

CRISES, VULNERABILITY & POVERTY IN SOUTH ASIA

Peoples' Struggles for Justice and Dignity

Country Report 2013

PAKISTAN

(Unpublished edition)

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South Asia Poverty Report: Pakistan

Acknowledgement

Special thanks to Dr. Aly Ercelan, Senior Fellow at PILER for his valuable guidance in preparations of this report. I also express my sincere thanks to my colleagues Ms. Hira Habib and Asif Shakeel for their material support and consistent help without which it could have not been possible for me to complete this report.

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1. An Overview of Multiple Crisis, Vulnerability and Poverty in South Asia: People's Voices against Social Insecurity and Injustice (Based on country studies and their major findings)

Like other South Asian countries, Pakistani people are also facing the chronic poverty since country's independence in 1947. Poverty rate has been fluctuating in Pakistan likewise the rate of overall economic growth of the country during the different periods. Unfortunately all the past development strategies in Pakistan have reproduced poverty (Akmal 1994).¹ Although in some periods the country achieved impressive economic growth, the overall inequalities increased despite the growth coupled with erosion of the social protection for the vulnerable sections of the society. Pakistan's per capital income increased at a rate of 2.3 percent in 2011-12 as compared to 1.3 percent growth last year. In dollar terms, it increased from \$ 1258 in 2010-11 to \$ 1372 in 2011-12.²

For the last many years, the Pakistan government is not releasing the official estimates of the population living below poverty line; however, some international estimates and local independent research organizations' reports confirm substantial increase in poverty incidences in Pakistan in the recent years. A latest report by a Pakistani independent research organization, Sustainable Development Policy Institute (SDPI) Islamabad indicates that poverty rate has reached at 33 per cent in Pakistan with 58.7 million people living below the poverty line.³

When the present coalition government led by Pakistan People's Party came into the power after general elections in 2008, it asked the Planning Commission to constitute a Panel of Economists to review the economic situation of the country including providing estimates of the population, living below poverty. The panelists in their report indicated that poverty head count has increased from 33.8 percent in 2007-08 to 36.1 percent in 2008-09 or about 62 million people in 2008-09 were living below the poverty line.⁴

In Pakistan the methodology to count poverty is i) Using consumption expenditure instead of income as welfare indicators; ii) Using CPI-based inflation to adjust poverty line; iii) Using 2350 calories per adult equivalent per day for estimating poverty line for the whole country".⁵

The latest official estimates were not released in the Economic Survey of 2011-12 as the government was fearing a severe criticism from the opposition, which would have a potential negative impact on their election campaign in the next general elections due in early 2013. The poverty data are usually released along with the annual Economic Survey at the time of presentation of annual budget.⁶

There are multiple reasons of poverty in Pakistan. Lack of public spending on social sector and deficient development of public infrastructure; uneven distribution of the agriculture land because of denial or defective land reforms resulting in concentration of the landholding among some influential families which are also present on policy and law making institutions and overall lack of people's participation in decision and policy making process. The growing urban-rural wealth distribution gap mostly due to urban-centric development paradigm has also added to growing

¹Poverty Alleviation in Pakistan By Dr. Akmal Hussain (1994)

²Economic Survey of Pakistan 2011-12, Ministry of Finance, Government of Pakistan, Islamabad

³'Clustered deprivation: District profile of poverty in Pakistan', SDPI (September 2012)

⁴Economic Survey of Pakistan 2009-10, Ministry of Finance, Government of Pakistan, Islamabad

⁵Article: Counting poverty by DrAshfaq H Khan, Daily The News International, October 25, 2011

⁶News, "Poverty figures omitted from Economic Survey", The News International, June 1, 2012. Weblink: <http://www.thenews.com.pk/Todays-News-13-15034-Poverty-figures-omitted-from-Economic-Survey>

poverty in Pakistan.⁷ Similarly, growing unemployment rate and double digit inflation and prolonged energy crises are some other reasons which have eroded the efforts to alleviate poverty, whatever were made in the past. Population living in the rural areas is particularly hit hard of the exclusion due to declining land and asset ownerships (Lohano H. R. 2009).⁸ The recent floods during three years (2010, 2011 and 2012) in many parts of the Pakistan have exposed the vulnerability of population, who are affected by natural calamities.

Poverty has hit hard all the sections of the society, women and minorities are the most vulnerable sections in Pakistani society, which have to borne the impact of poverty severely due to social and political exclusion and centuries old feudal system in Pakistan. The patriarchal society in Pakistan, under heavy influence of the religious fundamentalists has kept women backward in every social order. They are mostly kept out of decision making process right from household to government level. Pakistan's total literacy rate was already low at 58 percent in 2011, where women's literacy rate was just 46 percent as compared to 69 percent of males. This state of affairs is also visible from other social indicators, where women's health and nutrition conditions at the worst side. According to the National Nutrition Survey (NNS) 2011, about 32 percent children under the age of five years and 15 percent mothers are underweight. About 30 percent babies have low birth weight, reflecting the poor nutritional status of mothers.⁹

UNDP's 2011 Human Development Index (HDI) has placed Pakistan at 145th position among 189 countries, much below the two major South Asia countries -- India (ranked at 134th position) and Sri Lanka (ranked at 97th),¹⁰ however, a little above Bangladesh which was placed at 146. Under the Multidimensional Poverty Index (MPI), the UNDP has also identified multiple deprivations in the same households in education, health and standard of living. According to the UNDP report 49.4 percent of the population in Pakistan suffer multiple deprivations while an additional 11 percent are vulnerable to multiple deprivations.¹¹ In the Gender Inequality Index (GII), South Asian women are indicated as lagging behind men in education and labour force participation. The GII reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Pakistan has a GII value of 0.573, ranking it 115 out of 146 countries in the 2011 index.

Besides above mentioned macro causes of poverty in Pakistan is facing militarization because of both internal and external reasons since many decades, especially after the Afghan crisis in 1979. When the USSR Army entered into Afghanistan Pakistan offered itself to fight a proxy war on behalf of the USA, and prepared Jihadi militants for a guerilla warfare against occupation forces, which turned into Taliban insurgency when USSR announced withdrawal of its forces as a result of Geneva Accord in 1988. This withdrawal put Afghanistan into a prolonged civil war in which the Jihadi outfits fought with each other to gain control of the areas. Taliban, the lethal and the most trained group of insurgents, who got guerrilla warfare trainings from Pakistani intelligence agencies and Army while studying in madressahs (religious Islamic schools) ultimately took over the Kabul government in September 1996 and declared Afghanistan as the Islamic Emirate of Afghanistan. Their mostly

⁷ Updating Poverty and Inequality Estimates: 2005 Panorama (Haroon Jamal SPDC 2007)

⁸ Lohano H. R. (2009). Poverty dynamics in rural Sindh, Pakistan. Chronic Poverty Research Centre, Working Paper number 157

⁹ Economic Survey of Pakistan 2011-12

¹⁰ UNDP website: <http://undp.org.pk> (accessed on September 5, 2012).

¹¹ ibid

unrecognized government continued until October 2001, when US-led allied forces overthrew them after 9/11 terrorist attacks by Al-Qaeda on the World Trade Centre and Pentagon in the USA. The main accused Al-Qaeda chief Osama Bin Laden was hiding in Afghanistan and Taliban refused to handover him.

The Afghan insurgency and Pakistan's involvement at state level badly affected the country's law and order as most of areas in Pakistan were targeted by militant Taliban, who were driven into Pakistani border tribal areas after the USA occupation. As Pakistan government led by Army Chief General Pervaiz Musharraf was supporting the USA led allied forces, so Taliban considered Pakistan government as their enemy. The unruly Taliban insurgents started attack the civil population as well as military installations in urban areas by carrying out terrorist activities of bomb blasts at public places as well through suicide bombers in public rallies.¹² They started controlling certain areas like Swat and Waziristan to impose their rule of law.

Pakistan launched two major military operations against insurgent Taliban in Swat valley (Malakan division) in Khyber Pukhtoonkhwa province and South Waziristan in Federally Administered Tribal Areas (FATA) in 2009-10. These spells of Army operations put heavy burden on the national resources as well budget outlay as the governments had to divert most of its budget allocations on military expenditures. The Taliban militants hit common citizens by bomb blasts.

Women and girl children have suffered a lot due to Taliban terrorism in Pakistan as their free movement has been curtailed and they face economic exclusion due to religious extremists asked women not to move out of the home including getting education. Girls and women were barred from going to schools and Taliban insurgents destroyed hundreds of girls schools in tribal areas. Between 2007 and 2011, the Tehreek-e-Taliban Swat destroyed more than 400 schools, many of them providing education for girls, the local administration says.¹³

Tension with Pakistan's traditional foe India continued. The terrorist attacks on common citizens in Mumbai in 2008 further intensified the tension between India and Pakistan as the latter accused Pakistan-based terrorist outfits like Jamiatud Dawah (JuD) for carrying out the Mumbai terrorism. The key arrested terrorist Ajmal Kassab was later proved to be a Pakistani citizen. The persistent tension with the neighbouring India over Kashmir since independence in 1947 had already strained the two nations' relations and this new conflict caused almost severance of all types of diplomatic and social relationships between the two neighbours in South Asia, which also resulted in building up militaries across the borders. The sanity prevailed as both the countries succeeded to resolved this issue through diplomacy. The United Nations declared JuD a terrorist outfit and asked Pakistan to ban it, Pakistan arrested the JuD chief Hafiz Saeed and also offered cooperation in sharing of information and investigations.

Pakistan has faced both internal and external security challenges, which certainly put heavy pressure on its budgetary allocations for the development. Pakistan increased its defence budget for the fiscal year 2012-13 by around 10 percent to Rs 545 billion against Rs 495 billion budgetary allocations for

¹² News 'Timeline of Pakistan's defence sites attacked by militants', daily Dawn August 16, 2012

¹³ Feature The fight for education in Pakistan's Swat by Al-Jazeera
<http://www.aljazeera.com/indepth/features/2012/10/2012101516347715708.html> (accessed on October 15, 2012)

the last fiscal year. The actual expenditure on defence sector during fiscal year 2011-12 was Rs 510.179 billion, around Rs 15 billion more than the original allocation of Rs 495 billion.¹⁴

Pakistan has paid a heavy price of the terrorism, in terms of loss to human lives as well as economic losses. According to South Asian Terrorism portal total 6,142 persons, including of 2,797 militants, 2,580 civilians and 765 Security Forces personnel killed in 2011 in terrorism related incidents. In the previous year (2010), 7,435 persons, including 5,170 militants, 1,796 civilians and 469 SF personnel had been killed.¹⁵

The economic losses due to terrorism are even much higher. Economic Survey 2010-11 gave an overview of the losses due to terrorism. According to it the direct and indirect cost of the terrorism escalated from \$2.669 billion in 2001-02 to \$13.6 billion by 2009-10, which further rose to \$ 17.8 billion in year 2010-11.¹⁶

Globalization has also hit hard the common people, which has further increased their vulnerability. The neo-liberal policies initiated late in 1980s in Pakistan, started putting negative impact on the overall social indicators particularly after introduction of the massive deregulation and privatization in early 1990s, when a large number of public sector organisations were privatized and during the next two decades. This unwise privatization rendered thousands of employees of these state corporations and financial institutes jobless thus increased the unemployment rate and poverty. Due to impact of the global policies, the food prices escalated thus inflation also increased rapidly during that period in Pakistan. Rice in oil prices in the international market also caused inflation thus directly affecting poor, which caused further increase in the poverty rate both in urban and rural areas.

As a result of the open up policies during two terms of each Benazir Bhutto and Nawaz Sharif between 1988 and 1999 besides liberalization and deregulation policies, a large number of public units were handed over to the private sector which failed to run and ultimately most of privatized units were closed down.¹⁷ During Military regime of General Pervaiz Musharraf (1999-2008) two major public utilities like Pakistan Telecommunication Corporation and Karachi Electric Supply Corporation (KESC) were privatized. "Privatisation in both decades did not have a favourable impact on the growth of GDP, investment and employment. There was substantial labour reduction in privatised units. The sale of many large units to foreigners has led to persistent pressure on the balance of payments."¹⁸

The most visible impact of the neoliberal economic policies was increase in inequalities, exclusion and erosion in the income of individuals. The corporations' greed for more profit and their taking advantage of the exploitative anti-labour policies further increased the human insecurity and

¹⁴ Daily Pakistan Today, June 2, 2012. Website: <http://www.pakistantoday.com.pk/2012/06/02/news/national/defence-budget-up-by-10-percent-to-rs-545-billion/> Accessed on September 29, 2012

¹⁵ South Asian Terrorism portal website: <http://www.satp.org/satporgtp/countries/pakistan/> accessed on September 29, 2012

¹⁶ Economic Survey 2010-11, Government of Pakistan

¹⁷ Impact Analysis of Privatization in Pakistan, Asian Development Bank, October 1998.

¹⁸ The news item: 'Privatisation questioned' daily Dawn, 12th March, 2012

poverty all over the world and Pakistan was no exception in such a scenario, even the country was a worst case of 'poverty incidence' (Nadeem, Ayesha 2009).¹⁹

Over the period the inflation remained in double digit most of the time. The inflation rate in Pakistan has come down to a single digit only in 2012 as was recorded at 8.79 percent in September 2012 due to tight monetary policies by the central bank or State Bank of Pakistan. Historically, from 2003 until 2012, Pakistan's inflation rate averaged 10.6 percent reaching an all-time high of 25.3 percent in August of 2008 and a record low of 1.4 Percent in July of 2003.

¹⁹Nadeem A., Ayesha K (2009). Neo-Liberal Governance and Poverty in Pakistan (Paper presented at the GINI Conference, December 2009, Islamabad, Social Policy and Development Centre (SPDC).

Chapter 2

2.1 Broad policy regime and their roots in South Asia (with focus on internal processes vis a vis external dictation along with qualification on the regime characters shaping such a policy regime) leading or aggravating to multiple crises.

