Poverty Alleviation or Poverty Elevation:  
Critical Review of Public Policies and Administrative Measures  
Javed Iqbal Shah*

Abstract

After an initial boost in the current decade, Pakistan economy is again showing signs of sluggishness. Though the causes for slowing down of economic activity is usually ascribed to the rising international prices of petroleum and food items, closer evaluation indicates that inappropriate economic, fiscal and monetary policies have contributed much towards current situation. Main victim of these policies has been, of course, the proverbial poor man. He is not only the prey of his own mental backwardness, inertia and unlimited capacity to accept any thing as his fate; his economic conditions are further aggravated by the prevailing economic policies. In the proposed paper, I shall briefly touch upon the root causes of poverty in Pakistan & its dynamics, besides suggesting some policy imperatives to break away from the shackles of the past.

Keywords: Poverty alleviation, Public policy, Public administration, Poverty Alleviation

Historical Background

Since its independence, Pakistan is struggling to keep its sovereignty intact and economy going despite all odds at different junctures of its brief history. While the first decade was consumed by efforts to rehabilitate millions of refugees, squabbling among politicians and bureaucracy, and constitutional void; we witnessed remarkable advancements on economic front in the next decade. After a short turmoil in late 60s, the country was again on economic track, but with a greater socio-political awakening among the masses. Post-1977 scenario laid emphasis on deregulation and privatisation – a clear departure from

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mixed economy and state control of key industries. After reverting back to parliamentary type of governance in 1985, the main contending political parties continued with the similar policies on several economic issues. This situation has remained so, with minor adjustments here and there; but no major breakaway from the past.

Aim
Aim of this paper is to critically evaluate salient economic, fiscal and monetary policies, and administrative measures pursued in Pakistan, their consequences vis-à-vis poverty levels and recommend the alternative policy guidelines in order to not only eradicate poverty in the society, but also to ensure affluence for a larger section of population.

What is the Role of a Government in Running the Affairs of a Nation?
Most of the economic academicians might agree that following are the main roles of a government in any society from economic point of view:-

- To maintain law and order in the society and ensure safety and security of life, property and honour of all the citizens.
- To formulate such economic policies, which are beneficial for at least majority of the people.
- To ensure re-distribution of resources through fiscal and monetary measures for withholding the canons of justice and equity in the society.
- To ensure implementation of its policies through executive powers.
- To ensure legitimate transfer of resources from affluent sections of the society to the poor.
Were these Roles Played Effectively?

Soon after independence, the country was faced with the challenging tasks of rehabilitating the millions of refugees coming from India, making efforts to get the economy going, maintaining law-n-order, drafting the first constitution, and so on. During the most successful decade of 1960s, the focus of the public policies was on industrialisation, construction of hydroelectric dams, mega projects and on regulated economy. It was projected at that time that the benefits of these priorities would ultimately accrue to poorer sections of population as well. Such prophecies later on echoed in the last two decades of 20th century and in the current decade with the term of “trickle-down effect.” However, despite all tall claims by policy makers, such a trickle-down effect did not occur. In the process, every regime lost its credibility within a few years of coming into the power corridors. In this backdrop, it is quite instructive to note that not a single ruling regime could ensure successive re-election to the Parliament of Pakistan since its independence. Though some of us may consider it due to the proverbial thankless nature of majority of the people; more empathetic consideration of the general conditions of the poor might convince us that most of grievances of the poor were not only genuine, but also the most basic ones. Scrutiny of public policies of the consecutive regimes indicates that at most of the times, these policies ensured welfare of the few rather than of masses. Successive policies facilitated consolidation of gross exploitation of material resources at the expense of the poor; and ultimately, contributed to transfer of resources from the poor to the rich.

Factors/Policies Detrimental To Poverty Alleviation

Following factors and policies have been noted to be instrumental in determining the poverty level in Pakistan:-
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(a) Situation in Rural Pakistan.
(b) Wage Structure of Employees.
(c) Fiscal Policies and their Impact on Poverty Alleviation.
(d) Monetary Policies and the Flow of Money in the Economy.
(e) Complacent Governance.

