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## NEGLECTED SECTORS OF PAKISTAN'S ECONOMY

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## ABSTRACT

*The purpose of this study is to analyse the poor performance of Pakistan's social sectors in the historical perspective focusing on the Musharraf era as well as two subsequent democratic regimes. Economic development of Pakistan did not improve social sectors, which remained neglected all the time. It could not get attention from any type of government. Growth and investment for social sectors was recorded at lowest level in the economic history of Pakistan. In this research, it is also discussed that according to Human Development Report, the social sectors of Pakistan are well-being than earlier but it is far behind from its neighboring states as well as other South Asian states. Many policies were only adopted for the improvement of education and health sectors but not implemented absolutely. Multidimensional poverty is one of the major problems in Pakistan. Many surveys and reports were presented for showing the picture of poverty in Pakistan but not any government turn to its attention toward this problem. Pakistan failed to achieve MDGs and adopted SDGs without focusing on the facts which were the cause of the failure to accomplish MDGs. The GDP growth rates are high or low expenditures on these sectors almost appeared same.*

**Keywords:** Education, Health, Social sectors, Policies, Development, Poverty.

### **Introduction**

Social sectors including education and health can be regarded as ignored sectors in Pakistan. Although these sectors may take a country toward development but slowly and gradually. These sectors are the source of man power which is important for economic development of any country. All developing states are focusing on their social sectors except Pakistan. There are several reasons that this sector never remained top priority of government of Pakistan.

- Government spends less on social sectors because these sectors generate lower revenues as compared to other sectors like agriculture and industries.
- For investing more in these sectors, government has to reduce funds from other sectors which can generate more revenues.
- Expenditures priorities among 3 Ds i.e. Defense (DEF), Debt (DEB) and Development (DEV) cannot be neglected. However, development could not be rationalized since 1990s because defense is important due to terrorism in the country and relations with neighboring state like India. Pakistan's

economy is also suffering due to huge debt and debt servicing. So development sector is continually being neglected.

- Policies and plans are made but their implementation remains poor.

The economic development in Pakistan is a paradox. During these three regimes, which are under research, Pakistan's economy was experienced with rise and falls. Musharraf's administration provided enviable economic growth rates. During PPP regime (2008-2013) it fell down and started to emerge up again during PML (N) regime. However, the social sectors always remained abysmal. High growth rates were achieved but it had not trickle down effects, which increase the development of social sectors. It is a general perception that public sector failed to provide services to the citizens and consequently private sectors were encouraged to promote themselves, provide services to the population and fill the vacuum, which was created by the governments of Pakistan<sup>1</sup>.

The performance of high growth rate remained 5% per annum for many decades. However, at the same time state of the social sectors remained miserable. It is argued that government always ignored the social sectors and allocated very less resources for it. A lip service was paid and resources were not increased in the different components of these sectors.

There is a need of educated, skilled and healthy workforce to deal with new technology and new trade barriers. Countries like South Korea, Taiwan, Malaysia and Thailand argued, "without social development economic growth and development can no longer take place." In Pakistan, an argument is given as a cause of poor social services that elites (people who can put pressure on government) have their own set up of private institutions and as a result, there are poor services for non-elites<sup>2</sup>.

Poverty is highly controversial matter in Pakistan. Poverty exists in Pakistan and there is silly secrecy about its extension and nature. Differences in the number of poverty from different organizations or institutes made it difficult to understand the exact magnitude of poverty. Zaidi stated in 2015 that rural poverty could not be reduced while urban poverty had fallen for last few years. Many scholars also argued that reforms like land reforms (or industrial reforms) failed to solve the problem of poverty<sup>3</sup>.

The basic problem is how to define poverty and whom to include in poverty. Traditionally poverty is defined based on low income for household. However, it is inadequate to measure poverty based on income. Access to the public services is more important than only to measure the straightforward monetary income. To measure the

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<sup>1</sup> S. Akbar Zaidi. *Issues in Pakistan's Economy: A political Economy Perspective*, (Karachi: Oxford, 2015): 555.

<sup>2</sup> Ibid: 556

<sup>3</sup> Ibid: 649

poverty based on monetary income is a narrow concept of poverty that does not cover multidimensional poverty. To choose the pattern for poverty line was also a controversial task. The World Bank defined poverty as income is less than \$ 2 per capita per day. This definition also ignored the necessities of life like housing standard, education or health facilities<sup>4</sup>.

### **Human Development and Pakistan**

Human Development Report 2018 placed Pakistan at the 150<sup>th</sup> rank. Human Development Index (HDI) divides countries into four categories, “Very High Human Development, High Human Development, Medium Human Development, and Low Human Development.” While Pakistan, comes in the category of medium human development. HD Report recorded Pakistan’s progress in HDI value by 39% in 27 years from 1990 to 2017 as it has increased from 0.404 to 0.562. Expected years of schooling increased from 4.6 to 8.6 and life expectancy at birth improved from 60.1 to 66.6 during the same period. See table A

**Table A: Pakistan’s HDI Trends Based on Consistent Time Series**

<b>Years</b>	<b>Life Expectancy at birth</b>	<b>Expected Years of Schooling</b>	<b>Mean Years of Schooling</b>	<b>HDI value</b>
1990	60.1	4.6	2.3	0.404
1995	61.4	5.0	2.8	0.428
2000	62.7	5.4	3.3	0.450
2005	63.8	6.5	4.5	0.500
2010	65.1	7.5	4.7	0.526
2015	66.3	8.2	5.1	0.551
2016	66.5	8.6	5.2	0.560
2017	66.6	8.6	5.2	0.562s

