



*Research Report No. 11*

**The World Summit for Social  
Development: Its implication for Social  
Sector Development in Pakistan**

**SOCIAL POLICY AND DEVELOPMENT CENTRE**

# Research Report No.11

## The World Summit for Social Development: Its implication for Social Sector Development in Pakistan

By

Dr. Asad Sayeed and Zafar H. Ismail

June 1996

Research Assistance by Ms. Nazia Bano and Mr. Abu Nasar is highly appreciated

## **1. Introduction**

The principal objective of the World Summit for Social Development held at Copenhagen in March 1995 was to prioritise social development in the development agendas of governments. Not only is social development seen as a goal in itself, but its importance is further emphasised by new theoretical developments which identify the human resource constraint as the crucial missing link in the development efforts of many a developing country.

The Summit Declaration highlights a number of underlying issues which are a prerequisite to translate commitment on social sectors into actual outcomes. Some important ones in this regard are:

Transparent and accountable governance is to be the cornerstone of the renewed commitment towards the social sectors. This transparency will entail decentralisation, better monitoring and accountability of public institutions and greater involvement and strengthening of civil society instruments, primarily NGOs and CBOs.

Gender equity and empowerment of people to enable them to participate in programmes and policies aimed at improving their lot. Empowerment entails creating the capacity for the meaningful participation of communities and groups in general and women in particular.

Eradication of absolute poverty and formulation of a coherent policy geared to this end by the end of 1996.

Meeting the basic needs of all through universal and equitable access to quality education, the highest attainable standard of mental and physical health and access of all to primary health care. Policies toward these sectors should also be consistent with the Programme of Action of the International Conference on Population and Development.

Not to sign any structural adjustment programme which is at the cost of social development goals.

The achievement of the above goals needs appropriate legislation from governments who have signed the Copenhagen Declaration on Social Development. A legislative framework which incorporates the above will not only indicate governmental commitment towards the social sectors but is also one manner in which political commitment and support for the same will be demonstrated.

Governmental commitment towards the social sectors in Pakistan precedes the World Summit for Social Development, 'this commitment was first translated into action in the late 1980s when the Prime Minister's Five Point Programme was launched which gave emphasis to improving access to education and primary health care. This was subsequently extended and the emphasis expanded to include public health, hygiene and population planning as part of the Social Action Programme (SAP) starting in 1992. The Eighth Five Year Plan (1993-98) and the Perspective Plan (1993-2003) also continued to reflect this emphasis. The important and interesting element of the new governmental commitment to the social sectors, as enshrined in the SAP as well as the Plan documents is a reconceptualisation of social sector development. Rather than viewing social sector issues exclusively from the supply side, demand generation and management of social services is seen as a crucial ingredient in the delivery and eventual improvement in social indicators. The SAP, in particular, has also recognised the interdependence in the provision of different social services - an issue emphasised in the Copenhagen Declaration also.

The Copenhagen Declaration should thus be seen in the light of this new vigour towards social development and the reconceptualisation in delivering these services already in operation in Pakistan. Moreover, since a number of Summit Declarations are generic in nature - pertaining to broader issues of democratisation and socio-cultural freedoms - in order to maintain focus for a substantive study, we have restricted ourselves to the analysis of five social sectors, namely; education, health, public health (potable water supply and sanitation), poverty alleviation and population planning. Since many of the above sectors overlap with the areas of concentration in the SAP, we will assess the fiscal and institutional constraints in meeting SAP targets as well

as those enshrined in the Eight Five Year Plan and the Perspective Plan. Given the emphasis on gender equity in a number of Summit commitments, our analysis specially refers to this issue. Moreover in the spirit of the Copenhagen Declaration, we will also highlight key areas of institutional and legislative reform that are necessary prerequisites to reverse the trend of the hitherto low level of social development in Pakistan.

## 2. Targets and Summit Commitments

Although the main thrust of the Summit is to enhance the status of social development in the list of priorities of developing country governments, it has also specified certain targets for participant countries to meet. While similar to SAP and Plan targets, the Summit targets in some cases encompass a longer term vision. As we see in Table 1, the Summit targets are not at variance with those of the Perspective plans of 1993-2003 and 1993-2008. In fact in the case of literacy, infant mortality and reduction of malnutrition of children under 5, the Plan targets are more stringent than those enunciated in the Summit Declaration, while in the case of primary school enrolment and rural water supply the Plan and Summit targets are broadly similar.

Table 1: Summit and Plan Targets

Indicator	Base(1993)	Summit Targets	Plan Targets
Education			
Primary Enrolment	71%	100% by 2000 AD	100%by 2003 AD
Drop out rate	50%	Reduce to 20%	reduction envisaged
Gender Gap	63%	Reduce	reduction envisaged
Adult Illiteracy	65%	by 2015 reduce to half of 1990	20% by 2003 AD and to 13% by 2008 AD
Health			
Accessibility to Primary Health Care	55%	To be promoted	RHC for each Union Council by 2003 AD
Life Expectancy	62 years	60 years by 2000 AD	67 years by 2003 AD
Infant Mortality Rate	88 per 1,000	half its 1990 level by 2000 AD or 50 to 70 per 1000	40 per 100 by 2003 AD and 30 per 1000 by 2008 AD
Under 5 Mortality Rate	137 per 1,000	less than 45 per 1000 by 2015 AD	
Maternal Mortality	270 per 100.000 live births	half of 1990 level by 2000 AD and another half by 2015 AD	
Malnutrition Under 5	40%	half of the 1990 level by 2000 AD	15% by 1998 AD

Indicator	Base (1993)	Summit Targets	Plan Targets
<b>Population</b>			
Population Growth Rate	2.9%	Population & Development Conference Targets	2.6% by 2003 AD and 2.3 by 2008 AD
Contraceptive Prevalence	12%		80% by 1998 AD
Fertility rate	5.6		
<b>RWSS</b>			
Water Supply	47%	Universal Coverage	100% by 2003 AD
Sanitation	14%		Urban : 100% by 2003 AD; Rural : 60% by 2003 AD and 75% by 2008 AD

Source: Base Year Figures taken from World Bank, World Development Report, 1994 and 1995.

Summit Targets from Preliminary version of the *Report of the World Summit for Social Development*, United Nations, New York; 19 April 1995 and Plan Targets from GOP, Eight Five Year Plan and Perspective Plan.

In terms of specific targets, therefore, the Social Summit does not envisage any more stringency than the Government of Pakistan itself has imposed on itself. However, the real issue that the summit addresses and to which attention has to be focused is to improve the efficiency of social services provided and the requisite fiscal, institutional and policy reforms to be undertaken for this purpose.

As far as the probability of meeting targets is concerned, we get a better picture about areas where particular focus is needed by comparing Pakistan's performance with some other developing countries. Countries chosen in Table 2 have been selected on the criteria of regional proximity and similarity in the range of per capita income. Regional proximity is important because of the commonality of historical and institutional conditions, which has shaped the development experience of these countries, while countries within the same income range have been chosen because per capita income is an important determinant of resources available for social sector development.

In Table 2, we see that in water supply, while Pakistan's performance in urban areas is comparable to other countries that in the rural areas lags behind others in the region. Similarly in sanitation, urban areas have done well in comparison, but in rural areas it is worse than Bangladesh and Sri Lanka. The growth rate of population in Pakistan is significantly higher than other countries. A similar picture emerges by looking at indicators of population growth, such as the Crude Birth and Total Fertility rates. In particular, contraceptive prevalence in Pakistan

is abysmally low when compared to other countries in the region. In the health sector, access to health services in rural areas lags far behind those countries for which figures are available. In terms of more specific health indicators, Pakistan has performed much worse in redressing infant mortality than other countries. In the education sector, primary enrolment and literacy among females appear to be areas where attention has to be focused, there are no comparative figures available for absolute poverty. However, according to the World Bank (1995), Pakistan's performance in reducing absolute poverty has been better than other countries except for the exceptionally fast growing East Asian economies.

