

# Estimating poverty

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Poverty reduction is the main objective of the global agenda for sustainable development. The identification of the poor and the evaluation of the extent of poverty has received considerable attention in the design of cost-effective poverty reduction programmes and safety nets.

The degree of poverty should be estimated to assess the budgetary needs / implications of safety nets and to evaluate these programmes. Therefore, the measurement of poverty has important policy implications. Poverty is one of the indicators used to determine the respective share of each province in the divisible pool of federal transfers to the provinces through the National Finance Commission (NFC) Award. Several attempts have been made to construct poverty lines and generate poverty estimates in Pakistan. Recently, the government has adopted a cost of basic needs (CBN) approach to measure poverty, a uni-dimensional approach. According to the CBN approach, 24.3 percent of the population lives below the poverty line in Pakistan. Apart from this, Pakistan also uses the multidimensional poverty index (MPI) based on education, health and living standard dimensions. About 39 percent of Pakistanis live in multidimensional poverty.

The existing poverty estimates are subject to criticism due to lack of transparency, poor acceptance at the provincial level and the limited scope of measurement approaches. In addition, there are no reliable estimates of poverty available at the province level. Poverty estimates need a new debate for accurate estimates and wider acceptance, especially from the provinces, the academia and the international community. This brief highlights some areas that require new insights and discussion on poverty estimates: Poverty estimation methodology: Pakistan has shifted to the costs of basic needs (CBN) approach in 2013-14 which takes into account the non-food expenditures (for things like clothing, shelter and education) required for households along with food expenditures. The CBN approach is used to estimate poverty at national (24.3 percent) and regional levels [rural (30.7 percent) vs urban (12.5 percent)].

With regard to the estimate, several considerations must be taken into account: first, the poverty estimate

should be updated periodically using the latest HIES data; second, the provincial estimates should be generated using the CBN methodology. To this end, the Pakistan Bureau of Statistics (PBS) should readjust the sample size to make it representative at the provincial level. A committee with provincial representation can be established to estimate poverty at the provincial level. Third, the rural urban definition needs more clarity to re-define rural and urban areas for a real estimate of regional poverty. It will help to make precise inflation adjustments. Integrity and transparency of poverty estimates: academia and other stakeholders criticize poverty estimates due to lack of data transparency. Few measures can help to ensure the transparency and integrity of poverty estimates, including: i) the data file with the estimation code can be made public to allow other researchers to replicate the estimation to generate poverty numbers; and ii) the final consumption module on which poverty estimates are based can also be included in the microdata for comparison purpose. It will help promote poverty research and consistency in estimation. It is standard global practice to share the data with the estimation code to ensure transparency and gain the trust of researchers.

Greater acceptance of poverty estimates: poverty estimates are mainly produced by the Planning Commission (PC) without involving universities and experts. Both the academia and think tanks should be included in the discussion and estimation phase to induce acceptance at a broader level. It will also help update the estimation methodology and understand the underlying dynamics of the change in poverty. Governance and institutional mechanism: it is proposed that a permanent unit or body be established with permanent staff (experts in poverty assessment) to periodically update poverty measures and estimation techniques. This forum should also be connected with the provincial representatives, the academia and think tanks for better understanding and consensus at the national level. New approaches and possibilities to estimate poverty at sub-national level: as a signatory to the SDGs agenda, Pakistan should address all forms and dimensions of poverty. Poverty is a multifaceted phenomenon. Three types of poverty can be identified: income, social and environmental. There are huge disparities in poverty at districts level. The government should work to de-

velop reliable estimates of poverty at the district level. To this end, the government can use the National Socio-Economic Registry (NSER) 2018-20 data collected by the BISP to calculate the census-based poverty. It will help to map poverty at the union council or tehsil level for targeted policy intervention.

Scope of MPI: the scope of the multidimensional poverty index (MPI) constructed by the PC with the help of the UNDP should include additional indicators and dimensions to extend the scope of the MPI measure. Any dimension such as health, education and living standard can be considered separately to include quality as we all quantity dimensions in the index for a better understanding.