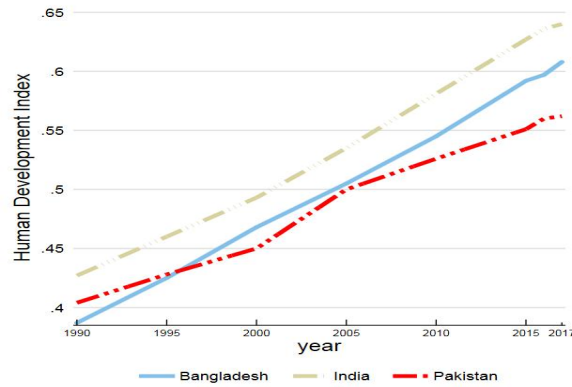
Source : HDR 2018

Other South Asian countries like India and Bangladesh also showed significant progress in human development<sup>5</sup>. See figure A

### **Figure A:**

<sup>4</sup> S.M Naseem, “A review of Studies on Poverty in Pakistan: Origin, Evolution, Thematic Content and Future Directions”, *History of PIDE Series-6 Pakistan Institute of Development Economics*, (2012): 21

<sup>5</sup> UNDP *Human Development Report 2018*



Although Pakistan improved its status in human development during twenty-seven years but it remained behind other medium human development countries as the above figure shows. The average of medium development countries was recorded 0.645 and average of South Asian states was recorded 0.638. Pakistan's HDI value is lower than the average of other South Asian countries as well as medium development countries. However, India was ranked 130 and Bangladesh 136 rank in HDI. See Table B

**Table B: Pakistan's HDI and Component Indicators for 2017 Relative to Selected Countries and Groups**

	HDI Value	HDI Rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US\$)
Pakistan	0.562	150	66.6	8.6	5.2	5,311
Bangladesh	0.608	136	72.8	11.4	5.8	3,677
India	0.640	130	68.8	12.3	6.4	6,353
South Asia	0.638	-	69.3	11.9	6.4	6,473
Medium HDI	0.645	-	69.1	12.0	6.7	6,849

Source : HDR 2018

### Education

Education is a constitutional right for every child in Pakistan. Although education sector could not provide direct fiscal benefits neither generate revenues but it is considered as the foundation of productive activity. This sector gets attention only in the slogans of political leaders. Practically no government has ever paid attention to its progress. During the PML (N) government (2013-2018) expenditures on education sector recorded at 2.3% of GDP. However, it is also an illusionary development. Education standards in

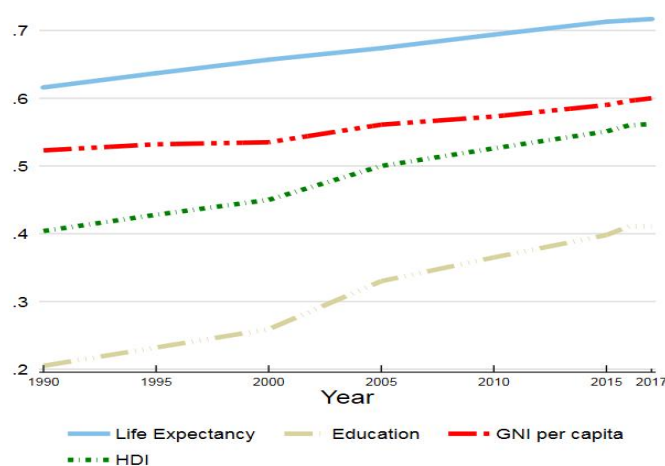
Pakistan are at lowest level among its regional states. Countries like Bangladesh, Nepal and Bhutan which had low expenditures for education sector than Pakistan in 1990s, increased their expenditures more than Pakistan.

### Salient Educational Reforms and their Limited Implementation

Movement of *Education For All* was launched in 1990 in under developed states. It was a global commitment related to the assurance for providing primary education to every child. Pakistan also welcomed this movement and tried to act on it through the frameworks like *Education Sector Reforms*, *National Plan of Action* (for education), *Action Plan for 2001-04* and *Long Term Plan for 2001-15*. However, HD Report presented an alarming situation of Pakistan. In the *Acceleration Framework 2013-14* it was announced that government would increase expenditure on education at 4% of GDP till 2018. It means government is unable to fulfill the policy of previous government, *National Education Policy 2009* in which they aimed to increase the expenditure to 7% of the GDP up to 2015.

