

**Mohibul Haq Sahibzada (ed).** *Poverty Alleviation in Pakistan: Present Scenario and Future Strategy*. Islamabad: Institute of Policy Studies and Friedrich Ebert Stiftung, 1997. 392 pages. Hardbound. Price not given.

This book is a collection of sixteen papers presented at a seminar on poverty alleviation organised by the Institute of Policy Studies, Islamabad in December 1995. The objectives of this seminar was to highlight the issues of poverty; to critically evaluate the public policies and strategies connected to it; and to present the solutions to poverty eradication with special reference to the Islamic approach. The book starts with an introduction that describes the main theme. The rest of the book is divided into five parts.

Poverty is a global phenomenon, confined not only to the developing countries. It can be found in highly developed countries of the world also. Due to rapidly increasing population, the problems of food shortage in most developing countries are compounded by inadequate provision of basic services, such as health and sanitation facilities, shelter, and safe drinking-water; also lack of education and increasing unemployment. A substantial proportion of population in these countries lives below the poverty-line. With basic survival at risk, the children of poor families are forced to start work at an early age. The first part of this book examines poverty in the global context by highlighting the main issues related to population and food; population and prosperity; and child labour.

Despite the high rate of economic growth, the incidence of poverty in Pakistan is substantial. About one-fourth of its population, i.e., nearly 30 million people, live below the poverty-line. Moreover, the socio-economic and demographic indicators exhibit a dismal picture. The trend in the Gini coefficient indicates that the pattern of income distribution has worsened over time. The high rate of inflation, low collection of government revenues, and miserably small allocation of government funds for the uplift of human resources, coupled with rising unemployment and underemployment, are the major factors contributing to the prevailing high incidence of poverty.

The second part of this book highlights the existing situation of poverty in Pakistan and examines the relationship between economic growth and poverty through a critical evaluation of public strategies and policies directed at poverty alleviation. The role of financial institutions in facilitating income-generating activities for the poor, especially in the rural areas, is also examined. This part concludes that the high rate of economic growth and more equitable distribution of the fruits of growth are necessary and sufficient conditions for the alleviation of poverty. Despite extensive efforts in Pakistan, the development plans and the economic policies of the government have not been successful at alleviating poverty.

The third part of this book looks into the elements of Pakistan's social system that are likely conducive to the eradication of poverty. The role of the NGOs in

providing alternative approaches is also examined. It is a well-established fact that the provision of basic social services, such as education, health, water-supply, and sanitation, etc., enhances the capabilities of the poor to increase their income and productivity, and thus helps in reducing mass poverty. The Social Action Programme was launched to address the neglect of the social sector. A review of this programme and an examination of its role in poverty alleviation is undertaken in this part of the book. A discussion of the role of the Grameen Bank of Bangladesh and the Malaysian experience in reducing poverty and economic inequality between various socio-economic groups makes this part more convincing.

The six chapters of Part IV explain the Islamic approach to poverty alleviation. Islam has revolutionised the concept of charity as a right. In this regard, *Zakah* and *Ushr* are defined as the basic principles to address the needs of the poor and the needy. The magnitude of poverty in many Muslim countries and the role of *Zakah* and *Infaq* are discussed in detail. In this respect, the policies and efforts of the Islamic Development Bank to reduce poverty are highlighted, both among the Muslim communities of its member countries and the non-member countries. The Ottoman era is reviewed to understand the Muslim historical heritage pertaining to the alleviation of poverty. The empirical findings of the impact of *Zakah* and *Ushr* in poverty alleviation in Pakistan are presented in the last two chapters of this part.

Part V consists of six Annexures. Annexure I sums up this book. The recommendations are given in Annexure II. The inaugural address, the concluding speech, the programme of the seminar, and the list of contributors are presented as separate Annexures.

Most of the papers included in this book present the impact of macroeconomic variables, such as unemployment, economic growth, tax structure, credit, etc., on the alleviation of poverty. This certainly has an important bearing on the formulation and implementation of policies. However, none of the papers highlights the issue of non-availability of data after 1990-91 on the distribution of household income and expenditure to examine the recent trends in poverty.<sup>1</sup> An improvement in the aggregate social indicators after the inception of the Social Action Programme can imply a reduction in poverty but it does not indicate where the poor are concentrated. The location of the poor is a prerequisite for effective targeting. This can only be done with the analysis of recent household data representative of the country as a whole. Chapters 6, 7, and 10 of the book present estimates of the poverty-line using the latest available data of 1990-91. These chapters use different definitions of poverty. Chapters 6 and 10 report a decline in poverty since 1987-88, while Chapter 7 concludes the opposite. Now the question arises: How would a policy be framed on the basis of such contradictory findings? If there is a reduction in poverty, then does

<sup>1</sup>The papers included in this book were written in 1995. At that time data were not available after 1990-91. The latest set of household data, now available, is for the year 1993-94. However, there is still a lag of four years.

this indicate a proper functioning of the existing policies and suggest a reason for their continuation? Or is there a need to reformulate the existing policies on the observation that poverty has increased over time. In addition to this basic contradiction, the book falls short of pointing out the importance of the location of the poor for effective policy-making aimed at poverty alleviation. The book also suffers from some editing problems. For example, despite their different contents, the titles of Table 3 and Table 4 in Chapter 7 are the same.

However, this book is a useful addition to the literature on poverty in Pakistan. It portrays not only the global dimensions of poverty but also examines its current state in Pakistan by evaluating various policies and strategies. Different aspects of the distribution of income and wealth are highlighted. The presentation of the empirical work provides an improved understanding about the general existing situation of poverty. Reporting the experience of other Muslim countries enables the readers to compare it with Pakistan's experience. The book also points out the need for further research and analyses in this area. Emphasising loopholes in the existing policies, the book conveys the message to the policy-makers that poverty alleviation must be realised not only through high economic growth and better functioning of the social sector but also through distributive justice, employment generation, and increased productivity of the workers. The book suggests an urgent need for streamlining all such Islamic modes that are best suited to Pakistan's cultural and ideological environment.

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