Policy discourse analysis: The government should actively cooperate with the academia and with think tanks to explore the drivers of poverty reduction in Pakistan and define future policy discourse based on the nature and sustainability of observed decline in poverty. Inequalities can be explored because of its high relevance with redistributive policies. Intergenerational poverty: the current understanding of poverty indicates large fluctuations in the incidence of poverty over time, since a greater proportion of the population lives around the poverty line subject to frequent movements in and out of poverty due to negative and positive shocks. Poverty reduction strategies often do not take into account these poverty transitions, due to data constraints. It is necessary to investigate the dynamics of poverty and the factors that underlie chronic, transient and inter-generational poverty.

The Pakistan Institute of Development Economics (PIDE) can help broaden the understanding of the dynamics of poverty using Pakistan Panel Household Survey (PPHS) conducted in 2001, 2004 and 2010, in which the same households are tracked over years and conducting fresh survey. The data from NSER 2010-11 would be useful to construct a large panel data with NSER 2018-20 to estimate chronic, transient and intergenerational poverty union council level for efficient delivery of safety nets programs. This discussion provides a way to begin a new discussion on poverty estimates for the efficient use of public resources to alleviate poverty and improve the well-being of each citizen. The Division of Poverty Alleviation and Social Safety can provide a unique platform to implement the proposed suggestions to generate reliable poverty estimates.

# Warning signs

JOSH WHITE

There is a new day in British politics, or so we're told. Prime Minister Boris Johnson has just got his Brexit deal through the House of Commons. He has revealed part of his agenda for government after winning a historic election.

The Conservative campaign was devoid of content beyond 'Get Brexit done'. However, Johnson has pledged to reform the bloated civil service and expand the powers of the executive at the cost of the judiciary and parliament. Outside these changes, Johnson has promised to raise healthcare funding and infrastructure investment.

The Johnson era will likely be more One Nation Tory than full-blooded Thatcherite since it has to satisfy a new chunk of voters. The Conservative government is now in the unusual position of holding sway over much of the English North and the Midlands.

The so-called 'red wall' of Labour seats - including many constituencies that had been Labour for as long as they have existed - was bulldozed in one cold December night. But there is no



guarantee these seats will stay blue forever. "You may only have lent us your vote, you may not think of yourself as a natural Tory," Johnson said in his victory speech. "Your hand may have quivered over the ballot paper before you put your cross in the Conservative box, and you may return to Labour next time round."

"If that is the case, I am humbled that you have put your trust in me and you have put your trust in us," the PM added. It's not impossible to imagine

these seats returning to Labour once Brexit is 'done'. Johnson knows he has a small window to rush through legislation to lock-in Northern support. This is why Johnson was quick to announce an £80 billion (\$104 billion) investment plan for infrastructure in the North and the Midlands. The most radical part of Johnson's agenda remains Brexit, but he can't run on this alone. So the National Health Service was a key focus in the Queen's Speech, where Johnson sought to quell the threat of the Labour Party in the North once and for all.

This is also because the right-wing Brexit deal will fail to deliver national renewal. The fantasy is that the European Union stands in the way of much greater prosperity and free trade, even a free-market utopia where individuals rise and fall according to merit. In reality, the UK will take a hit in its growth rate and the capitalist class will face the loss of business-friendly European directives. The era of British finance is living on borrowed time and Brexit will only make its demise more likely.

Excerpted from: 'The Early Warning Signs of Boris'.  
Counterpunch.org



# Ripping away our future

KAMILA HYAT

Pakistan has only one hope. It lies with the younger generation that has grown up in the years after the dark dictatorship of General Ziaul Haq, and which may bring with it change in the years ahead.

There is evidence that this younger generation is an active one, committed to their country. There have been cases in courts brought by teenagers on the state of air quality, marches for various causes and at vigils for APS martyrs, schoolchildren play an active part, especially in Peshawar but also beyond it. Imran Khan himself has emphasized how significant the youth is for the country and his personal appeal to young people was of course one of the key factors which brought the PTI to power. His vision of using younger people to create his 'new Pakistan'

seemed to be a sound one. Certainly, the campaign politicised young people who had withdrawn from politics over the years as disillusionment with democracy and democratic rule grew. They also saw in it little future and a very limited role for themselves. Imran and his status as a sporting hero changed this. But as prime minister, Imran Khan has done nothing to protect young people or keep them safe from harm. There is a real danger that our brightest young professionals, students and others will be forced to leave the country.

