and with the commitment shown to this disease, it seems

There has always been a low prevalence rate of HIV/AIDs and with the commitment shown to this disease, it seems possible that Pakistan will achieve its target by 2015

possible that Pakistan will achieve its target by 2015 as booming HIV treatment can enable more effectual prevention. In this regard enhanced level of coverage, quality and concerted help from the NACP will help in HIV prevention. The area in which there has been success and is likely to be achieved earlier than 2015 given the current trends, is the proportion of TB cases detected and cured under DOTS. However, two indicators i.e. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures and incidence of tuberculosis per 1,000,000 population do not look like they are going to be met unless concerted effort is made to do so. As in many of the other MDGs, provincial governments

will have to take greater initiatives in addressing issues related to Goal 7, as further resources are transferred to them under the Seventh NFC Award and also due to the elimination of the Concurrent List of the 18th Amendment. Nevertheless, if there are no serious epidemics of malaria and TB, it seems possible that even if the MDG targets are not fully met, Pakistan ought to move closer to achieving those targets, unlike in the case of some other Goals, where targets are still quite far afield.

Chapter 8



Goal 7
Ensure Environmental
Sustainability

Chapter 8

Goal 7: Ensure Environmental Sustainability

Target 9: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Target 10: Halve by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

Target 11: Have achieved by 2020, a significant improvement in the lives of slum dwellers

Table 8: MDG Indicators for Goal 7

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
Forest cover including state owned and private forest and farmlands	Forest cover including state owned and private forest and farmlands, as percentage of the total land area	4.8 ¹	4.8	4.9	5.02	5.02	5.02	5.02	5.2	6.0
Land area protected for the conservation of wildlife	Land area protected as percentage of total land area	9.1 ¹	11.25	11.3	11.3	11.3	11.3	11.5	11.6	12.0
GDP (at constant factor cost) per unit of energy use as a proxy for energy efficiency	Value added (in 1980/81 Rs) per ton of oil equivalent	26,471 ²	27,047	27,000	27,300	26,233	24,852	26,543	27,600	28,000
No. of vehicles using CNG (000)	No of petrol and diesel vehicles using CNG fuel	-	280 ²	1,000	1,250	1,600	1,900	2,200	800	920
Sulphur content in high speed diesel (as a proxy for ambient air quality)	Percentage of sulphur (by weight) in high speed diesel	1.0 ²	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5-0.25
Proportion of population (urban and rural) with sustainable access to a safe improved water source	Percentage of population with access to improved water source	53 ³	64	66	66	66	66	65	76	93

Indicators	Definitions	1990-91	2001-02	2004-05	2005-06	2006-07	2007-08	2008-09	MTDF Targets 2009-10	MDG Targets 2015
Proportion of population (urban and rural) with access to sanitation	Percentage of population with access to sanitation	30 ³	45	54	60	58	66	63	70	90
Proportion of Katchi Abadis regularized	Katchi Abadi regularized as percentage of those identified by the cut-off date of 1985	n/a ⁴	n/a	n/a	n/a	n/a	n/a	n/a	75	95

Sources:

1. Ministry of Environment, Government of Pakistan (whole series)
2. HDIP, Ministry of Petroleum and Natural Resources, Government of Pakistan (whole series)
3. PIHS 2001-02, PSLM 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 (whole series)
4. Survey on Katchi Abadis is under process

n/a= not available

Poverty, combined with a burgeoning population and rapid urbanization, is leading to intense pressures on the environment

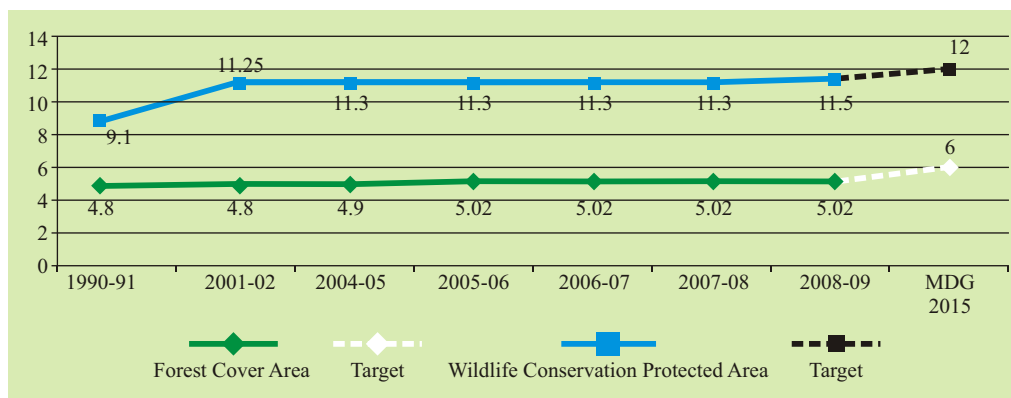
Introduction

Pakistan recognizes the importance of incorporating environmental concerns as a crosscutting theme in its sustainable development strategy. Like other developing countries, environmental degradation in Pakistan is intrinsically linked to poverty because of the overwhelming dependence of the poor on natural resources for their livelihoods; be it agriculture, forestry, fisheries, hunting, etc. Poverty, combined with a burgeoning population and rapid urbanization, is leading to intense pressures on the environment, which further

aggravates poverty. To arrive at sustainable solutions to environmental problems, this 'environment poverty nexus' needs to be addressed.

The integration of social and environmental concerns into the development processes, crosscutting across sectors of the economy in a holistic manner, is essential to achieve positive environmental outcomes. Strategic environmental assessment in developing planning processes is therefore, a pre-requisite for the integration of the environment at a policy, planning and programme level in different sectors.

Figure 8.1: Forest Cover and Wildlife Conservation Protected Area



Source: Table 8

Progress towards Goal 7

Forest Cover and Land Area Protected for the Conservation of Wildlife

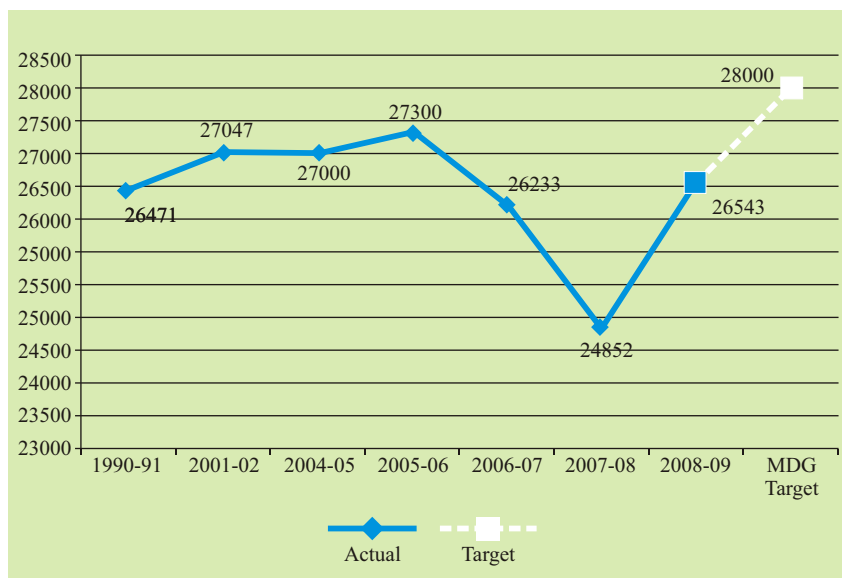
In 2004-05 Ministry of Environment reported that the land area under forest cover was 4.9 percent. The latest estimates show that the land area under forest cover has marginally increased from 4.9 percent in 2004-05 to 5.02 percent in 2008-09. The poor developing countries are constantly challenged to keep restoring a balance between the environment and development. Pakistan aims to increase the forest cover area up to 6.0 percent by 2015. However, a dedicated effort and huge investment is required to achieve this goal. According to Ministry of Environment, the deforestation rate estimated over the period 1990-2005 was 2.1 percent or 47 thousand hectares annually. Areas for the conservation of wildlife have steadily increased over time from 9.1 percent in 1990 to 11.5 percent in 2008-09. Although slightly short of the MTDf targets for 2009-10, there is some possibility that the MDGs target for 2015 can be met. While clearly achievable, some more measures will have to be taken to ensure that the target is achieved.

