

8 Social Sector Developments

Strong economic growth accompanied with structural reforms has improved key socioeconomic indicators of the country: the literacy rate has seen some improvement, the headcount ratio has dropped, as has the infant mortality rate, and crucially, there appears to be a significant dent in the country's poverty ratio (though the magnitude of the improvement has come under debate, the trend is unquestioned). While acknowledging the positives, it is nonetheless very important to remember that these is still much more progress needed, as Pakistan's socio economic indicators still remain well short of the achievements of most of the South Asian and East Asian countries (the only exceptions being Nepal and Bhutan).

This improvement in the indicators in recent years suggests that strong economic growth can facilitate socioeconomic progress, but literature (and Pakistan's history) suggests that sustained policy focus, and ensuring better income distribution, etc. are also equally important. Thus, it is necessary for Pakistan to sustain the improvement in growth rates seen in recent years, while simultaneously retaining and increasing the emphasis on social sector development, particularly in terms of health and education.

8.1 Population

Pakistan is the sixth¹ most populous country of the world contributing 2.5 percent (164.7 million) of world's population (see **Box 8.1** for World population trend). In the South Asia region (see **Table 8.1**) Pakistan occupies the 2nd position with India being at the top. However Pakistan's population growth rate (PGR) of 1.8 percent is higher than the PGR (1.66 percent) of India. Though Pakistan is now among the countries having low PGR in South Asian Region, there is still a need for further improvement. The declining PGR is the result of a decline (see **Figure 8.1**) in both Crude Birth Rate (CBR) and Crude Death Rate (CDR). Elimination of epidemic diseases, improvement in medical services, female education and government extended programmes of family planning are few significant factors² responsible for the decline in CBR and CDR.

Box 8.1: Major Trends in World Population

Currently the world Population is above 6 billion and according to the UN Medium Variant Projections it is expected that it will be above 8 billion by 2025 and above 9 billion by 2050. The probable increase in the population of developing countries over the period of 1995-2050 is 3.69 billion while less than 350 million in developed countries during the same period. However it is important to note that all these UN Medium Variant Projections imply that Fertility level all over the world would be at replacement level of 2.1 children per woman by 2050. If this is not the case the actual population could be higher than the projected number. Countries such as India, Pakistan and Nigeria are currently far from attaining the replacement level target.

One of the interesting features of world population is its concentration in Asia. It is expected that this region will contribute above 50 percent (2 billion) of total increase in world's population of 3.68 billion over the period 1995-2050. Asia will be followed by Africa (contributing 1.3 billion) while another 334 million are projected to be contributed by Latin America and the Caribbean. However Europe will observe a decline in its population by 91 million over the mentioned period. Over the period 1995-2050 the top ten countries contributing the most to world's population will include India (1.18 billion), China (962 million), Pakistan (318 million), Nigeria (+306 million), Indonesia (+239 million), Ethiopia (+194 million), United States of America (+190million), Brazil (+189 million) Bangladesh (+176 million), Zaire (318 million) and Iran (+153 million).

Source: The International Institute for Applied Systems Analysis (IIASA)

¹ China, India, USA, Indonesia and Brazil

² Source: Various Economic surveys

It is also worth mentioning that the country is experiencing a critical change in the age structure of its population with an increased share of working age population (Prime (15-59 years)) in total population. The share of working age population has increased from 51 percent in 1998 to over 57 percent in 2006.

This demographic transition is known as Demographic Dividend (DD) which is considered to be a window of opportunity in the context of relationship between population and economic growth & poverty reduction. High population growth and poverty are linked through a vicious circle and investment in various aspects of human capital like education, health & employment creation etc is required to break this circular link. Such investment becomes much more critical in order to take the optimal advantage of the DD. This implies that despite the DD a high population growth can put pressure on resources and can hamper economic development.

According to the projections of the Population Reference Bureau, Pakistan would be the 4th most populous country in the world (surpassing Indonesia and Brazil) by 2050 with a population of 295 million. This represents an increase of 130 million people over a period of 43 years. The Government is aware of the issues faced due to unchecked increase in population and is therefore pro-actively taking measures to control population growth.

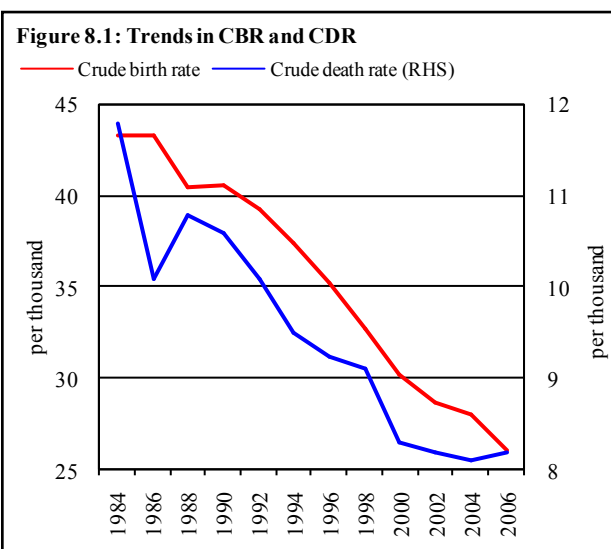
In this regard the most significant example is the population policy 2002 that has been successful because of the support of the masses. The policy had short term and long term objectives in areas such as population growth, fertility level and access to family planning methods. The short term targets i.e. reduction in the population growth rate to 1.9 percent per annum by 2004 from 2.1 percent in 2001 and reduction in the fertility rate to 4 births per woman by 2004 from 4.8 percent in 2001, have been achieved. This means that with similar focus and commitment there's a greater possibility that the long term objectives³ of the policy would be achieved as well. Therefore the government is trying to gain the maximum participation of society, for which the following significant strategies have been implemented.