This is already happening. Last week, Junaid Hafeez, 32, in prison since 2013 after he was arrested for blasphemy, was sentenced to death by a district and sessions court in Multan. Junaid had been educated in the US on a Fulbright scholarship and had returned as a lecturer in English literature to teach at the Bahauddin

Zakariya University in Multan. He was popular with his students as a dynamic, young teacher.

His previous lawyer, Rashid Rahman, also the coordinator for the Human Rights Commission of Pakistan in Multan at the time, was shot dead in 2014. Those fighting his case speak of his father, already almost destroyed by the fate of his son. Yes, appeals lie ahead. There will be more hearings in higher courts. But six years of Junaid's life have already been taken away from them. He has spent them in solitary confinement in Multan jail.

No one can say how many more years behind bars lie ahead for this young man who made the mistake of choosing to teach others. There are of course other examples; many other examples. Many of us will not easily forget what happened to Mashal Khan, killed at the Abdul Wali Khan University in Mardan. Again,

petty administrative politics is believed to be the reason for the vague blasphemy charges brought against him. Sabeen Mahmud, 40, was gunned down in April 2015 in Karachi while driving home in her car with her mother, simply for being too brave. Sabeen, an outspoken activist and defender of those for whom no one else dared raise a voice, had hosted a discussion on enforced disappearances at The Second Floor cafe that she ran, offering a place for debate, discussion and introspection.

Each of these people should have lived and been allowed to contribute far more to a society which badly needs more like them. There are others too who have faced a death-like situation including Nobel laureate Malala Yousafzai who is still a figure of mass veneration in her own country for reasons that are spectacularly difficult to understand.

Shot in the head by a Taliban member in 2012 for advocating the right of girls to education, Malala has become a figure respected elsewhere in the world for demanding that every child and every girl be given the right to quality schooling and the opportunities she needs to progress in life.

Waleed Khan, now 17 years old, was only 12 when he was shot eight times, taking six bullets straight in the face during the Taliban attack on APS in Peshawar. The Pakistan military helped fly him to the UK for prolonged and complex surgery and he was supported in that country by the family of Malala. Waleed has since used cricket, his passion even as a child, to rebuild his future and featured on the cover of Wisden almanac this year. He hopes to pursue a career in cricket and is a member of the British Youth Parliament, speak-

ing out for the rights of young people everywhere. The loss of such voices from our own midst leaves behind a hollow echo. There are others who have left. On the streets of Rabwah, or Chenabnagar as it was renamed in 1999 by the then Punjab government, few young men can be seen. The vast majority of them have left for safer places overseas. It is women and children and the elderly who mainly inhabit Rabwah. The Ahmadis feel unsafe here. A successful business community, the young men who now live and raise families in Britain, in Germany, in the US and other places had no choice but to leave.

This is also true for the Hazaras. Of the 700,000 or so Hazaras that still live in Pakistan, most of them cloistered into ghettos in Quetta, up to four or five young men attempt to leave the country each day, usually across

the border into Iran. Each day, a number of them fail and some are killed in the attempt. Others have drowned while trying to make it away from the country on illegal vessels run by human smuggling gangs. The destruction of this community continues endlessly and, when it is possible for them, members of other minority groups too make attempts to leave. This was most obviously visible in the days immediately after General Ziaul Haq assumed power in 1977, with school classrooms suddenly clearing of the Christian children who once sat on the wooden benches. Of course, others leave to seek better jobs, better lives, better futures for their children. But the result is that we are losing our most gifted and most committed young people through murder, through the misuse of the blasphemy law and because they can see no hope for themselves in the Pakistan of today.