GDP (at constant factor cost) Per Unit of Energy Use as a Proxy for Energy Efficiency

Energy self-dependence and conservation are the keys to a nation's development especially when fuel prices are rising over the last few years. The World's energy scenario during 2008-09 has been very eventful. International oil prices fluctuated widely, rising to unprecedented levels leaving all vulnerable oil importing countries like Pakistan, under great stress. According to the Ministry of Environment, Pakistan is heavily dependent on large scale oil imports. On the other hand, the energy used is marred by a high degree of waste and inefficiency, with one of the highest energy intensity ratios in the world. The only solution to this situation is the controlled use, conservation, and value addition per unit of energy.

GDP per unit of energy use has been adopted as a proxy for energy efficiency and is

Figure 8.2: Value-added (Rs. at 1980/81 prices) Per Ton Oil Equivalent



Source: Table 8

measured as value addition (in Rs) per ton of oil equivalent. The Ministry of Petroleum and Natural Resources shows that the situation has been fluctuating over the years and value addition per ton of oil has increased from Rs 26,471 in 1990 to 27,300 in 2005-06. However, it declined sharply to Rs. 24,852 in the year 2007-08 and rose to Rs. 26,543 in the year 2008-09. The MDG target of Rs 28000 is potentially achievable, although rigorous efforts need to be made in order to do so.

Vehicular Air Pollution

The National Conservation Strategy (NCS) of Pakistan launched in 1992 looked at air pollution in conjunction with water pollution and placed considerable emphasis on these issues. Air pollution by its very nature, has noticeable negative impacts on human health and on the environment. The number of heavy transport vehicles using diesel has increased which is a major source of air pollution. The diesel used in Pakistan contains very high sulphur content (1 percent). However, Pakistan has planned to reduce the Sulphur content by half in 2010 and by three quarters by 2015.

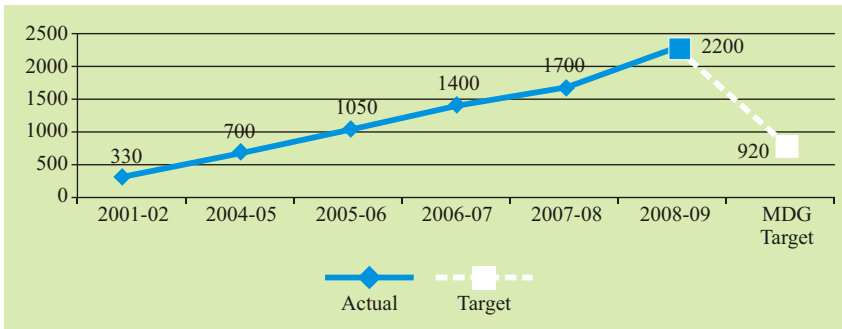
Nevertheless, measuring air pollution and assessing the context of air quality degradation is a complex process. The Government of Pakistan has ensured the

Energy self-dependence and conservation are the keys to a nation's development especially given the high fuel price rises over the last few years

implementation of an Environmental Monitoring System (EMS) to monitor the air quality at both the federal and provincial capitals; this will help in managing the ever deteriorating air quality in big cities.

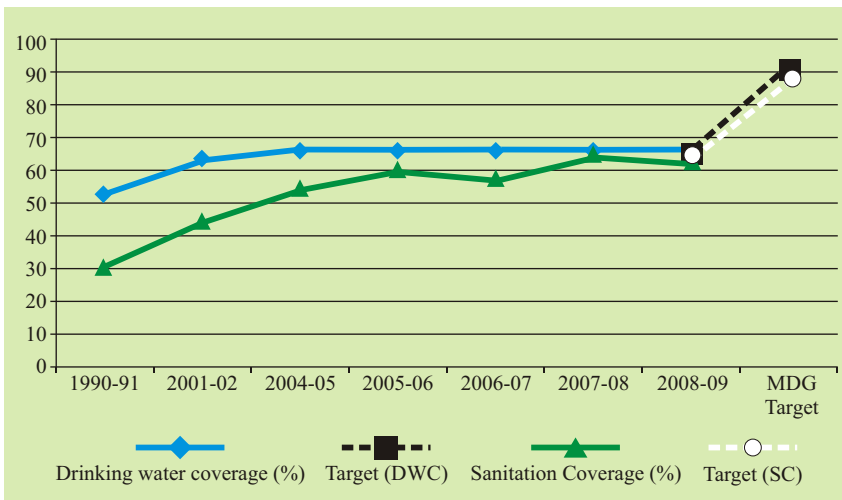
According to International Association of Natural Gas Vehicles (IANGV) Pakistan has

Figure 8.3: No. of Vehicles Using CNG (000)



Source: Table 8

Figure 8.4: Drinking Water and Sanitation Coverage



Source: Table 8

become one of the largest users of Compressed Natural Gas (CNG) in the world. The OGRA and HDIP, Ministry of Petroleum and Natural Resources reported that the number of vehicles using CNG have increased from 1,000,000 in 2004-05 to 2,200,000 in 2008-09. With ever rising petroleum prices, the substitution to CNG is moving at a much faster pace than in the past. In terms of percentage achievement this indicator has already been achieved well before its target of MDG 2015. Pakistan has the largest fleet of vehicles running on CNG

in South Asia, and is third worldwide after Argentina and Brazil. However, the challenge will be continued provision of CNG at adequate cost in an increasingly fuel-constrained environment.

Access to Safe Improved Water Source and Sanitation

Pakistan lags far behind in the provision of safe drinking water and sanitation facilities. The access to safe and improved water to 93 percent of population by 2015 is the tenth MDG target. However, it remains a big challenge to provide this facility to the poorest of the poor. In addition to water scarcity and surface water pollution, Pakistan is also marred with low coverage in safe drinking water supply, which is a major source for water borne diseases. With the launch of a Clean Drinking Water for All by 2008 strategy, the Government of Pakistan tried to step up its efforts to achieve MDG targets. Pakistan's adaptation of the MDG indicator for drinking water coverage, defines it as the proportion of population (urban and rural) with sustainable access to improved water sources i.e. piped and hand pumped water. According to PSLM survey 2008-09 water supply coverage increased from 53 percent in 1990 to 65 percent in 2008-09. However it has still a long way to go in reaching MDG target of 93 percent, with given current trends, it may prove to be an insurmountable challenge.