Situation in Rural Pakistan

Every one of us is aware that Pakistan inherited the present feudal system from the British Rule of India. Those of us, who have some rural background, know that continuation of this system has been the bane of much poverty and backwardness in our rural life.

Second aspect of the rural economy, which greatly affects the farm incomes elsewhere too, is the unpredictability of crops’ output. In order to save farmers from the adverse effects of these eventualities, most of the countries (including the staunch advocates of the market economy like USA, UK, France and other EU nations) provide phenomenal subsidies to their agriculture sector. However, in Pakistan, various subsidies to the agriculture sector have been either withdrawn or cut down. Further, the proposed scheme of crop insurance has yet to be launched to save farmers from income loss due to myriad natural calamities. The support price of wheat was jacked up to Rs. 23.75 per kg in year 2008 with the claim of motivating the small farmers to increase its production. Those of us, who had some knowledge of the financial resources of especially small farmers and of the mechanism of food-items market of Pakistan, expressed their fears that the rise in wheat price would largely benefit the middlemen more rather than the poor farmers. The behaviour of officials’ of PASSCO (Pakistan Agriculture Storage and Services Corporation) as in the past remained unsavoury in the campaign for purchase of wheat from farmers. In 2009, National
media reported that PASSCO refused to lift the poor farmers’ wheat on one pretext or on another. In last Ramadan, the Punjab Government decided to sell wheat flour to the poor at Rs 10/- per kg, and several poor lost their lives due to stampede or due to heat and exhaustion. September 14, 2009 would always be remembered as Black September of Pakistan, a Day of National Shame, when twenty women from the poorest of the poor were reported to meet their Creator due to stampede, while trying to get a bag of free flour organised by a non-government organisation in Karachi. (The News International, 14 September 2009) Instead of getting free flour, they received free death, and left the whole nation ashamed of the lack of respectable social security net in the country.

In a developed country, such a scenario is just unthinkable. In most of the developed countries, if price of some item is raised without any plausible explanation, long before taking charge of the matter by the administrative machinery, the representative consumer councils come into action by asking their members to reduce consumption of such goods. But, the main point here is that the poor have accepted it as their celestial fate to stand in a queue for hours to get one kilogram of sugar, to purchase flour, or even to deposit their utility bills. They have tacitly given permission to the ruling junta and their stooges to insult them, push them with clubs and kick them, just to get some flour, sugar or any other scarce item at so-called subsidised rate. Following proverb of Roosevelt must open the eyes of all the down-trodden people:-

No one can make you feel small without your consent. – Eleanor Roosevelt

And lastly, we have our economic experts and the influential business community, who complain against keeping the agriculture sector out of the tax net. To start with, it is to be noted that agriculture
sector is not like industry, which can sell its goods at open market prices. Prices of the main crops are fixed by the government and even if the prices in the open market are higher, the beneficiaries are usually not the farmers; rather they are the middlemen, hoarders and speculators, who get windfall profits. Second, in the recent years, we have seen that the farmers have been fleeced of their incomes through manipulation with weight-n-balance in factories and grain markets by unscrupulous industrialists and traders. (The plight of sugarcane farmers in the late 1990s at the hands of factory owners is a case in point, which needs no explanation) Third, the argument for imposing income tax on agriculture sector gives an impression that a sizeable arable land is being owned by the big landlords. However, the table below clearly shows that 62.5 % of all agricultural farms are owned by land-holders of less than 25 acres of land. Therefore, bringing agricultural sector into the national tax net, without ensuring provision of a competitive price for agricultural goods and in the absence of any safety net in case of bad crop, fluctuating prices and lower incomes, would amount to tax the poor more regressively.