# Letters to the Editor

## Jinnah's vision

We, the people of Pakistan, owe it to Quaid-e-Azam Mohammad Ali Jinnah to follow in letter and spirit his vision that Pakistan be a modern democratic welfare state with a written constitution. It is due to the commitment of our founding fathers that the citizens of Pakistan today live in an independent country. It must however be understood that freedom comes at a cost and "We the People" must ensure that the constitution reigns supreme and no individual should have the audacity to subvert our constitution, and get away with it. The US, from a country once torn apart through internal strife and disputes, is today an economic and military power, because they adopted a constitution over 200 years ago, and did not allow individual egos to subvert it. For Pakistan to survive and prosper, it is essential that we adopt Jinnah's vision.  
Malik Tariq Ali  
LAHORE

## After the verdict

This refers to the article, 'Reading the judgment' by Mohammad Zubair. The writer has objected to the reaction against the Musharraf judgment and wants to read the judgement by excluding Para 66. In fact, Para 66 is the build-

up of the rest of the judgement. The writer has talked about military interventions of 1958, 1969, 1977 and 1999 but failed to mention that these were all validated by the Supreme Court. Likewise, the emergency of November 3, 2007 was ratified by the Supreme Court. Western democracy is successful because their political institutions are very strong. There are a number of political parties in Pakistan but no democracy in them. Political parties are controlled by a few families and there are no elections in them; to rule they intentionally kept institutions weak. Each military intervention is hailed by political parties. There can be no two opinions when the writer says that the reaction by various stakeholders about the judgment does not provide any hope for future. Decisions that give an indication of personal grudge become unpopular as happened in this case. The solution lies in strengthening institutions and everyone operating within their own domain.  
Mukhtar Ahmed  
KARACHI

## Checking inflation

The government has failed miserably in its promise of keeping inflation low. The prices of essential commodities such as pulses, vegetables, cereals, cooking oil, sugar, rice, and petrol, etc have been rising unrelentingly. I just want

to ask the concerned ministry and authorities: what is happening? The poor are still in the grind, and the rich are leading luxurious lives. Why does the government not check inflation? On the one hand we have food grains worth millions of rupees rotting in the FCI godowns, and on the other the poor and the middle classes of our country are not getting food grains and pulses at a reasonable price. Why does the government not make these food grains and pulses available to the common people? Once the government supplies these food items to the market, the prices will automatically go down. Besides, the government needs to act strictly against the hoarding and black-marketing of food items.  
Yousaf Jamil  
WAH CANTT

## Climate control

Pakistan is listed in the top 15 countries that are being affected from climate change. There has been a noticeable rise in extreme weather patterns, and in frequent and intense flooding which is damaging most of our dams. Increasing temperatures cause high heat and water circumstances, particularly in dry and partly moist regions, leading to re-

duced agricultural production. Furthermore, the fall in the already low forest cover is causing fast dramatic change in climatic conditions. Increased health risks and climate change brought relocations in most areas. Most of the areas contain industrial pollutants which are growing at a very fast pace in Pakistan. I wish that officials would take a look at the alarming records and figures of our environmental and climatic dangers before it all becomes uncontrollable. Campaigns should be released on the media and social awareness should be enabled as soon as possible so that people know how to reduce the adverse effects of this rapid climate change.  
Abdul Muqtedir  
RAWALPINDI

## A good win

When be blame and curse the PCB management and the cricket team for its losses, it is only fair that we appreciate when we win. Therefore, I am gratified to congratulate the management of the Pakistan Cricket Board as well as the chief coach and selector for picking a well-balanced team for the Sri Lanka tour. The captain also deserves congratulations for the win and for regaining his form. Not only did we win the second test by a huge margin, our top four players scored

centuries in the second innings, which has happened only once before in the history of cricket. It was a treat to watch our batsmen doing well. Abid Ali played extremely well on his debut and I enjoyed every shot he executed. Though we have won the series and our players regained form, we must not forget to keep working on our weaknesses. Fielding is one area we always have struggled with, and this still seems our weakness. Similarly, consistency in bowling and batting is critical. Our bowlers are the best attack on any given day but tend to lose steam and fury in wake of resistance.

The Sri Lankan spin attack edged ours. However, Naseem Shah, the new find made the difference on the fast bowling front. Similarly, our batsmen must learn how to be patient and stay on the wickets, the way they did in the second innings of the second test. Overall, our team must work hard and try to keep up good performance in future. Finally, we must appreciate Sri Lanka for agreeing to play in Pakistan when other international teams are hesitant to visit. They played positive cricket and put up a very good show. It was only because of them that we were able to watch international cricket played on home ground. I hope that we will have more action to watch in the future in our homeland.  
Raja Shafaatullah