Inadequate quantity and quality of potable water and poor sanitation facilities and practices are associated with a host of illnesses such as diarrhea, typhoid, intestinal worms and hepatitis. The PSLM survey 2008-09 found that the sanitation coverage in the country has increased from 30 percent in 1990 to 63 percent in 2008-09. However, it has still a long way to go in reaching the MDG target of 90 percent by 2015.

As we have been underlining in other chapters, the link with access to adequate drinking water and with poverty, the IMR and MMR, is likely to be high, as it is with malaria. Given the critical position of water and sanitation in the health matrix, the adequate address of the issue can provide numerous positive externalities which will help achieve some of the other Goals of the MDGs.

Despite many of the successes mentioned above with regard to Goal 7, there are numerous environmental challenges being faced by the country which need urgent redress. Some of these are: controlling air and water pollution, deforestation, land degradation, integrated waste management (solid, liquid and hazardous) and preparedness for adaptation/mitigation due to climate change.

Access to safe drinking water and sanitation to the masses; enhancing the implementation capacity of relevant institutions to effectively and efficiently implement the environmental programmes; integration of the environment in all the development efforts needs up-scaling. Environmental awareness, participatory and community-involved management of natural resources, water resources management, planned urban and industrial expansions with minimum pollutions/emissions will be helpful in achieving MDGs target relating to environment.

Programmes and Policies

The Government of Pakistan has made a considerable increase in budgetary allocation for environmental projects in the Public Sector Development Programme (PSPD). Overall Rs. 6 billion has been allocated in the Federal PSDP 2009-10 for environmental projects. There are about 55 projects under implementation which fall in the brown, green and capacity building components/subsectors of the environment such as: mass awareness, environment education and environment protection, protected area management, forestry, biodiversity, watershed management etc. Capacity building of the environment related institutions have been given top priority. Furthermore, Rs. 2.7 billion has been allocated for the Clean Drinking Water for All Programme. For Forestry, biodiversity, watershed and water bodies' projects Rs. 1.8 billion have been allocated. An amount of Rs. 1.5 billion has been allocated for projects related to air pollution, climate change, and rehabilitation of existing projects. However, given the current scenario with an expected cut on PSDP allocations, it is to be seen as to how much allocations the Government of Pakistan makes for environmental programmes.

The Government of Pakistan declared 2009 as the National Year of the Environment. The

government environmental policy aims to improve the quality of life of the people of Pakistan through conservation, protection and improvement of the environment with effective cooperation among government agencies, civil society, private sector and other stakeholders. The policy addresses sectoral issues like (a) water management and conservations, (b) energy efficiency and renewable, (c) agriculture and livestock, (d) forestry and plantation, (e) biodiversity and protected areas, (f) climate change, air quality & noise and (g) pollution and waste management. In addition, the proposed policy aims to address other cross-sectional issues such as (a) population and environment, (b) gender and environment, (c) health and environment, (d) trade and environment, (e) poverty and environment and (f) environment and local government.

The government also has a Clean Drinking Water for All Programme which is meant to prevent the common person, especially the poor, from diseases which occur on the basis of contaminated water. Government of Pakistan aims to implement it on a fast track basis and hopes to address issues related to the following: (i) improving water and sanitation management to reduce the inefficient use of water, excessive groundwater pumping; and (ii) reducing water pollution by urban and industrial users through the on-site or combined waste water treatment and reuse. The Government strategy is that the future environment conservation, management and use must be based on a three-pronged approach, based on an equitable sharing of benefits of environmental management, increasing community management of natural resources, and integrating environmental issues into socio-economic development planning to achieve sustainable development.

As mentioned earlier achieving MDG targets is an uphill task and is heavily dependent on the availability of resources, political will, and rigorous fast track collaborative efforts. However, keeping in view the trend, it can easily be deduced that it will not be possible to achieve the Goal 7 of the MDG targets by 2015.

Monitoring and evaluation is usually the weakest link in assessing environmental indicators. It is marred with weaknesses of data availability and a lack of capacity, coordination

Pakistan has become one of the largest users of Compressed Natural Gas (CNG) in the world

One of the main challenges faced by a developing country like Pakistan with regard to environmental targets is the ability to balance economic growth and development with environmental sustainability

and information sharing. There does not seem to be much evidence of a monitoring and evaluation framework for the sector. As mentioned above, the environment is not a standalone subject, implying that it also depends on other sectors for the provision of required data. In the absence of any specialised country level survey, the sector depends heavily on administrative data gathered at lower levels. The data is analysed at national and sub-national levels, however since data is generated by different sources using different indicators and intervals, it is very difficult to analyse it in a standard format. Development of a sectoral monitoring and evaluation framework and streamlining of data flow is one of the most urgent challenges facing the sector and may also have an impact on the achievement of the MDG targets.

Challenges and Constraints

One of the main challenges faced by a developing country like Pakistan with regard to environmental targets is the ability to balance economic growth and development with environmental sustainability. These challenges are highlighted in the case of a country like Pakistan where the literacy level is still low and where general awareness about environmental issues is limited. Attitudes and a lack of awareness about environmental issues, as well as gross violation of government rules and regulations, often lead to measures which harm the environment. Clearly, this is one of the Goals, where issues related to mass public awareness campaigns, will have to be actively sought. Besides creating awareness about environmental concerns amongst citizen groups and NGOs, the government can enter in a partnership with such NGOs and support such causes. Hence, growing public awareness campaigns and closer linkages between the public and private groups might be one low-cost intervention to achieve this Goal.

It is also worth mentioning that over the last two years or so, Pakistan has been hit by a severe energy crisis, brought upon partly by rising fuel prices globally, but also because of excess demand at home. Moreover, the removal of subsidies to consumers has also meant rising costs to domestic consumers and industry. Clearly, with power shortages

and rising costs, initiatives need to be taken which address such issues since they could have, and have had, a deleterious impact on the economy, and might even affect unemployment and poverty adversely.

Conclusions

Goal 7 calls for ensuring environmental sustainability. It consists of three targets focusing upon: (a) integration of principles of sustainable development into qualities and programmes; (b) halving the proportion of people without access to safe drinking water and basic sanitation; and (c) to achieve significant improvement in the lives of slum dwellers. A number of indicators have been chosen to monitor the progress towards achieving these targets. Pakistan seems to be moving towards achieving some of the indicators, including the proportion of land area protected for the conservation of wildlife, GDP per unit of energy and the number the vehicles using CNG (already ahead of MDG target).

However, it lags behind considerably in terms of the three equity based indicators chosen for this Goal. Thus, the percentage of the proportion of population with access to safe water sources stood at 65 percent during the period 2004-05 to 2008-09 while the MDG target for 2015 is 93 percent. The percentage of population with access to sanitation improved during the period but did not exceed 63 percent till 2008-09 while the MDG target for this indicator is 90 percent access by 2015.

This is one of those Goals where there has been some success and it seems possible that some of the MDG targets will be met. Importantly, Goal 7 is not too dependent on fiscal spending as are the other Goals, and hence with greater and more appropriate legislation, at low cost, some new interventions can be made which will help in meeting the 2015 MDG targets.