Pakistan's economic managers have tried time and again to bring down the poverty instances, for this the successive governments have also tried and tested various initiatives including those suggested by the Briton Wood institutes (World Bank and IMF) as well as Asian Development Bank, but the end result of all those policies remained futile. The reasons for the failure are multifarious, but political instability including lack of a political will on part of the government, wide spread corruption and deficient governance structure are some of the major reasons of malfunction of these policies. Similarly, absence of the land reforms, which have resulted in concentration of the political power among big landlord and non-implementation of the labour laws in all the industries have also contributed to a bigger portion in increase in poverty and failure of all the policies to alleviate poverty in the past. The exclusion of major portion of the labour force from the social security benefits including old age pension by the state owned institutions has increased the vulnerability of the working class, thus aggravated the poverty situation. Women are particularly face problems including discrimination at the work place as well as household levels.

Tracing history, at the time of independence in 1947, Pakistan inherited a shambled economy with very little number of industries and commercial establishments, the new country inherited from the united India. The initial decades were quite difficult for the Pakistani economy as a large number of people from other states of the united India had migrated to Pakistani soil due to communal and religious riots at the time of independence. Similarly, the wealthy and industrialist Hindus and Sikh left Pakistani areas due to religious riots in Pakistan. This two-side migration overwhelmingly change the social structure and population pattern in many areas of Pakistan Till 1955, about seven million refugees from India entered West Pakistan and about 5.6 million Hindus and Sikhs left Pakistan.²⁰

Most of the fledgling state's meagre resources during initial years of the independence were diverted to the resettlement of these immigrants and then very little was left for the development or even governance. There was also a political turmoil and instability especially after demise of the founder of nation in September 1948 and assassination of the first Prime Minister Liaqat Ali Khan in 1951. The military tension with India over Kashmir, which resulted in a full-fledged war in early years (1948) also put a heavy burden on the younger Pakistani economy.

The 1960s decade was somehow stable and economy grew at an average rate of 6 percent. During the authoritarian rule of the Field Marshal Ayub Khan, the military government trumpeted the period from 1958 to 68 as "Decade of Development", but it was actually a period of accumulation of wealth where the society was virtually divided into 'have's and 'have not's'. The famous term of "22-wealthy families"²¹ was a symbol of that era, when the wealthy became even wealthier as there was no attention towards social development or poverty eradication. Constant tension with neighbouring India remained there and subsequent 1965 war during Ayub's rule again put a heavy

²⁰Viqar Ahmad and Rashid Amjad, *The Management of Pakistan's Economy 1947-82* (Karachi: Oxford University Press, 1984)

²¹The term became popular when a Credit Inquiry Committee of State Bank of Pakistan revealed that 222 depositors were making use of 2/3rd of the total credit facilities offered by the banking system.

burden on the country's economy and growth. Moreover, when the rich became rich during Ayub Khan's period, there was absolute decline in living standard in Pakistan. In the decade and a half ending in 1967, the real wages in the industry declined by 25 percent. According to one estimate, in 1971-72, poverty in rural sector was so acute that 82 percent of rural households could not afford to provide even 2,100 calories per day per family member.²²

On the one hand, the country was struggling to come out from the "oil shock" in 1970, on the other hand there was a civil war going on in its Eastern part (East Bengal or East Pakistan) because of Army operation against Bengali people, who were demanding equal share in the development, which led to a full-fledged war with India in 1971 resulting in dismemberment of eastern part and creation of Bangladesh.

The transition period from military rule to a civil setup continued till 1973 when the first consensus Constitution was passed by the elected National Assembly of the remaining Pakistan. The constitution allowed all the citizenship rights without any discrimination on the basis of gender, creed or religious biases. The democratic government of Prime Minister Zulfikar Ali Bhutto adopted some corrective measures to decrease poverty in Pakistan by introducing poor-poor economic policies.

Bhutto, however, put the economy in difficult situation after nationalization of many industries, banks, educational institutions and other commercial establishments in the private sector. Due to heavy nationalization, the government faced budget deficit due to increase in administrative cost. Moreover, the government also increased the defence expenditure, which resulted in austerity measures. The government reduced subsidies on consumption goods and increased indirect taxation.

Bhutto poor-poor measures included announcement of a Labour Policy (1972), which, for the first time provided workers their share in the profit of the companies, old age benefits for the workers and group insurance facilities. Land Reforms were introduced in 1972, which reduced the ceiling of land holding to 150 acres of irrigated land 300 acres for semi-irrigated land. All lands in excess of 100 acres allocated to the government servants confiscated and redistributed.²³ Bhutto's land reforms could not bring any remarkable change as the big landholding remained concentrated among the influential families due to their heavy presence of landlords in the legislative assemblies with a powerful political clout.

Bhutto was overthrown in a military coup de tat, led by General Zia-ul-Haq in 1977. This unconstitutional step put the Pakistani economy in a shock state and it could not recover till the end of the authoritarian regime in 1988 with the death of the dictator General Haq in an air crash. During the Military regime Pakistan faced the revival of nationalization and initial phase of deregulation and opening up of the economy.

Pakistan witnessed another spell of the influx of immigrants, this time from the western borders of Afghanistan when the defunct Union of Socialist Soviet Republics (USSR) Army entered in Afghanistan in 1979 to support a communist revolution. This resulted in a prolonged civil war and a longer period of insurgency and ultimate withdrawal of the Russian forces after Geneva Accord in

²² 'Pakistan's Economy in Historical Perspective: Growth, Power and Poverty' by Akmal Hussain, 2008

²³ Website of Pakistan Peoples: Party <http://www.ppp.org.pk>

1988. Pakistan's economy faced a burden of over 3.5 million Afghan refugees, which also created social upheaval in Pakistan with increase in religious militancy, spread of arms and narcotics like heroin and a widespread social unrest due to growth in terrorism in Pakistan.

After the general elections in 1988, Benazir Bhutto, daughter of the assassinated former Prime Minister Zulfikar Ali Bhutto, made some major efforts to reduce poverty by increasing budgetary allocations on social sector including education, health, employment and women development. Even though economic performance of her democratic government was not so encouraging, Benazir Bhutto's 18-month rule (1988-1990) worked well to take measures for improvement of Pakistan's social indicators. Benazir government, despite all difficult times and a hostile opposition and resistance from the military-influenced bureaucracy went ahead to frame policies and schemes for the women development and many steps were taken for women empowerment like induction of women judges, creation of women police stations and increased allocation for the women development. Her government allocated Rs. 16.2 million in 1990-91 for the ministry of women development. After consultations with different stakeholders including government departments, civil society actors, local government councils and social workers she got prepared many schemes and approved them for women empowerment.

Benazir Bhutto's government was removed on corruption charges in 1990, followed by general elections which brought Nawaz Sharif to the power with the support from rightwing alliance Islami Jamhoori Ittihad (IJI). Sharif actively promoted the neo-liberal policies and practically took initiatives to promote privatization, deregulation and liberation of the economy. Although the Benazir Bhutto government had also taken some measures for privatization as her government had set up a 'National Disinvestment Authority', which identified 14 units for privatization, there was no major disinvestment during her regime. Nawaz Sharif actively persuaded his aggressive privatization programme during his first tenure (1990-1993) when about 115 nationalized industries and banks were given to private sector under the hostile privatization campaign, which received severe criticism from the opposition political parties and trade unions which blaming them for favoritism. Sharif's and the following privatization spans during the coming regimes have widely increased the gap between poor and rich and rendered hundreds of thousands of workers jobless.

The reckless privatization followed by the second government of the Prime Minister Benazir Bhutto (1993-1996) further aggravated the poverty situation in Pakistan. She continued the privatization process of Nawaz Sharif government and during her second tenure 20 industrial units, one financial institution, a power plant and 12 percent shares of Pakistan Telecommunications Ltd were given to the privatization. She however, discouraged the privatization of the major corporation like Pakistan Steel, WAPDA, KESC, Railways and Pakistan Telecommunication.

This time also Benazir's government failed to stabilise the overall economy of Pakistan due to worsening law and order situation, international economic recession and rising inflation in the country. Benazir government took measures during her tenure to improve social and economic indicators, but failed because of premature removal of her government this time also on corruption charges. After the elections, Nawaz Sharif again came into power.

Nawaz Sharif's second term in the government (1997-1999) was a crucial period for the economy of the country as despite his two-third majority in the National Assembly, or lower house, he failed to achieve economic stability because of his political confrontation with political parties and even

President of Pakistan. He continued to pursue the neoliberalism policies but the nuclear tests in 1988 put the country's economy in shambles as the world put heavy economic sanctions after the 'tit-for-tat' nuclear tests when India tested its nuclear devices in early May. Pakistan responded without wasting much time on 28th May and conducted the test while neglecting the world leaders' requests. After the nuclear tests, Nawaz Sharif government declared a state of the emergency in the country and frozen all the foreign currency accounts in the country. This unwise decision proved to be a big blow to the national economy, which discourage investment and put negative impact on all economic indicators. Pakistan could recover from the shock during his rest of the tenture till he was overthrown by Military chief General Pervaiz Musharraf on October 12, 1999. Pakistan again faced another set of democracy-related economic sanctions, but were relaxed soon when the USA needed Pakistan's assistance after 9/11 attacks and invasion of Afghanistan by US led coalition forces. Of the over US\$11 billion dollars USA aid to Pakistan since 2002, about 72 percent—or US\$8.1 billion—were given in security-related aid. This included Coalition Support Funds (or CSF, funds to reimburse Pakistan for its counterterrorism activities), Foreign Military Financing, and other military assistance. 23 percent or US\$3.1 billion has been given as economic-related aid.²⁴

General Pervaiz Musharraf continued most of the neoliberal policies of Nawaz Sharif including privatization; his government further went to privatise the public utilities like Pakistan Telecommunication Company and Karachi Electric Supply Corporation and Pakistan Steel Mill. The privatization of the steel mill was later cancelled by Supreme Court of Pakistan. Although Musharraf's period is considered as a period of economic growth due to heavy inflows of the foreign exchange, the anti-poor policies of the regime made the lives of workers miserable. The government made changes in the labour laws including Industrial relations laws and Factories Act by curtailing the rights and increasing the working hours as well as reducing rights of female works. In 2002, General Pervaiz Musharraf replaced the Industrial Relations Ordinance (IRO) 1969 with the IRO 2002. The additional curbs imposed by IRO 2002 on the right to unionize and the right to collective bargaining were compounded by neo-liberal policies pursued relentlessly by the military government. Fifty-eight privatization transactions for assets of the federation, including those of public utilities (i.e. KESC, PTCL) were materialized during December 1999 to August 2006. The impact of privatization on workers was adverse: thousands were made jobless with or without reasonable compensation, for others, employment conditions changed for worse as in many instances the new managements re-hired the staff on insecure contracts.

Musharraf also encouraged the contract employment by introducing the same system in the government services as well as the state-owned corporations.

General Musharraf's military government continued till 2008 general elections. According to Privatization Commission of Pakistan during January 1991 to June 2009 the Commission has sold 167 public sector industrial and commercial established for Rs 476.421 billion.²⁵

²⁴ Reassessing Foreign Assistance to Pakistan - Recommendations for U.S. Engagement by Lawrence J. Korb, April 2, 2009. Centre for American Progress website: <http://www.americanprogress.org/issues/security/news/2009/04/02/5937/reassessing-foreign-assistance-to-pakistan/> (accessed on September 30, 2012)

²⁵ Privatization Commission of Pakistan website www.privatisation.gov.pk accessed on September 28, 2012

The democratic government led by Pakistan Peoples Party (PPP) took powers after the general elections in February 2008. The coalition government has taken some serious measures to improve the economic indicators, but growing budget deficit and trade imbalance besides inflation in double digits has put a little impact on poverty alleviation. In the Annual Plan 2011-12 the government has attributed the challenges impeding the poverty alleviation efforts as under.

- Low economic growth rate due to law and order problems and energy shortages resulting in lesser employment opportunities for the increasing population (2% per annum) with more people coming into the labor force (3.5% per annum). GDP growth remained at 3.7% in 2007-08, 1.7% in 2008-09, 3.8% in 2009-10, and 2.4% in 2010-11.
- Low tax to GDP ratio (10% in 2009-10), resulting in a large fiscal deficit and a smaller fiscal space for budgetary allocations for social sector development and poverty reduction programmes.
- High rate of inflation due to international petroleum and commodity prices and loss of crops and livestock by 2010 floods resulted in raising the cost of living.
- The consumer price index (CPI) rose by 12% in 2007-08, 20.8% in 2008-09, 11.7% in 2009-10, and 14.1% in July-April, 2010-11.
- Catastrophic floods of 2010 have affected over 20 million people and caused damages of US\$10 billion to the economy as per estimates of the World Bank and Asian Development Bank. It destroyed infrastructure, standing crops, small businesses, and livelihood sources of the poor and vulnerable persons. Law enforcement operation against miscreants is also impacting negatively on economy and poverty situation in the country.

2.2 Quick review of policies leading to multiple crisis and likely transmission mechanism through which economy in general and people at the grassroots in particular are adversely affected.

“Poverty is not just a statistical phenomenon, but can be understood as the incapability of actualizing a person’s human potential due to lacks of access over certain physical amenities: employment, productive assets, clean drinking water, food, schools, dispensaries / hospitals, sewerage, housing, etc.” says Dr. Akmal Hussain in his report “Poverty Alleviation in Pakistan”.²⁶

In the past the governments had made strategies and programmes to increase access to the public facilities to most of the population, but due to inconsistency in the policies due to political instability these strategies failed to achieve their targets of the poverty alleviation.

