

Report of the Seminar on

**TEN YEARS OF SOUTH ASIA HUMAN DEVELOPMENT REPORTS (1997-2007):
AN ANALYSIS OF IMPACT ON PUBLIC POLICY AND PEOPLE**

Venue and date: Islamabad, Pakistan, June 27-28, 2008

SESSION I

A ten-year review of economic progress in India, Pakistan and Bangladesh

The session was arranged to take stock of the past decade of economic progress in India, Pakistan and Bangladesh. The speakers addressed the following questions:

- How has economic growth fared in the backdrop of globalisation and trade/financial liberalisation?
- What has been the impact on employment with reference to the number and quality of employment opportunities as well as the employment share of women?
- Has there been a perceptible change in the levels of poverty and inequality?

The two speakers for the session, Dr. Mustafa Mujeri from Bangladesh, Ali Shan Azhar from Pakistan and the commentators, Mr. Syeduzzaman (Bangladesh) and Dr. Aliya Khan (Pakistan) provided a very comprehensive overview of all issues involved, the progress made and the challenges remaining on both academic as well as policy levels.

Dr. Mujeri, presenting the ten year overview of the Bangladesh economy, spoke of the progress the country has made in improving its social and human development indicators and reducing poverty levels thus putting the country on track for achieving the Millennium Development Goals. The speaker noted that although high growth rates in the early 90s have helped reduce poverty, the full benefit of the growth dividend has been arrested due to persisting and even widening inequalities. In the labour market growth has not increased employment and while unemployment is low, under-employment remains very high. Furthermore, the informal sector continues to absorb the major chunk of the unemployed, self-employed labourers and female workers who remain at a disadvantage when it comes to improvement of employment quality.

The speaker pointed out the two areas of importance that needs to be addressed in Bangladesh are favourable social development policy and grass roots mobilisation. This is to be brought about by economic policies that foster redistribution rather than growth on its own. If growth is to make an impact on reducing inequalities the role of the agricultural and rural economy cannot be ignored. The speaker pointed out that Bangladesh had recently made changes in the structure of its agricultural production and resource base. Despite this, food security remains an issue. New technological developments were needed in areas such as water resource management.

The speaker identified areas of public education and health as being underfunded and leading to gender inequalities in outcomes in these areas. Addressing the issue of gender inequality, the

speaker suggested identification of specific areas of gender empowerment, directly addressing poor and vulnerable households and a basic minimum level of social services. Rounding off the discussion Dr. Mujeri pointed out that the traditional sources of growth were tapering off and new sources of growth needed to be developed along with improving productivity in existing sources of growth.

The second speaker, **Mr. Ali Shan Azhar**, spoke about progress in economic development in India and Pakistan. About the Indian economy the speaker noted the high aggregate growth rates accompanied by macroeconomic stability. The major source of growth of the economy turned out to be the service sector industry and was helped by large public sector investment stimuli. The speaker noted the growing disproportionality between agricultural and non-agricultural growth with the latter expanding at much higher rates than the former.

Comparing the two countries, the speaker attributed recent high growth rates in Pakistan to the good performance of the services and manufacturing sectors which can be linked to a gradual but notable change in the structure of output in Pakistan. This shift is evident also from the shrinking of the agricultural sector's contribution to total output of the economy. Both the Indian and Pakistani economies have been characterised by a more open trading environments and integration into the world markets.

Moving onto issues of employment, the speaker noted the deceleration in employment growth in both rural and urban areas of the two countries. Another significant trend highlighted during the presentation was the overall decline in wage employment and a shift towards self employment. For Pakistan in particular, the speaker noted the following:

- The labour force participation rate (LFPR) in Pakistan is still below 33 percent.
- Underemployment of the labour force continues to be a critical employment issue.
- There has been a dramatic deceleration in rural employment growth in Pakistan.
- The gradual reallocation of labour from agriculture to industry and the services sector is statistically obvious.
- In Pakistan (as is typical with South Asia) agricultural labour productivity is far below that in services and industry.
- Those with higher educational attainments in Pakistan are facing an increasing threat of open unemployment.
- The huge and flourishing informal economy in Pakistan has a vital bearing on employment generation.
- Currently Pakistan is going through a 'demographic dividend' as a result of the bulge in the working age population, lower dependency ratio and surge in the population share of the youth.

Linking these issues to poverty and inequality, the speaker noted the reduction in poverty levels in India but pointed out that the increase in inequality was responsible for the arrested impact of growth on poverty reduction. The speaker highlighted the sharp increase in consumption inequality in the country over the 90s in both rural and urban areas. While official figures have recorded a fall in poverty levels, the rising inequality is mirrored across the border in Pakistan as well. The speaker identified the landless and those without assets in rural Pakistan as the most vulnerable to rising price levels and those being left out from the process of economic development.