Chapter 9



Goal 8
Develop Global Partnership
for Development

Chapter 9

Introduction

Goal 8 establishes the link between domestic and global policies to achieve the MDGs, which are a shared responsibility of the world community with individual developing countries. The targets under this goal are specified in qualitative rather than quantitative terms, as in case of the other seven goals. The target has achieved salience in view of the global financial crisis in 2008 and the continuing global economic recession it brought in its wake, as well as the challenges, Pakistan is facing as a result of its pivotal role in the war on terror. In many ways countries like Pakistan, which are open to the world, yet not fully benefitting from globalisation and the linkages with the rest of the world, could gain considerably by working towards achieving some of the targets related to this MDG. Moreover, for those countries, which face numerous economic and political challenges in addition to the challenges faced in achieving the other seven goals, developing a global partnership for development might facilitate the path to other MDG targets. Goal 8 can open a door to allow for many of the other goals also being achieved.

This is particularly so in a world interconnected under globalisation. Increasingly, it is being seen that as globalisation has expanded, so has the interdependence of countries and the repercussions on other. The recent international financial crisis was a global crisis, having repercussions on donor assistance, as well as foreign direct investment, to poor countries where the crisis did not originate. Globalisation can help decrease poverty in developing

countries through better integration and careful policies such as better education systems, sustained growth rate, new innovations and technological progress, etc. In order to benefit from an increasingly competitive world and to make better use of donor funding and markets, developing countries need to focus on better governance and structural reforms which are more investor friendly. Better economic management with better governance are signals to donors and investors to support developing countries.

In contrast to the fairly benign period for international development of the late 1990s and early 2000s, political and economic developments have taken a turn for the worse since the middle of the current decade, globally as well as locally in Pakistan. Rising defence budgets, high energy costs and the recession and unemployment in developed countries, have all had an impact on their capacity to continue their commitment to the MDGs. As a principal ally in the war on terror, Pakistan had to share a very large burden of losses, both in directly combating terrorism and in incurring the collateral damage on its people and the economy crucially through a marked decline in foreign investment since 2007.

Since the global economic crisis is likely to adversely affect capital inflows into developing countries, alternate avenues for resource transfers will have to be found. Greater market access, debt relief, access to affordable drugs information and communication technology, traditionally available from developed countries, may need to acquire priority as a support in meeting the MDGs targets by 2015.

Better economic management with better governance are signals to donors and investors to support developing countries

Market Access

Develop further an open, rule-based, predictable, non-discriminatory trading and financial system [including] a commitment to good governance, development and poverty reduction both nationally and internationally

The failure to reach an agreement on the Doha Development Round of multinational trade negotiations has been a major setback to the developing countries and a serious lapse in the strengthening of global partnership for the MDGs. Although some developed countries had started to implement the target in 2005 of granting duty free and quota free access to LDCs for at least 97 percent of their exports, many others have yet to do so.

Pakistan has been particularly disadvantaged in respect of textiles. Most developing countries exporting to the EU are enjoying GSP treatment for their exports, which implies a slightly lower rate of duty than the regular duty imposed on other exporters. This status is currently given to countries having exports less than one percent of the total EU imports (excluding oil), while Pakistan's exports stand around 1-1.5 percent. Pakistan has been trying to persuade EU to increase this threshold to 3 percent and to award it GSP Plus status and allow zero duty on Pakistani exports to European markets. If Pakistan is given the zero duty status, its exports to the EU could increase, according to estimates made by the Ministry of Commerce, from the current volume of around \$ 7 to 10 billion to \$ 15 to 20 billion. Thus increased market access may provide Pakistan a much more effective and sustainable means of support than capital inflows in achieving the MDG, as well as in meeting the challenges of the global war on terror. Since the domestic security situation since 2007 has been adverse towards foreign direct investment, and foreigners have been reluctant to travel or invest in Pakistan, even a short-term reduction in import duties in the EU can compensate for this loss. The need for such a relief is becoming obvious in the aftermath of devastating floods of August 2010.

Pakistan needs to accelerate its economic

performance to reach a target of \$ 50 billion by 2015 in order to meet the growing needs for imports, debt servicing and growth. For this, Pakistan will need to restructure the



composition of its exports in favour of more sophisticated and knowledge intensive sectors to cater to the changes in world demand and to compete with other exporters.

Pakistan's export performance in the year 2008-09 was subject to an unprecedented economic downturn especially in its major markets of export i.e. USA and the EU. In the backdrop of recession in the developed world, global trade shrank by 9 percent. Exports from Pakistan declined to US\$ 17.8 billion as compared to the previous year's exports of US\$ 19.1 billion. The brunt of this decline was borne by textiles, which account for around 54 percent of Pakistan's total exports. The textiles exports dropped from US\$ 10.6 billion 2007-08 to US\$ 9.6 billion in 2008-09. The share of exports in providing total foreign exchange earnings fell from 58 percent in 2004 to 54 percent in 2008, while that of remittances and FDI rose from 22 percent to 31 percent during the same period. Thus it seems imperative that exports should rise much faster than presently, given the need for imports and the unpromising environment for large capital inflows, including FDI. Remittances, in particular, have been a key contributor to Pakistan's foreign exchange earnings and surprisingly, seem to have grown even during the current recession in the Middle East and developed countries.

The short-term difficulties affecting Pakistan's export performance are not insurmountable, should the environment for

Increased market access may provide Pakistan a much more effective and sustainable means of support than capital inflows in achieving the MDG, as well as in meeting the challenges of the global war on terror

market access and external aid improves. However, Pakistan needs to address the longer-term problems being faced by its export sector, which has become out of sync with global realities. The advent of the recent wave of globalization has brought about a major change in the structure of international trade. Traded volumes, product composition and geography of global trade have undergone huge changes in the last two decades and one must recognise that Pakistan may have been slow to respond to these changes. A salient feature of this change has been a gradual increase in the share of non-textile manufactured exports at the global level, while the share of Textiles and Clothing in world trade has gone down. Currently, the share of Textiles stands at around 1.7 percent in world merchandise exports whereas share of Clothing stands at around 2.5 percent.

In contrast, Pakistan's share in the global market, according to WTO data has declined by more than 1/3 to 0.13 percent in 2009 from 0.21 percent in 1999. The share of non-textile manufactured exports in Pakistan has gone down from an already low figure of US \$ 5.83 billion (25.08 percent of total exports in 2007-08) to US \$ 3.12 billion in 2008-09. At the same time, our competitor economies, particularly in Asia, have significantly enhanced their share in non-textile manufactures.

The importance of sophisticated manufacturing exports for sustained economic growth has been stressed over time by cross-country experience. The relatively stable export composition of Pakistan indicates a slow structural transformation of our productive capabilities. On the contrary, many economies in the region have been successful in affecting a structural transformation. It is necessary to also highlight the fact that this is a supply side problem, not a demand side, or access to market, one. There is nothing stopping Pakistan from diversifying either commodities or the direction of trade. However, this is where the targets for Goal 8 could help. Skills can be provided in those areas which are related to improving the quality, design and even products of

exportable goods and services. If Pakistan lags behind other countries because of supply side issue, greater collaboration with donors and with other countries could fill the knowledge and skill gaps, which would help in increasing exports.

External Debt Sustainability

Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

A major concern in Pakistan's macroeconomic management has been the rising burden of its external debt, which makes it even more difficult to achieve domestic goals set out under the MDGs. Continuing balance of payments deficits, which are at least partly financed by interest-bearing loans, have contributed to rising external debts. Pakistan's external debt consisting largely of public and publicly guaranteed debt had stabilized to a large extent in the early 2000 to below \$30 billion. Since 2004, the external debt started rising again and rose to \$35.9 billion in FY 2006 as a result of growing current account imbalances. The imbalance in the current account, which contributed to the rise in external debt during FY 2006 to FY 2009, was attributable to the much faster import growth rate at 15.5 percent annually, compared to the export growth rate of only 7.8 percent. As a result, Pakistan's external debt liabilities (EDL) have recorded an average growth of 10 percent in the last four years, peaking at 40.3 percent in 2007-08 decelerating a little in 2008-09. The pace of growth was the highest during 2007-08.