**TABLE 2 SOCIAL INDICATORS**

INDICATORS		Pakistan	India	Bangladesh	Sri Lanka	China
<b>POPULATION</b>						
Population Growth Rate*	%	2.8	^	2.1	1.5	1.4
Life Expectancy	Years	62	61	56	72	69
Contraceptive Rate	%	12	43	60	62	83
<b>INCOME</b>						
GNP Per Capita	\$	420	310	220	540	470
Prevalence of Malnutrition (<5 yrs)	%	40	63	67		25
<b>EDUCATION</b>						
Female Literacy Rate	%	21	34	22	83	62
Adult Literacy Rate	%	35	48	35	88	73
Female Primary Enrollment Rate	%	31	90	71	105	116
Total Primary Enrollment Rate	%	46	102	77	107	121
Female Secondary Enrollment Rate	%	13	32	12	77	45
Total Secondary Enrollment Rate	%	21	44	19	74	51
<b>HEALTH</b>						
Crude Death Rate	/1000	9	10	11	6	8
Infant Mortality Rate	/1000	142	80	106	17	30
Mortality Rate (under 5 years)	/1000	137	122	122	19	54
Maternal Mortality Rate	/100,00 OLB	270	420	600	80	115

INDICATORS		Pakistan	India	Bangladesh	Sri Lanka	China
PUBLIC HEALTH						
Access to Potable Water Urban	%	85	85	82	80	99
Access to Potable Water Rural	%	50	78	85	55	60
Access to Safe Sanitation Urban	%	60	62	63	68	58
Access to Safe Sanitation Rural	%	17	12	26	45	3

Source : *World Development Report 1994*, The World Bank, Washington, DC, 1994; *World Development Report 1995*, United Nations Development Programme, New York, 1995; *State of the World's Children 1994*, United Nations Children's Fund, New York, 1994

For Summit commitments and plan targets to be achieved, the areas of concentration have to be female literacy and greater attention towards the provision of virtually all social services in rural areas. In addition, public expenditure needs to focus on reducing the exceptionally high infant mortality rate in the country.

To evaluate the quantitative and qualitative changes that have occurred as a result of SAP and the manner in which the Summit Declarations should/can influence public policy in Pakistan vis-a-vis the social sectors, we shall concentrate on three areas:

- 1) allocations toward the social sectors and their determinants,
- 2) efficiency of resource use, and
- 3) analysis of the institutional reforms envisaged to improve the delivery of social services.

### **3. Social Sector Allocations**

It has generally been argued that social sector expenditure, as a proportion of total government expenditure in Pakistan has been low. This argument cannot be corroborated since most international comparisons are given in terms of central government expenditure on social services, whereas in Pakistan the bulk of social sector expenditure is channeled through provincial governments. In this regard, one hypothesis put forth is that in a fiscal crunch the social sectors are the first to be targeted for expenditure cuts (Mahmood.et.al., 1994). This 'soft sector' hypothesis can be tested by looking at the proportion of government expenditure before and after Pakistan signed the Structural Adjustment package in 1988, where an explicit

commitment was made to reduce the fiscal deficit. Between 1981 and 1988, the social sectors received 11.7 per cent of total government expenditure (federal and provincial combined). In the period 1989-94, this contribution has increased to 12.1 per cent. Thus we have no evidence for the soft sector hypothesis. However, the data also shows that since the launching of the SAP in 1992, no discernible increase has taken place in governmental commitment to the social sectors. Between 1992 and 1994, on average, social sector expenditure as part of total government expenditure was 12.0 per cent.

Years	% SHARE of Public Expenditure on Social Services in Total Government Expenditure	Real Growth in Total Government Expenditure	Real growth in Public Expenditure on Social Services
1980	10.6%		
1981	10.7%	3.4%	4.8%
1982	11.4%	3.7%	10.7%
1983	11.1%	15.1%	11.5%
1984	11.3%	8.6%	11.0%
1985	11.3%	8.5%	8.2%
1986	12.2%	17.3%	26.7%
1987	12.6%	14.8%	19.1%
1988	13.3%	4.1%	9.7%
1980-88	11.6%	9.4%	12.7%
1989	12.4%	-1.6%	-8.6%
1990	11.7%	6.5%	0.8%
1991	12.8%	0.4%	9.4%
1992	11.9%	7.8%	0.6%
1993	12.0%	2.0%	2.8%
1994	11.9%	0.8%	0.3%
1989-94	12.1%	2.7%	0.9%
1980-94	11.8%	6.5%	7.6%
1992-94	12.0%	3.5 <sup>a</sup> /p	1.2%

Source: Expenditure figures are an aggregation of provincial expenditures taken from Annual Budget Statements for various provinces and the Federal Government.

Apart from the level of expenditure, its growth over time gives another perspective to resources devoted to particular sectors. Given available data, we have computed the real growth in public expenditure in the education, health, public health and population planning sectors (Table 4). Both in developmental expenditures as well as on the recurring side, the rate of growth of public expenditure has decreased substantially in the post 1988 period compared to that in the 1981-88 period. While reduction in the growth of development expenditure in

education and health (at the aggregate level) is warranted, that in public health and population planning creates an impediment in reducing the supply bottlenecks that exist in the provision of these services. On the recurrent expenditure side, with a fall in the rate of growth of development expenditure, a concomitant fall in the salary head of recurrent budgets will also occur. However, for improvement in the quality of schools, health facilities, etc. the non- salary component has to increase much faster than it has so far. **TABLE 4**

**GROWTH IN ALLOCATIONS**

Years	Education	Health	Public Health	Population	TOTAL
<b>RECURRING EXPENDITURES</b>					
1982	23.2	46.2	94.2		26.3
1983	29.1	24.5	-8.8		28.4
1984	11.6	16.6	13.8		12.6
1985	6.9	2.7	35.1	43.7	5.8
1986	27.6	33.3	-13.2	5.8	28.6
1987	13.6	21.7	31.8	-15.6	15.4
1988	9.2	7.6	18.6	29.7	9.2
Average	17.3	21.8	24.5	15.9	18.0
1989	-4.2	-5.4	-26.4	-15.0	-2.7
1990	-17.2	-12.3	-17.9	-6.7	-16.5
1991	25.6	17.6	5.2	15.5	28.5
1992	-1.5	1.3	16.3	15.9	-5.0
1993	23.0	23.7	60.8	-24.4	25.3
1994	4.3	-2.0	14.1		-0.2
Average	5.0	3.8	8.7	-3.0	4.9
<b>DEVELOPMENT EXPENDITURE</b>					
1982	16.1	7.5	14.3		13.1
1983	25.9	12.4	13.9		16.7
1984	5.7	7.5	9.0		7.8

Years	Education	Health	Public Health	Population	TOTAL
1985	9.3	12.4	-13.0		-1.3
1986	101.7	13.1	15.0		41.1
1987	-3.0	55.2	38.2		23.6
1988	-6.7	2.7	14.2		4.1
Average	21.3	15.8	13.1		15.0
1989	-19.1	-15.1	-29.8		-22.9
1990	-0.7	-2.4	-0.9		-1.2
1991	-15.3	-16.5	48.2		10.2
1992	28.8	-8.9	-14.7		-2.7
1993	-14.7	4.9	3.4		-2.3
1994	18.4	-13.0	-27.6		-11.4
Average	-0.4	-8.5	-3.6		-5.1

Source: Expenditure figures are same as those for Table 3. These figures were then deflated by the Price Index of Government Consumption and the Price Index of Government Investment, computed at the SPDC for recurring and Development Expenditure respectively.

Furthermore, in the wake of the current fiscal crisis in Pakistan, SAP development expenditures appear unsustainable given the recurrent liabilities needed to sustain the programme. Simulations undertaken with the integrated SPDC model demonstrates that for every 100 rupees spent on the development of new facilities, recurring costs increase by 30 rupees. It has been further estimated that if SAP development targets are to be met, it will deteriorate the budgetary position of the provinces annually by approximately 2 billion rupees. In an already constrained fiscal situation, it is unlikely that the provincial governments will be able to sustain such a significant deterioration in their budgetary situation. There are three possible scenarios that emerge because of this financial strain. One that provincial governments will not avail of financing available through SAP to avoid the liability of funding the recurrent expenditure on new facilities. If this is the case, then there will be a visible slow down in social sector investment. Alternatively, the provincial governments may develop new facilities where the ratio of teachers to schools, doctors (other staff) to hospitals/dispensaries will decline, consequently resulting in lower quality of services provided. The third option is that SAP funds are divided between developmental and recurring expenditures. In that case too, once the SAP

initiative is over, the problem of financing recurring liabilities is going to raise its head again with no discernible solution which resolves this problem.