The first commentator of the session, **Mr. Syeduzzaman**, spoke from his experience in the Bangladesh government about the various reforms that the Indian and Pakistani government had undertaken over the past twenty years. In the 1990s, social issues became priorities along with economic growth. The speaker referred to the international agenda that increasingly spoke of improving governance mechanisms and ensuring minimum basic standards for public service delivery as desirable and necessary accompaniment to macroeconomic reforms. Growth was no longer seen as the sole panacea to problems of inequality and poverty. Having said that, the speaker pointed out that the three countries in South Asia had pursued high growth at the expense of widening economic and social disparities.

Dr. Aliya Khan referred to the findings of the South Asia Human Development Report when comparing the economic growth and human development progress in India and Pakistan. Reiterating some of the conclusions from the earlier discussions, the speaker stressed the need to focus on increasing productivity and introducing reforms in areas where the poor could benefit the most. In that vein, she referred to agricultural and rural development. The speaker pointed out that in India the economic strategy over the past decade had exposed the farmers to market volatility and private profiteering and linking this change with the worryingly rampant social problem of farmer suicides. For Pakistan the speaker noted the declining share of agriculture in total output which is a hurdle to sustained growth for the country.

Speaking about the labour and employment trends in India, Dr. Khan said that there had been a significant decline in wage employment and an increase in self employment. The increase in self employment is a distress driven phenomenon. Youth unemployment is higher than unemployment for the rest of the working age population. Pakistan's labour force statistics point towards an inadequate absorption of the rapidly growing labour force. The informal economy, which absorbs a significant chunk of the labour force in the country, is characterised by low productivity, low wages and low levels of labour protection.

The speaker noted the progress, though meagre but noticeable, made by the countries in reducing the number of people below the poverty line. Concluding the discussion, Dr. Khan referred to the recent work done on the social dimension of globalisation that stresses empowerment of local communities, improved and more accountable national governance, fair global rules applied fairly and global institutions that are more pro-poor.

The participants in the discussions raised the point that the development indicators for the whole region, despite varying economic policies and reforms, were consistently poor. The discussant pointed out the need to identify the common factors that arrest the countries' progress on poverty reduction. A point was raised about linking growth and poverty reduction reforms to the people. The South Asian economies were identified as limited access economies. One of the most urgent areas of intervention was a gendered aspect of reforms in the labour market. An increasing number of women working in the informal markets in all South Asian countries are falling through the cracks as the reforms instituted by the governments with respect to minimum wages, working conditions and health benefits fail to apply to the unregulated sector. The discussants also spoke of the importance and immediacy of addressing the rising food prices and fuel costs which will not only compromise the productivity growth in the countries but also sharply increase the vulnerability of the poor in these countries.

SESSION II

A ten-year review of the state of education in India, Pakistan and Bangladesh

The speakers in this session included Dr. Anita Rampal from Delhi University, India and Ms Shahnaz Wazir Ali from Pakistan. The commentators included Dr. Shahid Siddiqui and Ms. Nargis Sultana

Dr. Anita Rampal based her discourse on the need to link up the quality of education with the right to education and a decent life. She lamented that the distinction between 'formal' and 'informal' education has been blurred in India by providing legal backing to low cost options like the induction of para teachers. These teachers are being appointed by *panchayats* and not by the states.

She pointed out that very few nations (e.g. Finland) have been able to restructure their education systems and attain high quality. However, it is necessary to ensure provision of high quality public education. For that it is imperative to improve teaching standards through continuous professional development.

Anita Rampal stated that India was well on its way to finishing with a largely successful literacy campaign in the mid 1990s. The campaign was based on district level efforts to provide primers in regional languages and motivate high female participation. However, currently a clear segregation exists in the education system with the people not opting for government schools. The very purpose of school examinations is distorted due to over-reliance on memorisation.

Emphasising the pivotal role of the curriculum, Anita Rampal remarked that India is struggling to overhaul state syllabi which have virtually kept life out of classrooms. However, a positive change is now visible in particular in the syllabi for history and social/political studies upto class XII. The junior class lessons now make use of three-dimensional drawings to provide cognitive patterns. She displayed write-ups titled 'Building with bricks' and 'A seed tells a farmer's story' that integrate social studies and environmental awareness in an engaging manner for the children.