According to HD report 2018, education sector has lowest value than health and GNI. “Between 1990 and 2017, Pakistan’s life expectancy at birth increased by 6.5 years, mean year of schooling increased by 2.9 years and expected years of schooling increased by 4.0 years. Pakistan’s GNI per capita increased about 66.2% between 1990 and 2017.” As figure B shows,

**Figure B**



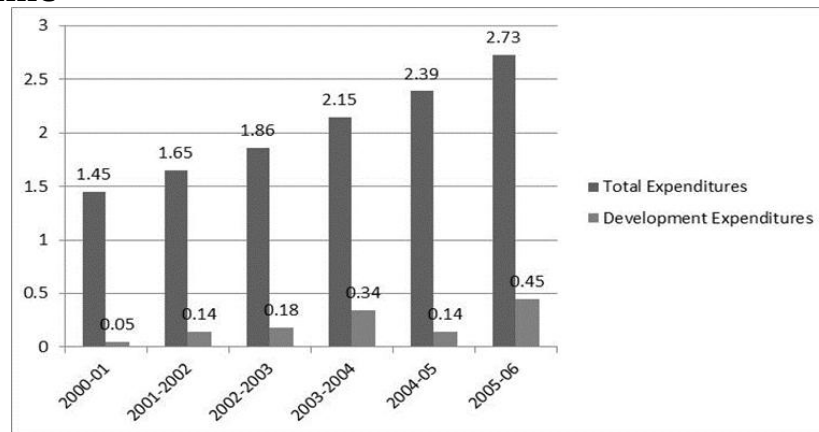
### Expenditures on Education

*Education For All* (EFA) was launched in 1990 and at that time Pakistan was behind India and Maldives only on the basis of allocation of resources for education. In 2000, Pakistan reached at lowest level among South Asian states for spending on education. In 1990 to 2000 expenditures on education as the ratio of GDP increased in Bangladesh from 1.5% to 2.5%, India 3.9% to 4.1%, Nepal 2.0% to 3.1%, Sri Lanka 2.6% to 3.1%, Bhutan had 5.2% in 2000. Only Pakistan and Maldives were those countries whose

expenditures on education decreased, 2.6% to 1.8% and 4.0% to 3.9% respectively<sup>6</sup>.

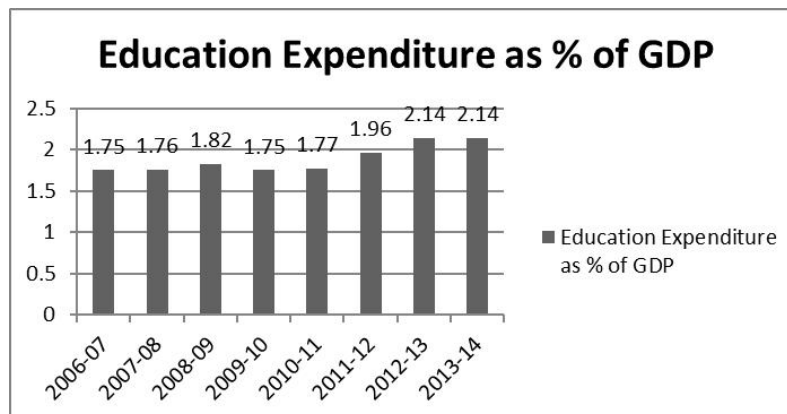
None of the governments could improve the situation. Social sectors never remained top priority of any government whether it is military or civilian. Expenditures on education sector could not increase from 2% to 3% of the GDP from Musharraf’s military regime to the PML (N) regime (2013-18). During Musharraf’s regime, expenditures on development sector remained at low level. As figure C shows,

**Figure: C**  
**Government Spending on Education as % of GDP During Fourth Military Regime**



After the military regime of Pervez Musharraf Pakistan Peoples Party also failed to take this sector to a higher level, as figure D shows

**Figure D:**



The government of PML (N) brought about some improvement in education sector. It increased from 2.1% of GDP ratio in 2013-14 to 2.4% in 2017-18 and it reached the highest level in the history of Pakistan. See table C

<sup>6</sup> Fazal Hussain, Muhammad Ali Qasim, and S Hameed Sheikh, “An Analysis of Public Expenditure on Education in Pakistan”, *The Pakistan Development Review* vol 42 no 4 Part II, (Jan-June 2003) 772.

<b>Table C:</b>	<b>Education Sector</b>
<b>Years</b>	<b>Expenditures on education as ratio of GDP</b>
2000s	1.7
2003-04	1.7
2004-05	1.8
2005-06	1.7
2006-07	1.8
2007-08	1.8
2008-09	1.8
2009-10	1.7
2010-11	1.8
2011-12	2.0
2012-13	2.1
2013-14	2.1
2014-15	2.2
2015-16	2.3
2016-17	2.2
2017-18	2.4

Source: Pakistan Economic Survey (2018-19)

However, PML (N) regime has also remained far behind other South Asian countries and neighboring countries. Afghanistan has the ratio of educational expenditures of 3.3%, India 3.8%, Bhutan 7.4%, and Maldives 5.2%<sup>7</sup>. As table D shows,

**Table D: Public Expenditures on Education (2017)**

<b>Countries</b>	<b>% of GDP</b>
Pakistan	2.6
Nepal	3.7
Afghanistan	3.3
India	3.8
Bhutan	7.4
Sri Lanka	2.2
Maldives	5.2
Bangladesh	1.9

Source: Global Education Monitoring (GEM) Report 2017.

In the regional countries, the share of expenditures for education sector is increasing but in Pakistan its growth is very slow. Pakistan is one of those 12 countries that spend around 2% of the GDP on the education. In Pakistan less than 50% funds are allocated for

<sup>7</sup> UNESCO *Global Education Monitoring (GEM) Report 2017*.



developmental expenditures<sup>8</sup>.

Pakistan also receives foreign aid for education sector but this money is used just for financing current education budget instead of its development. It is also difficult to examine that which part of budget for education comes from government and which part comes from donors<sup>9</sup>.