It is unfortunate that greater policy emphasis on the social sectors has occurred at a juncture when the fiscal crisis in Pakistan has assumed serious proportions. With the Structural Adjustment Programme emphasising the reduction of budget deficits, social sector expenditure has concomitantly declined. Another reason for declining growth in expenditure has been the overall sluggishness experienced in the economy since 1988. While the average annual growth between 1980 and 1988 was 6.5% per annum, between 1988 and 1994-95, growth has averaged 4.5% per annum. This means that even if social sector spending as a proportion of GDP remains constant, a deceleration in GDP growth will automatically slow down the rate of growth of public sector expenditure on the social sectors.

Over the years, private sector expenditure has increased significantly in almost all social sectors. The largest contribution of private sector is in health, where it is estimated that between 2/3 and 3/4 of the total expenditure comes from private sources (former figure from World Bank, 1991, latter from Husain, 1994). In education, roughly 1/3 rd of expenditure is from private sources. In rural water supply, the World bank estimates that roughly 23 million rural inhabitants were being served by privately installed hand pumps. Private sector spending on social sectors, while a welcome development, does not mitigate the need for the provision of public sector services since much of it is targeted towards upper and middle income groups particularly in the urban areas. Since the performance of most social indicators is in large part determined by the accessibility of these services to the poor, particularly in the rural areas, public expenditure to target groups will have to demonstrate real growth if improvements in social indicators is to be achieved. In a resource constrained scenario, the only manner in which improvement in these indicators can be achieved is by enhancing the efficiency of delivery mechanisms through appropriate policy and institutional reforms.

#### **4. Efficiency of Social Sector Delivery**

A simple comparison between growth in expenditure and that in the social indicators is presented in Table 5. For all sectors it shows that growth in expenditure has been faster than improvements in indicators. This points to the hitherto inefficient use of resources in the social

sectors. To substantiate this point, however, an international comparison or determining elasticity of expenditure with respect to outputs will have to be determined. In the following by attempting to identify causal factors in each social sector, we identify directions in which resources can be reallocated in each particular sector. **TABLES**

**Growth In Expenditures and Output 1981-94**

EDUCATION	
Recurring Expenditure Growth Rate	11.63
Development Expenditure Growth Rate	11.26
Growth in Literacy	0.97
Growth in Primary Enrollment: Female	7.87
Growth in Primary Enrollment: Total	8.35
Growth in Secondary Enrollment: Female	10.52
Growth in Secondary Enrollment: Total	7.96
HEALTH	
Recurring Expenditure Growth Rate	13.5
Development Expenditure Growth Rate	4.6
Crude Death Rate (1000)	-2.47
Infant Mortality Rate (1000 live birth)	-1.36
Prevalence of Malnutrition (under 5)	-0.16
Under-5 Mortality Rate (1000 live birth)	-4.42
Maternal Mortality per (100000) live birth	-1.39
PUBLIC HEALTH	
Recurring Expenditure Growth Rate	17.2
Development Expenditure Growth Rate	5.4
ACCESS TO SAFE DRINKING WATER	
Urban	1.28
Rural	7.30
Total	5.24
ACCESS TO SAFE SANITATION	
Urban	2.78
Rural	17.89
Total	8.6
POPULATION	
Recurring Expenditure Growth Rate	5.42
Average Annual Growth Rate (%)	2.9
Crude Birth Rate (1000)	-1.199
Total Fertility Rate	-1.48
Contraceptive Prevalence Rate (% of female 15-49)	7.9

Source: Expenditure figures are the same as Table 4, Social Indicators were taken from World Bank, *World Development Report*, various issues and World Bank (1995a).

*Education*

Although Pakistan inherited a low educational base at the time of its inception, yet in a comparative perspective, its performance in enhancing educational levels of its populace has been poor. The broadest indicator to illustrate this picture is the literacy rate. Between 1981 and 1990 the literacy rate in Pakistan has increased from an average of 26.2% to 33.5%. This represents an increase of less than 1% per annum, in spite of the fact that expenditure on education has increased much faster during the period. A more pertinent indicator of educational attainment is the primary school enrolment rate. As indicated in Table 2, on aggregate, Pakistan has lagged behind other similarly placed developing economies. The substantially higher increase in expenditures compared to increase in both female and total enrollment rates suggests the creeping increase in cost ineffective approaches to delivery. The low enrolment rates are further compounded by a high drop out rate, estimated at roughly 52%.

As evident from the international comparison given in Table 2, one important reason for the poor profile of educational attainment in Pakistan is the remarkably low rate of literacy and enrolment of women. The key issues that emerge, therefore, are low enrolment and high drop out rates in general and the remarkably low level of educational attainment among females. The supply and demand factors for low enrolments and those specific to low female enrolments are analysed below.

### Supply Side

The most obvious supply side factor for low enrolments is generally conceived to be the provision of schools, particularly in the rural areas. As far as boys schools are concerned, the SPDC model reveals that the provision of schools is adequate and that there is excess capacity in many of the male schools. Expenditure on the recurring side however is low and a further 20% increase in teachers will create the optimal teacher-student ratio to meet the targets set out for increasing enrolment.

To attain allocative efficiency, it is, therefore, suggested that a reallocation of resources toward increasing recurrent expenditures and reducing development expenditure on male schools is needed. A converse reallocation of resources is suggested for female schools. The institutional impediments to such reallocation of resources is common to other social sectors also and is discussed in the next section.

### Demand Side Factors

The essential reason for low enrolments and high drop outs among boys especially is deemed to be the prevalence of child labour as a result of poverty in developing countries. It is argued that the opportunity cost of sending children to school is high in conditions where poverty is prevalent. However, if this was simply the case then other similarly placed countries should have had similar enrolment and drop out rates as in Pakistan. Since this is not the case (as is evident, at least for enrolments from Table 2), labour market related reasons for low enrolments need to be analysed. According to Mahmood et.al. (1994), if we conceive of a segmented labour market where children's wages ( $W_g$ ) are lower than those for adult workers ( $W^a$ ), child labour can proliferate through supplemental and substitution effects.

Mahmood et.al (1994) show that if  $W_c^a < W_a$ , poor households will supplement their income through supplying child labour. Even if the substitution effect for child labour is inelastic, because of low wages there will be a supplementary effect, which will have a domino effect if labour is supplied in large quantities. Secondly where substitution possibilities are high and low wages are an important determinant of profits, such as in labour intensive export industries, demand for child labour will be substantial and will consequently increase the opportunity cost of schooling among the poor.

### Low Levels of Educational Attainment among Females

As for low female enrolments, the conventional explanation is one of cultural attitudes towards female education and labour. While there may be some element of truth in this, it needs to be underscored that in other societies where similar cultural norms prevail, the rate of female participation in education is high. For instance, India and Bangladesh have attained higher female literacy and enrolments compared to Pakistan (see Table 2) and in a number of Arab countries female enrolments have grown at a faster rate than in Pakistan (UNDP, 1995).

There are important supply side constraints in enhancing educational enrolments in Pakistan. Firstly, expenditure on female schools has been low, borne out by evidence that higher development expenditures will be needed to meet the Plan targets. Secondly, inadequate spatial planning of schools is also considered a factor in low enrolments. Thirdly, the lack of female teachers, especially in rural areas, is also considered an operational constraint to expanding

female school facilities. With a small pool of educated women, it is difficult to increase manifold the number of female teachers. The suggestion that has been made in this regard is that retired male teachers should be employed for female primary education or that girls be allowed to attend mixed schools as is happening in a number of locations around Pakistan. Whether the cohort of such teachers is large enough to supplement the shortage of female teachers needs to be ascertained.

Evidence on female enrolment and literacy at the provincial level shows that the relatively urbanised provinces of the Punjab and Sindh have performed much better than the Frontier and Balochistan. The tribal hangover in the latter is primarily responsible for this phenomenon.

### *Health*

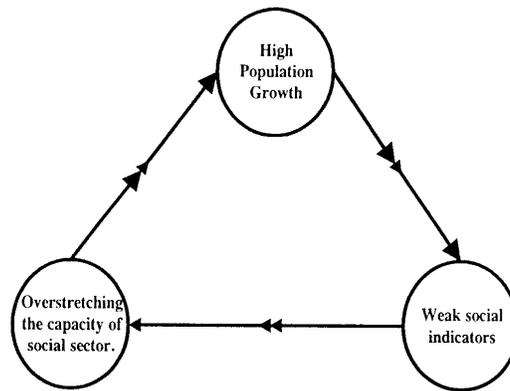
It is frequently mentioned that allocation between preventive and curative health in Pakistan is misallocated. With public sector initiatives and budgets directed towards curative health, inadequate attention has been paid towards preventive health. Preventive health requires an integrated approach where health and sanitation, immunisation, pre- and post-natal care and prevention of water-borne and other hygiene related diseases all contribute in the prevention of diseases. Thus allocations have to be diverted away from purely hospital based curative care to preventive measures. As we saw earlier, reallocation of resources towards reducing infant mortality is urgently needed if Summit targets are to be achieved.