In Pakistan the poverty is determined based on basic needs inclusive of a caloric intake of 2,350 calories per person per day, which can translated into a poverty line of Rs 673 per month in 1998-99 prices. Poverty line is adjusted at the time of poverty estimation after accounting for inflationary impact in intervening years. The latest poverty estimates are being calculated by the government based on Household Integrated Economic Survey for 2010-11 which was conducted by the Federal Bureau of Statistics.²⁷

Pakistan has been persuading many policies, most of them suggested by the World Bank and IMF for poverty reduction, even as a result of some of the policies the gulf between the poor and rich further increased. Some of the macro level policy initiatives in the past included Social Action Program (SAP), Medium Term Development Framework (MTDF), Poverty Reduction Strategy Paper (PRSP and PRSP-II), Medium Term Budgetary Framework.

World Bank and IMF have been propagating that poverty has a nexus with economic growth. Historically, in Pakistan the economic growth has been fluctuating in different intervals of the time, mainly linked with political reasons. Similarly there is a substantive variation in proportion of the population falling below the poverty line in different periods. A certain portion has been moving from chronic poverty to transient poverty and vice versa (Arif, Shujaat 2012).²⁸ On an average Pakistan’s GDP growth remained around 5 percent in six decades, where as in per-capita terms the growth rate remained almost half at 2.5 percent annually.²⁹

It is also a matter of the fact that a higher and sustained economic growth does not guarantee a reduction in the poverty and in Pakistan it is mainly true that poverty instances have seldom shown any decline despite higher GDP growth rate in a particular period in Pakistan. For example Pakistan achieved a record high economic growth of 8.4 percent in 2004-05 when the country was receiving heavy US support in terms of economic and military aid due to its role as frontline state in “War on Terror” following the terrorists attack on the World Trade Centre and Pentagon in the USA on September 11, 2001 and subsequent invasion of Afghanistan by US-led allied forces to overthrow

²⁶ Poverty Alleviation in Pakistan, Dr. Akmal Hussain, Vanguard Books (Pvt.) Ltd, 1994

²⁷ Annual Plan 2011-12, Government of Pakistan

²⁸ Arif G.M., Farooq S. (2012). Dynamics of Rural Poverty in Pakistan: Evidence from Three Waves of the Panel Survey, Pakistan Institute of Development Economics
Islamabad

²⁹ Pakistan’s Growth Experience: 1947-2007, Dr. Ishrat Hussain

Taliban regime. Although the military government of that time in Pakistan claimed reduction in poverty headcount from 34.46 percent in 2000-01 to 23.9 percent in 2004-05, showing a decline of 10.5 percentage points, the World Bank and UNDP disputed the method of counting the poverty rate. World Bank had actually estimated poverty rate at about 28.3 per cent in 2004-5, compared with 33.3 per cent in 2001, showing a decline of five per cent.³⁰

The authoritarian government led of military dictator General Pervaiz Musharraf missed the opportunity to contain poverty as many other economic indicators were showing improvement due to budget financing through increased inflows of remittances in the shape of foreign aid as well as foreign direct investment in Information Technology and telecommunication. Economic managers of that time did not take appropriate measures for poverty alleviation like increasing budget allocations for public infrastructure development with special focus on putting funds in social development sectors of education, health, containing population growth rate and safety net measures. Although during that time the World Bank and IMF had initiated their poverty alleviation schemes and Pakistan had initiated programmes, those initiatives did not bring any positive changes.

Pakistan sought a three-year loan under Poverty Reduction and Growth Facility (PRGF) facility from IMF worth US\$1.37 billion in 2001, at the same time, Pakistan government had also started negotiation with the World Bank for Poverty Reduction Credit (PRC).³¹ Simultaneously Pakistan under the Medium Term Development Framework (MTDF) made target to achieve poverty incidence of 21 percent by 2010.

Pakistan had to achieve reduction of poverty to 13 percent under the Millennium Development Goals by 2015. The main drawback of MTDF was that it was mainly depending on only federal government funding concerning to social sector development under the federal Public Sector Development Programme. PPSDP allocations also included the provincial funds, which were not taken into account.

In 1999-2000, the government announced Interim Poverty Reduction Strategy, backed by the Poverty Reduction and Growth Facility from IMF. The first Poverty Reduction Strategy Paper (2003-2006) was launched with a focus on macroeconomic stabilization, reduction in debt burden, fundamental structural reforms and improved governance. IMF attributed fiscal deficit, trade deficit and inadequate spending on social services "to allow the poor and the vulnerable to fully participate in times of economic stability and prosperity and be protected during shocks."³²

Unfortunately, the social sectors have always been neglected most of the time in Pakistan's history due to other priorities of the rulers like security concern and growing budget deficit. Both Pakistan and India are the two major countries of South Asia, which are spending a heavy chunk of their annual budgets on purchasing of arms and ammunition despite their respective populations suffer deprivation and hunger most of the time. According to a Stockholm International Peace Research Institute (SIPRI) report released in March 2012 India was on top of the list of the world's largest

³⁰ News item: WB, UNDP question poverty estimates, daily Dawn, June 20, 2006.

³¹ Counting poverty (1) DrAshfaq H Khan Daily The News Tuesday, October 25, 2011

³² IMF Country Report No. 10/183, June 2010. (Website: <http://www.imf.org/external/pubs/ft/scr/2010/cr10183.pdf> accessed on September 30, 2012)

recipient of arms (10 percent of total global arms imports) and Pakistan was placed on the third position with arm receipts of 5 percent.³³

³³ SIPRI website: <http://www.sipri.org/media/pressreleases/rise-in-international-arms-transfers-is-driven-by-asian-demand-says-sipri> (accessed on September 25, 2012).

2.3. Evaluation on the ramification of multiple crises on the vulnerability and poverty condition of various socio-economic groups with special focus on food sovereignty and women's right including review of on-going, if any, various social security and justice related policies and the role of civil society in shaping them.

Frequent natural calamities, uneven wealth and assets distribution are also the main factors contributing to absolute poverty in Pakistan. The country is lagging behind in achieving almost all the targets set under the Millennium Development Goals (MDG).³⁴ Under the MGDs, Pakistan needs to bring down the incidence of poverty to 13 percent, but according to the report submitted by Pakistan in 2010 the performance under the Goal 1 is slow. The proportion of the poor in 1990-91 was 26.1 percent, which slightly reduced to 21 in 2010, but the MDG target for 2015 is 13 percent for 2015, which is difficult to achieve.

Pakistan is facing natural calamities for many years, the recent ones were devastating earthquake in Kashmir and North West Frontier Province (which is renamed as Khyber Pukhtunkhwa in 2010 after 18th Amendment in the Constitution) in October 2005 and floods in River Indus system. For the last three consecutive years since 2010 Pakistan is facing harsher Monsoon seasons, causing heavy destructions, floods in the rivers and displacement of large portion of the population in Pakistan. The heavy floods in 2010 in Indus river system put a dent on the national economy as according to a joint Asian Development Bank and World Bank report the floods caused an estimated US\$9.7 billion in damages to infrastructure, farms, homes, as well as other direct and indirect losses.³⁵

The super flood in River Indus system in 2010, affecting about 20 million people across Pakistan; heavy rains in 2011 in southern districts of Sindh (Badin, Tando Mohammad Khan, TandoAllahyar, Mirpurkhas, Umerkot, Sanghar, Benazirabad and Khairpur) and late but errant monsoon rains in September 2012 further affected many districts in Sindh, Balochistan and Punjab provinces.

All these recent natural calamities have caused heavy human losses and destruction of property as well as displacements of hundreds of thousands of people. According to National Disaster Management Authority (NDMA) the Monsoon rains and floods in Pakistan have killed about 455 people in September 2012 and affected more than five million.³⁶ The sufferings and miseries due to inadequate facilities in the Internally Displaced Persons (IDPs) camps have exposed the state's inadequate and unpreparedness to the face any calamities. These rains and floods have further multiplied the vulnerability of poor population, who are already facing poverty and deprivation.

These floods have actually exposed the poor development in most of the rural areas and non provision of basis facilities to the poor population, living in far flung areas. It has also exposed the widespread exclusion of the masses in the Pakistani society, who are facing deprivation and lack of basic facilities, poor infrastructure and indifferent attitude of the government towards solution of basic problems of the people especially in rural areas.

³⁴ *Pakistan Millennium Development Goals Report-2010*; Planning Commission Government of Pakistan; September 2010

³⁵ Survey 'Damage and Needs Assessment (DNA)' World Bank and ADB

³⁶ Daily Dawn, October 17, 2012 Weblink: <http://dawn.com/2012/10/17/floods-killed-455-affected-five-million-ndma/>

The natural calamities have also badly affected the public infrastructure including schools, hospitals buildings, roads, bridges and water supply ponds, this situation has further added to the poverty in rural areas, thus all the poverty alleviation efforts go in vain due to non-availability of state's sustainable support.

Assessing the situation, poor governance and state's lack of interest and indifferent attitude of the rulers for the welfare of the citizens yet again emerge as major causes for widespread damages during the natural calamities. Almost all cities and towns experienced a collapse of public infrastructure soon after the rains with streets and houses submerged in a mixture of rain and sewage, as the drainage system buckled under the pressure of flooding. Extensive blackouts, in some parts extending to days, followed the rains making life more miserable for those stranded in the waters. A majority of the deaths reportedly resulted from roof collapse, an obvious outcome of the failure of the state to put in place a pre-emergency evacuation system to prevent people from getting stranded in their homes at the time of the heavy rains. Apart from roof collapse, electrocution and traffic accidents have been identified as reasons for deaths in the two weeks of heavy downpours. Though the government agencies confirm much deaths due to drowning a large number of people in 2012 monsoon rains, more casualties are reported after the rains due to infectious diseases and other health problems arising due to consumption of contaminated water.

The rains in 2012 visited at a time when the country was on its way to learning important lessons from the natural disasters of the last two years. The 2010 and 2011 rains and floods not only exposed a weak disaster response structure of the state, these also laid bare a very fractured condition of state-society relations characterized by weak and disempowered citizenship, strong political, social and economic divide and the impact of a skewed resource distribution order that benefits the elites at the cost of the majority of the marginalized. Not that two years are a long enough time to transform the basic character of the state, but there was expected some improvement in state's response to the third monsoon floods in a row as well as some positive developments in governance and performance of the state institutions responsible for citizens' welfare.

It is more than a coincidence that almost all the areas affected by floods this year are marked by a high level of underdevelopment and social backwardness further exasperating the distress of the population that spends a life on the fringes, abandoned by the policy makers.

There is a high degree of rural-urban divide and a very under-developed state of public services especially health, education and public infrastructure is a proof of the urban-centred development paradigm. Food insecurity and malnutrition and a very dominant feudal culture and gender imbalance in terms of access to rights and basic provisions are rampant in almost all areas in Pakistan.³⁷

The land holding in the Sindh province is characterised by small holdings with 62 percent of small farmers owning less than 5 acres restricting modern mechanized agriculture. Yet, more than 70 percent of the rural population derives their livelihood from agriculture, livestock, forestry, and fishing. The organized manufacturing and services sectors have minimal presence in the rural areas. Sindh has a highest share of tenancy (11 percent or 300,000 households), and the lowest share of

³⁷ 'Social Development in Pakistan'; Annual Review 2004; Sustainable Policy Development Centre, Karachi.

land ownership (26 percent or 700,000 households) in the country. Rural Sindh is highly dependent on public services with little role of the private sector. According to the latest Household Integrated Economic Survey (HIES), rural Sindh's household described as "poor" have 9.11 members on average with only 2.76 persons per household employed. In the Punjab, an average household of 7.94 members has 2.31 persons per household benefitting from employment.

The four districts in Sindh – Badin, Mirpurkhas, Sanghar, and Thatta — were hit by the rains in 2011 represent 27 percent of the rural population of Sindh province, with widespread poverty and incidence of bonded labour prevalent in the region. The cases of bonded labour flow from the existence of an unequal sharecropping tenancy system as well as the presence of brick establishments in the region that have, over the years, come to become a stronghold of bondage for workers involved in the sector.

Similarly in the province of Punjab, Dera Ghazi Khan, Rahim Yar Khan, Bhawalnagar, Muzaffargarh, Khanewal, Hafizabad, Layyah, Chiniot are part of the 12 districts affected by rains in 2011. The Southern region received heavy rains and bore the brunt of being the least developed part of the region. As several reports indicate, in terms of the incidence of Poverty, South Punjab has a higher percentage of population below the poverty line of 43 percent as compared to 27 percent for the province as a whole. The region remains most underdeveloped especially in industry and services and presents a highly skewed income distribution order.³⁸ The composite development index of the affected districts is: Layyah 0.344, Rahim Yar Khan 0.336, Lodhran 0.315, Muzaffargarh 0.295, Bahawalpur 0.283, D. G. Khan 0.254, Rajanpur 0.102. Compare this to Lahore 0.712, Sheikhpura 0.688, Rawalpindi 0.664, Sialkot 0.557, Faisalabad 0.551. Not that the government fared any better in damage control or disaster preparedness in Lahore and Rawalpindi, the least developed districts doubly bore the impact of state's apathy.

The story of Balochistan is not different. Loralai, Killa Saifullah, Jhal Magsi, Bhakran, Naseerabad are marked as affected districts out of 15 in Balochistan. Being a region with scattered settlements, high level of underdevelopment, dependence on agriculture and rural economy, and an acute state of security turmoil, the province is obviously expected to pay a higher cost of natural disasters, regardless of the intensity. Almost all social and economic indicators of the province fare below that of the rest of Pakistan.