Ms. Shahnaz Wazir Ali highlighted the constitutional provision to remove illiteracy from Pakistan. She delved in detail into the various categories of public sector educational institutions. The private sector in Pakistan is taking up an increasing share of educational provision even in case of vocational institutes. This is due to market driven forces to which the government of Pakistan has failed to respond. She stressed that the state must measure inputs against the outcomes which remain less than satisfactory:

- The pupil to teacher ratio is dismal.
- Adult literacy rate appears to be slipping.
- There are high provincial disparities in levels of enrolment/literacy.
- Education quality remains poor in almost every respect. If subject tests are conducted they are likely to indicate total system failure.
- There have been curricula reforms but the overall approach/ideology has remained unaltered.

Elaborating the role of private sector educational institutions, Shahnaz Wazir Ali revealed that a mere 28 percent of the private educational institutions have English as their medium of

instruction. There is less gender disparity in enrolment patterns in these institutions in particular in the urban areas. The curricula deficiency is very much there with 90 percent of these educational institutions dependent on national curricula. Infact, contrary to public perception, most *deeni madaris* are also utilizing state-approved curricula.

She concluded that state managers must now opt for a holistic human development approach instead of the more convenient 'administrative approach' which they have so far adopted in dealing with educational issues with unsatisfactory results.

Commenting upon Anita Rampal's presentation, **Shahid Siddiqui** stated that she deserved praise for touching the outer orbit instead of looking at the education sector in small components. He pointed out that better educational outcomes are not merely the product of better governance but the magnitude of financial/resource allocation also deserves attention. He lamented that the education sector had always been accorded low priority in Pakistan. This reflects in the fact that nearly half the amount allocated to education in the Five Year Plans remained unutilized. Moreover, there was no strict monitoring/accountability of whatever was spent on the sector.

Dr. Shahid Siddiqui emphasized the need to reconceptualise 'development' and 'education' and to reestablish their linkage. The socio-political aspect of development was brought to the center stage by Mahbub ul Haq. He stated that curriculum is not a mere 'document', it rather happens through interaction. A pivotal need is for teacher training programmes that inculcate a thinking/analytical approach.

Highlighting the non-existent linkage between education and society, he remarked that education must lead to true emancipation and not just be limited to transmission of facts. Instead of merely focusing on job attainment, it is time to revisit the objectives of education and aim at developing thinking individuals.

Ms. Nargis Sultana argued that quality of education is the key to educational progress. Collective measures are needed to improve quality with specific targets being provided to all educational institutions and resources directed at the needy. There has been little follow-up of the quality-improving efforts undertaken so far. Every actor in the education sector is accountable and the focus must not be limited to the state of public governance.

She chose to highlight three areas to bring about a radical transformation in educational structure/quality:

- The serious dearth of leadership.
- Capacity building for better financial management etc.
- The failure of teacher's training (despite huge investments) to enhance the motivation and competence of teachers with the profession continuing to be the last choice of the youth.

The session evoked much enthusiasm in the audience by raising relevant issues. Dr. Aliya Khan commented that Anita Rampal had laid stress on state intervention for educational improvements. However, the experience of Bangladesh demonstrated that much could be accomplished without over-reliance on state authorities. Tahira Abdullah argued that one could

not speak about educational outcomes without taking into consideration both geographical and gender disaggregation. She claimed that educational quality has suffered by setting up women universities and quality assessment of gender-segregated institutions is direly needed.

Some other interesting points raised by the audience are as recorded below:

- Generally, education closes social/income disparities but this has not been the case in Pakistan.
- The data fudging culture (for educational as well as other statistics) must be abolished from Pakistan.
- The gap between policy and action continues to persist in the educational sector
- There has been some progress in textbook development but textbook policies remain the same more or less.

SESSION III

A ten-year review of the state of health in India, Pakistan and Bangladesh

The speakers in this session included Dr. Mohan Rao from the Department of Community and Public health, Jawahar Lal Nehru University, India and Dr. Sadia Malik from Mahbub ul Haq Human Development Centre. Dr Zeba Sattar, Head Population Council in Pakistan commented on the ideas presented by the speakers and gave her views about the progress of health sector in Pakistan.

The session started with the presentation by **Dr. Mohan Rao**. He said that the Structural Adjustment Programmes of World Bank and IMF combined with the global health sector reforms resulted in the reversal of health gains made in the post-Second World War. Not only that many countries witnessed stagnation in health indices but also the difference between rich and poor countries also increased.