Also, as stated earlier, allocative efficiency can be enhanced through a more rational division of resources between development and recurrent expenditure. Although we see a decline in the rate of growth of development expenditure compared to that in the recurrent head since 1988 (Table 4), according to a study, development expenditure continued to be excessive in 1992 (Hasan, 1995).

Increase in development expenditure is only warranted if new facilities are able to increase the catchment area. While access to health facilities in urban areas is nearly universal, it needs to be increased substantially in rural areas. For that BHUs have to be established and where coverage exists it has to be improved. Complementary improvements in transport infrastructure can also increase accessibility to BHUs and thus reduce development expenditures.

### *Population Planning*

The central precipitating factor for the weak profile of social sector indicators in Pakistan is the country's astronomically high population growth rate. Because the last population census was undertaken 14 years ago, there is no accurate estimate of the rate of growth of population in the last decade or so. Other estimates, however, put the present growth rate to be in the range of 3.1 and 2.7%, which makes Pakistan's population growth rate one of the highest in the world.



**Figure 1 Cyclical impact of high population growth**

High population growth dissipates the per capita benefits that accrue from high growth rates. A high population growth rate is both the cause and effect of the weak performance of other social sectors as may be seen from the following diagram.

Although it is difficult to isolate the causal factors for the failure of population welfare policies in Pakistan, there are several supply and demand related issues which need to be addressed specific to population planning.

### Supply Side Issues

Low and declining allocations for the sector has meant that the contraceptive prevalence rate in Pakistan stands at an abysmally low rate of 12%. Moreover, all population planning efforts, both in the private and the public sectors, service less than a quarter of the target population. According to the World Bank (1995a) in 1991, 40% of women in the reproductive cohort either wanted no more children or wished to delay their next birth. Of these, the demands for 28% could not be met because of supply bottlenecks. Although there are a number of demand related problems also. These supply bottlenecks point to the failure of existing family planning programmes carried out in the country so far.

### Demand Side Factors

The religio-cultural milieu in Pakistan has been termed as a constraint towards the formulation and implementation of a sound family planning policy. The World Bank considers the waning of political commitment towards family planning as an important risk in the implementation of the newly launched family planning project funded by the Bank. Given that many other countries with similar cultural and religious traditions (such as Iran, Bangladesh and the predominantly Catholic South American countries) have been able to contain their population growth rates, there is no reason why such impediments should only fall Pakistan's way.

Rather, it is more pertinent to focus on women's education and their empowerment as important demand-related reasons for high population growth. Studies show a high correlation between women's education and lower fertility rates as education increases demand for family planning services and also enables women to avail of the facilities that are already existent. With one of the lowest female literacy and enrolment rates in the world, the education related demand bottlenecks remains substantial in Pakistan.

Moreover to the extent that education enables women to enter the labour force, it empowers them to have greater control over their lives to space births and reduce their average fertility. Thus a political commitment towards education and the entry of women in the work force are some economic measures towards the empowerment of women, which apart from achieving the objective of gender equity, also reduces the population growth rate.

### *Povffly*

Poverty also has a negative spillover affect on other social sectors. Because marginal increase in the incomes of the poor result in substantial improvements in their health status and by decreasing the opportunity cost to schooling it serves in reducing the demand bottleneck for enhancing enrolment rates.

Poverty in Pakistan has declined consistently since the 1960s. In terms of head count ratios, the World Bank estimates that the proportion of those below the poverty line in total population has declined from 46% in 1984-85 to 31% in 1990-91. If measured in terms of caloric intake, poverty in Pakistan has reduced more than in other similarly placed countries (see

World Bank, 1995b). However, if conceived in terms of a composite index of human development, taking into account key social indicators, the population of Pakistan is poorly equipped to better its lot in the long run; indicated by low enrolment rates, high infant and maternal mortality and a high population growth rate.

There are two issues that come to the fore in the context of the above mentioned poverty indicators. So far as the per capita consumption measure of poverty is concerned, it is strongly correlated with income growth. With the advent of the structural adjustment programme and the consequent contractionary fiscal policy, growth has inevitably retarded, at least in the short run. Slow growth, coupled with an increase in income inequality can result in a deterioration of poverty indicators. As for safety nets (such as the Zakat and ushr schemes), important institutional issues need to be addressed so that these schemes indeed benefit the poor, because when the size of the pie shrinks there is further pressure from politically and economically powerful groups to divert resources earmarked for the poor in their direction.

So far as reducing poverty as defined by improvements in human development indicators is concerned, this feeds into developments in other social sectors. As far as the supply side bottlenecks for improvement in other social indicators is concerned, the squeeze on expenditure because of adjustment policies is going to further worsen the situation unless rationalisation of existing expenditure is forthcoming. According to one of the Summit Commitments, adjustment agreements should not be at the expense of social sectors. Whether Pakistan has adhered to this guideline in the past or intends to do so in the future needs to be discerned.

While allocative efficiency is required to improve resource use in the social sectors, the biggest impediment in this pursuit is that the present institutional structure for the delivery of social services has increasingly become incapable of delivering these services. Indeed the Summit Declaration has also emphasised the central role of institutional reform as part of prioritizing the social sectors in developing countries. It is to these institutional issues that we now turn.

## **5. Institutional Issues**

### *Decentralisation*

Centralisation of delivery mechanisms is considered the most serious impediment in the provision of social services. For instance, in RWSS the provincial Public Health Engineering Departments (PHEDs) are responsible for not only the development of water supply schemes but they also perform the function of O&M and revenue collection. Originally established for the provision of urban water supply schemes, the PHEDs have approached the problem of rural water supply and management from the standpoint of urban needs with the consequent urban bias in technology. Institutionally local government and its related departments (such as the LGRDD) are designated to provide for RWSS. But because of the weak financial, human resource and technical base of local government, this role has de facto been handed over to the PHEDs. With little interest in the collection of revenues (as their budget is not affected by recovering revenues!) monitoring of projects is weak. The RWSS case illustrates that in spite of the mandate given to local government, its weak financial and technical base renders it incapable of performing these tasks. Similarly in other social sectors also, according to the Local Government Ordinance of 1979, local bodies have the mandate to undertake develop and O&M work for social sectors, but because for the above reasons they have by and large abdicated this responsibility to provincial governments.

The issue of devolution of power to local government has been a long standing demand from civil society in Pakistan. Devolution is deemed to cut through the red tape involved in the development of facilities as well as in their maintenance. Decentralisation will also change the emphasis from a departmentally driven need based assessment of services, as is done hitherto through the PC1 process to one where demands from communities will be brought into focus. It also reduces information constraints in delivery and results in more efficient monitoring of projects.

It remains to be analysed as to why effective decentralisation has not taken place in Pakistan. While there may be some justification in keeping certain economic services centralised because of economies of scale or because of the need for coordinating economic activities (especially pertinent to the provision of physical infrastructure), these arguments do not apply to the social sectors (see CHC, 1992). Another reason put forth for the continued persistence with

centralised delivery is constraint of human resources to plan and implement development and maintenance of schemes. Shortage of skilled manpower is also deemed to reduce the ability to maintain effective monitoring procedures, resulting in pilferage of funds. While there may be some truth to these observations, it is clear that the underlying reasons for centralised control in Pakistan fall beyond economic and procedural constraints.

Over the last decade it has become increasingly obvious that public representatives at the federal and provincial levels prefer to keep delivery mechanisms centralised so that they can derive political mileage from being involved in delivering new schemes. In an environment where federal and provincial level politics has been reduced to the delivery of a school, a hospital or a road to the constituency, persistence with centralised mechanisms is inevitable. This stranglehold of provincial/federal level politicians can only be broken if the Executive is willing to grant and consequently protect powers of local bodies through enabling legislation which ensures that powers to set aside local governments are enjoyed only by the uppermost level in the judicial process. This also requires a more developed political process where political parties are organised at the grass roots. In this way local level delivery can be credited to the political party in power at that level and provincial and federal legislatures contest elections and mobilise their constituencies on the basis of the policies and ideologies that parties represent at their respective levels.