Peasants and Food Security

The frequent calamities in Pakistan have exposed the vulnerability of the population living in rural areas. Most of the people live in rural areas and they are associated with agriculture in one or another way. The agriculture workers who directly work on the fields as share croppers or wage earners are in fact the most hungry and vulnerable sections of Pakistani society because of defective land ownership system in Pakistan, owing to absence of the land reforms in the country. Big landlords hold the agriculture land in their possession either legally or illegally by using their political clouts and the peasants or agriculture workers do not receive the adequate remuneration of their labour. Under tenancy laws, share cropping is the most common pattern in the agriculture economy, under which the workers receive half share of the crop produced in a particular season after

³⁸ Fifth Annual Report 2012 'The State of the Economy: The Punjab Story'; Institute of Public Policy, Beaconhouse National University, Lahore

deduction of their 50 per cent contribution in input cost. But with the changes in agriculture patterns, the share cropping patterns have also changed and now in many areas the landlords are not providing half of the crop to the peasants, even after deducting the heavy input costs. The peasants are offered one quarter share in many areas in Southern Sindh. It is a matter of the fact that in most of the cases, the entire family members in a household work day and night on a piece of land to grow a crop and at the time harvesting, they are deprived of their legal share on one or other pretexts by the landlords. This gives birth to bonded labour. Workers had to take advances from the landlords to meet day to day expenses and the advance money is deducted at the time crop yield calculations, but the farmers' share from the yield is so meagre that they are often unable to pay the loans, which creates a vicious circle of the debt bondage. The Supreme Court of Pakistan (SC) had outlawed bonded labour in a landmark decision on September 18, 1988, cancelling all existing bonded debts, and forbade lawsuits for the recovery of existing debts. Subsequently, the Bonded Labour (Abolition) System Act of 1992 and Rules of 1995 were formulated, but unfortunately bonded labour still prevails in many parts of Pakistan. According to Human Rights Commission of Pakistan's annual report 2011 the courts ordered release of 3,407 bonded labourers from the confinements of the landlords in different parts of the Sindh, where as the analyses of the such cases indicates an increase in cases over the period. In the year 2010 police on the orders of the local courts raided the private places of confinements of the landlords and got released as many as 2,294 workers from the illegal confinement of these peasants, most from low caste Hindus and also included women and children inmates.

Although there is a Sindh Tenancy Act 1950, which determines the peasants-landlords relations, the Tenancy Acts in Sindh as well as similar law in the other provinces are now decades old and need changes, but the legislators are not serious to make any amendments in those older laws. This indifferent attitude towards agriculture workers on part of the legislators, majority of whom are landlord themselves, leads to further exploitation of the labour by the private landlord and in many cases give rise to bonded labour.

Due to this exclusion of rights, the food insecurity in Pakistan is increasing. Out of 120 districts of Pakistan (for rural areas) only 40 are food secure while 80 (67 percent) are food insecure. Within these food insecure districts, 38 (46 percent) are extremely food insecure³⁹.

In the upper house of the parliament Senate of Pakistan, the Minister for National Food Security and Research Mir Israrullah Zehri told the parliamentarians that according to the National Nutrition Survey 2011 around 58 per cent of the population is food insecure. Of the total affected population, he said, 29.6 per cent suffered from hunger or severe hunger. Quoting "Food Insecurity in Pakistan 2009" report by Sustainable Development Policy Institute (SDPI), the minister said that 48.6 per cent of the population was food insecure in 2009, out of which 22.4 per cent was extremely poor.⁴⁰

Being agriculture dominant country, majority of the population in Pakistan are suffering from hunger, where food is inaccessible for more than one third of Pakistanis.⁴¹

³⁹ Determinants of food security in rural areas of Pakistan Khan, Ejaz Ali; et all, Department of Economics, The Islamia University of Bahawalpur. Pakistan 16. February 2009

⁴⁰ News: 58pc of Pakistanis facing 'food insecurity'; daily Dawn, October 17, 2012

⁴¹ Human Development in South Asia 2010/2011 – Food Security in South Asia; The Mahbub ul Haq Human Development Centre

In Pakistan overall agriculture growth rates is gradually reducing because of declining crops yield and limited water availability. This has been due to restricted crop diversification, unequal distribution of land, poor agricultural research and development, and declining credit availability especially to small and subsistence farmers. The double digit inflation over the years is the main culprit of the food insecurity in Pakistan. According to The Mahbub ul Haq Human Development Centre report in rural areas of Pakistan those people who derive their livelihoods from non-farm sources also face food insecurity because of limited livelihood opportunities and dilapidated condition of the public infrastructure including farm to market roads. Poor food security situation has exacerbated poverty, widened inequality and deteriorated human development.

Land reforms in Pakistan

Ayub Khan's military government passed the first law concerning to land reforms in Pakistan in 1959. The West Pakistan Land Reforms Regulation 1959 provided a ceiling on individual land holdings that was 500 acres of irrigated and 1,000 acres of unirrigated land or a maximum of 36,000 Produce Index Units (PIU), whichever was greater. It further allowed that land be redistributed amongst tenants and others. The law also provided the provisions for security of tenants as well as for preventing the subdivision of land holdings.

The democratic government of Zulfikar Ali Bhutto introduced land reforms in 1972, under which the ceiling of the landholding was decreased to 150 acres of the irrigated land or 300 of non- irrigated land, or irrigated and unirrigated land the aggregate area or an area equivalent to 15,000 PIU of land. These Land reforms had a provision for excess land to be surrendered and utilised for the benefit of tenants shown to be in the process of cultivating it.

Bhutto gave his government's second land reforms in 1977. Although the new reforms did not repeal the 1972 regulations, the 1977 land reforms were designed to operate concurrently with the same. The most important and relevant change made in the 1977 legislation was further reduction of the individual holdings to a maximum 100 acres of irrigated land or 200 acres of unirrigated land. Furthermore, no land holding could be greater than an area equivalent to 8,000 PIU of land calculated on the basis of classification of soil as entered in the revenue records for kharif. Unfortunately, Bhutto's government was overthrown by the Military dictator General Ziaul Haq in 1977, the Martial Law regime made some changes in the land reforms law. In 1979 the government issued an Ordinance declaring that where the provincial government had decided to lease out the surrendered land, the person who surrendered it would have first priority. Another ordinance allowed the federal government to exempt any educational institution or cooperative farming society from the operation of the 1977 act.

The land reforms process in Pakistan received a setback when the Shariat Appellate Bench of the Supreme Court of Pakistan in the Qazalbash Waqf case (Qazalbash Waqf v. Chief Land Commissioner, Punjab and others – reported as PLD 1990 SC 99) case on August 10, 1989 (made effective from March 23, 1990) declared the land reforms as un-Islamic.⁴²

⁴² Article: 'Land Reforms – History, Legal challenges and how Shariat Courts abolished them' by Shahid Saeed Khan, website: <http://secularpakistan.wordpress.com/2010/09/23/land-reforms-history-legal-challenges-and-how-shariat-courts-abolished-them/>

No political party has challenged this controversial judgment. However, some legislators and civil society and human rights activists have challenged the previous verdict of the Supreme Court's Shariat Appellate Bench seeking Supreme Courts orders for paving the way of fresh land reforms.⁴³

Absence of land reforms has given birth to concentration of landholdings on influential landlord families. The land which was made available after land reforms has been encroached upon by the existing landlords due to their political clout and weaker position of labour. There is no effective peasants rights movement in Pakistan and the workers vulnerability is increasing.

Box item

PAKISTAN: Hunger stalks millions as food insecurity grows

Saleem-ud-Din, 35, is happy today. The disabled beggar has been able to buy some cooked lentils as well as six 'rotis' [flat bread] for his family of six. "Today we will have a feast. Usually we share two or three 'rotis', at best, between us - but someone put a Rs.100 [US\$1.17] note in my bowl, and along with the other smaller notes and coins, it is enough to buy a proper meal," Saleem told IRIN in Pakistan's eastern city of Lahore.

Beggars, like Saleem, represent the most visible face of hunger and poverty. Their precise number is unknown but is estimated to run into millions, according to media reports. The number tends to rise in major cities ahead of the Muslim month of fasting, Ramadan, which began in most of the country on 2 August and during which people tend to give more charity.

But beggars alone do not represent the food insecure. According to a 2010 report by the Islamabad-based Sustainable Policy Development Institute (SDPI) in partnership with the World Food Programme (WFP) and the Swiss Agency for Development and Cooperation, 48.6 percent of Pakistan's 165 million people are food insecure.

"Food security in Pakistan has deteriorated since 2003. The conditions for food security are inadequate in 61 percent [of] districts (80 out of 131)... This is a sharp increase from 2003, when conditions for food security were inadequate in 45 percent [of] districts (54 out of 120)," said the report.

It said the food security situation is worst (67.7 percent) in the conflict-ridden Federally Administered Tribal Areas along the Pakistan-Afghan border, followed by Balochistan Province (61.2 percent): "Although it is difficult to develop conclusive empirical proof, the strong overlap of food insecurity and militancy provides considerable evidence of a potential nexus."

SDPI head Abid Qaiyum Suleri told the media "poverty and hunger are a security concern as a strong linkage between food security, hunger, poverty, and vulnerability to disasters can be established."

Prices too high?

Food insecurity, agencies say, is linked to prices rather than availability. "Many people have simply no access to food because of their low income levels. Although Pakistan is producing sufficient food, and this year 24.2 million tons of wheat was produced - more than the requirement - food insecurity has increased," WFP spokesman Amjad Jamal told IRIN.

⁴³ News 'SC moved to implement land reforms', daily Dawn, December 14, 2011

“Government pricing policies, with the wheat price going up by 131 percent per 40kg [a bag], from Rs.550 [US\$6.47] to Rs.950 [US\$111.17], have impacted 35 percent of the population in urban areas and a wide range of consumers in rural areas, where 40 percent of households depend on wages and salaries, 16 percent on non-agricultural activities and 5 percent on foreign remittances. All these groups have been severely hit by the price hike,” he added.

The prime minister said the reasons for the price increase were “to encourage wheat cultivation so that the production target of 25 million tons could be met and food security for the country achieved”. He said the move, by bringing Pakistani wheat prices into line with those in neighbouring countries, would “help curb smuggling” .

“‘Atta’ [wheat flour] cost less than Rs15 [17 US cents] per kilogram three years ago. It now costs over Rs.30 [35 cents],” Dilnoor Bibi, 40, a widow, told IRIN. She said that on her income of Rs.5,000 [\$58.82] a month as a washerwoman, she is “barely able to feed my three children, and doctors say my three-year-old, who is often sick, is severely underweight and needs more food which I cannot provide.”

Experts who work in the field see hunger everywhere. “Men, women and children all suffer malnourishment but the impact on the health of women and children is most acute,” Shahid Awan, a nutritional officer at the UN Children’s Fund, told IRIN. He said 95,000 “severely malnourished” children had been detected in the country, and that many women suffered anaemia and other deficiencies which also affected the health of children. “The diarrhoea and other infections so many children suffer is just a symptom. The root-cause of the problem is acute malnutrition, and it is this we need to tackle urgently,” he said.

(IRIN, August 5, 2011 website: <http://www.irinnews.org/printreport.aspx?reportid=93430>)

Box item ends

2.4. Assess more specifically the effects of globalization on informal economy in general and women workers in particular linking macroeconomic/labour policy with the poorest people/women taking larger legitimate share of women in national resources into account

Pakistan is a signatory to both the UN Universal Declaration of Human Rights 1948 that recognizes the right to work, to freely choose employment and to have just and favourable working conditions, and the 1998 ILO Declaration on Fundamental Principles and Rights at Work that pledges to 'promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity'. Pakistan has ratified all the eight core Conventions of ILO that codify the four most basic human rights related to the world of work the right to organize and engage in collective bargaining, the right to equality at work, the abolition of child labour and the abolition of forced labour.

Economic Deprivation, Discrimination and Denial in Pakistan

Indicators	Data	Source
Children Dead before Fifth Birthday	89 per 1000 live births	World Health Organisation 2010; World Health statistics, Page 53
Children Dead before Fifth Birthday	An estimated 460000 children under five die each year in Pakistan	Page 179, <i>The State of Pakistan Children, SPARC Report 2010</i>
Children and Youth with less than 8 years of School	7.394136 million	HIES Table 2, LFS
Average daily Calorie Intake per capita	1432.91	HIES
Females in Unpaid Family Labour	1.726689 million	LFS table 18
Average Income Earnings Of Female	<ul style="list-style-type: none"> • 6422 RS • 2152.3 RS 	<ul style="list-style-type: none"> • LFS pg. 37 • HIES table 9
Average Income Earnings Of Male	<ul style="list-style-type: none"> • 10211 RS • 10046 RS 	<ul style="list-style-type: none"> • LFS PG 37 • HIES Table 9
Monthly Income per capita	Rs. 8539.76	HIES Table 9
Monthly Poverty income per capita	Rs, 2892.771667	HIES
National Income per capita	8505 RS	PES PG 11
Government Revenues per capita	1211.279243	PES pg 40
Debt Servicing per capita (July 2009 and March 2010)	2078.241884 Rs	PES pg 86 & Oxfam report
Defense Expenditure per capita	176.4529577 RS	PES Pg. 42
Inflationary Transfer per capita	106.8074455 Rs	PES pg 42

Pakistan is much behind in almost all the Millennium Development Goal (MDGs), but the situation in case of 3rd goal: 'Promote gender equality and empower women' is slow. The Gender Parity Index (GPI) for primary education was 0.73 in 1990-91, which slowly increased and reached to 0.85 by 2004-05 and the government claims it had achieved 0.94 in 2010, but it seems less likely to achieve the target of 1 by 2015.⁴⁴ Similarly, the GPI for secondary education was 0.83 in 2004-05 and 0.9 in 2010. Youth literacy GPI was 0.85 as against target of 1 by 2015. Share of women in wage employment in the non-agricultural sector was 12 percent in 2010 against the target of 15 percent by 2015. The main achievement in this goal was increase in the number of seats at the parliament. The number of women in the National Assembly (lower house) was only 0.9 percent and in the Senate (upper house) 1.0 percent, which have been now increased to 21 percent in the National Assembly and 17 percent in the Senate.

The Pakistani Constitution also provides all fundamental rights to its citizens. Pakistani Constitution guarantees equal status to both male and female, but women suffer discriminations due to patriarchy feudal system in Pakistan, where fewer opportunities are available for womenfolk against their males counterparts. Less remuneration at the workplace due to lack of implementation of the labour laws, less social protection and social security facilities as well limited maternity benefits are available for the women workers. Women also do not enjoy their right of unionization in the industries as wherever the collective bargaining agents are there, the membership of women in the trade unions is negligible. It is interesting to note that the number of women workers has increased over the period because of economic compulsions and increasing inflation.