- Presentation on population and its issues have been arranged in various colleges & universities;
- Advocacy seminars in collaboration with John Hopkins at all provincial Head Quarters;

Table 8.1: Demographic Indicators (2007)

	Population (million)	Rate of Natural increase (percent)	Dependent population (percent)	
			< 15	65+
Maldives	0.40	2.73	42.90	3.10
Bhutan	2.30	2.08	38.60	4.00
Sri Lanka	20.90	0.98	24.30	7.80
Nepal	28.90	2.13	38.30	3.80
Bangladesh	150.40	2.06	33.10	3.50
Pakistan	164.70	1.83	36.90	4.30
India	1129.90	1.66	31.80	5.10
World	6602.20	1.16	27.40	7.50

Source: CIA World Fact



³ Reduce population growth rate to 1.3 percent per annum by the year 2020, Reduce fertility through enhanced voluntary contraceptive adoption to replacement level of 2.1 births per woman by 2020 and Universal access to safe family planning methods by 2010.

- Inclusion of Family Planning/ Reproductive Health Contents in syllabi of secondary and high classes and also the introduction of population and demographic discipline in the universities of Faisalabad, Lahore and Karachi;
- Enhancing the involvement of Ulemas in awareness programmes through various conferences⁴ at provincial level; and
- Training of 13,000 Ulemas/Teachers at grassroots level is in process.

Moreover public-private-partnership is also being encouraged not only to enhance the coverage but also to improve the quality of health services, and especially of the basic health units and family planning programmes, as it has been agreed that a check on population growth can act as a catalytic factor for sustainable economic growth of the country.

8.2 Poverty

According to the Global Monitoring Report 2006 significant global economic growth during 2000-05 helped in reducing global poverty considerably. It is note worthy that a significant decline in poverty has been observed in East Asia and South Asia.

Table 8.2 (see **Box 8.2** for definitions) indicates an interesting position of social sector development of South Asia; three countries (Maldives, Sri Lanka and India) showed a slippage in their Human Development Index (HDI) ranking while the remaining four (Pakistan, Nepal, Bhutan and Bangladesh) depicted an improvement and shifted from Low Human Development group to the category of Medium Human Development⁵. During 2002-06 Pakistan has performed relatively better as compared to the other South Asian member countries. The country has not only shown significant improvement in its Human Poverty Index (HPI) rank⁶ by but also a significant decline in Head Count Ratio (HCR)⁷ from 31 percent in 2002 to 17 percent in 2006.

Table 8.2: Human Poverty Index

	2002			2006		
	HPI Rank	Population below Poverty Line (\$1 a day)	HDI Rank	HPI Rank	Population below poverty line (\$1 a day)	HDI Rank
Maldives	25	na	84	36	na	98
Sri Lanka	31	6.6	89	38	5.6	93
India	124	44.2	124	55	34.7	126
Pakistan	68	31	138	65	17	134
Nepal	76	37.7	142	68	44.8	138
Bhutan	na	na	140	71	36	135
Bangladesh	72	29.1	145	85	24.1	137

Source: Human Development Reports 2005 & 2006

Box 8.2: Definitions

Human Development Index (HDI): HDI is a combination of following three indices;

- Life Expectancy Index is based on the indicator of Life Expectancy at birth
- Education Index is based on two indicators Adult Literacy rate and Gross Enrolment ratio
- GDP index is based on GDP per capita (PPP US \$)

Human Poverty Index (HPI): In this category two specific indices have been identified, (HPI-1) for developing countries, and (HPI-2) for selected OECD countries.

HPI-1: This index is calculated on the basis of three main dimensions as follows;

1. A long & healthy life Probability at birth of not surviving to age 40
2. Knowledge Adult Literacy rate

⁴ International Ulema Conference on Population and Development has also been held in Pakistan during May 2005

⁵ The rank of Nepal has improved as it shifted to 138th position in 2006 from 142nd in 2002 but the country could not get out of the category of Low Human Development

⁶ shifted to 65th position in 2006 from 68th position in 2002

⁷ HCR implies percent of people below Poverty Line.