#### *The Investment Programming Process of Public Sector Delivery*

That the process of social sector delivery has become inefficient over the years is evident from the fact that there are inordinately long gestation lags in both the approval and the completion of projects. One study shows that each project is estimated to take as long as five to eight years for completion. The official investment procedure is delineated in the Annual Development Plan (ADP) of the provincial governments. It is based on a bureaucratic evaluation of needs largely prompted and nudged by vested interest groups. As mentioned in the previous section, the involvement of politicians in the delivery of social services has disrupted this long standing bureaucratic process of investment programming. There are three ways in which political influence has come to bear on investment programming in the social sectors.

- a) Elected representatives use their discretionary funds to initiate new schemes. Because projects are initiated through discretionary funds, there is no reallocation

of resources from the ADP that takes place. Indirectly, however, the efficiency of project completion is affected as the line departments are stretched beyond their capacity.

- h) The other mechanism of project selection is when MNAs and MPAs influence the line departments to initiate additional schemes over and above those planned and funded by the ADP. In addition to the overstretching of line departments, significant budgetary shortfalls occur for each individual project, thereby increasing the time lag in their completion. These long gestation lags inevitably result in cost overruns and render the entire PC1 process redundant.
- c) The formation of the Social Action Boards (SABs) at the district level has introduced yet another avenue for project identification and approval. The SABs consist of "people's representatives" appointed by the federal government. Directives from the federal government clearly stipulate that no project will be implemented unless it has the blessing of the SAB. Provincial governments and line departments are therefore under pressure to implement these projects because of the clout of the federal government behind the SAB. With no additional funding coming for these projects, it results in further overburdening of the provincial ADPs.

As mentioned, decentralization to local levels of government has been resisted because elected representatives at the national level are involved in the delivery of services. However from the manner in which investment programming has been politicised, we see that de facto decentralisation has already been partially achieved, in the sense that the need-based top down approach runs parallel to the *"demand-based"* bottom up approach as identified by elected representatives or other notables who sit on SABs. The fact that this de facto decentralisation has resulted in bringing about significant inefficiencies in the delivery of social services is because the process has not been institutionalised. In the absence of substantive decentralisation to local tiers of government, other ways and means have to be sought to reduce inefficiency in investment programming.

There are two possible reasons for this so-called politicisation of the process of investment programming. One is that there are pressures from below which force the politician and other notables to deliver schemes in the social sectors if they are to maintain their support in their respective constituencies. The other is that social sector funds are yet another avenue for corruption and rent-seeking for politicians and other influential individuals and lobbies. Both explanations are partially true, though it remains an empirical matter to discern as to which is more prevalent.

To the extent that politicisation exists because of demands made on politicians/ influentials from their constituencies to deliver projects, it points to the need of institutionalising the bottom-up approach for investment planning. Once, say, each district is allocated its social sector development budget, a committee/council is formed, consisting of line department personnel, the elected representatives of the district and local notables/power brokers. Such committees can then thrash out development schemes for the district where the line department can inform representatives as to physical possibilities and the time lag required in completion of these schemes. *(This would in essence be similar to the way in which the now largely defunct District Development Advisory Committees used to operate)*. Such district level planning can then aggregate to make up the ADP for the province. In this setup, the only constraint is that budgetary allocations will continue to be decided at some centralised level (either provincial or federal). Up until the point that the fiscal structure is further decentralised, central allocation of budgetary resources will remain a constraint.

There is another suggestion that the relevant line departments in provinces prepare a portfolio of projects from which the politicians can choose. This proposal still retains the bureaucratic need-based approach rather than one articulated by the demands made by communities, even if they are mediated through an inefficient and corrupt political process. Apart from the insensitivity of this approach to the actual demands of communities, the likely outcome is that the same excess demand for projects will take place and the bureaucratic machinery will have to yield to these demands.

It is also commonplace to observe that one reason for inadequate site and personnel selection as well as excessive emphasis on development expenditure is because of the prevalence of rent-seeking and patronage for politicians. The politicians or political parties should be made accountable where they have used their clout for site or personnel selection to ensure that some modicum of efficiency and quality of service is maintained. Where the government is unable to devise such accountability structures, it can draw up strategies to insulate the social sectors at the cost of others, which are relatively less important on the priority list; for instance providing loans through state run DFIs or on other infrastructure related processes. Similarly if employment as a tool of patronage is to be used, then rather than opening up avenues in the social sectors, such employment should be diverted towards general government or other semi-

22 government agencies/corporations.

Given the extra load on line agencies because of the politicisation of investment programming, their capacity has to be increased. For this purpose substantial investment in capacity building of line agencies will be required. Even if additional resources for this purpose cannot be generated, governmental priority towards the social sectors will only be given meaningful content if resources from other sectors are reallocated for this purpose.

#### *NGO and Community Participation*

With the launching of the SAP a renewed effort has been made to develop community participation through handing over the O&M in RWSS to community organisations. In the education sector, School Management Committees (SMCs) have also been formed. Available evidence, however, suggests that the members of these Committees do not enjoy the community's confidence. The SMCs also have no legal status and therefore, have no access to government funds (GOP. 1995). Apart from SAP, the Education and Health Policy Statements also emphasise community participation in the design and implementation of schemes. There has however been little headway in the education and health sectors to date to create appropriate linkages at the community level. In RWSS, a number of water supply schemes have been passed on to communities, particularly in AJK and Balochistan. While it is too early to evaluate the outcome of these schemes, with no change in the fiscal and political powers of union councils and other tiers of local government, an institutional base for delegating responsibilities to the community remains to be developed. The proposal to establish village councils propagated by the Punjab merits consideration.

The essential elements of a more participatory approach in order to enhance the sustainability of social sector schemes is a shift from the usual channel of

public sector —> private contractors »—> community

public sector—> community --•> private  
contractors

Creating collective action for community based development is an onerous task. Not only is it necessary to design appropriate institutional design for monitoring contributions but it is also important to curb rent-seeking. Within village communities (or any other such spatial entity) if there are income disparities or for sociological reasons, certain groups are more powerful than others then they might disproportionately appropriate benefits that accrue from the scheme (example of misuse of school and hospital facilities and equipment, siphoning-off a larger share of water or getting private connections tilted from a common pool). Government agencies will have to play a role to minimise such infringements. Whether they are able to do so will depend on the power of the local elite vis-a-vis state agencies. To create sufficient autonomy of state agencies to ensure that they are not reduced to serving the interests and whims of the village elite will first of all entail political commitment on the part of government. Secondly, appropriate monitoring mechanisms will have to be developed for this purpose.

It is now acknowledged across the board that monitoring the efficiency of delivery at the grass roots as well as several other mediatory tasks can be best performed by non-governmental organisations (NGOs). NGOs can articulate the beneficiaries' needs to project authorities, provide information about the scheme to communities, organise community based organisations to maximise their gains from schemes, deliver services to less accessible populations and serve as intermediaries to other NGOs. Government, on the other hand, can also learn from alternative development strategies pursued by NGOs.

The present profile of NGO activity in Pakistan demonstrates that in spite of their large numbers, apart from a few isolated cases, their role so far has been less than adequate. Technical and human resource constraints apart, the lack of a working relationship with government lies at the heart of inadequate involvement of NGOs in the social sectors. Although Policy Statements and Plan documents acknowledge the important facilitating role that NGOs can play, little has been done to foster this role at different stages of planning and implementation. The onus of creating a working relationship lies both with the government and the NGOs. However,

since the government is the senior partner much will depend on the attitude of state functionaries to foster this relationship. So far, the state has only sought to regulate NGO activities through the formation of the Standing Committee on NGOs. While regulation is necessary, what is more crucial is that a working relationship is evolved where areas of NGO comparative advantage is harnessed. Recently fourteen NGOs were provided funds under the Participatory Development Programme (PDP) of the federal government. This process has to be expedited as the selection of these fourteen has reportedly taken more than two years. Secondly, funds for the PDP at present come from the donor component of SAP. In order to sustain such support, the government should create its own fund for this purpose. This will demonstrate its commitment towards the support and development of NGOs.