The fourth aspect of rural economy’s situation demands a more empathetic consideration: it concerns myriad goods and services like unadulterated seed, fertiliser, and pesticide, water for domestic as well as for irrigation purposes, village-to-market road network and uninterrupted supply of electricity. One must admit that substantial progress has been made during the last two decades in the areas like water-supply for domestic use, road network and electrification of villages (of course, without reliable supply of electricity); however, the situation regarding provisioning of unadulterated seed, fertiliser and pesticide needs prompt and effective action by the concerned authorities.
Composition of Agricultural Farms in Pakistan (By Size)

<table>
<thead>
<tr>
<th>S No</th>
<th>Size of Farm (Acres)</th>
<th>Farm Area (%)</th>
<th>Size of Farm (Acres)</th>
<th>Farm Area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Under 5 Acre</td>
<td>15.5</td>
<td>Under 5 Acre</td>
<td>15.5</td>
</tr>
<tr>
<td>2.</td>
<td>5 to &lt; 12.5</td>
<td>27.9</td>
<td>Under 12.5</td>
<td>43.4</td>
</tr>
<tr>
<td>3.</td>
<td>12.5 to &lt; 25</td>
<td>19.1</td>
<td>Under 25 Acre</td>
<td>62.5</td>
</tr>
<tr>
<td>4.</td>
<td>25 to &lt; 50</td>
<td>16.3</td>
<td>Under 50 Acre</td>
<td>78.8</td>
</tr>
<tr>
<td>5.</td>
<td>50 to &lt; 150</td>
<td>9.8</td>
<td>Under 150</td>
<td>88.4</td>
</tr>
<tr>
<td>6.</td>
<td>&gt; 150 Acres</td>
<td>11.6</td>
<td>&gt; 150 Acres</td>
<td>11.6</td>
</tr>
</tbody>
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Source: UN 2000

**Wage Structure of Employees**

In several professions, both in urban centres and in rural areas, employees are made to work at considerably lower wages than their services might warrant. In the absence of deterrent labour laws and requisite administrative measures, common wage earners in cities are left on the mercy of their employers. This exploitation of wage-earners goes on unabated almost everywhere in our society. In our individual capacity, we want and insist on fair and equitable treatment from our employer; but ironically, most of us tend to forget such noble gestures while paying the people, who work for us in our homes, workshops, restaurants, or in our factories. Many of us may prefer to distribute alms among the poor to earn “swab-e-darayn”, but would not pay a poor labourer his rightful wage. This exploitation of human resources is not restricted to uneducated or semi-literate workers; even highly qualified
university graduates holding degrees in the discipline of engineering, medicine, business administration and social sciences feel the brunt of this phenomenon, when they are left with no choice but to work at meager wages.

**Fiscal Policies and their Impact on Poverty Alleviation**

Fiscal policies of a government usually reflect its political, social, economic, even moral philosophy. Thus, a government committed to alleviation of hunger and helplessness among the poor is expected to formulate and implement such fiscal policies, which must ensure legitimate and equitable distribution of resources. Scrutiny of fiscal policies adopted by successive regimes is quite instructive in this regard. As students of economics, we all know that apart from being an instrument of collecting revenues for running the business of the state, dampening down of the business cycle and of maintaining a growing, high-employment economy, etc; fiscal policy must ensure equitable distribution of national resources through two-pronged strategy. First, taxes must be imposed keeping in view the ability of the tax-payers; in other words, the rich ought to be taxed more than the poor. Second, the public resources ought to be spent in those sectors, which must benefit the general public, especially the poorer sections of the society.