Since FY 2008, the rise in external debt stock has been largely due to the stabilization and recovery efforts undertaken during 2008-09 and 2009-10. A major contribution to the increase in stock of outstanding debt has stemmed from the financing provided by IMF Standby Agreement in November 2008 to stabilise the economy. However, the impact of the IMF loan has not only been to increase the debt stock but also to slow down the economic growth and foreign exchange earnings thus causing a significant increase in the debt burden as measured by the EDL/FEE and EDL/GDP ratio. The largest debt increase

A major concern in Pakistan's macroeconomic management has been the rising burden of its external debt, which makes it even more difficult to achieve domestic goals set out under the MDGs

since 2000 occurred at the end of 2007-08 when it rose by US\$ 6.6 billion or 14.3 percent. The total external debt and liabilities have reached to a staggering some of US\$ 55.1 billion according to the provisional data for the first quarter of FY 2009-10, despite its

IMF) causing the EDL as a percentage of GDP to increase from 28.1 percent in 2007 to 31.7 percent by end of June 2009. Pakistan's external debt burden ratio is currently unsustainable and requires a medium term strategy to reduce the non-interest current

The total external debt and liabilities have reached to US\$ 55.1 billion

Table 9.1: Pakistan: External Debt and Liabilities

	In billions of US\$					
	FY05	FY06	FY07	FY08	FY09	FY10
1. Public and Publically Guaranteed Debt	31.1	32.8	35.3	40.2	42.2	43.9
<i>A. Medium and Long Term (>1 year)</i>	30.8	32.6	35.3	39.5	41.6	43.3
Paris Club	13.0	12.8	12.7	13.9	14.0	14.7
Multilateral	15.4	16.8	18.7	21.6	23.1	24.1
Other Bilateral	0.8	0.8	1.0	1.2	2.0	2.0
Euro Bonds/Saindak Bonds	1.3	1.9	2.7	2.7	2.2	2.2
Military Debt	0.2	0.1	0.1	0.0	0.2	0.2
Commercial Loans/Credits	0.2	0.2	0.1	0.1	0.2	0.2
<i>B. Short Term (<1 year)</i>	0.3	0.2	0.0	0.7	0.7	0.6
IDB	0.3	0.2	0.0	0.7	0.7	0.6
2. Private Non-Guaranteed Debt (>1 year)	1.3	1.6	2.3	2.9	3.3	3.3
3. IMF	1.6	1.5	1.4	1.3	5.1	6.4
Total External Debt (1 through 3)	34.0	35.9	39.0	44.5	50.7	53.7
(of which) Public	32.1	33.8	36.5	40.7	46.3	49.4
4. Foreign Exchange Liabilities	1.4	1.3	1.3	1.7	2.1	1.4
Total External Debt & Liabilities (1 through 4)	35.4	37.2	40.3	46.2	52.8	55.1

Source: State Bank of Pakistan, Economic Affairs Division and Debt Policy Coordination Office, Islamabad.

reduction by US\$ 515 million as a result of the repayment of the Sukuk Bond made in February 2009.

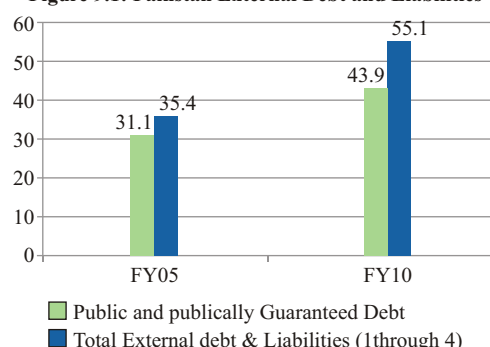
The external debt burden of Pakistan as given by the EDL to GDP ratio has historically been decreasing, as GDP has grown faster than EDL. A downward trend in the EDL to GDP ratio was, however,

account deficit within the next few years. The decline in FDI flows also needs to be reversed.

Pakistan's debt servicing liabilities from 2004-05 to 2007-08 were around \$ 4 billion per year of which \$1.3 billion each year have been rolled over during the first three of those years leaving an amount of less than \$ 3 billion to be paid each year as actual debt servicing. During 2008-09, Pakistan had to pay almost \$1.5 billion more in the debt servicing than in the previous year despite the amount rolled over being larger than in the four previous years. Partial data for the current fiscal year 2009-10, suggests that there has been a sharp increase in external debt servicing, with an anticipated \$ 5 billion to be paid in 2009-10.¹²

In terms of achieving Goal 8 and its targets, the international community did play a role after 9/11, in debt rescheduling and debt write-offs in the case of Pakistan's huge debt. In fact, as Chapter 1 highlights, a key reason for the high growth rates between 2002 and 2007, were on account of the room provided

Figure 9.1: Pakistan External Debt and Liabilities



Source: Table 9.1

reversed in 2008-09 due to a deceleration in the GDP growth rate of 2 percent along with substantial inflow of foreign loans (mainly

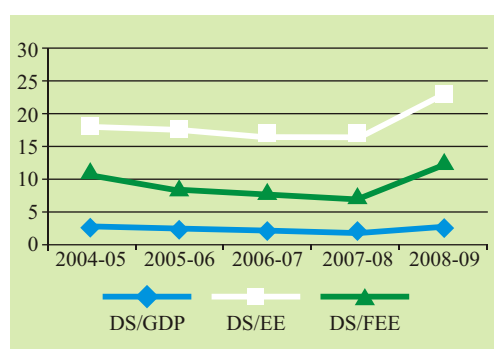
¹² Dawn, Karachi, 16 May 2010

Table 9.2: Pakistan's External Debt Servicing (Million\$)

Years	Amount Due	Actual Amount Paid	Amount Rolled-over
2004-05	4,083	2,783	1,300
2005-06	4,196	2,896	1,300
2006-07	4,170	2,870	1,300
2007-08	4,322	3,122	1,200

Source: State Bank of Pakistan

Figure 9.2: Debt Servicing (DS) as % of GDP, Exports Earnings (EE) and Foreign Exchange Earnings (FEE)



Source: State Bank of Pakistan and Economic Survey (Various issues)

by the debt rescheduling, which gave rise to ample fiscal space as well, resulting in a consumer boom and some development expenditure increases. It would be legitimate to claim, that the debt rescheduling and write-off, allowed some progress to be made towards many of the targets of the MDGs. The high and continuing debt burden hinders spending towards MDG targets.

Official Development Assistance

The Official Development Assistance (ODA) from the members of the OECD Development Assistance Committee rose to \$119 billion in 2008, an increase of 10 percent in real terms over 2007. However, the share of ODA in the Gross National Income (GNI) of the developed countries which rose from 0.28 percent in 2007 to 0.30 percent in 2008 remained below 0.33 percent in 2005, largely as a result of debt relief granted to Iraq and Nigeria. To reverse this trend, the Gleneagles, Scotland, meeting of G-8 countries in 2005 set a target of \$154

billion for 2010 or an additional flow of \$17 billion a year. This target will be hard to achieve in the face of continuing recession in most developed countries some of which set their aid goals in terms of a fixed share of GNI. The G-20 summit in April 2009 underlined the need to ensure that ODA commitments are not cut back during the crisis.