#### *Delineating Public-Private Frontiers*

Although NGO and CBO activities are also in the realm of private sector activities, in this section the term 'private' refers to market based provision of social services. There are no entry barriers on private sector involvement in the social sectors in Pakistan. However, areas of public and private space need to be clearly delineated so that duplication of effort does not take place. As Birdsall and James (1994) have argued for the health sector, much of the public sector expenditure is appropriated by the upper and middle income groups, primarily in the urban areas. Similarly, these groups are also the beneficiaries of public expenditures on secondary and tertiary education. In rural water supply, Altaf(1992) also states that of the 70,000 hand pumps installed in the public sector in the 1970s, only 10% were operational ten years later, compared to 100% of the private sector installations.

It is clear therefore that not only is public sector provision is directed towards the wrong groups but that private sector provision in certain sectors has proved more efficient and sustainable. This is a clear case for the withdrawal of the public sector from areas where private provisions are provided. Where this is not possible because of entrenched interest groups which will resist such a move, there is clearly a case for increasing user charges in the provision of these services. In both education and curative health sectors, it has been demonstrated that user charges can be increased substantially. Such an increase in user charges, depending on the willingness and ability to pay of different groups, will release resources to be spent on increasing primary school enrolments, expanded immunisation programmes, family planning services, etc.;

activities which are truly public goods and where private sector involvement is either not forthcoming or is inadequate.

Another important issue regarding institutional reform is regulation of the private sector. In the health sector, private sector regulation — in the realm of registration, fee structure licensing, etc. — is virtually non-existent. In other areas, such as pharmaceutical sales and quality control, though relevant legislations exist they are poorly implemented. In education also, teacher training, curricula, examination procedures, etc. are not regulated. The result is that quality of education varies substantially and results in further segmenting the labour market.

#### *Anemia*

Institutional reforms envisaged in the Summit Declaration cannot be undertaken in any meaningful manner unless the reconceptualisation in delivery mechanisms is legislated. Legislative backup is a crucial step in providing necessary recognition (in both social and political spheres) as well as legal authority. While the agenda of legislation is large and varied, we shall focus on areas which have direct relevance in light of the preceding discussion.

In the education sector, although legislation on compulsory primary education exists, it has not been implemented. From the preceding analysis, we see that when the opportunity cost of schooling is high, the compulsory education legislation is not in line with the structure of the labour market and the economic profile of poor households. Thus to give meaningful content to the universal primary education legislation, supporting legislation is necessary. A ban on child labour (which is perhaps already there) will be a facile exercise for reasons given above. The more pertinent legislative exercise will be to make it mandatory for employers of children to provide them with schooling after work hours. However since much of this employment is in the informal sector, it will require a prior legislation to bring the informal sector within the ambit of the legal framework. While this opens a Pandora's box to which significant political opposition will be generated, if enrolments and literacy targets are to be met it becomes a necessary prerequisite.

In the health sector also, we saw that where legislations required to regulate private sector activity exist, they were aborted because technical and administrative resources were lacking and

26 that these legislations were drafted without prior consultations with the private sector.

It has been indicated that considerable progress in improving the social indicators for Pakistan can be achieved through decentralisation of the planning and delivery process. Local Government Ordinances exist in the statutes of each of the provinces, they are nevertheless ineffective as local councils can be set aside with ease. This is in contravention of the spirit of the Constitution of Pakistan itself which requires that Government *[federal and provincial]* encourage local governments. Effectiveness of local governments require that they exist in perpetuity, cannot be set aside without due process of law, have the requisite authority to raise and spend resources and have an equitable and active participation of the population served. This would require substantial changes in the existing body of legislation. The suggestion by the Punjab for creating village councils for managing the affairs at even a more disaggregated level should also be examined and if found feasible, included in the legislative framework.

The core issue regarding the legislative agenda is the necessary political backup to implement legislations. We saw earlier that certain existing legislations are so far removed from reality on the ground that their implementation is not possible. Therefore, existing legislations should be tempered with realism regarding what can be actually achieved.

## **6. Recommendations**

- 1 Declining growth rates in expenditure will inevitably decelerate the expansion in social service provision. In a resource constrained scenario if it is not possible in the short run to generate more resources then reallocation of resources towards those social sectors where Pakistan has been a persistent laggard should be drawn up. Sectors identified earlier are rural water supply, population related indicators, infant mortality, provision of health services in rural areas and female enrolment and literacy.
2. New schemes should not be developed unless adequate planning has been undertaken for the provision of recurrent liabilities.
3. Although diversion of resources from development to recurring and within the recurring head from the salary to non-salary components has taken place since the inception of

SAP, to improve the quality of services provided a systematic monitoring procedure needs to be put in place. The Management Information Systems developed for the education and health sectors should be widened to other sectors and specific quality indicators of output should be made part of the MISs.

4. Spillovers from female education are high. They feed into the improvement of all other social indicators. Therefore, female enrolments and literacy should be taken up as priority areas within the education sector. Apart from relieving the supply constraint through increased expenditure, measures to increase demand, such as formulating curricula which is relevant and motivational and optimises the spillover effect of female education should be drawn up. Moreover, public campaigns to highlight the importance of female education need to be expedited which highlight the externalities that female education generate.
5. Although there is no concrete evidence of increasing poverty in Pakistan, recent trends suggest that the proportion of the poor is not going to decline substantively. Thus the Summit goal of eradicating poverty appears elusive. As mentioned earlier there are two determinants of poverty. One is the deceleration in GDP growth and the other is an increase in inequality. Both can be linked in some measure to specific prescriptions of the structural adjustment programme and the concomitant market friendly policy changes that have been pursued in Pakistan. Policies to revive GDP growth fall beyond the prescript of this paper. It is however, clear that for eradicating poverty, it is important that necessary policy changes for the revival of GDP growth are pursued with a renewed commitment. Similarly, many of the prescripts of the Structural Adjustment Programme have also resulted in increasing inequality through the 1989-94 period. Increasing inflation, removal of consumption subsidies, increase in user charges, privatisation, etc. have contributed to this declining trend, particularly in the urban areas. As mentioned earlier, Summit commitments mention that any Structural Adjustment Programme should not be at the expense of social goals of countries. The distributional impact of structural adjustment measures should be explicitly factored in while such Adjustment measures are agreed upon.

6. Substantive decentralisation to local bodies is not on the horizon, particularly at a time when local body elections have not been held on schedule in most of the provinces. As mentioned, the bottom up approach to investment planning should be institutionalised through formation of district level committees. Line departments should be accordingly reoriented to perform this task.
7. Resources should be provided to strengthen communities to participate effectively in both the development and management of social services. The more effective method for the attainment of this objective is to involve NGOs as intermediaries. A greater financial commitment on the part of government towards the development of NGOs and CBOs is needed. Furthermore, a more positive thrust towards forging a better working relationship with NGOs is critical in expediting the process of participatory development.
8. A clear policy package should be formulated for introducing user charges. As background work, in each sector a willingness and ability to pay exercise should be carried out. Opposition to the introduction of user charges will inevitably come forth from vested lobbies, but the legitimacy of the policy can be demonstrated to the public at large if an honest appraisal is undertaken to identify those who ought to be and who eventually are the beneficiaries of state subsidies.
9. In an era of legislation through ordinance, discussion of a legislative agenda seems superfluous. But if development of the social sectors is to be prioritised, it remains a necessary prerequisite. Realistic and implementable legislations should first of all be drafted and then bi-partisan support should be sought.

## **7. Conclusion**

The Social Summit envisages a marked shift in priorities and strategies towards the social sectors. As mentioned in the Introduction, such a change in priorities and strategies was envisaged by the Government of Pakistan prior to the Social Summit. However, as we saw in the preceding analysis, there is much to be desired in terms of both financial commitments and the pace of policy reforms since the inception of the Social Action Programme and the Eighth Five Year Plan. While financial outlays are subject to other exogenous constraints (such as

deceleration in GDP growth and the imperative of deficit reduction), in the realm of institutional and policy reform, lack of progress is essentially because substantive reforms in social sector delivery require broad based changes in administrative and fiscal structures. Political commitment to bring about such reforms will mean taking on a number of deeply entrenched interest groups that benefit from the status quo and resolving long-standing cleavages in the body politic of the nation. Whether the state in Pakistan has the capacity to resolve these conflicts and whether the political leadership has the fortitude to face up to their consequences requires commitment and vision that has so far eluded us.

## BIBLIOGRAPHY

Allaf, A. (1992). 'Financing Social Services', in Nasim, A. (ed). *Financing Pakistan's Development in the 1990s*, Oxford University Press, Karachi.