Although it is usually claimed that "substantial" resources are being spent on the uplift of the life standards of the general public; however, relative share of development expenditures on sectors like education, health and water management remains much lower than what is essentially required. Let’s have a look at budget 2009-2010, which shows that the allocations for the social sectors of the economy have gone from bad to worse. For instance, against Rs. 779.5 billion for debt servicing (more than 50% of the estimated tax revenue for the same
period) and Rs. 342.9 billion for defence, the whole education sector is allocated a meagre amount of Rs 31.2 billion and health with a paltry amount of 6.5 billion. Although education and health sectors are responsibilities of the respective provinces, federal allocation of financial resources for these two sectors is still far from satisfactory even if one takes into account the contributions of provinces, private sector and of philanthropists for the same. Further, major chunk of education budget is allocated for higher education, which is the sole responsibility of the federal government. In order to run an education system, a state needs substantial resources to provide decent educational services to its citizens. Some countries spend as much as 6-10% of their Gross Domestic Product on education. In case of Pakistan, the total public spending on education (by federal, provincial and district government) was estimated to be 2.21% of GDP in year 2007. Total public sector spending on education (by federal, provincial and district government) was 12% of federal budget of Pakistan. (Economic Survey of Pakistan, 2006-07).

Another worth-probing aspect of fiscal policies is the total tax to GDP ratio. For instance, in FY 2006-07, it was 9.8 % in case of Pakistan, which is not only below the ratio for the developed countries, but also falls short of the emerging economies like South Korea and Malaysia. Figure on the following page depicts the relative tax-to-GDP ratio for different countries, where Pakistan is at the bottom, while Sweden is at the top.

Last year, Member Income Tax, Khalid Aziz Banth, while speaking at Lahore Chamber of Commerce and Industries, stated that Pakistan’s tax-to-GDP ratio of 8.8 per cent is the lowest in the region. [Daily Times, 16 August, 2009] The only consolation in this regard is
nearly equally dismal priorities of Indian rulers. It is to be noted that no country can aspire to become even an emerging economy if its tax-to-GDP ratio does not improve to at least 30%. Prominent advantages of the high tax-to-GDP ratio are:-

(a) The government gets sufficient financial resources to spend on various development as well as welfare projects, thus leading to alleviation of poverty in the society.

(b) Broadened tax base ensures that anyone, who is engaged in some earning pursuit, also becomes the tax payer.

(c) Due to registration of all enterprises with the tax authorities, black economy is minimised, another positive contribution. This also results into to dried-up resources for extremist / terrorist activities.


Another area, which needs comprehensive debate, is the composition of taxes imposed by the government to generate revenue. In Pakistan, tax revenue comprises direct, indirect taxes, customs and excise duties. Everyone with even rudimentary knowledge of economics knows that
indirect taxation is a regressive type of tax since it is levied on commodities; therefore, it affects the rich and the poor with the same percentage. However, the poor gets the main brunt of it due to his inability to pay. On the other hand, direct taxes [like income tax, wealth tax, property tax, capital gain tax, etc] are more progressive in nature as they are levied keeping in view the ability of the rich tax-payer. In countries like Sweden and Norway, it is not uncommon even for a salaried person to pay back to the treasury as much as 70% of his earning as direct tax. The editorial on 21 April 2005 of the Dawn International titled as “Disproportionate Taxes” contains the startling facts about the taxation system in Pakistan:-

“A report released this week by the Social Policy and Development Centre (SPDC), a local think tank, says that Pakistan’s system of indirect taxation is aggressive (sic) and biased against the poor, putting a greater burden on lower income groups against the upper income ones. The burden of tax progressively declines as income rises and the richest 10 per cent of the affluent class contribute only 10 per cent of their income as indirect tax as against 16 per cent by lower income households. The reason for this disparity is that the share of direct taxes in government revenues in Pakistan is comparatively very low. As a consequence, the rich are able to get away relatively cheaply since their higher incomes are supposed to be taxed directly, which is really not the case. This glaring disproportion means that while the poor pay a number of flat taxes, levies and surcharges, the better-off also pay the same in spite of their much higher incomes. This also underlines a fact that the direct tax paid by the affluent classes is relatively very low.” [The Dawn, 21 April 2005]
In daily News, 23 April, 2007 issue, Abbas reviews the report prepared by Prof. Vazquez (2006) for the World Bank tilted "Pakistan: A Preliminary Assessment of the Federal Tax System". In this report, Vazquez mentions that Personal and Corporate Income Taxes and the General Sales Tax (GST) have narrow bases for revenue collection and tax evasion is higher. All these factors lead to lower Tax to GDP ratio for the country. The report contains a startling observation that in Pakistan, the richest pay 40 per cent while the poorest contribute 60 per cent to the total taxes.