In addition to the fall in the overall target for ODA, there is also a serious problem of distribution or 'coverage' of ODA among the recipient countries. The distribution of ODA across countries is highly skewed in favour of countries in which the loaners perceive a political stake. In 2007, the largest recipients of ODA were Iraq and Afghanistan (although the latter received half as much as Iraq). Together, the two countries received about 1/6th of all allocable ODA from the DAC countries even though they account for less than 2 percent of the total population of developing countries. Pakistan, which like Iraq and Afghanistan is also an ally in the war on terror, received a tiny fraction of the ODA per capita received by Iraq and Afghanistan. In 2007, the per capita ODA receipts of Iraq, Afghanistan and Pakistan were \$311, \$150 and \$13, respectively.

An equally serious problem related with ODA, from the viewpoint of the recipient country is aids volatility, which makes it difficult for them to use these resources in their development plans. Some components of aid, such as humanitarian assistance and debt relief, are inherently unstable, but even longer-term development assistance has often proved volatile, even when donor countries are not facing serious economic difficulties. Pakistan has been a particular casualty of this volatility and unreliability. For example, the budget for 2009-10 announced in June 2009, included a component of \$ 2.3 billion as expected aid from a number of donor sources which later became a banner group called the Friends of Democratic Pakistan and Pakistan's development strategy for the year was predicated on receiving these funds. However, for numerous reasons, the money did not come through and eventually huge reductions had to be made in the PSDP. Similarly, the Kerry Lugar Act approved by

A high proportion of the ODA provided to Pakistan is in the form of loans rather than grants which gives rise to serious problem of debt servicing. Between 1999-00 to 2007-08, only 20 percent of ODA was in the form of grants while 80 percent was received as loan

the US Administration, has scheduled large payments to Pakistan for five years, and the Government of Pakistan has been waiting for this aid to come through so that it can be used for development purposes. The uncertainty of even promised and agreed to aid, can make MDG targets further out of reach of countries who hope to fill this gap through multilateral and bilateral assistance.

The share of ODA in Pakistan's GNI has ranged from 1.0 percent to 2.9 percent, with the highest ratio being obtained during 2001 (2.8 percent) and 2002 (2.9 percent) following the 9/11 attack and the declaration of war on terror against Afghanistan. On a per capita basis, ODA flows to Pakistan fluctuated between \$10-\$15 per annum over the last decade. IDA (World Bank), USA, ADB, the UK and Japan have been Pakistan's main donors.

A high proportion of the ODA provided to Pakistan is in the form of loans rather than grants which gives rise to serious problem of debt servicing as argued above. Of the total amount of loans and grants disbursed between 1999-00 to 2007-08, only 20 percent of ODA was in the form of grants while 80 percent was received as loan. During 1999-00 to 2007-08, debt servicing has accounted for more than 60 percent of the ODA flows each year. It needs to be recalled that the Millennium Declaration commitment to reduce developing country debt was made separately and debt relief was to be additional to the commitment to increase ODA. Nevertheless, some of the costs of debt relief are often included in the ODA reported by donors. This raises the possibility that debt relief might replace non-debt relief aid flows, rather than add fresh resource flows. In conformity with the Millennium Declaration commitments, debt relief should be over-and-above the targets that have been established for ODA. Another problem associated with the ODA flows to Pakistan has been the large gap between commitments and disbursements of loans, which can be substantially lower than the commitments made by donors. The problem is especially serious in case of project loans.

An indication of the extent of the gap between commitments and disbursements, and the volatility and unreliability of aid can

be gauged by data related to promises since the incumbent government came to power. According to a recent government publication, multilateral sources have 'committed \$ 6.1 billion. Commitments from bilateral sources amount to \$ 5 billion and another \$ 2.2 billion grants and \$ 2.6 billion in loans. Also an amount of \$ 11 billion has been committed for budgetary, project aid, short-term credits, earthquake reconstruction, Friends of Democratic Pakistan (FoDP) commitments, IDPs, commodity aid, food and Afghan refugees. Commitments for non-project and project aid stands at \$ 11 billion. Even if a small proportion of these commitments were realised, they would address Pakistan's revenue shortfall and could help in reaching a number of targets of many of the MDGs. However, past practise suggest, that this is unlikely to be the case.

Access to Affordable Essential Medicines

In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

A major element of global partnerships for development is the need for affordable essential medicines in order to achieve MDG goals 4 to 6 relating to health issues. In this regard, the availability of cheap medicines, in both the public and private sectors for common diseases, especially among the poor, is essential to make affordable the medicines which are presently beyond the reach of even relatively affluent people. Non-communicable diseases such as diabetes, asthma and cardiovascular diseases have become leading causes of death in many developing countries. The costs of medicines to treat these chronic diseases are often equivalent to a high fraction of the monthly income of low paid public and private employees (especially in the informal sector, where daily wages are paid). It is estimated that Pakistanis spend more than 80 percent of their total health expenditure on buying medicines. In many cases, the incidence of such diseases becomes the tipping point of a household's descent into poverty.

International assistance in supplying inexpensive medicines to poor countries can help to bring relief to those vulnerable to such diseases. The global economic crisis which has caused per capita income to fall and national currencies to depreciate has further reduced access to affordable medicines. Few developing countries have adequate or efficiently run public sector health programmes, most of which do not cover the cost of medicine or make such medicines available at reduced prices.

High prices of medicines are caused in part by high add-on costs in the supply chain, such as wholesale and retail margins and duties and taxes, all of which can increase final prices in both the public and private sectors. The basic law in Pakistan relevant to

subscriptions per 100 population;

Indicator 48 Internet users per 100 population

One sector which remains relatively unaffected by the global economic crisis is the information and communication technology sector, especially cellular telephones, which have seen rapid rise in most of the developing countries including Pakistan. Pakistan has seen its tele-density grow exponentially over the last few years. Mobile phones which had a density of just 5 percent of the population in 2004, in six years, are now owned by approximately 70 percent of the Pakistani population. Internet subscriptions have also grown over the last five years, and as the state owned telephone company has been privatised, the process of

Pakistan has seen its tele-density grow exponentially over the last few years

Table 9.3: Absorption of Information and Communication Technology

Years	Telephones	Cell Phones in '000'	Internet Connections in '000'	Telephone Lines Per 100 Population	Internet Users Per 100 Population	FDI in Telecom US\$ Million	Broadband Subscriber
2000-01	3,340	742	800	2.4	0.57		
2001-02	3,656	1,698	1,000	2.6	0.7		
2002-03	4,940	2,404	1,600	3.4	1.1		
2003-04	4,460	5,022	2,000	3	1.3	207	
2004-05	5,191	1,2771	2,100	3.5	1.4	494	
2005-06	5,128	34,506	2,400	3	1.6	1,905	26,611
2006-07	4,806	63,163	3,500	3	2.2	1,824	45,153
2007-08	4,546	88,019	3,700	32.8	2.3	1,439	168,082
2008-09	3,700	91,422	3,700	2.2	2.3	815	413,809

Source: Pakistan Tele-communication Authority, Islamabad and Pakistan Economic Survey (various issues).

this goal is the Drugs Act of 1976 which regulates the imports, exports, manufacture, storage, distribution and sale of medicines in Pakistan. Although there are a number of large global pharmaceutical companies at work in Pakistan, there is, perhaps, a need for greater collaboration and assistance in order to have essential drugs readily available at cheap prices.