According to the Pakistan Employment Trends Report 2011, when the male participation rate in the labour force increased by 0.2 percentage points in 2010-2011 from the previous year, the female participation has increased by of 3.1 percentage points in 2006-2007 to 2010-2011. This increased was even higher at 5.0 percentage points in the period between 1999-2000 and 2006-2007.⁴⁵

The report also shows that the share of labour vulnerability across all sectors decreased by 2.5 percentage points between 1999-2000 and 2006-2007, and in the case of males by 5.2 percentage points. However, vulnerability across all sectors increases by 1.0 percentage point between 2006-2007 and 2010-2011. Overall, men seem to benefit more from improvements in the labour market.

In 2010-2011, the share of men with a wage and salaried job was at 41.2 percent, almost double that of females, at 21.6 percent, reflecting a situation in which the few wage and salaried jobs that are created tend to go to men rather than women. Roughly six out of ten employed people in Pakistan (61.6 percent) in 2010- 2011 were considered to be vulnerable, meaning "at risk of lacking decent work". The large share of female vulnerability (78.3 percent) needs special attention. Also of concern is the large share of youth vulnerability (60.9 percent). Although often better skilled than the rest of the labour force, young people seem to face similar labour market difficulties as adults.

⁴⁴ Pakistan Millennium Development Goals Report 2010

⁴⁵ Pakistan Employment Trends 2011, Government of Pakistan Statistics Division, Pakistan Bureau of Statistics

According to an estimate women membership in trade union in Pakistan is just 2 percent of total membership, unfortunately, this figure does not even include informal economy of where women constitute more than 70 percent of the workforce.⁴⁶

It is not only economic exclusion, but societal biases against womenfolk have left very limited opportunities for women to get primary education let alone the higher education. Due to growing religious militancy in the country and feudal system, the role of womenfolk in the economic activities is already limited. According to a news report Tehreek-e-Taliban destroyed more than 400 schools only in Swat valley between 2007 and 2011. These government as well as private schools were providing education to girls.⁴⁷ The destruction of the formal educational institutions for both boys and girls by militants is continued in Swat and Waziristan areas northern-West part in Pakistan due to absence of government writ.

Moreover, due to feudal society the honor killings against women is rampant in most of the rural areas and discriminatory laws have put the womenfolk backward in the social development. According to Human Rights Commission of Pakistan (HRCP) about 943 women were killed in the name of honour in Pakistan during 2011, of which 93 were minors.⁴⁸ In the chapter on women the HRCP has pointed out that the social indicators like educational opportunities, employment, and health pertaining to women were quite disappointing 65 percent of the workforce engaged in low paid and unrepresented home-based work. The floods had adversely affected women and children, with 120,000 pregnant women suffering from trauma, fatigue, malnutrition, and poor hygiene. The health indicators for women, particularly in rural areas, remained abysmal, with breast cancer being amongst the highest in South Asia and 40,000 deaths recorded annually.

Overall Vulnerability of Labour

Pakistan Constitution guarantees rights of trade union to all workers (Article 11 (1-3) and Article 17(1)). The Article 37(c) says: The state shall secure the well-being of the people, irrespective of sex, caste, creed and race, by raising their standard of living, by preventing the concentration of wealth and means of production and distribution in the hands of a few to the detriment of general interest and by ensuring equitable adjustment of rights between employers and employees, and landlords and tenants; provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure; provide for all persons, employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means; provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanent ly or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment; reduce disparity in the income and earnings of individuals ...

Of the 57 million labour force 45% is engaged in the agriculture sector where no labour laws and rights including the fundamental right to freedom of association are applicable. Pakistan's

⁴⁶ ILO press release dated 08 August 2012: Weblink: http://www.ilo.org/global/about-the-ilo/media-centre/press-releases/WCMS_187903/lang--en/index.htm (accessed on October 3, 2012).

⁴⁷ Al Jazeera report. Website: <http://www.aljazeera.com/indepth/features/2012/10/2012101516347715708.html> accessed on October 16, 2012

⁴⁸ HRCP Report "State of Human Rights in 2011"

agriculture sector is also infected with bonded and forced labour where poor workers, especially those coming from the marginalized and caste affected communities such as dalits or scheduled castes are compelled to work in conditions no less than slavery.

Government machinery has to monitor the implementation of laws and make them public. Long time back Pakistan used to have the Industrial Relations System of Pakistan (Karachi, Bureau of Labour Publication), Pakistan Labour Gazette (Karachi, Ministry of Labour) - containing all cases in labour courts in that period, Registered Establishment Directory - containing records of registered factories and firms, Factories Act report – monitoring basic laws. With the passage of time all these publications got disappeared.

Today in Pakistan there is no authentic mechanism to calculate minimum wage, every year at the time international labour day (1st of May) the federal as well as provincial governments announce a nominal increment randomly and this increased minimum wage rate request is sent to bodies that are responsible for determining minimum wages. This meagre minimum wage is also not paid in most of industries and workplaces.

When the PPP government took powers in 2008, in his maiden speech in the National Assembly the new Prime Minister Yousuf Raza Gilani announced to increase minimum wages for unskilled workers to Rs. 6000 per month, which were later enhanced to Rs. 7000 at the time of announcement of Labour Policy in 2010. This year on Labour Day the government raised the minimum wages to Rs. 8000 per month. The provincial government of Punjab raised the minimum wages to Rs. 9000.⁴⁹

Tripartite conference needs be arranged to recognize that one have to implement fair, responsible and inclusive employment practices in their workplaces. Standing Committee of Labour is formed to look into the laws and suggest all required amendments.

Since the illegal amendment in the Factories Act 1934 through the Finance Bill of 2006, the labour rights have been severely violated in all four provinces of the country. These violations include ban on labour inspections and no freedom of unionization in many factories. Another violation is that the hours of work have also been increased. Through this amendment over-time limit was increased up to 650 hours yearly which was previously 150 hours. The amendment also impacted the female participation in workforce which is comparatively higher in textile/ garment industry, as the employer has now the right to force the female workers to work after sunset or even before sun rise.

According to the Factories Act 1934 the employer is responsible to maintain the minimum health and safety standard at the work place, which also includes displaying labour rights at a prominent area of the workplace and in the language/s understandable by the workers. Due to absence of factory inspection system provided under the Factories Act, industrial accidents are happening frequently in different cities of Pakistan. The worst ever was a fire in a garments factory in Karachi on September 11, 2012 which caused deaths of estimated 300 workers, a large number of female labour.

If one can revisit the fire incidence he or she can identify some major issues behind this gruesome accident which are:

⁴⁹ Daily The News International May 2, 2012. Weblink: <http://www.thenews.com.pk/Todays-News-13-14297-PM-raises-minimum-wage-to-Rs8000-Shahbaz-to-Rs9000>, (accessed on October 12, 2012)

- Absence of compliance on the labour laws
- Sever violations of labour rights according to the ILO Conventions
- Lack of awareness within the workers about their basic rights at workplace
- Poor health and safety conditions at work place
- Absence of health and safety instruments
- No training for workers to use these safety instruments in emergency situation
- Absence of trade unions and the capacity of collective bargaining
- Banned labour inspection in all four provinces
- Less human and resource capacity of labour related government departments
- Absence of monitoring mechanisms by the government
- No mechanism for evaluation of the status of labour in the country and any public reporting system.

Box Item

300 workers burnt alive in factory fire

Pakistan experienced its worst industrial accident when a massive fire tore through the building of a garment factory in Karachi, named Ali Enterprise reportedly had limited emergency exit means. This factory only had one accessible exit, and all of the other doors Enterprises⁴ during the evening shift on September 11, 2012. Around 650 workers were reportedly working at the time in the factory when the fire broke out.

About 260 plus people are reported to have died, many lost their lives because they could not escape the blazing fire in the building that were locked.

Workers on the higher floors of the multi-storied building struggled to escape the premises through the windows that were covered with metal bars. Many, including a 27-year-old pregnant woman, were injured when they jumped from the building.⁵⁰ At least 65 other workers suffered broken bones following the jump from the top storey of the building.⁵¹

Though there are conflicting reports regarding the number of dead, an official figure is 260 plus. An ambulance service Edhi sources confirmed handling 200 dead bodies (13 females) out of which 40 are still unidentified.

There are no concrete reports on the number of injured. This is because neither there exists any record of workers registered with the Ali Enterprises nor are any papers available on the attendance of the

⁵⁰<http://www.channel4.com/news/pakistan-fire-death-toll-rises>

⁵¹<http://www.thenews.com.pk/article-67355-Karachi-factory-fire-death-toll-tops-100>

workers at the premises on the day of the tragedy. Newspaper reports do suggest 65 workers having been injured, but this number is unlikely to be accurate. According to media reports, a majority of victims were below the age of 35 years.⁵²

According to reports, Ali Enterprises, a member of the Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA), had annual sales of around Rs5 billion.⁵³ The factory was a major exporter of garments to developed countries. Garments recovered from the factory were carrying the 'Okay' logo, a label produced and sold in KIK⁵⁴ stores in Germany, Austria and across Eastern Europe.

According to an online business information service, Ali Enterprises, manufactured denims, knitted garments and hosiery and had capital of between \$10 million and \$50 million⁵⁵. Reliance Insurance Company had insured 70% of Ali Enterprises' assets, whereas the remainder was secured by the Premier Insurance.

Owned by Abdul Aziz Bhaila and his sons Arshad Bhaila and Shahid Bhaila (also CEO the factory) was setup some 12 years ago with total employment around 1500-20000 workers who worked in shifts.

The working conditions at Ali Enterprises were the same as that prevalent in almost all factories in Pakistan with limited access to labour rights, compromised wages, stretched working hours and contract employment where the contractor is responsible for handling the labour and for delivering output.

An overwhelming majority of the factory workers were not registered with any social security institutes which explains why there are conflicting numbers related to the employees in the factory. Only 190 out of 1500 plus workers at the factory were registered with the social security institute, the Employees Old-Age Benefits Institution (EOBI).⁵⁶ This means that on government papers, the factory employed only 190 workers while the death toll itself stands at over 260 plus. Unless the government decides otherwise, only the deceased that were registered with social security institutions will have their families entitled to compensation leaving out the large majority of the rest.

A senior officer of the Federal Investigation Agency (FIA) told a newspaper reporter, on conditions of anonymity, that the factory's "plot was actually allotted for a ground-floor, small-industry unit only. Its approved capacity of workers was 250, but the factory owner expanded the hosiery unit into a leather garment and denim factory and constructed two extra floors illegally and hired 1,500

⁵² "No killed worker had appointment letter", Qadeer Tanoli, The News, Sep 12, 2012 at <http://www.thenews.com.pk/article-67471-No-killed-worker-had-appointment-letter>

⁵³ <http://tribune.com.pk/story/438777/factory-inferno-ali-enterprises-assets-frozen-on-sbp-orders/>

⁵⁴ KIK, which stands in German for 'The Customer Is King', is Germany's seventh-largest textile retailer and was set up in 1994 by German entrepreneur Stefan Heinig, establishing a discounter model of low-cost retailing for clothing. It operates over 3200 stores in eight European countries. In 2010 turnover at KIK exceeded 1,69 billion Euros.

⁵⁵ [http://www.nytimes.com/2012/09/13/world/asia/hundreds-die-in-factory-fires-in](http://www.nytimes.com/2012/09/13/world/asia/hundreds-die-in-factory-fires-in-pakistan.html?pagewanted=all&_moc.semityn.www)

[pakistan.html?pagewanted=all&_moc.semityn.www](http://www.nytimes.com/2012/09/13/world/asia/hundreds-die-in-factory-fires-in-pakistan.html?pagewanted=all&_moc.semityn.www)

⁵⁶ "All workers from Baldia factory to get Rs3,600 in pensions, says EOBI", Hafeez Tunio, Express Tribune, September 18, 2012 at <http://tribune.com.pk/story/438223/all-workers-from-baldia-factory-to-get-rs3600-in-pensions-says-eobi/>

workers.”⁵⁷ This implies that not only the plot was overstretched by way of construction of multiple stories, the workers were crammed into a limited space to make way for maximum production. One of the major reasons for the mass deaths at Ali Enterprises is locked doors and crammed space. In a statement recorded before an inquiry commission, the Ali Enterprises’ accountant Abdul Majeed Khan testified that he knows/has heard that the factory doors are locked to keep workers from leaving their places before time or to prevent theft of material or equipment.⁵⁸

According to testimonials submitted before the government constituted Inquiry Commission, Ali Enterprises enjoyed the clearance of the Civil Defense every year,⁵⁹ which implies that in government documents, the factory was equipped enough to deal with fire or other emergencies as it had placed sufficient safety mechanisms to address any crisis. Submitting his statement to the Commission, the Electrical Inspector, Karachi division informed that “since 2003, our department has been disallowed [by the Sindh government] to conduct the inspection of the electrification of any factory within the province. So, the conditions of electricity and wiring in any industrial unit are difficult to scrutinize.”⁶⁰

The Managing Director of SITE Limited Abdul Rasheed Solangi informed the inquiry commission that SITE Limited used to conduct surprise inspection raids at the factories four or five times every year, but the same were banned in 2005. Now only annual inspections were carried out, after seeking approval from the concerned authorities.⁶¹

Similarly, the Deputy Director Labor Owais Ahmed Sheikh informed that (unlike the earlier practice) the labour department was required to obtain an authority letter from the department concerned before carrying out such raids.⁶² This essentially means enough space for corrupt officials and non-compliant factory owners to work out a deal to manage the outcome of the inspection in their favour.