At the end of his report, Vaquez makes the following recommendations, which no one has the audacity or commitment to implement:-

(a) Tax system and revenue collection procedures be made simpler, fairer, efficient, and revenue elastic.

(b) The number of taxpayers be increased; while existing tax exemptions and special treatment to sectors and people be withdrawn, for instance, extending GST into services sector.

(c) Long-term capital gain (for assets held over one year with the same regime for withholding tax on dividends and short-term gains as regular income) be included in the tax net.

(d) Capital gains from real estate transactions be treated as ordinary income, and be taxed accordingly. However, a reduced tax rate for gains from the sale of the household’s main residence could be considered.

(e) Unfunded non-contributory pension benefits be taxed as regular income.
(f) GST must be levied on professional services as well.
(g) Excise taxes on tobacco products be raised.
(h) Audit of withholding agents (employers) for taxes on wage income be conducted. [Abbas, 23 April, 2007]

Except the recommendation to tax the non-contributory pension, all the above-stated recommendations make sense and would certainly contribute towards poverty alleviation in addition to substantial revenue generation. It is to be noted that regarding transfer payments, like old-age pensions, our record is dismal to say the least. For instance, in 2007-08 budget, minimum pension was increased from Rs. 1300 to Rs. 1500. Last year, the pensioners were provided 20% relief and in Federal Budget 2009-10, further 20% relief for pensioners has been announced. It is quite difficult to imagine how a person can survive with just Rs. 1800 per month, if he or she has no additional sources of income.

Commenting on the real intentions of our policy makers while deciding about the composition of various types of taxes, Dr Ikramul Haq writes in his article, “IMF’s Move of 15% GST on medicines – Alleviating Poverty by Taxing the Poor”:–

“Our successive regimes are resorting to eliminate progressive taxes like Estate Duty, Gift Tax, Capital Gain and Wealth Tax, which are essentially taxes on the rich and imposing regressive indirect taxes which take less portion of the income of the rich and a large portion of the income of the poor. What a tragedy that a progressive tax worth Rs. 5-8 billion (although the Department was collecting a very meagre potential of this tax due to inefficiency and corruption) is replaced by an anti-people tax worth Rs. 5 billion with the justification that the entire proceeds will be utilized for the betterment of the health sector. It was more appropriate to give the entire Rs. 5 billion of wealth tax to health
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and education sectors but that was only possible by first taxing the high and mighty sections of the society, which the CBR is neither willing nor allowed to do. The ruling elite wants to spend (which is again doubtful) an extra Rs. 5 billion on health by robbing the poor, but is not at all willing to contribute a single penny from its colossal (ill-gotten in many cases) wealth.” [http://www.paktax.com.pk/main.htm]

According to Chaudhary, services sector of Pakistan contributes 53.8% towards total GDP. (Chaudhary, 11 July, 2009) CNBC Bureau Chief, Nadeem Malik has posted in his weblog that tax-GDP ratio is low by international standards. In his report, he quotes FBR Member (fiscal research and statistics) Dr Ather Maqsood sharing this startling information, while talking to heads of federations/chambers in Islamabad:-

“The services sector is the major tax non-compliant sector. The number of sub-sectors whose tax contribution does not match with their contribution to GDP is far too many. These included wholesale and retail sector, transport, construction, hotels/restaurants and commission agents.” (Weblog: http://nadeemmalik, 8 February, 2007):

The report of “Business Recorder” is more precise about contributions of the services sector towards tax collections of Federal Bureau of Revenue. The report mentions:-