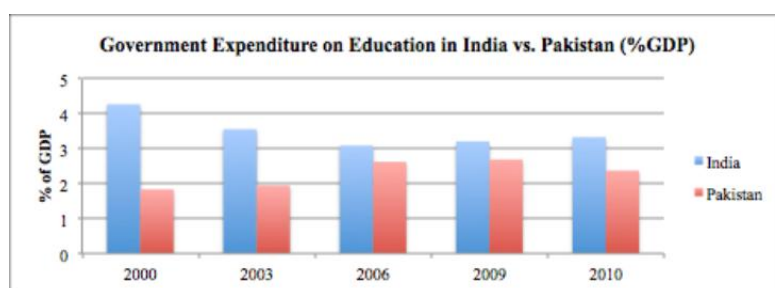
### **Pakistan's Education Sector in Comparison with India Education Sector**

Pakistan made some improvement in education sector in 2017 and its expenditure as ratio of GDP was recorded at 2.4%, highest in the history. HD Report 2018 printed out that expected years of schooling in Pakistan were recorded at 8.6 while in India these were 12.3. Mean years of schooling in Pakistan are 5.2 but in India, it was 6.4.

Pakistan's education sector is backward than India but from 1990s to 2010 it improved swiftly. Although it could not make progress more than India. In 1990 there were 66.2% children who never went to school while in India these were 51.6%. In 2000 Pakistan had 60.2% children had no schooling and in India there strength was 43%. In 2010 Pakistan reduced it rapidly and it remained 38% while India had 32%<sup>10</sup>.

India's literacy rate has constantly been higher than that of Pakistan. However, its expenditures of GDP on education has decreased from 4.3% in 2000 to 2.9% in 2015-16. While in Pakistan, expenditures of GDP on education increased from 1.7% in 2000 to 2.3% in 2015-16 but could not reach 3%. Pakistan has lower rank in the region for spending on social sectors. In India expenditures on education started to decrease after 2000. Figure E presents a comparison of expenditures on education of both states from 2000 to 2010<sup>11</sup>.

**Figure E:**



<sup>8</sup> Hina Rehman and Naushad Khan, "Flaws in Pakistan's Educational System" *Abasyn Journal of Social Sciences*, Vol. 4 No.1 (winter 2011) 77.

<sup>9</sup> International Crisis Group, *Education Reform in Pakistan Asia Report No 257*, (23 June 2014).

<sup>10</sup> Raiz Haq, "Comparing Educational Attainment in India & Pakistan" (May 30, 2012) *Pakistan Defense*

<sup>11</sup> Pooja Patel, "Multidimensional Poverty and Inequality in India and Pakistan", (April 20, 2014). url: <https://edspace.american.edu/pp1760a/wpcontent/uploads/sites/423/2015/10/Multidimensional-Poverty-and-Inequality-in-India-and-Pakistan-The-Global-Majority-Pooja-Patel.pdf> accessed December 27, 2017.

## Health

Health that generates labor productivity is an ignored sector in Pakistan. The rise in labor productivity can increase production that is necessary for economic development. Government of Pakistan became part of various international policies and became a member of World Health Organization. Repeatedly government has introduced national health policy for the improvement of health sector. However, these national policies are inactive due to lack of funding.

The UN introduced eight *Millennium Development Goals* in which they set eighteen targets and forty-eight indicators. Pakistan has also signed on millennium goals (2000-2015) and adopted sixteen targets and 37 indicators. Out of eight MDGs three were related to health. To achieve strengthen MDGs targets The *Medium Term Development Framework (MTDF) (2005-10)* was adopted in Pakistan. It addressed the health sector at district, provincial and federal level. After introducing MTDF the health establishment began to step up. Number of hospitals increased from 876 in 2000 to 919 in 2005. While population also grew up and strength of patients per bed increased from 1,495 to 1,530 in the same period<sup>12</sup>.

*Medium Term Budgetary Framework (MTBF)* was also launched for getting financing guidelines. In 2001, ministry of health introduced *The National Health Policy*. This policy also demanded for assistance from donors and cooperation of private and public sectors. These policies are suffering in two major problems. First one is that these health policies are reflection of donor organizations. MTBF was also launched with the association of *UK-Department for International Development* and second is, government receives heavy investment for curative medicines and for giving training to medical staff but these funds are used for political purposes<sup>13</sup>.

## Growth and Investment in Health Sector

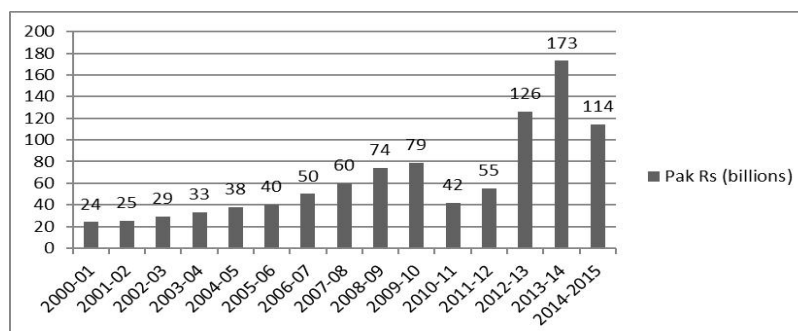
During the Musharraf regime, the Gross Domestic Production registered a reasonable growth rate. In FY 2004-05 it reached at 9.0% highest in the history of Pakistan. The public sector expenditures on health were around Rs. 20 billion in 2000-01 and reached around Rs. 40 billion in 2005-06. However, in the ratio of health sector spending to GDP did not change. From 2000-01 to 2005-06 it remained constant at 0.6%. On the other hand, during the period of elected regimes from 2008 to 2013, the GDP growth rate remained at lower level and growth of health sector remained low. Therefore, neither military regime with high GDP growth nor the civilian with low GDP growth rate could improve growth the

<sup>12</sup> Muhammad Akram, "Health Care Services and Government Spending in Pakistan" *Pakistan Institute of Development Economics* Islamabad, (2007).