The Deputy Director Labour also informed that five officers were deputed on factories inspections in Karachi. So, for more than 10,000 factories, five officers are tasked to carry out inspection which means that it would take years for any factory to have its site inspected. Contradicting this claim, Amir Nawab, former provincial minister for Labour, who resigned merely a week before the tragic incident said in a statement that the CM Sindh had prohibited the Labour department to examine any factory within the limits of Karachi. He said that a few times his ministry attempted to carry out labour inspection and found irregularities in their operation, including non registration of the entities

⁵⁷ “A criminal over-SITE”, Imdad Soomro, The News on Sunday, 23 September 2012, at <http://jang.com.pk/thenews/sep2012-weekly/nos-23-09-2012/spr.htm#1>

⁵⁸ Ibid

⁵⁹ “A criminal over-SITE”, Imdad Soomro, The News on Sunday, 23 September 2012, at <http://jang.com.pk/thenews/sep2012-weekly/nos-23-09-2012/spr.htm#1>

⁶⁰ “A criminal over-SITE”, Imdad Soomro, The News on Sunday, 23 September 2012, at <http://jang.com.pk/thenews/sep2012-weekly/nos-23-09-2012/spr.htm#1>

⁶¹ Baldia factory fire inquiry commission recommends stopping parallel inquiries at <http://pakistan.onepakistan.com/news/city/karachi/130159-baldia-factory-fire-inquiry-commission-recommends-stopping-parallel-inquiries.html>

⁶² Baldia factory fire inquiry commission recommends stopping parallel inquiries at <http://pakistan.onepakistan.com/news/city/karachi/130159-baldia-factory-fire-inquiry-commission-recommends-stopping-parallel-inquiries.html>

with the labour department, they were told to stop and drop the cases against the concerned factories.⁶³ The CM office has not commented on this statement so far.

The Employees Old Age Benefit Institute (EOBI) Regional Director Saeed Ahmed Jumani, in his statement before the Commission said that the only 200 workers from Ali Enterprises were registered with the EOBI. “We were very much doubtful about the labour strength on record of Ali Enterprises and that’s why we sent them letters as reminders asking them to update that number, but in vain. The employers in fact never allowed us to visit the factory and ascertain the number of employees.” It is important to note that the EOBI has the authority to seize their record, books and carry out all necessary procedures to ensure that the employees comply with their obligation to register workers with the social security institute.

Legal Actions Taken

Murder charges have been filed against the owner Abdul Aziz, Mohammad Arshad and Shahid Bhaila and other members of the management of Ali Enterprises.⁶⁴ The Sindh government has placed their names in the Exit Control List (ECL) so they cannot leave the country.

The owners have been granted interim bail twice and have been directed by the courts not to leave the city without the permission of the courts. Their bail has now been rejected after the filing of a bail application the third time with the court.

The State Bank of Pakistan (SBP) asked all banks to freeze the assets of the owners of Ali Enterprises’ factory. The owners reportedly possess Rs 510 million in four accounts kept with two banks.

Four committees – the police agencies, Federal Investigation Agency, the city government and a tribunal – were constituted by the government to look into the biggest industrial fire in Pakistan’s history.

An inquiry commission was constituted by the Sindh government on Sept 12 with a mandate to investigate the fire in M/s Ali Enterprises, look into the cause of the fire, kind of civil defence system available inside the factory building and the extent of negligence on part of owners. The Commission is headed by Justice Retired Zahid Qurban Alvi.

The inquiry commission later recommended to the provincial government to halt parallel inquiries being conducted into the incident. There is no official announcement on whether the recommendation has been followed or not. The Commission itself submitted its report to the Chief Minister Sindh on September 28, 2012.

Labour Rights Activists Interventions

The Sindh High Court too took a suo moto notice of the tragedy on Sept 12, 2012 and issued notices to the advocate general of Sindh, the deputy attorney general, the labour secretary, the IGP, the DG Rangers, the Karachi commissioner and the Sindh Building Control Authority to submit their reports on the incident in 10 days.

⁶³ Sindh Labor Minister blames CM for stopping factory inspection, Inaam.Chandio, 13 Sept 2012, at http://area148.com/cms/index.php/law_order/sindh-labor-minister-blames-cm-for-stopping-factory-inspection

⁶⁴ <http://www.hindustantimes.com/world-news/Pakistan/Pakistan-files-murder-case-over-factory-fire/Article1-929419.aspx>

A petition has been filed by the Pakistan Institute of Labour and Education and Research (PILER), Pakistan Fisher Folk Forum, National Trade Union Federation, Hosiery Garments Textile, Human Rights Commission of Pakistan, and legal activist Javed Iqbal Burki and others in which the demand has been made to constitute a judicial commission headed by an HC or an SC Judge to give its findings on the causes of the industrial fire tragedy; assign responsibility and liability including government officials and departments responsible for negligence, and failure over a timely response to the fire; determine compensation for the families of the victims; and make recommendations for the avoidance of such industrial tragedies. The Petition by PILER and friends in civil society has been tagged with the suo moto by the Chief Justice of the Sindh High Court.

Compensation Paid

A total of 185 workers have been identified and the first compensation was handed by the Bahria Town group. Compensation cheques of Rs200,000 each to the families of 178 people who perished in factory fire, while Rs100,000 each are given to the injured.

Prime Minister Raja Parvez Ashraf distributed an amount of Rs400,000 each for the dead and Rs100,000 each for the injured of the fire incident. Chief Minister Sindh issued Rs300,000 each for those who lost their lives and Rs50,000 each to the injured. The Prime Minister directed the Federal Labour and Manpower Minister to give Rs500,000 each to the heirs of the workers killed in the inferno⁶⁵. The total financial support so far given to the victims' families amounted to Rs900,000 each. While Rs500,000 each would be given from the Federal Labour and Manpower Minister as per directives of the prime minister.

The Old-Age Benefits Institution (EOBI) however announced a compensation for the victims and survivors, a monthly Rs 3,600 pension⁶⁶. Similarly, the Sindh Employees Social Security Institute management had also announced that it would bear the treatment expenses of the fire tragedy injured at good private hospitals.⁶⁷ It has also announced that it would be compensating the workers as well. "We will pay whatever our board decides," said Director SESSI Faisal Rashid.⁶⁸ Governor Sindh Dr. Ishrat-ul-Ebad promised to provide jobs to the workers who have been rendered jobless due to the devastating factory fire. However no worker up till now has received any jobs per directives of the Governor. The Pakistan Readymade Garment Exporters Association suggested, in a press release, that they were considering introducing a system of self-monitoring for improving factory conditions to match international standards.⁶⁹

It is pertinent to note that not all families of the deceased, or the injured, have been compensated yet. At least 40 bodies remain unclaimed lying in Edhi mortuaries across the city. The DNA samples of the family members have been collected to identify the victims but the verification is taking long as the samples are being tested in Islamabad. The heirs of the victims have been told to wait for at least a

⁶⁵ <http://dawn.com/2012/09/24/compensation-cheques-given-to-families-of-factory-fire-victims/>

⁶⁶ <http://tribune.com.pk/story/438223/all-workers-from-baldia-factory-to-get-rs3600-in-pensions-says-eobi/>

⁶⁷ "Baldia Town fire inquiry commission: 'CM curtailed inspectors' power to conduct surprise raids on factories", Dawn, at <http://dawn.com/2012/09/18/baldia-town-fire-inquiry-commission-cm-curtailed-inspectors-power-to-conduct-surprise-raids-on-factories/>

⁶⁸ "All workers from Baldia factory to get Rs3,600 in pensions, says EOBI", Hafeez Tunio, Express Tribune, September 18, 2012 at <http://tribune.com.pk/story/438223/all-workers-from-baldia-factory-to-get-rs3600-in-pensions-says-eobi/>

⁶⁹ "Spotlight on social compliance", Afshan Subohi, 1st October, 2012 at <http://dawn.com/2012/10/01/spotlight-on-social-compliance/>

month before the identities are confirmed. This essentially means that they will miss out on the compensation as the government due to bureaucratic delays.

Due to the absence of records, it has been difficult to ascertain the number of injured. There is information that the injured are being provided medical care free of cost while a select number of injured have been given a compensation payment of Rs 100,000 too but the exact status of the injured remains unknown at this point.

International Actions

ILO

- The International Labour Organisation (ILO), in a press release after the tragedy, offered to help assess the loss of income for the families of the victims and ways to help them get back on their feet again,
- The ILO offered its support for the families to help recover from their loss and stated that it would be willing to help strengthen the Sindh labour department to prevent such incidents from re-occurring.
- The ILO also pledged that it will extend skill-training scholarships to 500 members of the families and link them with decent jobs. It can extend technical assistance on the rapid training of labour inspectors in Sindh on promoting fire safety at the workplace.⁷⁰

Clean Clothes Campaign

- The Clean Clothes Campaign, an alliance of organisations in 15 European countries that advocate on improving working conditions and supporting the empowerment of workers in the global garment and sportswear industries has also been working on the issue. It is currently working alongside the labour unions and labor rights organizations in Pakistan to demand accountability from the international brands that were buyers of the products of the Ali Enterprises. It is also seeking the Social Accountability International (SAI) and Social Accountability Accreditation Services (SAAS) to make clear their operations and disclose their audit reports on the concerned factory.

Box Item Ends

⁷⁰ "ILO offers to help families train and get jobs", Sep 13, 2012 at <http://tribune.com.pk/story/436156/i-lo-offers-to-help-families-train-and-get-jobs/>

2.5 Growing militarization affecting democratization including ramification on vulnerability and poverty among the most deprived

Besides massive decline in provision of basic facilities like education and health due to lack of funding, the widespread corruption in public sector organisations, slow down of economic activities because of the persistent energy crisis, the growing terrorism across Pakistan especially after the Afghan crisis in 1979 are the main causes of the poverty in Pakistan.

When the USSR Army entered into Afghanistan in 1979 to support the Socialist revolution, Pakistan offered her services to the USA, whose interests were anticipated to be hurt by the socialist revolution in Afghanistan. Pakistan provided support to the USA by exploiting the anti-communist sentiments of the Afghan Muslims and promoting Jihad. The USA pumped up the money to Pakistan to prepare Jihadi militants for a guerilla warfare against the occupation forces of USSR as USA was not in a position to directly confront. The guerilla warfare trainings of the Afghan youth in the religious schools located in the Pakistani side resulted in failure of the socialist revolution mainly because of end of cold war and dismantling of the USSR. The Soviet Army was not in a position to continue military support to Afghan socialism as their own country was divided into 15 independent state. The trained guerilla warfare turned into a Taliban insurgency when the USSR announced withdrawal of its forces as a result of Geneva Accord in 1988.

Between 1982-1990 Pakistan received US\$ 7.4 billion under the military and economic aid package as a gift for her support for Afghan war. This also made Pakistan the second largest US aid recipient in the world after Israel during that time.⁷¹

The withdrawal of USSR Army put Afghanistan into a prolonged civil war in which the Jihadi groups fought with each other to take control of the areas and to establish their rule. Taliban, with both military and financial support from Pakistani intelligence agencies took over most of the areas and ultimately captured the Afghanistan capital Kabul in September 1996 and declared the country the Islamic Emirate of Afghanistan. Taliban rule, recognized only by Pakistan, Saudi Arabia and UAE, continued until October 2001, when the US-led Allied Forces overthrew Taliban government in order to arrest Al-Qaeda chief Osama Bin Laden who was hiding in Afghanistan under patronage of Taliban.

The Afghan insurgency has badly affected the Pakistan's law and order as most of the areas in Pakistan were targeted by militant Taliban, who were mostly driven into Pakistani tribal areas after the USA occupation. But a large number of Afghan refugees were already living in the refugee camp, who had taken shelter in Pakistan during Afghanistan civil war. The local supporters of Taliban in Swat, Waziristan and other tribal areas provided material support and shelter to these terrorist outfits. The Al-Qaeda-Taliban insurgents with the support of local religious extremist groups like Jamat-e-Dawah, Lashkar-e-Jangvi, Jaish-e-Mohammad and Tahir-e-Taliban Pakistan carried out terrorist activities in Pakistani territory to establish a Taliban-style Islamic rule in Pakistan. The religious fanatics have created law and order problem in Malakand division of Khyber Pukhtunkhwa province, demanding Shariat rule in the valley. They killed innocent people on defying their orders, even the dress codes, tortured women on defying their narrow-minded life style in which these

⁷¹ Costs & Benefits of Afghan War for Pakistan, A. H. Hilali, Khyber.org (weblink: <http://www.khyber.org/publications/pdf/afghanwarcosts.pdf>)

fanatics kept women under veil, did not allow girls to get education and discouraged women's participation in economic activities. Taliban insurgents have bombarded the educational institutions especially the girls schools and threatened the peace activists in the areas. Through an illegal FM radio transmission, the extremists leader Maulana Fazullah had created a wave of terror in Swat valley, which was once the tourist area. After Swat military operation in 2009 Maulana Fazullah fled away to the Pakistan-Afghanistan border areas, which are considered as safe heaven for the insurgents.

Pakistan government launched two military operations against insurgent Taliban and Al-Qaeda in Swat valley (Malakand division) in Khyber Pukhunkhwa province and South Waziristan in FATA in 2009-10. These spells of the Army operations put a heavy burden on the national budget outlay as the governments had to divert most of its budget allocations on military expenditures. The government also cut the development budget. The Taliban militants continued their terrorist activities in other areas of Pakistan as they were driven out of the Swat and took shelter in Waziristan area. They continued their terrorist activities in Pakistan by hitting common citizens through bomb blasts at public places as well as through suicide bomb attacks in public rallies. On her return from self exile from Dubai, UAE as a result of a deal with the Military dictator General Perwaiz Musharraf and to take part in the already announced 2008 general elections, Benazir Bhutto of Pakistan Peoples Party (PPP) was targeted by two suicidal bombers, resulting in killing of about 140 PPP workers on October 18, 2007 in Karachi. Although she survived this lethal attack, Bhutto was later assassinated in yet another suicidal bomb-cum-shooting incident on December 27, 2007 in Rawalpindi when she was returning from an election campaign rally. Similarly, the political rallies of many political parties have been targeted by the Taliban and Al-Qaeda terrorists in Khyber Pukhtoonkhwa and other parts of Pakistan, especially political leaders of secular political parties like PPP and Awami National Party.⁷²

Besides carrying out terrorist activities, the militant Taliban have destroyed girls' educational institutions especially government schools and colleges in Khyber Pukhtunkhwa province and Federal Tribal Areas (FATA) to discourage girls' education in order to impose their own defined religious rule.

