

## What Needs to be Done?

*By Zubair Faisal Abbasi<sup>1</sup>*

Despite having some robust economic growth spurts of 6 percent to 9 percent, Pakistan can hardly be portrayed as a good example either of consistent rapid growth or enviable advances in human development and social protection. In fact, the country needs to seriously consider overhauling and reengineering of social protection and human security machinery, which is both inadequately oiled and badly designed. The economy, at present, cannot enable the state or vice versa to ensure people's right to life with dignity, let alone build capabilities of society to function in a desirable fashion.



Some basic statistics make a case for policy interventions in the direction of increased social protection. Comparatively speaking, despite having better growth rates between 1990 to 2009 than Bangladesh, Nepal and Maldives, Pakistan could add 5 more years in life expectancy at birth while these countries added 13, 12, and 11 years respectively. It must not be surprising that Pakistan is the lowest on social protection spending with 1.6 percent of GDP in South Asia while offering social protection to around 5 percent of its population who are mostly working in formal sector. In comparison, Sri Lanka is the highest 5.7 percent of GDP utilised for the purpose.

Pakistan, however, has shown some progress in decreasing gender disparity in net enrolment rate but disaggregated data shows much of the progress concentrated in Punjab with Sindh and Balochistan getting worse off while Khyber Pakhtunkhwa shows no major change. Such skewed developments for whatever reasons create disparities in the short run and conflicts in the longer run.

On another account, taking a global picture, the effects of Washington Consensus approaches religiously followed during last many years have not benefited a sizable majority of wage earners. The share of incomes from labour has actually declined. Pakistan's economy seems to be consistent with global trends of economic growth which have disproportionately benefited owners of land and capital more than owners of labour. Even in the US, as in many parts of the world, the income share of labour has gone down relative to the productivity gains in the economy. Some analysts like Michael Lim Mah-Hui in his latest book, *Nowhere to Hide* have claimed that these trends have played a significant role in global economic and financial meltdown.

In Pakistan, while the industrial fortunes have not really created a robust turnaround for more jobs in the formal manufacturing sector, the plight of home-based workers has increased many folds. Apart from inflation and increasing poverty, the 8.2 million poor women who are working as home-based workers have much to worry about in their lives. They are not recognised as workers so they do not qualify for formal social protection mechanisms.

Many of home-based workers roast pine nuts, stitch footballs, cut, trim, and stitch garments, make shoes and prepare fancy clothing. While they form 65 percent of total women workforce, they are the least paid and most exploited in the value chain of production processes being in an extremely disadvantageous social and cultural positions. Likewise, a recent research by Pakistan Institute of Development Economics claims that trade liberalisation in Pakistan has adversely affected women in relatively poor households by increasing their workload, deteriorating capabilities, and increasing relative income poverty.

Source: The News on Sunday, January 9, 2011, [Political Economy section] <http://www.jang.com.pk/thenews/jan2011-weekly/nos-09-01-2011/pol1.htm#8>

Talking of inequality generating effect, it claims that the effects remained gender neutral or favoured women in the richest group of households. Such researches ask policy makers to emerge out of the dream world of neo-liberal orthodoxy, which claims that free trade and free-markets can ensure the welfare function of economy by making everyone better off.

The above-mentioned examples argue that the government should try to build a national social protection arc by bringing together employers, workers, civil society organisations and government departments. The monsters of disease, inadequate housing, poor water and sanitation, and expensive education and transportation all collectively put a premium on our national economic growth. We need to seriously address such issues. We should realise that national security lies in ensuring human security at the local and individual level and from such foundation emerges a successful and cohesive nation state.

Dated: January 09, 2011

---

<sup>i</sup> *The writer is Principal Consultant with Impact Consulting [www.impactconsulting.com.pk](http://www.impactconsulting.com.pk)*