<sup>13</sup> Nina Gera, "Health Care Under Structural Adjustment", *The Lahore Journal of Economics*, Vol.8, No.2 (July-Dec, 2003) 72.

health sector. (See figure F). The PML (N) made some improvement in this sector in FY 2015-16 when this sector recorded the highest expenditures in 12 years at 0.8% of GDP while growth rate of GDP was only 4.5% but government could not keep it maintain and in FY 2018-19 the expenditures on the health sector fell down to 0.5% of GDP. (See table E)

**Figure F:**



**Table E: Expenditures on Health (Percentage)**

Years	Expenditures
2000s	0.6
2003-04	0.6
2004-05	0.6
2005-06	0.5
2006-07	0.6
2007-08	0.6
2008-09	0.5
2009-10	0.5
2010-11	0.2
2011-12	0.3
2012-13	0.6
2013-14	0.7
2014-15	0.7
2015-16	0.8
2016-17	0.9
2017-18	1.0
2018-19	0.5

Source: Pakistan Economic Survey (2018-19)

### WHO, other States and Pakistan

Health never remained a priority sector of any government. Not a single government of Pakistan has fulfilled the demand of *World Health Organization* (WHO). Country spends very little on the health sector. Since the last decade, only 0.5 to 0.8 percent of the GDP has been spent on health while WHO's demand is 6%. During 2015-16, total expenditures increased by 13% from FY 2014-15 and remained Rs. 145.97 billion in 2016-17. According to a World Bank

report, Pakistan is spending \$36 on health per capita income on health which is lower than WHO's lowest income countries, which spend \$86 per capita income<sup>14</sup>.

Pakistan is far behind her neighboring or South Asian states on spending on health sectors. Funding on health in Afghanistan is recorded 74%, India spends 4.2%, Sri Lanka 4% and China 5.2%<sup>15</sup>.

### **Multidimensional Poverty in Pakistan**

In 2010 the HDR launched the parameter of Multidimensional Poverty Index (MPI) for identifying deprivation from three aspects; health, education and the living standard. Health and education both have two (2) indicators each while living standard consists of six indicators. The HDR fixed the score of 33.3 percent to differentiate between the poor and the non-poor. If household deprivation is 33.3% then it will be declared as multidimensional poor. If it is above 20% but less than 33.3% than it will be declared near multidimensional poverty and if it is equal to 50% or greater then it means that there is severe multidimensional poverty.

According to the Survey of 2012/2013, Pakistan's 45.6 percent (82,612 thousand) people are suffering in Multidimensional Poverty (MP) while 14.9 percent (27,062 thousand) people are near MP. According to the HDI 2016, the average is 52.0 percent and Pakistan's MPI value is 0.237, India has 0.282 and Bangladesh has 0.188. Here just income poverty is measured with the percentage of population who are living below purchasing power parity US\$ 1.90 per day. While MP Headcount is '39.5% higher than income poverty'. It means those people whose income has been above the poverty line, are also suffering from lack of facilities of education and health.

According to Annual Plan 2017-18, in East Asia, poverty has been reduced from 60% in 1990 to 3.5% in 2015 and in South Asia it decreased from 44.6% to 15.1% in the same period. In Pakistan poverty also decreased from 59% in 1990 and it remained 6% in 2015. Although it is a great achievement and its performance is better than Indonesia whose poverty reduced from 57% to 9.8% in the same years but if Pakistan's performance as compared to China, its neighboring state that had 8% higher poverty rate than Pakistan. It had 67% poverty rate in 1990 that declined at only 2% in 2015.

Poverty cannot be measured only through income and expenditures, some other determinants like poor health facilities, lack of educational opportunities and living standard have also to be included in it. From 2005-06 to 2010-11 the number of multidimensional by deprived people decreased from 51% to 38.56%.<sup>16</sup>

Contribution of education increased from 23% in 2005-06 to 28% in

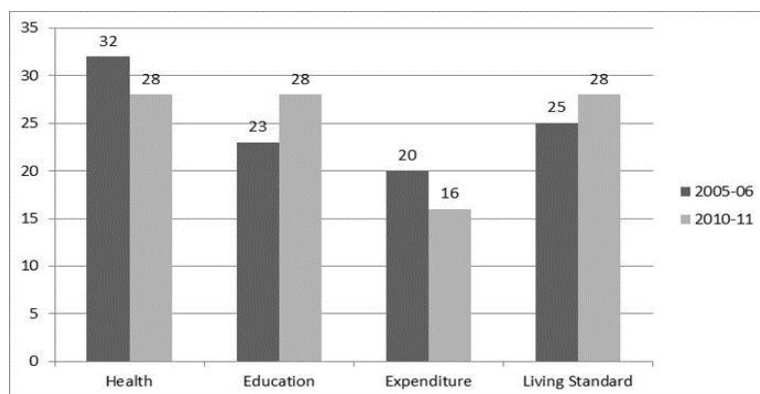
<sup>14</sup> Rahul Basharat, "Govt spends less GDP on health", *The Nation*, May 26, 2017.