Access to New Technology

In cooperation with the private sector, make available the benefits of new technologies, especially information and communications indicators

Indicator 47 Telephone lines per 100 population; 8.15 Mobile cellular

acquiring fixed landlines, has been simplified and market driven. Anecdotal and other documented evidence from Pakistan suggests that in terms of telephones, Pakistan is ahead of many other comparable countries. Moreover, innovations in the telephone sector, such as internet and mobile banking, have been introduced recently.

However, Pakistan needs to redouble its efforts to catch-up with other neighbouring countries, such as India, to access the benefits of globalization through information technology, software development and outsourcing activities. For this it needs to make considerable investments in education, infrastructure and R&D facilities to attract foreign direct investment in these fields.

Challenges and Constraints

Of all the Eight Goals, this is the only Goal which depends not so much on what the Pakistani Government can do, but what the global community can do for and with Pakistan. Of course, as we show above, much of the onus does depend on how the Pakistani Government responds to initiatives from abroad and how it attracts foreign assistance, but to a great extent, global forces will determine how effectively Pakistan uses Goal Eights' components to fulfil all the other Goals. For example, donors are willing to support many of the initiatives outlined in Goals 1-7, as they have in the past, but they require that Pakistan's issues of governance be addressed. Clearly, while overseas development assistance will be forthcoming to Pakistan, the Government will have to ensure that this aid is put to better use and is more effective.

While the Pakistani Government always raises the issue of greater market access, particularly with the European Union and the United States, as we argue above, Pakistan's exports have become supply-constrained due to lack of diversification. Hence, rather than continue to ask for market access of products which are to be found cheaper in other countries, Pakistan needs to diversify its exports moving in to high value added products with a high skill component. Hence, rather than ask for concessions on textiles and made-ups, the Government of Pakistan needs to focus on Information Technology related initiatives which produce skilled technicians who can add to Pakistan's exports. Concessionary market access will not be required once Pakistan competes in fields and areas where there is a growing demand.

Perhaps the biggest challenge of Goal 8 will be to manage Pakistan's external debt liabilities, which have now reached \$ 55 billion. With foreign debt and its repayment increasingly eating in to Pakistan's foreign exchange resources and leaving little for development, far greater effort will have to be made towards sagacious use of foreign aid and loans, more carefully and purposefully. While foreign borrowings can be used for

budgetary support and for productive purposes, there is also the danger of falling into a huge debt trap.

Conclusions

The consequences of a globalised world have been felt and recognised by all participants who make up the global economy. Whether it is environmental disasters or natural occurrences such as the recent Icelandic volcanic eruption or the 2008 global financial crisis, or the nascent European crisis of May 2010, or the war on terror in and around Pakistan and Afghanistan, the consequences of numerous local and supposedly isolated events, have global outcomes, some of which can be catastrophic. Since there is little doubt that the world is interconnected, just as the negative fallout of events in one country can have disastrous consequences for other countries and their economies, so too can global efforts and initiatives aimed at improving the lot of one country or region.

Pakistan's location, both in terms of geography and development, has become, and can remain, a focal point for help and assistance to achieve all seven of its MDGs through progress in the Eighth Goal, which includes greater market access, development assistance, and greater connectivity. Aid has been crucial in achieving many of its developmental goals and MDGs. However, the manner of aid distribution, with its conditionality, variability and uncertainty, has also caused problems, which may have undermined some of the benefits from that assistance. With trade now replacing aid as a means to development, Pakistan's desire for greater market access is largely supply-constrained, where Pakistan's narrow export base has limited exportable services and commodities. Bilateral and multilateral overseas development assistance can play a key role in providing support in developing the faculties of Pakistani producers enabling them to take advantages of the global economy, rather than be victims of it.

Perhaps the biggest challenge of Goal 8 will be to manage Pakistan's external debt liabilities

Annexure

MDGs and Targets	Indicators for Pakistan
Goal 1: Eradicate Extreme Poverty and Hunger	
<p>Target 1. Halve, between 1990 and 2015, the proportion of people whose income is less than a dollar a day</p> <p>Target 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<ul style="list-style-type: none"> • Proportion of population below the calorie based food plus non-food national poverty line. • Prevalence of underweight children under-five years of age • Proportion of population below minimum level of dietary energy consumption Goal
Goal 2: Achieve Universal Primary Education	
<p>Target 3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</p>	<ul style="list-style-type: none"> • Net primary enrolment ratio • Completion/survival rate to grade 5 • Literacy rate
Goal 3. Promote Gender Equality & Women Empowerment	
<p>Target 4. Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015</p>	<ul style="list-style-type: none"> • Gender Parity Index (GPI) for primary, secondary and tertiary education • Youth literacy GPI • Share of women in wage employment in the non-agricultural sector • Proportion of seats held by women in National Assembly and Senate, provincial assemblies and local councils
Goal 4. Reduce Child Mortality	
<p>Target 5. Reduce by two thirds, between 1990 and 2015, the under-five mortality rate</p>	<ul style="list-style-type: none"> • Under-five mortality rate • Infant mortality rate • Proportion of fully immunised children aged 12-23 months • Proportion of children under 1 year immunised against measles • Proportion of children under five who suffered from diarrhoea in the last 30 days • Lady Health Workers' coverage of target
Goal 5. Improve Maternal health	
<p>Target 6. Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio</p>	<ul style="list-style-type: none"> • Maternal mortality ratio • Proportion of births attended by skilled birth attendants • Contraceptive prevalence rate • Total fertility rate • Proportion of women 15-49 years who had given birth during last 3 years, and made at least one antenatal care consultation
Goal 6. Combat HIV/AIDS, Malaria and other diseases	
<p>Target 7. Have halted by 2015 and begun to reverse the spread of HIV/AIDS</p>	<ul style="list-style-type: none"> • HIV prevalence among 15-24 year old pregnant women • HIV prevalence among vulnerable groups (e.g., active sex workers)
<p>Target 8. Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</p>	<ul style="list-style-type: none"> • Proportion of population in malaria risk areas using effective malaria prevention and treatment measures • Incidence of tuberculosis per 100,000 population • Proportion of TB cases detected and cured under Directly Observed Treatment Short Course (DOTS)
Goal 7. Ensure Environmental Sustainability	
<p>Target 9. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources</p>	<ul style="list-style-type: none"> • Forest cover including state-owned and private forest and farmlands • Land area protected for the conservation of wildlife • GDP per unit of energy use (as a proxy for energy efficiency) • No. of vehicles using CNG fuel • Sulphur content in high speed diesel (as a proxy for ambient air quality)
<p>Target 10. Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation</p>	<ul style="list-style-type: none"> • Proportion of population with sustainable access to an improved water source, urban and rural • Proportion of urban and rural population with access to improved sanitation
<p>Target 11. Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers</p>	<ul style="list-style-type: none"> • Proportion of Katchi Abadis (slums) regularized

Goal 8: Develop a Global Partnership for Development

Target 12. Develop further an open, rule based, predictable, non-discriminatory trading and financial system

- Market Access
- Debt Sustainability
- ODA Assistance

Target 15* Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long run

Target 16. In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.