Women have suffered a lot due to prolonged terrorism in Pakistan as besides curtailment of their free movement Taliban insurgents have created an environment of harassment and economic and social exclusion. Even women are not allowed to do shopping in the shopping centres if they are not accompanying with male members. Although girls were allowed to go in rickshaws, Taliban restricted them to wear a shuttlecock like burka (veil), because in their view other types of burkas were not suitable for women.

In Swat area, they had virtually imposed their orthodox rule as the government had lost its writ before the 2009 Army operation. A little resistance came from the common people against the Taliban, who had completely destroyed livelihood opportunities of people from the tourism industry of this beautiful Swat valley. However, a weaker voice from certain pockets especially a girl student Malala Yousufzai for the rights of girls education, who wrote diaries for BBC Urdu service, which Taliban considered a big threat to them. The 14-year-old girl Malala got the fame when she was

⁷² CHRONOLOGY-Attacks in Pakistan since July 2007, Reuters (Web link: <http://www.reuters.com/article/2007/12/27/idUSSP260961> accessed on October 15, 2012)

nominated for the International Children's Peace Prize on her writings of dairies with a pseudonym of Gul Makai. On her nomination, the Pakistan government announced an award for her, besides provincial governments also decorated her with honours and cash awards. Sindh government went ahead to nominate a government girls secondary school in Karachi in her name. Malala was shot at by Taliban terrorists on October 9, 2012 when she along with other peers was returning from the school in Swat. She and her two other girl peers were wounded in the targeted attack, for which later Taliban accepted the responsibility. Even though after 2009 Army operation in Swat the Taliban insurgents had fled away from the area and law and order was restored in the valley and there was complete control of the Army in the valley, the terrorists successfully carried out their operation and fled away easily. Pakistan government later blamed Maulana Fazlullah (famous for running an illegal FM radio station in Swat, who is reportedly hiding in Afghanistan for ordering the attack.

(Please see the box item)

Box Item

Symbol of resistance⁷³

The news of a gun attack on young Malala Yousufzai, who had become a symbol of resistance in Swat to the Taliban's obscurant agenda, has been met with revulsion in Pakistan and abroad. The 14-year-old, a crusader for girls' education and an outspoken critic of the Taliban, had been receiving threats from the latter, and in that respect the attack, claimed by the Taliban, has come as no surprise — even though Malala's family reportedly did not think that the Taliban would target her.

However, it must be borne in mind that the militants' targets have over the years become extremely blurred; and apart from state and military installations they have bombed hospitals, marketplaces, mosques and bazaars, killing or maiming thousands of civilians in the process. Besides they routinely issue warnings to people not to support groups working on community welfare projects. With such a regressive thought process, their violent rejection of anything that stands for democracy, secularism, in fact the basic freedoms themselves, is only to be expected. In keeping with their hidebound ideology, they have atomised 2,000 schools — almost all of them catering to girls' education, to which Malala, since the time the Taliban ordered the school her father ran to be closed down, is inextricably linked.

The attack on Malala was the third such incident in Swat in recent months. In the earlier two crimes, the Taliban had targeted a hotel owner and the chief of the hotel owners' association. Does the crime in Mingora on Tuesday forebode Swat's return to tyranny in the name of religion? We hope not, for the tourist paradise has made a remarkable return to normality. The 2009 army operation against Mullah Fazlullah and his men by all accounts was a success story: the militants have been chased into nearby Afghan provinces from where they carry out attacks inside Pakistan — a reminder that their defeat has not been complete. Since their flight, though, Swat has been largely peaceful; domestic tourism has returned, while welfare works have picked up. This turnaround in the situation has been due mostly to the efforts of the people of Swat who suffered under the Taliban, seeing their livelihoods ruined and their traditional way of life disturbed, besides witnessing the group's barbarity on almost a daily basis. However, there is still no room for complacency, and even sporadic targeted attacks could indicate the presence of a support base for the Taliban in the area. Better intelligence-

⁷³ Editorial in Daily Dawn dated October 11, 2012

gathering then is needed to thwart the designs of those who are waiting to once more snuff out the dreams of thousands like Malala.

Box Item ends

Tension with India and Militarization

Pakistan continued to face tension with India. The terrorist attacks on common citizens in Mumbai in 2008 further intensified the tension between India and Pakistan as the latter accused Pakistan-based terrorist outfits like Jamiatud Dawah (JuD) for carrying out that terrorism in Mumbai. The arrested terrorist Ajmal Kassab was a Pakistani citizen. The persistent tension with neighbouring India over Kashmir had already strained the two nations' relations and this new conflict caused severance of almost all types of diplomatic and social relationship between the two neighbours. This resulted in building up of militaries across the borders and further rise in tension.

Pakistan has been facing both internal and external security challenges, which certainly has put pressure on its budgetary allocations for development.

Pakistan has paid a heavy cost due to terrorism, in terms of loss to human lives as well as economic losses. According to South Asian Terrorism portal total 6,142 persons, including of 2,797 militants, 2,580 civilians and 765 Security Forces personnel killed in 2011 in terrorism related incidents. In the previous year (2010), 7,435 persons, including 5,170 militants, 1,796 civilians and 469 SF personnel had been killed.⁷⁴

The economic losses are even much higher. Economic Survey 2010-11 gave an overview of the losses due to terrorism. According to it the direct and indirect cost of the terrorism escalated from \$2.669 billion in 2001-02 to \$13.6 billion by 2009-10, which further rose to \$ 17.8 billion in year 2010-11.⁷⁵

⁷⁴ South Asian Terrorism portal website: <http://www.satp.org/satporgrp/countries/pakistan/> accessed on September 29, 2012

⁷⁵ Economic Survey 2010-11, Government of Pakistan

Table 1: Cost of War Estimate in 2001-02 and 2010-11(\$ Billion)

	2001-02	2010-11 (Est.)
Exports	1.40	2.90
Compensation to Affectees	0.00	0.80
Physical infrastructure	0.00	1.72
Foreign Investment	0.15	2.10
Privatization	0.50	1.10
Industrial output	0.11	1.70
Tax Collection	0.25	2.10
Cost of Uncertainty	0.10	2.90
Expenditure Over run	0.11	1.60
Others	0.10	0.90
Total:	2.72	17.82

Source: Ministry of Finance

Table-2: Cost of War (2001-2011)

Years	Billion \$	Billion Rs.	% Change
2001-02	2.669	163.9	-
2002-03	2.749	160.8	3.0
2003-04	2.932	168.8	6.7
2004-05	3.410	202.4	16.3
2005-06	3.986	238.6	16.9
2006-07	4.670	283.2	17.2
2007-08	6.940	434.1	48.6
2008-09	9.180	720.6	32.3
2009-10	13.560	1136.4	47.7
2010-11*	17.830	1528.0	31.5
Total:	67.926	5036.8	

* Estimated on the basis of 8 months actual data
Source: MoF, M/o Foreign Affairs Joint Ministerial Group

Pakistan's problem with militancy is quite older as the country has been facing it internally for quite long due to neglect of certain areas in development, denial to the rights of certain groups at a state level, dictatorial attitude of the rulers and bureaucracy due to prolonged military rule and deep rooted tribal system in many areas where tribal elites run a parallel judicial system and refuse to give rights to general masses. Pakistan lost its eastern part due to denial and discrimination meted out with Bengali population living in eastern part by Pakistani establishment.

Similar is the situation in Balochistan, where the government and Military have been violating human rights for quite long. Enforced disappearances allegedly by the state security agencies and dumping dead bodies of the disappeared victims are reported in the media every other day. Killings of journalists for reporting the extra judicial disappearance and murders and state agencies atrocities has created a widespread sense of insecurity in Balochistan. Target killings of the political workers by opponent groups with a support of establishment and prolonged military operation in Balochistan have put the province in the anarchy. The target killing of the Shia Hazara community and the Punjabi settlers in the province also speaks volumes of the government's criminal apathy towards protect its own citizens despite the deployment of the controversial Frontier Corps or FC forces in the province.

Military governments have launched a number of Army operations to crush the voice for political and economic rights of Balochs in the past. It is not just human rights abuses the state has denied autonomy, royalties on natural resources like minerals and natural gas to Balochistan.

Balochistan crisis is as older as Pakistans history. Soon after the independence in 1947, the Pakistan Army entered in Kalat, as the princely state of Balochistan that had refused to accede to Pakistan. The forcibly occupation gave birth to a separatist movement, which gained a momentum during the 1960s and early 1970s when the federal government ordered a military operation into the region in 1973 and inflicted heavy casualties on the separatists. The operation continued till 1978. The military ruler General Ziaul Haq government (1977-1988) paid a little attention to resolve Balochistan problems and took some corrective measures by increasing the share of the province in the national budget and providing jobs to Balochistan youth in government services. This subsided the insurgency to some extent, however, it resurfaced again in the 2000s and intensified after the murder of Balochistan's key political figure and a former Chief Minister and Governor of Balochistan Nawab Akbar Bugti in 2006.

The present government, which took over in 2008 announced a Balochistan package of economic development and political reconciliation called 'Aghaz-e-Haqooq-e-Balochistan package' in 2009, but the local political leaders decry the government is not seriously implementing that package.⁷⁶

Balochistan is one of Pakistan's poorest regions although it has vast natural resources. Baloch separatists allege that the central government of Pakistan is systematically suppressing development in Balochistan to keep the Balochs weaker. The Baloch separatists, according to The Economist, are supported by parts of the Baloch middle class.

Province of Balochistan with 44 percent of Pakistan's land mass but an inverse population. It has two third of the country's very strategic coastline; It has large deposits of coal, copper, lead, gold, other

⁷⁶ News Balochistan package – promises not fulfilled yet, Pakistan Today, October 28, 2011.

minerals. Baluchistan has been supplying 35 percent of natural gas to the whole country but consumes only 3.5 percent within the region. It contributes 85 billion through revenues, however, Balochistan gets around Rs 7 billion from the federal govt. About 7 percent of its population has no access to electricity. Out of 13 most underfed districts of Pakistan (ranked on the human development index) 10 are in Baluchistan. Although it is always the poorest over the years but now it has become poorer (rural poverty from 21 percent in 1999 to 57 percent) an upsurge of more than 200 percent (urban poverty from 17.9 percent to 32.4 percent).

Only 49 percent male and 14 percent females are literate, 59 percent of children are out of school, 87 percent of these are the poor rural children. It has the highest maternal and child mortality rates, worst than Afghanistan.

The official report which covers a period of six months states that 191 lost their lives while 334 injured as a result of target and sectarian killings in different cities of Balochistan.

The reports states that total 125 incidents of target and sectarian killings took place during the six months in Quetta, Killa Abdullah, Mastung, Kalat, Khuzdaar, Kharan, Awaran, Lesbael, Dera Bugti, Kohlu, Sibi, Kachhi, Jaffarabad, Nasirabad, Gawadar, Paanjgoor, Kech, Loralai, Barkhan, Zhob.⁷⁷

⁷⁷ Balochistan: A story of discrimination – by Salma Jafar; A Human Rights Day Feature December 8, 2011. Weblink <http://criticalppp.com/archives/65502> accessed on October 15, 2012

2.6 Case studies on vulnerability and poverty amidst multiple crisis with focus on food sovereignty, women's right, militarization and democratization vis a vis successful pro-people policies and programmes under implementation at the grass roots and the role of civil society in this including quick assessment on their potentiality of challenging the crisis-prone dominant policies and programmes taking survival strategies and actions taken by the vulnerable population into account.

Case Study 1: Young women fight the 'Talibanisation' of rural Pakistan⁷⁸

Much attention has been focused on the process of radicalisation of young men in the areas of Pakistan that border Afghanistan. Peshawar, the town near the border between the two countries, is infamous for being the centre of a vibrant industry and trade in homemade guns. For more than two decades, violence has become the dominant currency of almost every aspect of life in this area of Khyber Pakhtunkhwa, once known as the North West Frontier Province.

So it takes remarkable courage for a 16-year-old girl to decide to challenge how this culture of violence was reinforcing and strengthening the oppression of women. Eight years on, Gulalai Ismail, now a poised 24-year-old, is running two programmes of work – one on gender empowerment and the other on peacebuilding – from her home in Peshawar, where she grew up. Brought to London by Peace Direct, Ismail was talking to youngsters about her work.

"I set up Aware Girls when I was 16 because all around me I saw girls being treated differently to boys. My girl cousin was 15 when her marriage was arranged to someone twice her age; she couldn't finish her education while my boy cousins were [doing so]. This was considered normal. Girls have internalised all this discrimination – a woman who suffers violence but doesn't say anything is much admired in the village as a role model. A good woman submits to her husband or father.

"Aware Girls raised awareness of equal status. We did training that women have human rights, and taught leadership skills and how to negotiate within their families and with their parents to get education and to have control over their own lives."

Ismail is well aware of how the position of women has deteriorated over the course of her life. "Peshawar used to be very progressive, but after "Talibanisation" it became much more conservative and life is more difficult for my younger sister than it was for me. Just going out to the market is difficult because of the sexual harassment."

That kind of harassment makes organising training for young women particularly difficult. Ismail and her staff have to strive very hard with communities in the villages where they work to build trust that if daughters attend the training they will be safe. Parents worry that their daughters will be "westernised" and forget their "cultural values". For a recent training course on political leadership to help boost the participation of women in politics, Aware Girls had to organise 20 local community meetings to identify the 30 girls who eventually went on the course. Working in remote rural areas

⁷⁸ Appeared in Poverty Matters Blog of The Guardian (2011). Weblink: <http://www.guardian.co.uk/global-development/poverty-matters/2011/may/16/pakistan-young-women-fight-prejudice> (Accessed on October 12, 2012)

requires considerable patience and time, but Ismail is not interested in the easier option of working only in urban areas.