<sup>15</sup> Report "Pakistanis spend most on health in region" *Dawn*, June 16, 2013.

<sup>16</sup> Maqbool Sial H, Asma Noreen, Rehmat-Ullah Awan, "Measuring Multidimensional Poverty and Inequality in Pakistan", *The Pakistan Development Review*, vol 54 no 4, Part II (Winter 2015): 691.

2010-11, in health sector it decreased from 32% in 2005-06 to 28% in 2010-11. Contribution of living standard increased from 25% in 2005-06 to 28% in 2010-11. While expenditures on overall poverty reduced from 20% in 2005-06 to 16% in 2006-07 (See figure G). Share for education and living standard increased due to increasing population and inequalities in education sector.

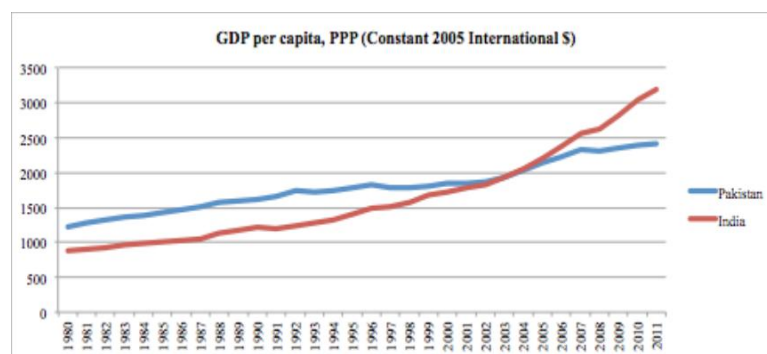
**Figure G:**



**Comparison of Poverty rate of India and Pakistan**

If a comparison of the economic situation of India and Pakistan is drawn, India’s GDP has continuously increased and it surpassed Pakistan in 2003-04, while Pakistan faced many fluxes. World Bank recorded India’s GDP in 2011 at \$3203 per capita in purchasing power parity while in Pakistan; GDP per capita was about \$ 2,424 in the same year<sup>17</sup>. (See figure H):

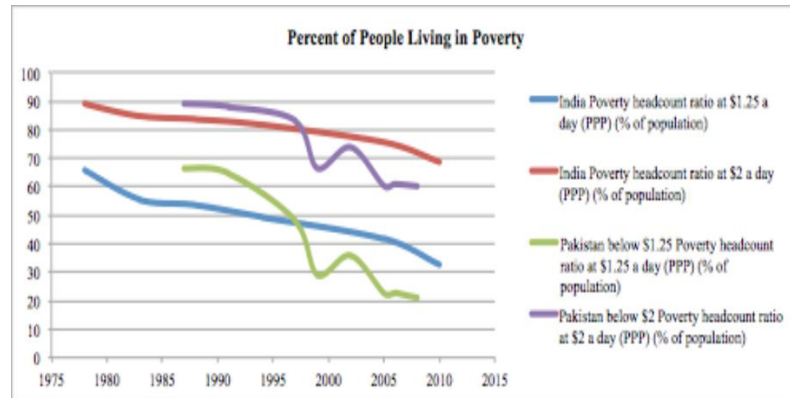
**Figure H:**



Although India GDP is higher than Pakistan but people has less income as the ratio of GDP. According to the report of World Bank 2013, in 1978 India’s 89% population had earnings less than \$2 per day and 66% percent population earned below than \$1.25%. In 2010, 89% population whose earning was lower than \$2 was reduced to 68% and number of those whose earning had been less than \$1.25% was reduced to about 32%. While the percentage of people living under poverty line in Pakistan also reduced in the same period and it was less than that of India. (See figure I):

<sup>17</sup> The World Bank, *World Development Indicators/ Global Development Finance database*.

**Figure I:**



According to the HD 2016 report, India MPI value is 0.282 while Pakistan has 0.237. India headcount is recorded at 55.3% while Pakistan has it at 45.6%. However, India’s intensity of deprivation is around Pakistan’s and it is 51.1% while Pakistan has 52.0%. (See table F):

**Table F: The most recent MPI for Pakistan relative to selected countries**

Survey year	MPI value	Headcount (%)	Intensity of deprivation (%)	Population share (%)			Contribution to overall poverty of deprivation (%)		
				Near poverty	In severe poverty	Below income poverty	Health	Education	Living standard
2012/2013	0.237	45.6	52.0	14.9	26.5	6.1	32.3	36.2	31.6
2014/2015	0.188	40.7	46.2	19.6	16.0	18.5	26.1	28.4	45.5
2005/2006	0.282	55.3	51.1	18.2	27.8	21.2	32.5	22.7	44.8

Source: Human Development Report 2016

India’s economic progress is much better than Pakistan but it does not mean that progress in human development is also there. As Rural Development minister Jairam Ramesh stated after the issuing of HDR 2011, “Economic development does not guarantee human development. A more disturbing fact is that actually economic development may lead to retrogradation of social indices.”<sup>18</sup>

<sup>18</sup> Chetan Chauhan, “Pak better than India on poverty”, *Hindustan Times*, November 2, 2011.