- Unemployment rate of young people aged 15-24 years each sex and total

Target 17. In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

- Proportion of population with access to affordable essential drugs on a sustainable basis

Target 18. In cooperation with private sector, make available the benefits of new technologies, especially information and communications

- Telephone lines and cellular subscribers per 100 populations.
- Personal computers in use per 100 population and internet users per 100 population

* Target 13 and 14 relate to land-locked countries and island economies. UN indicators 33-44 for targets 12-15 assess the three dimensions i.e., market access, debt sustainability and ODA assistance.

Technical Notes

Chapter 1 Introduction

Gross domestic product is gross value added, at purchasers' prices, by all residents producers in the economy plus any taxes and minus any subsidies not included in the value of the products. It is calculated without deducting for depreciation of fabricated assets or for depletion of or degradation of natural resources. Value added is the net output of an industry after adding all outputs and subtracting intermediate inputs.

Chapter 2- Goal 1: Eradicate Extreme Poverty and Hunger

The poverty headcount ratio is the proportion of the national population whose incomes are below the official poverty line, which was based on threshold caloric intake requirement (for Pakistan) of 2350 calories per person per day.

Prevalence of (moderately or severely) underweight children is the percentage of children under five years old whose weight for age is less than minus two standard deviations from the median for the international reference population ages 0-59 months.

Proportion of the population below the minimum level of dietary energy consumption is the percentage of the population whose food intake falls below the minimum level of dietary energy requirements. This is also referred to as the prevalence of under-nourishment, which is the percentage of the population that is undernourished.

Poverty gap is the mean shortfall from the poverty line (counting non poor as having zero short fall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence.

Gini-coefficient of inequality is the most commonly used measure of inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

Chapter 3- Goal 2: Achieve Universal Primary Education

Gross Enrollment Rate (GER) sometimes referred to as the participation rate, is the number of children attending primary schooling divided by the number of children who ought to be attending multiplied by 100.

Net Enrollment Rate (NER) at primary level refers to the number of students aged between 5-9 years who are enrolled in primary schooling divided by the total number of children aged 5-9 years, multiplied by 100.

Primary completion rate is the ratio of the total number of students successfully completing (or graduating from) the last year of primary school in a given year to the total number of children of *official graduation age in the population*.

Literacy rate is measured as the proportion of people aged 10 and above, with an ability to read a newspaper and write a simple letter.

Chapter 4- Goal 3: Promote Gender Equality and Women's Empowerment

Gender parity Index in primary and secondary school is the ratio of the female gross enrollment rates at primary and secondary levels in public and private schools to the male gross enrollment rate.

Youth Literacy GPI is the ratio of female literacy rate to the male literacy rate for the age group 15-24. A value less than one indicates the difference in favor of boys, whereas a value of close to one indicates that parity has been achieved.

Share of women in wage employment in the non-agricultural sector is the share of female workers in the non-agricultural sector expressed as a percentage of total employment in the sector.

Chapter 5- Goal 4: Reduce Child Mortality

Under-five mortality rate is the probability (expressed as a rate per 1,000 live births) of a child born in a specified year dying before

reaching the age of five if subject to current age-specific mortality rates.

Infant mortality rate is typically defined as the number of infants dying before reaching the age of one year per 1,000 live births in a given year.

Proportion of 1-year-old children immunized against measles is the percentage of children under one year of age who have received at least one dose of measles vaccine.

Full immunization means that the child has received BCG to protect against tuberculosis, three doses of DPT for protection against diphtheria, pertussis and tetanus and three doses of Polio vaccine and a measles vaccination.

Chapter 6 - Goal 5: Improve Maternal Health

Maternal mortality ratio is the number of women who die from any cause related to or aggravated by pregnancy or its management (excluding accidental or incidental causes) during pregnancy and childbirth or within 42 days of termination of pregnancy, irrespective of the duration and site of the pregnancy, per 100,000 live births.

Proportion of births attended by skilled health personnel is the percentage of deliveries attended by personnel trained to give the necessary supervision, care and advice to women during pregnancy, labour and the post-partum period; to conduct deliveries on their own; and to care for newborns. The share of births attended by skilled birth attendants is an indicator of a health systems ability to provide adequate care to pregnant women. Good antenatal and postnatal care improves maternal health and reduces maternal and infant mortality.

Contraceptive prevalence rate is the percentage of women who are practicing or whose sexual partners are practicing, any form of contraception. It is usually reported for women ages 15-49 in marital unions.

Total fertility rate is a common measure of current fertility and defined as the average number of children a woman would have if she went through her entire reproductive period (15-49 years) reproducing at the

prevailing age-specific fertility rates (ASFR). ASFRs are calculated by dividing the number of births to women in a specific age group by the number of woman-years lived during a given period.

Chapter 7-Goal 6: Combat HIV/AIDS, Malaria and Other Diseases

HIV prevalence among 15-24 year-old pregnant women is the percentage of pregnant women ages 15-24 whose blood samples test positive for HIV.

Tuberculosis detection rate is the percentage of estimated new infectious tuberculosis cases detected under the internationally recommended tuberculosis control strategy DOTS. DOTS combines five elements: political commitment, microscopy services, drug supplies, surveillance and monitoring systems and use of highly efficacious regimens with direct observation of treatment. The **cure rate** is the percentage of new, registered smear-positive (infectious) cases that were cured or in which a full course of DOTS was completed.

Chapter 8 - Goal 7: Ensure Environmental Sustainability

Proportion of land area covered by forest is the forest areas as a share of total land area (forest cover including state owned, private forest and farmlands), where **land area** is the total surface area of the country less the area covered by inland waters, such as major rivers and lakes. Forest includes both natural forests and forest plantations. It refers to land with an existing or expected tree canopy of more than 10 percent and an area of more than 0.5 hectare where the trees should be able to reach a minimum height of five meters.

GDP (at constant factor cost) per unit of energy use as a proxy for energy efficiency is per ton of oil equivalent value-added on 1980/81 prices in rupees (GDP at constant factor cost of 1980/81 prices is divided by the energy consumption in tons of oil equivalent).

Proportion of population with sustainable access to an improved water source, urban

and rural, is the percentage of the population who use any of the following types of water supply for drinking i.e. tap water and hand pump.

Proportion of the urban and rural population with access to improved sanitation refers to the percentage of the population with access to the “flush” toilets. Flush toilets consist of a flush that is either connected to public sewage, septic tank or open drainage.

Chapter 9- Goal 8: Develop Global Partnership for Development

Official development assistance comprises grants or loans to developing countries and territories on the Organization for Economic Cooperation and Development /Development Assistance Committee (OECD/DAC) list of aid recipients that are undertaken by the official sector with promotion of economic development and welfare as the main objective and at concessional financial terms (if a loan, having a grant element of at least 25 percent). Technical cooperation is also included.

Grants, loans and credits for military purposes are excluded. Also excluded is aid to more advanced developing and transition countries as determined by DAC.

Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in the enterprise operating in an economy other than that of the investor. It is the sum of equity capital, as shown in balance of payments.

Total external debt is the debt owed to non-resident repayable in the foreign currency, goods or services. It is the sum of public, publicly guaranteed and private non-guaranteed long term debt, use of IMF credit and short term debt. Short term debt includes all debt having an original maturity of one year or less and interest in arrears or long-term debt.

External debt service refers to principal repayments and interest payments made to non-residents in foreign currency, goods or services.

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