“According to ‘World Development Indicators-2009’ report released by the World Bank, contribution of services sector in overall GDP increased from 50 percent in 1995 to 53 percent in 2007, it added. When contacted, tax experts told Business Recorder on Saturday that the services sector constitutes more than half of the value added of the economy, but it is fetching only 34 percent of the federal tax receipts.” [Aaj TV, 27 Sep 2009]
Monetary Policies and the Flow of Money in the Economy

Pakistan, being a resource-constraint country in financial domain, needs to balance out the demands of several sectors competing for their share from the national exchequer. Here again, the unproductive sectors have been given priority over the primary productive sectors like agriculture, manufacturing, R & D, HRD, etc. Thus, for the last several years, financing of personal automobile, mobile phones, domestic consumption, etc were given preference. Though this prioritisation led to phenomenal growth in the profits of commercial banks, automobile and telecom (especially mobile phone) and consumer goods industries; it left undesirable effect on general saving, investment and development patterns. Patronage of consumerism in the society also resulted in inflationary trends across the board; but, rise in prices of especially food items has been more killing for the poor. Sad part of the story of the phenomenal rise in prices of sugar, cement and flour is that most of it had been and is still being engineered by the influential cartels in these sectors. Unfortunately, not a single step was taken against the hoarders or the powerful cartels. Instead of reigning in these blood-thirsty monsters, import of these items to ease out the supply of these items was permitted. Further, the network of Utility Stores was expanded (forgetting in between that these stores serve the needs of only 1% of population). Even export of sugar and wheat has mainly benefitted the traders and middlemen instead of the poor.

Here, it would be unfair to ignore positive contributions made by some steps like microfinance and President’s Khudrozar Scheme in the lives of hundreds of thousands of their beneficiaries. Success of these schemes indicates how much positive monetary policies can contribute towards poverty alleviation.
Complacent Governance

Everyone knows that inflation hurts all and sundry; but it hurts the poor in the cruelest manner. Inflation has been on the rise since the turn of the new millennium; however, it became unbearable due to successive rise in prices of kitchen items, especially in the last four years. The way these crises were handled, betrayed neither good governance nor empathy of the top policy makers with the general public. One could ask: “How could the policy makers empathise with the poor when there is an unbridgeable gulf between the haves and have-nots. People of Pakistan have a remarkable capacity to endure hardships, even injustices; and they would have forgiven the policy makers, if their complacency was not so obvious in crises after crises, from sugar to cement to pulses to wheat flour. Instead of tackling the wide-spread instances of artificial inflation created by the powerful cartels in sugar, pulses and flour, it was preferred to adopt the strategy of importing these goods from abroad. The whole satire (of first permitting the export of one item due to the so-called bumper production and importing the same item at much higher prices due to artificially created shortage) is being staged in the broad day light for the last three years to fleece the general public. This is undoubtedly the betrayal of the new millennium, whereby the citizenry is being robbed of their hard-earned resources with full impunity for the unsavoury characters of this drama.

Recommendations

In the following paragraphs, I would venture to submit the policy imperatives in five distinct areas, namely economic, fiscal, monetary, administrative and spiritual.
(a) Economic Policies: In this domain, following policy imperatives are recommended to ensure fair price for fair products and fair wages for fair work:

- Support price for food crops should only be announced in case their prices in the open market are lower, and this decision must be finalised well before cultivation for the next season’s crops.

- Keeping in view the present level of inflation, minimum wage of an unskilled worker must be raised to at least Rs. 10,000/- apart from linking it with the prevailing inflation rate.

- Strict measures be taken to enforce the Minimum Wage Act in all sectors of the economy.

(b) Fiscal Policies: In order to ensure availability of sufficient financial resources with the government as well as to facilitate the transfer of resources from the rich to the poor, following policy imperatives are recommended:

- All sectors of the economy ought to be included in the tax net, including agriculture, real estate, professional services, etc. However, a clear shift from reliance on indirect taxation must be replaced with direct taxation framework.

- Like in case of salaried persons, a compatible ceiling of exemption from income tax may also be introduced for farmers with small land holdings.
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- Rate of income tax must be proportional as well as progressive so that not only the affluent classes pay more tax, but that too at a higher percentage.