It is interesting thing that India has higher GDP but poverty rate is also higher than Pakistan. India's literacy rate is also higher than Pakistan. India's GDP ratio remained high but there are inequalities in living standard, education, health and work place which cannot reduce poverty rate despite of high economic growth.

### **Problems of Measuring Multidimensional Poverty in Pakistan**

There is a divergence of approach between researching institutes for measuring multidimensional poverty. The HDR reported that multidimensional poverty of Headcount increased from 43.5% in 2005-06 to 45.6% in 2012-13. Social Policy and Development Centre (SPDC) measured multidimensional poverty through the use of 'Sophisticated statistical techniques' and reported that it was reduced from 49.4% in 2005 to 47.4% in 2009 and its rose again to 48.2% in 2011.

They use different indicators for measuring the multidimensional poverty. HDR use ten indicators two for health, two for education and six for living standard, while Planning Commission is following fifteen indicators. Eight indicators are related to living standard, four to health and three to education. In the 2016 report of HDR malnutrition has also been included but it is not included in the indicators of Planning Commission. The SPDC as well does not include malnutrition but status of employment is included which is not included by Planning Commission.

Ministry of Planning, Development and Reforms (PD&R) launched its first official report about multidimensional poverty in June 2016, in which it was revealed that four out of ten people are suffering in multidimensional poverty. Although the national poverty rate declined from 55% in 2004 to 39% in 2015, there are high disparities between the rural and the urban areas as well as in provinces. In the urban areas, multidimensional poverty is recorded at 9.3% and in the rural areas, it is 54.6%. In Baluchistan 71% people, in FATA 73%, in KPK 49%, in GB and Sindh 43%, in Punjab 31% and in Jammu and Azad Kashmir 25% people are facing multidimensional poverty<sup>19</sup>.

According to HDR 2016 report, MPI in rural areas is recorded at 55.7% and in urban areas, it is 20%. In Punjab 36.6% people are living under poverty line, in KPK 50.1%, in Sindh 53.2%, in FATA 46.9% and in Baluchistan 70.6%. There is a vast difference between the estimates made in the Planning Commission report and HDR.

It is interesting to observe that despite of fluctuation in growth rates in this one and half-decade poverty rate continually remained declining even during the PPP regime (2008-13) when economy suffered badly and the growth rate of GDP reduced at lowest level in the history of Pakistan.

The decline of poverty is also observable in the provinces and at the district level. There are only 11 districts out of a total 115

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<sup>19</sup> Report, *Pakistan Today*, June 20,2016.

districts which have experienced a higher poverty rate.<sup>20</sup> Planning Commission choose some indicators which create a bias for showing continually reducing poverty. While they are hiding the reality increasing poverty is increasing more or less or it has maintained the status quo, especially in those years of PPP regime (2008-13) when growth rate declined badly.

### **Failure to Achieve MDGs and Adoption of SDGs**

The UN launched *Millennium Development Goals (MDGs)* in 2000 and 189 countries signed this agreement. Pakistan also adopted MDGs which had aimed to reduce poverty and provide basic human necessities like health, education and better living standard. Internationally there were eight major MDGs, introduced in each country. Every country fixed her targets to be achieved by 2015. These targets aimed to reduce poverty and hunger, attain primary education, gender equality and women's empowerment, environmental stability and other targets related to health.

Pakistan set 18 targets and 41 indicators. Pakistan became successful only in reducing poverty and failed badly to improve health and education sector. According to UN report information about 33 indicators of Pakistan is available from which Pakistan is lagging behind in 20 indicators, four were slow, three were on the track, one was off the track and five were achieved.<sup>21</sup>

There are several reasons that Pakistan failed to achieve MDGs. Government of Pakistan could not maintain any policy for long term. *Centre for Research in Poverty and Income Distribution (CRPRID)* was established by Planning Commission in 2002 with the support of UNDP. It was established for monitoring of MDGs and provided funds to *Pakistan Bureau of Statistics* for developing "Pakistan Social and Living Standards Measurement Survey." But CRPRID was closed with the change of government in 2008. The new government launched new guidelines for setting up of *Centre for Poverty Reduction and Social Policy Development (CPRSP)*. This process was however, delayed due to decentralization in 2010 and finally this programme was also closed. Later on deputy chairman of Planning Commission created Growth Center. It also could not work longer and *National Coordination Committee* was developed with the purpose of involving provinces to achieve targets of MDGs. The NCC created *Acceleration Framework for Health and Education*, at that time when other states were presenting reviews about their progress of MDGs. NCC was not able to report about Pakistan's progress of MDGs, while the chapter on "poverty and income distribution" was already dropped by Prime Minister Shaukat Aziz from economic survey.<sup>22</sup> Continually shifting of organizations for managing strategies to attain targets of MDGs is an important

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<sup>20</sup> Hafiz A Pasha, "Multidimensional poverty", *Business Recorder*, August 15, 2016 .

<sup>21</sup> Report, *Express Tribune*, July 4, 2012.

<sup>22</sup> Afshan Subohi, "MDGs missed amid a litany of acronyms", *Dawn*, September 13, 2015.



factor for its failure.