These global health reforms have ignored the structural factors that govern health or ecology of diseases. Secondly, the major concern in these policies has been the cost containment. Given the importance of health and the nature of health care provision, it is illegitimate to determine health policy on the basis of cost containment. As a result, there are disjointed interventions such as ORS for diarrhea instead of safe drinking water and sanitation, focusing upon anemia in pregnancy instead of anemia in general, etc. This has also led to the disease centered vertical programmes instead of holistic programmes. Such vertical programmes are recognized as the failure of health system, globally as well as in India. Moreover, these programmes involve fees to access services thus excluding poor from access to these services. Neoliberal policies have played havoc with India's health outcomes. The rate of decline of IMR significantly dropped during and after the period of reforms.

There has been a significant decline in public investment in health that is matched by growing subsidies to private sector in health care in a variety of ways. Similarly, India was previously known for relatively low costs of drugs and pharmaceuticals, with a significant indigenous production of drugs. Post reforms period has witnessed a greater role of multinationals, higher proportion of imported drugs, and extremely high prices of drugs. Costs of both out-patient and in-patient care increased sharply compared to mid-eighties. The average costs of in-patient

care rose by 436 per cent in rural and 320 percent in urban areas. More than 40 per cent people borrow money or sell their assets to pay for health services. Thus medical expenditures have therefore turned out to be the leading causes of indebtedness. Targeting of health care does not work rather there is a need for the universalization of health care provision. There is also a need to strengthen the entire health system and state-led support to primary health care. However, state governments are facing huge financial problems in health care provision. There is also shortage of human resources. NGOs and civil society can not bring down costs of health care provision. Instead there is need for the initiatives to be taken by the public sector.

Dr. Sadia Malik started her presentation on 'A Ten Year Review of the state of health in Pakistan' by emphasizing the fact that despite the significance of health as a basic human right and as an important tool to reduce poverty and enhance long term economic growth, the Government of Pakistan continues to under-invest in this important sector.

She presented the trends in the status of key health indicators in Pakistan. There has been an improvement in some key indicators of health in Pakistan over the period of last ten years. Life expectancy increased from 63 years in 1995 to 64 years and adult mortality decreased from 218 per 1000 to 166 per thousand. However, this improvement has been modest as compared to other parts of the world. Even the other South Asian countries witnessed significantly higher improvement than Pakistan in these health indicators. Despite the modest improvement in health indicators over the past ten years, there remains significant inequality in life expectancy among the provinces of Pakistan.

The health of women and children, according to her, is still an area of concern for Pakistan. Within South Asia, Pakistan presents the dismal case with highest infant and child mortality. South Asia is the most malnourished region in the world. Nearly half of the children under five are malnourished. More than one third of all maternal deaths in the world occur in South Asia. Both in Pakistan and India, the maternal mortality rates have gone up over last decade. Only 23 births in Pakistan are attended by skilled health personnel.

The speaker also reviewed the performance of Pakistan in terms of achieving health related Millennium Development Goals (MDGs). Pakistan is lagging behind in terms of achieving the Millennium Development Goals of reducing Under 5 mortality rates, infant Mortality Rates and Maternal Mortality Rates. The progress of other countries of the region in achieving MDGs is better than Pakistan. Similarly, the performance of Pakistan is the worst in the MDG of eradicating hunger. However, Pakistan has made a significant improvement in increasing citizens' access to safe drinking water over the last ten years.

Regarding health care financing, South Asia spends less than 1% of GDP on health, with Pakistan spending in between 0.4-0.7 percent of its GDP on health, the lowest in the region. In the absence of social security arrangements and health insurance, the out of pocket expenditures on health are extremely high.

The management of health care system in Pakistan is also poor. Out of pocket health expenditure on health are very high; almost 98% of total health expenditures. Moreover, the system suffers from misplaced priorities. For instance, there is also a sharp contrast between recurrent and development expenditures. Recurring costs constitute 70 percent of health expenditures, mainly going to salaries. Similarly, there is a skewed distribution of resources between primary and tertiary health care. A huge amount of resources is allocated to tertiary

hospitals and little amount is allocated to the primary health care. Most of the budget is allocated to communicable diseases and there is very little amount allocated to the non-communicable diseases despite the fact that the burden of disease is evenly split between the communicable and non communicable diseases. The wastage of resources due to mismanagement and corruption as well as underutilization of allocated resources is also significant. The Government of Pakistan needs to address all these problems along with increasing the budgetary resources for the health sector.

Ms. Zeba Sattar from Population Council while making her comments said that while Pakistan's progress in improving some health indicators has been dismal, yet there are some areas in the health sector in which Pakistan has made some significant progress. These include improved the access to safe water and a reduction in the fertility rate from 4births to 3 births per woman in the last ten years.