- A commitment be made to enhance the tax-to-GDP ratio to 30% within five years.

- Present mix of direct-indirect tax be increased to 60/40 in addition to making direct tax proportional as well as progressive. In order to achieve this target, various taxes like wealth tax, capital gain tax, property tax, income tax on professional services, etc may be administered.

(c) Monetary Policies: In efforts to alleviate poverty, role of monetary policies is the most crucial since they are capable of changing the whole economic scenario within a very short span of time. Following policy imperatives in monetary management are recommended to ensure availability of financial resources for investment/development purposes at lower rates and highly expensive access of the same for consumerism:-

- State Bank should direct the banks and financial institutions to charge lower rates of interest for loans secured for the purposes of investment or development, and higher rates for consumer loans so that the developmental attitudes are endorsed, and consumerism and vanity are discouraged.
- Effective monitoring of commercial banks and financial institutions be carried out to ensure that they share their huge profits with their customers by raising interest rates for saving accounts and for long-term deposits.

- In order to encourage domestic savings and to boost investment, State Bank must direct commercial banks to provide attractive incentives to those customers, who provide the bulk of bank deposits. Similarly, consumer loans be made more expensive so that unbridled consumerism among masses is arrested. These measures would not only lead to higher national saving rate, but may also teach the people to live within their own means. Ultimately, such actions would certainly ease the pressure on markets and inflationary trends would be controlled effectively.

- Micro-credit and “khud rozgar” have indeed ameliorated lives of many household; therefore, these schemes be strengthened.

(d) Administrative Measures: Here, the policy makers have an uphill task to repair the damage done to the little trust, which the general public of Pakistan had in them. Inflation is one of the important factors, which reduces the purchasing power of people and thus contribute towards increased poverty. The incumbent policy makers would have to display their resolve in arresting the gin of inflation by taking strict administrative and legal actions
against the cartels and hoarders of essential goods. These measures would only prove effective if these are taken in good faith, in impartial manner and within the canons of justice and equity.

(e) Spiritual Measures: What this author is going to recommend under the title of spiritual measures, may be regarded by some as wishful thinking of a simpleton believer. However, it is my conviction that most of us probably have not explored this free-for-all offer from the Most Beneficent, the Most Gracious. In addition to economic, fiscal, monetary and administrative measures, we all should seek help from Allah (SWT). The most affluent of us should pray to Allah (SWT) that He enables us to give the poor their due share, purchase/hire their goods/services at competitive prices, and give us strength to spend our resources on ourselves, our near-and-dear ones, and the needy. Ultimately, what we spend on the poor relatives and strangers is what we shall take with us hereafter. Similarly, the poor also need to be educated to seek help direct from Allah (SWT) that He may make their lives easier.

Conclusion
In this paper, an attempt has been made to understand the root causes of poverty in our society. Major factors identified in this regard are feudal mindset, inequitable pricing of crops and extremely low level of wages of common workers, especially the unskilled ones, inappropriate fiscal and monetary policies and complacent administrative machinery. Policy imperatives that have been recommended in this paper, include equitable
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price mechanism of the goods and services rendered by the poor, raising
tax-to-GDP ratio to at least 30% during the next five years, raising the
direct/indirect tax ratio to 60/40, expansion of money flow for
investment/development purposes and its contraction for consumption,
and besieging Allah (SWT) for enabling us to contribute our share in the
noble cause of poverty alleviation. And last of all, a message for all of
us present in this august house: Even if the higher ideals like justice,
compassion and taqwa are no more valued by the affluent classes,
redistribution of the national resources is absolutely essential on
prudential grounds so as to save us from sudden wrath of millions of
hungry and destitute, and to give them a feeling of belongingness and of
having stakes in the system, and lastly yet more importantly, to keep the
candle of hope for good days glowing.

“The biggest crime against the humanity is to deny any hope to it.”
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