After the decentralization, there were not any interprovincial institutes for coordination, which created a real problem for putting reforms into practice of reforms.

Not any institution took the responsibility of implementing these programmes. Not any methodology was introduced for the successful implementation of these policies and escaping from failure.<sup>23</sup> The Federal government also had not any interest in this sector because it is not profitable.

After the failure to achieve MDGs in 2015, Pakistan joined *Sustainable Development Goals (SDGs)* in the same year. It is also a fifteen years agenda. It has been adopted through the parliamentary resolution and its aim is to achieve unmet MDGs targets. SDGs has 169 targets and 17 goals. It has three central challenges i.e. democracy, development and defense. It will maintain this triangle. It will improve health and education and three stated dimensions are social inclusion, economic development and environmental stability.<sup>24</sup>

SDGs are broader than MDGs and a larger part is related to provinces. Punjab the relatively advanced province adopted SDGs as a guideline in its development programme but no clear strategy was presented. In their implementation, it was just mention in budget.<sup>25</sup>

Discouragement is appeared in this agreement when it is stated that if a state does not find itself to fulfill all targets than it can adopt half and even one third. There is not any international compulsion to achieve all goals. Its means that international world is already aware that Pakistan cannot attain SDGs.

PML (N) regime (2013-18) faced political instability from the beginning of its tenure. Poverty, health and education have been ignored because this political instability has created hurdles for economic progress. Although GDP growth rate has remained higher than that of the previous regime but it is not enough to overcome the problems of social sector. Signing SDGs is just like repeating the same thing repeatedly and expecting different results. Albert Einstein called it “insanity” but insanity for whom, contractors themselves or poor nation?

### **Conclusion and Recommendations**

Social sectors affect the life of common people and it has long lasting consequences. There is need of more funds for social sectors than infrastructure. Education is a mechanism that can change population from burden on state toward human resources. However, insufficient funds are allocated for these sectors which cannot fulfill the requirements and also unable to give expansion to

<sup>23</sup> Fauzia Waqar, “Why have the MDGs failed?” *The News*, March 9,2017.

<sup>24</sup>Tauqeer Ali Sheikh, “Pakistan's challenges: Sustainable Development Goals 2015-2030” ,*Dawn*, September 22, 2016

<sup>25</sup> Pervez Tahir, “Will SDGs fails as did MDGs?” , *Express Tribune*, March 23,2017.

the education sector. During the early 62 years, 23 policies were made but all of these could not be implemented completely. Pakistan's economy is standing on verge of destruction. Although this sector cannot be beneficial directly for economic growth or directly generate revenues but if it is improved than it can create stability for long lasting. According to the latest economic survey expenditures on education in FY 2017 is highest in the history of Pakistan but it is not enough to fulfill the growing needs. Funds for Development are vital for generating future assets. EFA goals could not be achieved due to insufficient funds.

If education crisis cannot be controlled than it will become insurmountable problem. In the state of Pakistan strength of working age is increasing and this is a burden on economy. Rate of unemployment is continually increasing. Educated youth cannot earn for their own selves, even they have not a better job opportunity. Pakistan should invest on education to create educated work force. India the neighboring state of Pakistan has high expenditures on education even now these expenditures started to reduce but it is higher than Pakistan. Education sector in Pakistan demands for the attention of government. There is a need of increasing share of expenditures in budget for education.

No doubt that lack of funding is a hurdle for improvement of education sector but if existing funds are utilized properly and honestly than it can be enough for improving the situation. The implementation of already existing policies should make possible instead of introducing new long-term policies which have also not any esurience of implementation.

Health sector remained low either the economic situation is worse or better than earlier. Pakistan could not be able to fulfill the requirements of international organization WHO and agreements for the health sectors. Introducing good governance is the most difficult task but it can be very helpful for implementing policies properly. International institutions which formulate policies should keep check on partner states for the implementation of policies properly. Pakistan invests at lowest level among South Asian states and it could not be grow up in any regime either it was military or civilian.

Pakistan should regionalize health care system. Region should be consisting on number of districts. Regional health board should be established for administrating health care services. A specific part of expenditures should fix for health and education sector which would not be decrease but it would be increase due to growing population.

To provide basic necessities of life is constitutional right of every citizen of Pakistan. Although multidimensional poverty reduced in Pakistan but it is far behind from China which had high poverty rate than Pakistan. In 2015 share of health and education in multidimensional poverty is roughly recorded 62%. Government should increase expenditures for health and education. Because it

will be helpful to reduce poverty rapidly. Planning Commission should present a clear and right picture of multidimensional poverty because hiding any problem can be emerged in worst form rather than to solve. To describe the whole from each expect than find its solution can be helpful for eliminating problems.

Pakistan adopted MDGs very cordially but could not develop potential to achieve its targets because these were very broad. To finance the goals of SDGs is a major issue. Major part of budget is allocated for debt servicing and defense so a very little part left behind for development. There is not any clear dimension that how they reduce poverty and PML (N) government was focusing unnecessary and unproductive developmental projects. There is need to set a clear policy with proper methodology than its implementation. SDGs were adopted to attain the unmet targets of MDGs but not any framework or strategy were presented that how they can be able to achieve these targets and solve those problems or hurdles which created obstacles for achieving MDGs' targets.