It was the gender work that came first, but Ismail soon realised the close relationship between gender and peace. "In training, a woman told the story of how her 12-year-old son was taken away to Afghanistan by the militants, and 10 months later he was dead. That made me think that we must stop these young people joining the militants."

The result was the Seeds of Peace network, which Ismail set up last year and which has trained 25 young people. They, in turn, will train another 20, to slowly expand a network across 10 districts of the province. She believes each person can reach 500 young people to promote tolerance and challenge extremism.

"They identify young people in the community who might be vulnerable to militants and they organise study circles to discuss the causes and consequences of conflict and the history of Talibanisation. We talk about tolerance for people of other faiths," says Ismail.

Almost every aspect of children's upbringing is affected by extremism. Even the school textbooks urge children to be ready for jihad, says Ismail, and all around are songs and films that glorify war, martyrdom and violence.

"Seeds of Peace aims to give another perspective by getting people to think about human rights. Peace is not just the absence of war, it is about respect and tolerance – and women have an important role in educating their children."

Ismail is well aware that her work challenges the Taliban's power, and that brings dangers. She is also aware that there are huge political issues involved in the radicalisation of the region where she lives, but believes that a grassroots community challenge to a culture of extremist intolerance is also a crucial part of the search for peace. Both high-level political negotiation and community participation are required in conflict resolution.

Peace Direct's Ruairi Nolan backs up Ismail's analysis of a peace process, using the analogy of political negotiation as the bricks and community engagement as the cement that hold the bricks together. Pointing to Northern Ireland's experience, he suggests that several decades of community peacebuilding was a crucial precondition to the success of the political process that culminated in the Northern Ireland agreement.

At international conferences, Ismail has met counterparts from Uganda, Sri Lanka and many other parts of the world. Despite the very different forms of conflict, she can see plenty of similarities in the work they are doing – and she says that gives her hope.

Case Study 2

Free Land Distribution among Landless Peasant Women in Sindh⁷⁹

In 2008, when the Pakistan People's Party (PPP) came into powers it announced a major programme of land distribution among the poor female peasants. The government announced to distribute the state land under the Landless Harees Project (LHP) in Sindh. Under the land distribution programme, about 13,300 families or over 100,000 persons were expected to benefit.

This programme was unique in nature because for the first time in the country's history, the state's land was being distributed mainly among the landless peasant women. In the past the governments had distributed the land in Katcha (located in river bed) areas or forest land reclaimed after cutting of forests among male peasants, but those schemes were aimed earn political mileage or building their voter bank. This scheme was apolitical in the nature with an aim to empower womenfolk in rural areas and provide them food security and livelihood opportunities, which are usually unavailable to them in rural set up.

The provincial Sindh government is implementing the programme from September 2008 onward and so far 56,187 acres of the land has been distributed among 6,100 women in 17 districts of Sindh.

S.No	Phase	Nature Of State Land	Total Land Distributed Area	Total No. of Allottees (House Holds)
1	I	Barrage	43,200 Acres	4196
2		Barrani	600 Acres	25
3	II	Barrage	12,387 Acres	1877

Source: Government of Sindh

The upper and lower ceilings of allotted land are 1 and 25 acres. For previous interventions of this kind the upper ceiling was set at 16 acres under the Land Grant Policy 1989. However, the upper ceiling was increased in 2008 as part of amendments aiming to enhance the effectiveness of public land redistribution.

As per the government policy the allottees were not allowed to sell their land for at least next 15 years. The non-transference of land applies to both leasing and selling of land. An institutional support was provided to this programme through three Rural Support Programmes i.e. Sindh Rural Support Organization (SRSO), National Rural Support Programme (NRSP), and Thardeep Rural Development Programme (TRDP).

The institutional support was aimed to create linkages and facilitate land development, cultivation and the marketing of produce. Institutional support comprised of (i) cash grants for the development of unutilised land, (ii) the provision of agricultural inputs in the form of seeds, fertilizers, pesticides, weedicides, and threshing (iii) technical advisory services provided through Agricultural Officers, and

⁷⁹ The case study has been taken from the yet-unpublished report prepared by PILER in 2012.

(iv) social mobilisation through the formation of Community Organisations (COs) and cooperatives of villages. Land Development entails layout, leveling, plowing, sowing, soil testing and cleaning of water courses. Both land development and agricultural inputs were provided for 4 acres, with an upper limit of Rs 28,800 and Rs 27,160. Social mobilisation was not simply undertaken so that COs can develop linkages with the government and RSPs, but they also offered a platform where beneficiaries could share knowledge and provide social support to one another.

In addition to institutional support, beneficiary households were also provided Micro Health Insurance (MHI) that provides hospitalisation and accidental cover, Microdrip Family Nutrition Kits (MFNK), a set of 5 poultry birds, and fruit plant saplings in order to further improve their living standard. This additional package has a cost of Rs 2,040.

Mr Faisal Uqeli, Incharge of the LHP told a team of PILER that the provincial government of Sindh has further plans of distribution the state land among peasant women as currently the government is in the process of clearance and completing procedural formalities at the district levels. More land would be ready for distribution and cultivation after completion of two small dams Darwat Dam in Tahtta/Jamshoro district and Nai Gaj Dam in Dadu district.

According to an Impact Assessment of the Landless Harees Project (LHP) report the programme has succeeded in achieving over all objectives.⁸⁰

Case Study 3

Benazir Income Support Programme (BISP)⁸¹

Benazir Income Support Program (BISP) was initiated by Government of Pakistan with initial allocation of Rs.34 billion (US \$ 425 million approximately) for the financial year 2008-09, implemented in all four provinces (Punjab, Sindh, Baluchistan and Khyber- Pakhtoonkhwa) including Federally Administered Tribal Areas (FATA), Azad Jammu and Kashmir (AJ&K) and Islamabad Capital Territory (ICT)..

BISP was meant to provide direct and speedy relief to the underprivileged sections of the society. The Programme aimed at covering 3.5 million families in the financial year 2008-2009. The enrolled families are paid cash assistance of Rs.1000 per month under BISP.

In its first year of operation, recipients of BISP cash transfers were identified and selected by Parliamentarians through a process of recommendation. Each Parliamentarian received 8,000 forms to distribute throughout his or her constituency. Selected individuals underwent an eligibility verification process through the National Database and Registration Authority. A final list of eligible families was generated and funds were disbursed from the treasury directly to the postal service and then delivered to the female head of eligible households.

In April 2009, the process for identifying selecting eligible families through Parliamentarian recommendation was ended. The identification process reformed using new Poverty Scorecard. Through the Poverty Scorecard, families are identified fulfilling certain criteria.

⁸⁰ An Impact Assessment of the Landless Harees Project (LHP) by Muhammad Hasnain Khalil Monitoring, Evaluation and Research Rural Support Programmes Network (RSPN)

⁸¹ Benazir Income Support Programme website <http://www.bisp.gov.pk/>

Recently, BISP has expanded to include several special initiatives. The Waseela-e-Haq programme empowers women through the provision of small loans. A vocation training program, Waseela-e-Rozgar, offers members of eligible families up to 1 year of professional training. The Waseela-e-Sehat programme provides financial assistance specifically for obtaining basic health care. BISP will launch its first programme that conditions cash payments on schooling. The Waseela-e-Taleem initiative will require families receiving cash payments to enroll children between the ages of 5 to 12 to enroll in primary education.

BISP also provides cash payments for emergency relief efforts. These payments are similar to the payments received by low-income families but are distributed to families affected by terrorism, war, and natural disasters such as earthquakes.

In order to be eligible for cash payments under BISP, families must earn less than RS 6,000 per month; equivalent to \$67.

Since the programme's inception, critics have pointed out several overall flaws in the Benazir Income Support Program design. Some claim that the amount of RS 2,000 bi-monthly, or RS 1,000 per month, is not enough to move impoverished families above the poverty line as this would require RS 2,550 per month. Another major flaw with BISP is its lack of conditionality. Conditional cash transfer programs in Latin America have experienced greater degrees of success because recipient families must meet certain requirements before receiving a cash payment. Apart from the Waseela-e-Taleem initiative, cash payments do not require recipients to meet particular obligations in return for cash payments.

There have also been accusations of corruption and political favoritism. By some estimates, only 50-60 percent of beneficiaries actually receive cash payments from BISP. The previous method of identifying families through the recommendation of Parliamentarians was flawed. Many have claimed that Parliamentarians simply recommended their own family and friends to receive cash payments to gain political support in their constituencies. It has been pointed out that there is a disproportionate number of families receiving BISP aid in geographic areas where the ruling Pakistan People's Party dominates. For example, in the former Prime Minister Yousuf Raza Gilan's hometown of Multan, there was twice the number of people receiving BISP payments than in Lahore, the opposition party's stronghold. Punjab, another area where opposition parties dominate, has the lowest ratio of eligible families—1,974 for every 100,000 people; versus 6,829 families for every 100,000 people in Sindh, where the ruling party's wins. Beneficiaries have also complained that the postal service charges an additional RS 100 to RS 200 for each delivery of payments.

The allocation for the financial year 2012-13 is Rs. 70 billion to provide cash assistance to 5.5 million families, which constitutes almost 18% of the entire population. Thus the Programme aims at covering almost 40% of the population below the poverty line.

2.7 Based on overall assessment including assessment on the case studies, specific suggestions on the alternatives to counter on-going crisis prone poverty and deprivation enhancing policies and programmes with focus on means to strengthen social security and justice system including required steps for demilitarization have to be made. The suggestive part should also propose new direction of above issue based civil society movement necessary to popularize in the days to come including the strategic approach to be followed to pressurize governments to change dominant policy regime with added pressures on the dominant global economic regime to change its policy course grounded on neo-liberalism.

Recommendations:

- There is immediate need that the Pakistan government immediately carry out fire safety inspections of all the factories in the country under Factories Act 1934 and prosecute employers who fail to ensure a safe workplace for their employees. Pakistan has signed Labour Inspection Convention, 1947 (No. 81) and suspension of the labour inspection is a clear violation of international commitments.
- Freedom of association is the key to guarantee active participation of workers and all barriers to this fundamental right must be removed at once. The Industrial Relations laws in Pakistan need to be made in each province according to the spirit of the Constitution (Articles 17 and 18) and ILO Conventions like Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and Right to Organise and Collective Bargaining Convention, 1949 (No. 98).
- Pakistan has almost abandoned the tripartite mechanism especially after passage of 18th Amendment under which labour has now become a provincial subject. To immediately initiate the tripartite mechanism in all the provinces the government should constitute the Standing Tripartite Labour Committees at the provincial levels for the consultation among employers, employees and government on all reinitiating the inspection mechanism as well for formation and implementation of the labour laws in the respective provinces. Pakistan has already ratified the ILO Convention No. 144: Tripartite Consultation (International Labour Standards) Convention, 1976 and all the laws should be made in consultation with employees, employers and the government.
Pakistan government should take practical measures to fully implement all the ILO Conventions, signed by Pakistan since independence especially the Convention No. 81 Labour Inspection Convention, 1947, Minimum Age (Industry) Convention (Revised), 1937 (No. 59), Right of Association (Agriculture) Convention, 1921 (No. 11) etc.
- Equal distribution of land is a must without which poverty in rural areas can never be eradicated. In the dominant presence of feudal class in our assemblies, it is almost next to impossible until and unless civil society launches a massive effort for land reforms.
- Tax net must be broadened in Pakistan. This will help in reducing onus on lower and middle classes and will eventually lead to a drop in rate of inflation.
- Implementation of labour laws is essential to help the struggling lower class. Although Government of Pakistan has fixed minimum wage at Rs 9,000 but in many cases, minimum wage paid is less than the official wage.
- Around 74 percent of Pakistan's labour force works in the informal sector which is devoid of official minimum wage and social security benefits. This vast majority is not registered

anywhere as the social security institutions only cover workers from the formal sector. By doing so, the government itself is pushing the majority population into the vicious circle of poverty therefore government must immediately consider them for social security benefits and must also ensure implementation of official minimum wage.

- Agricultural sector employs 45 per cent of Pakistan's workforce yet it is still excluded from formal sector which has resulted in worst exploitation of the workers. Their vulnerable situation was exposed in the floods of past three years when they were not allowed by the influential landlords to leave the waterlogged areas without paying off their debts. They used to work in such horrific conditions that very few of them were willing to go back to their land from the relief camps.
- Without addressing energy crisis and improving law & order situation, economic activities cannot run in full swing. Government needs to find both short-term and long-term solutions not to mention sources for alternative energy.
- Pakistan needs to invest hugely in human capital. A better educated and skilled labour force can help in improving the living conditions of poor households.
- Female participation in economic activities must be encouraged as many households slipped into poverty just because of absence of a male family member. Social mobilization campaigns in rural and semi-urban areas may help in convincing the conservative mindsets.
- Social safety nets play a vital role in supplementing low income class with all basic facilities. Government of Pakistan needs to ensure provision of such facilities to its population.
- Almost 20 per cent of the national budget goes to the defence sector whereas just 2 per cent of is allocated for the education sector. Pakistan currently stands at 145 out of 187 countries in Human Development Index (HDI) which is a sheer proof of poor living conditions and it demands huge investment in health, education and other social sectors instead of devoting entire resources to the defence sector.
- Establishing friendly trade relations with neighbouring countries would also create jobs for the local population and generate good returns for the government. Government should continue promoting peaceful trade relations with all countries particularly India.
- Cash transfer programs may have been a source of relief for many families living below the poverty line but this is not the solution. A sustainable mechanism must be devised for the purpose which, rather than giving away cash support, should promote entrepreneurship. This would generate jobs thus reducing the number of people at the receiving end.