Canadian High Commission (CHC) (1992). "A Study on Improving the Efficiency and Effectiveness of Spending in the Social Sectors and Increasing Resource Mobilisation in the Provinces."

Government of Pakistan (GOP) (1995). Report of Seminar on Basic Education, Planning and Development Division, Islamabad.

GOP. *Economic Survey*, various issues. Ministry of Finance, Islamabad.

GOP, (1994). Eighth Five Year and Perspective Plan. Planning and Development Division. Islamabad.

Hasan, A. (1995). 'Optimal Mix of Health Sector Expenditure,' Paper presented at the Conference on *Resource Mobilisation and Expenditure Planning*, Lahore.

Mahmood. M., Tarig, M.J. and Baig, A. (1994). "Why Children Do Not Go to School in Pakistan: Some Estimates and a Theoretical Framework," Paper presented at the Tenth Annual General Meeting of the Pakistan Society of Development Economists.

United Nations (UN) (1995). Preliminary Version of the *Report of the World Summit for Social Development*, New York.

United Nations Development Programme (UNDP) (1995). *Human Development Report*. New York.

United Nations Children Fund (UNICEF) (1994). *Slate of the World's Children*, New York. World Bank. *World*

*Development Report*, various years, Washington D.C.

World Bank (1995a). Pakistan: Population Welfare Planning Project. Report No: 1361-PAK, Washington D.C.

World Bank (1995b). Pakistan: Poverty Assessment, Report No: 14397-PAK, Washington D.C.

## **APPENDIX COPENHAGEN DECLARATION ON SOCIAL DEVELOPMENT**

The objectives of the Copenhagen Declaration may be stated to be:

- 1 the recognition of the significance of social development and human well-being;
- 2 that democracy and transparent and accountable governance and administration in all sectors of society are indispensable foundations for the realisation of social and people-centered sustainable development;
- 3 that economic and social development and environmental protection are interdependent and mutually reinforcing components of sustainable development;
- 4 that social development is central to the needs and aspirations of people and to the responsibilities of Governments and all sectors of civil society; and
- 5 that there is a need, therefore, to integrate economic, cultural and social policies so that they become mutually supportive, and acknowledge the interdependence of public and private spheres of activity and recognise that the achievement of sustained social development requires sound, broadly based economic policies.

The Declaration also stated that governments would promote:

- 1 the equitable distribution of income and greater access to resources through equity and equality of opportunity for all; underline the importance of transparent and accountable governance and administration in all public and private institutions;
- 2 recognise that empowering people, particularly women, to strengthen their own capacities is a main objective of development and its principal resource and that empowerment requires the full participation of people in the formulation, implementation and evaluation of decisions determining the functioning and well-being of societies.

ii The Heads of Government made a total of 10 Commitments as follows :

Commitment 1

Creating an economic, political, social, cultural and legal environment that will enable people to achieve social development by reinforcing the means and capacities for people to participate in the formulation and implementation of social and economic policies and programmes through decentralisation, open management of public institutions and strengthening the abilities and opportunities of civil society and local communities to develop their own organisations, resources and activities.

Commitment 2

Eradicating poverty in the world by formulating or strengthening (preferably by 1996) national policies and strategies geared to substantially reducing overall poverty, reducing inequalities and eradicating absolute poverty by a target date to be specified by each country in its national context through efforts and policies to address the root causes of poverty and to provide for the basic needs of all.

Commitment 3 We commit ourselves to promoting the goal of full employment.

Commitment 4 Promoting social integration.

Commitment 5

Promoting full respect for human dignity and to achieving equality and equity between genders.

#### Commitment 6

Promoting and attaining the goals of universal and equitable access to quality education, the highest attainable standard of physical and mental health, and the access of all to primary health care; striving to strengthen the role of culture in development; preserving the essential bases of people-centered sustainable development; and contributing to the full development of human resources and to social development. The purpose of these activities is to eradicate poverty, promote full and productive employment and foster social integration.

#### Commitment 7

Accelerating the economic, social and human resource development of Africa and the least developed countries.

#### Commitment 8

Ensuring that when structural adjustment programmes are agreed to they include social development goals, in particular eradicating poverty, promoting full and productive employment, and enhancing social integration.

#### Commitment 9

Increasing significantly and/or utilising more efficiently the resources allocated to social development in order to achieve the goals of the Summit through national action and regional and international cooperation.

#### Commitment 10

Improving and strengthening the framework for international, regional and sub-regional cooperation for social development, in a spirit of partnership, through the United Nations and other multilateral institutions.

## **ACTION PLAN**

### **AN ENABLING ENVIRONMENT FOR SOCIAL DEVELOPMENT**

#### **Basis for action and objectives**

The ultimate goal of social development is to improve and enhance the quality of life of all people. It requires democratic institutions, respect for all human rights and fundamental freedoms, increased and equal economic opportunities, the rule of law, the promotion of respect for cultural diversity and the rights of persons belonging to minorities, and an active involvement of civil society. Empowerment and participation are essential for democracy, harmony and social development. All members of society should have the opportunity and be able to exercise the right and responsibility to take an active part in the affairs of the community in which they live. Gender equality and equity and the full participation of women in all economic, social and political activities are essential. The obstacles that have limited the access of women to decision-making, education, health-care services and productive employment must be eliminated and an equitable partnership between men and women established, involving men's full responsibility in family life. It is necessary to change the prevailing social paradigm of gender to usher in a new generation of women and men working together to create a more humane world order.

Against this background, the enabling environment should be based on a people-centered approach to sustainable development, with broad-based participation and involvement of civil society in the formulation and implementation of decisions determining the functioning and well-being of our societies; and expanded access to knowledge, technology, education, health-care services and information.

#### **A. A favourable economic environment**

1. Making economic growth and the interaction of market forces more conducive to social development by implementing measures to open market opportunities

for all through changes in legislation and free access to information and directing public and private investment in the construction and renewal of basic infrastructure. This will also require action for ensuring substantial public and private investment in human resource development and in capacity-building in health and education, as well as in empowerment and participation, especially for people living in poverty or suffering from social exclusion and for supporting and paying special attention to the development of small-scale and micro-enterprises, particularly in rural areas, as well as subsistence economies, to secure their safe interaction with larger economies;

- 2 Ensuring that fiscal systems and other public policies are geared towards poverty eradication calls for enacting rules and regulations and creating a moral and ethical climate that prevents all forms of corruption and exploitation; considering measures to address inequities arising from accumulation of wealth through taxation and re-examining the distribution of subsidies between industry and agriculture, urban and rural areas, and private and public consumption, to ensure that subsidy systems benefit people living in poverty, especially the vulnerable, and reduce disparities;

#### **B. A favourable political and legal environment**

- 1 To ensure that the political framework supports the objectives of social development, the actions that are essential include, ensuring that governmental institutions and agencies responsible for the planning and implementation of social policies have the status, resources and information necessary to give high priority to social development in policy-making, encouraging decentralisation of public institutions and services to a level responds properly to local needs and facilitates for local participation;

- 2 An open political and economic system requires access by all to knowledge, education and information by strengthening the educational system at all levels, as well as other means of acquiring skills and knowledge, and ensuring universal access to basic education and lifelong educational opportunities, while removing economic and socio-cultural barriers to the exercise of the right to education, and by improving the reliability, validity, utility and public availability of statistical and other information on social development and gender issues, including the effective use of gender-disaggregated statistics collected at the national, regional and international levels, including through support to academic and research institutions.

#### **ERADICATION OF POVERTY** Basis

for action and objectives

Poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterised by a lack of participation in decision-making and in civil, social and cultural life. Absolute poverty is a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to social services.

Poverty has various causes, including structural ones and is inseparably linked to lack of control over resources, including land, skills, knowledge, capital and social connections. Without those resources, people are easily neglected by policy makers and have limited access to institutions, markets, employment and public services. The eradication of poverty cannot be accomplished through anti-poverty programmes alone but will require democratic participation and changes in economic structures in order

to ensure access for all to resources, opportunities and public services, to undertake policies geared to more equitable distribution of wealth and income, to provide social protection for those who cannot support themselves, and to assist people confronted by unforeseen catastrophe, whether individual or collective, natural, social or technological.

The eradication of poverty requires human resource development and improved infrastructural facilities, comprehensive provision for the basic needs of all and mobilisation of both the public and the private sectors, more developed areas, educational and academic institutions and non-governmental organisations to assist poverty-stricken areas.

#### **A. Formulation of integrated strategies**

Governments should give greater focus to public efforts to eradicate absolute poverty and to reduce overall poverty substantially by promoting sustained economic growth, formulating or strengthening, preferably by 1996, and implementing national poverty eradication plans to address the structural causes of poverty, encompassing action at all levels for employment creation and encouraging and supporting local community development projects that foster the skill, self-reliance and self-confidence of people living in poverty and that facilitate their active participation in efforts to eradicate poverty.

**B. Improved access to productive resources and infrastructure** The opportunities for income generation, diversification of activities and increases of productivity in low-income and poor communities should be enhanced **in the rural areas by** land reform and improving the security of land tenure, by promoting fair wages and improving the conditions of agricultural labour, and increasing the access of small farmers to water, credit, extension services and appropriate technology,

including for women, persons with disabilities and vulnerable groups on the basis of equality; **and in the urban areas** by promoting and strengthening micro-enterprises, new small businesses, cooperative enterprises, and expanded market and other employment opportunities and, where appropriate, facilitating the transition from the informal to the formal sector.

### **C. Meeting the basic human needs of all**

Governments, in partnership with all other development actors, in particular with people living in poverty and their organisations, should cooperate to meet the basic human needs of all, including people living in poverty and vulnerable groups, by ensuring universal access to basic social services, with particular efforts to facilitate access by people living in poverty and vulnerable groups and ensure that in

- 1 education there is, by the year 2000, universal access to basic education and completion of primary education by at least 80 percent of primary school-age children; closing the gender gap in primary and secondary school education by the year 2005; universal primary education in all countries before the year 2015; and reducing the adult illiteracy rate - the appropriate age group to be determined in each country - to at least half its 1990 level, with an emphasis on female literacy;
- 2 health care there is, by the year 2000, life expectancy of not less than 60 years; reduction of mortality rates of infants and children under five years of age by one third of the 1990 level, or 50 to 70 per 1,000 live births, whichever is less; by the year 2015, achievement of an infant mortality rate below 35 per 1,000 live births and an under-five mortality rate below 45 per 1,000; reduction in maternal mortality by one half of the 1990 level; by the year 2015, a further reduction by one half; by the year 2000, a reduction of severe and moderate malnutrition among children under five years of age by half of the 1990 level; and, by the year 2000, of reducing malaria mortality and morbidity by at least

20 percent compared to 1995 levels; and, by the year 2000, eradicating, eliminating or controlling major diseases constituting global health problems.

- 3 public health there is, on a sustainable basis, access to safe drinking water in sufficient quantities, and proper sanitation for all;
- 4 shelter there is improved availability of affordable and adequate shelter for all.

## **EXPANSION OF PRODUCTIVE EMPLOYMENT AND REDUCTION OF UNEMPLOYMENT**

### **Basis for action and objectives**

Productive work and employment are central elements of development and sustained economic growth and sustainable development as well as the expansion of productive employment should go hand in hand. The goal of full employment requires that all segments and sectors cooperate to placing the creation of employment at the centre of national strategies and policies, with the full participation of employers and trade unions and other parts of civil society;

### **A The centrality of employment in policy formulation**

- 1 Placing the expansion of productive employment at the centre of sustainable development strategies and economic and social policies requires promoting and pursuing active policies for full, productive, appropriately remunerated and freely chosen employment;
- 2 Promoting patterns of economic growth that maximise employment creation requires encouraging labour-intensive investments in economic and social infrastructure that use local resources and create, maintain and rehabilitate community assets in both rural and urban areas;
- 3 Enhancing opportunities for the creation and growth of private-sector enterprises that would generate additional employment requires removing, obstacles faced

by small and medium-sized enterprises, easing regulations that discourage private initiative, facilitating access by small and medium-sized enterprises to credit, national and international markets, management training and technological information;

**B. Education, Training and Labour Policies** Facilitating people's access to productive employment requires establishing well-defined educational priorities and investing effectively in education and training systems;

**SOCIAL INTEGRATION Basis for  
action and objectives**

The aim of social integration is to create "a society for all", in which every individual, each with rights and responsibilities, has an active role to play. There is therefore an urgent need for accessible, transparent and accountable public institutions; strengthened participation and involvement of civil society in the formulation, implementation and evaluation of decisions determining the functioning and well-being of societies; publicly available objective data to enable people to make informed decisions; gender equality and equity and empowerment of women;

Actions:

**A. Responsive government and full participation in society** 1 Ensuring responsive government requires that decisions are based on accurate data and are taken with the participation of those who will be affected, keeping under review the responsibilities of the different levels of government and the administrative arrangements for organising and delivering services; there is a constant review of the national, provincial, municipal and local capacity and capability in raising revenue, and allocating resources to promote local initiatives in maintaining and increasing community cohesion; simplifying administrative

regulations, disseminating information about public policy issues and initiatives for collective interests, and facilitating maximum access to information;

- 2 Encouraging the fullest participation in society requires enabling institutions of civil society to participate in the formulation, on a consultative basis, implementation and evaluation of policies related to social development; and giving community organisations greater involvement in the design and implementation of local projects, particularly in the areas of education, health care, resource management and social protection;

### **B. Equality and social justice**

Governments should promote equality and social justice by ensuring that all people are equal before the law; carrying out a regular review of public policy, including health and education policies, and public spending from a social and gender equality and equity perspective, and promoting their positive contribution to equalising opportunities; encouraging the free formation of cooperatives, community and other grass-roots organisations that tend to strengthen social integration, paying particular attention to policies that assist families in their support, educational, socialising and nurturing roles; and ensuring that structural adjustment programmes are so designed as to minimise their negative effects on communities while ensuring their positive effects on them by preventing their marginalisation in economic and social activities, and devising measures to ensure that such groups and communities gain access to and control over economic resources and economic and social activities. Actions should be taken to reduce inequality and economic disparity;

### **IMPLEMENTATION AND FOLLOW-UP**

At all levels of implementation, the crucial and essential requirements are the integration of goals, programmes and review mechanisms that have developed separately in response to specific problems;

**Actions:**

**A. Strategies, evaluations and reviews** The promotion of an integrated approach to the implementation of the Programme of Action requires analyzing and reviewing macroeconomic, micro-economic and sectoral policies and their impact on poverty, employment, social integration and social development; formulating or strengthening, by 1996, comprehensive cross-sectoral strategies for implementing the Summit outcome and strategies for social development, including government action with specific responsibilities to be undertaken by each actor and with agreed priorities and time-frames; defining time-bound goals and targets for reducing overall poverty and eradicating absolute poverty, expanding employment and reducing unemployment, and enhancing social integration, within each national context; promoting and strengthening institutional capacity-building for inter-ministerial coordination, intersectoral collaboration, the coordinated allocation of resources and cortical integration from national capitals to local districts; and developing quantitative and qualitative indicators of social development, including where possible, disaggregation by gender, to assess poverty, employment, social integration and other social factors, to monitor the impact of social policies and programmes, and to find ways to improve the effectiveness of policies and programmes and introduce new programmes;

**B. Involvement of civil society**

- 1 Effective implementation of the Copenhagen Declaration on Social Development and the Programme of Action of the Summit requires strengthening community organisations and non-profit non-governmental organisations in the spheres of education, health, poverty, social integration, human rights, improvement of the quality of life, and relief and rehabilitation, enabling them to participate constructively in policy-making and implementation. This will require encouraging and supporting the creation and development of such organisations, particularly among the disadvantaged and vulnerable people;

- 2 The contribution of civil society, including the private sector, to social development can be enhanced by developing planning and policy-making procedures that facilitate partnership and cooperation between Governments and civil society in social development;

**C. Mobilisation of financial resources** Augmenting the availability of resources for social development requires at the national level requires reducing excessive military expenditures and investments for arms production and acquisition in order to increase resources for social and economic development; giving high priority to social development in the allocation of public spending and ensuring predictable funding for the relevant programmes; ensuring that the resources for social development are available at the level of administration that is responsible for formulating and implementing the relevant programmes; increasing the effective and transparent utilisation of public resources, reducing waste and combating corruption, and concentrating on the areas of greatest social need; developing innovative sources funding, both public and private, for social programmes, and creating a supportive environment for the mobilisation of resources by civil society for social development, including beneficiary contributions and individual voluntary contributions; and allocating 20 percent of the national budget, respectively, to basic social programmes.