3. A decent standard of living (i) Percent of population without sustainable access to an improved water access (ii) percentage of children under weight for age

HPI-2: For the calculation of this index not only one more dimension is added in the above mentioned three dimensions of HPI-1 but the indicators are different as well;

- | | |
|--------------------------------|---|
| 1. A Long & Healthy life | Probability at birth of not surviving to age 60 |
| 2. Knowledge | Percentage of adults lacking functional literacy skills |
| 3. A Decent standard of Living | Percentage of population living below the poverty line |
| 4. Social Exclusion | Long-term unemployment rate |

Income Poverty: This defines poverty purely in monetary terms. This implies a certain minimum income level below which the people are considered poor. For international comparison this threshold income (on the basis of purchasing power parity) is US\$2 per adult and according to a more conservative methodology it is US\$1 per adult.

8.2.1 Income Poverty

National Poverty Figures (see **Box 8.3** for Debate on Poverty Figures) have been estimated on the basis of house hold survey data by using the methodology of Foster, Greer & Thorebecke (FGT). All three measures of the FGT methodology; Head Count Ratio (HCR)⁸, Poverty Gap (PG)⁹ and Severity of Poverty (SOP)¹⁰, depict an improvement in poverty level (see **Table 8.3**) in the country.

Table 8.3:Poverty Estimates

	Head count ratio (percent)		Poverty gap (percent)		Severity of poverty	
	2001	2005	2001	2005	2001	2005
Urban	22.69	14.94	4.55	2.87	1.35	0.84
Rural	39.26	28.13	8.04	5.64	2.44	1.77
Overall	34.46	23.94	7.03	4.76	2.13	1.48

Source: Economic Survey 2006-07

Not only a significant decline can be observed in HCR but PG and SOP have also shown a positive downward trend. However the decline in PG (2.27) is more significant than that for SOP (0.65). This implies that inequality among poor¹¹ has shown less improvement as compared to the average shortfall from the poverty line, although all three categories of poor population; Transitory Poor, Chronically Poor and Extremely Poor, indicated a decline when measured as percent of total population (see **Table 8.4**). However the situation regarding the difference in decline in PG and SOP becomes clearer when the said categories are analyzed as a percent of the poor. In this case the category of chronically poor depicted a decline by 5.2 percentage points while the other two categories¹² showed an increasing share (see **Table 8.4**). Due to the higher weightage¹³ and the rising share of the poorest group, account for the fact that the decline in SOP is less than the decline in PG.

Box 8.3: National Poverty Figures

Federal Bureau of Statistics has revised the poverty estimates for the base year 2000-01 when the estimates of PSLM 2004-05 were announced. The revised data indicated Head Count Ratio (HCR) at 34.5 percent in 2000-01 instead of 32.1 percent implying a decline of over 10 percent in the HCR over the period 2001-05. However these results attracted a lot of debate regarding their validity and finally a multi donor committee including the World Bank was formed for verification of these results.

The revision in the Poverty figures was based on the variation in inflation rate used for adjustment of the poverty line. In the earlier figure the poverty line was adjusted according to inflation rate, which that was higher than the actual inflation rate between two survey periods 1998-99/2000-01. By adjusting this variation the new poverty line for 2000-01 was estimated at Rs.723 instead of Rs.748.56. The validation committee validated 2000-01 poverty line and the new official estimates (34.5 percent) of HCR. The committee has also validated the poverty line of Rs.878.6 estimated by GOP for 2005-06. According to this poverty line the committee estimated the HCR at 24 percent which is not very much different from the official figure of 23.9 percent. This also validates the official claimed decline of 10.6 percent in HCR over the period (2001-05). However

⁸ Head Count Ratio (HCR) is the percentage of people below poverty line.

⁹ Poverty Gap (PG) Index measures the depth of poverty and PG index divided by HCR provides the average short fall from the poverty line.

¹⁰ Severity of Poverty (SOP) explains the inequality among poor.

¹¹ Inequality increases the average exit time out of poverty.

¹² The category of Transitory poor depicted an increase of 1 percentage point while the increase was 0.9 percentage point in the category of extremely poor.

¹³ According to the methodology (FGT), the weights are proportional to the poverty gaps; the poorest get the biggest weight.

the World Bank; a member of the validation committee, recommended a new methodology, i.e., the use of Tornqvist Price Index (TPI) for the adjustment of the PL instead of Consumer Price Index (CPI), as the TPI is the household survey based index. According to this proposed methodology the decline in HCR would be 5 percentage points instead of 10.4 percentage points.

Furthermore, low value of PG and SOP imply the concentration of population around the poverty line. The distribution of population in various income bands also suggests that the major portion of population (45 percent) is clustered around the poverty line making HCR more sensitive¹⁴ to short and medium term positive and negative shocks. In this regard a greater possibility exists that people would fall into poverty trap from Transitory Vulnerable¹⁵ group due to negative shocks and would be able to come out of Transitory Poor¹⁶ category in case of a positive shock.

In Pakistan, during 2001-05 there was not only an increase (see **Table 8.5**) in the percentage of population in non-poor category and a decline in the category of poor groups but the positive and the most significant change was observed (see **Figure 8.2**) in the population around the poverty line (Transitory Vulnerable & Transitory Poor). The population around the poverty line has shown a decline of more than 8 percentage points; from 45 percent in 2001 to 36.9 percent in 2005. This clustering around poverty line which can be advantage as well as

Table 8.4: Distribution of Poor Population

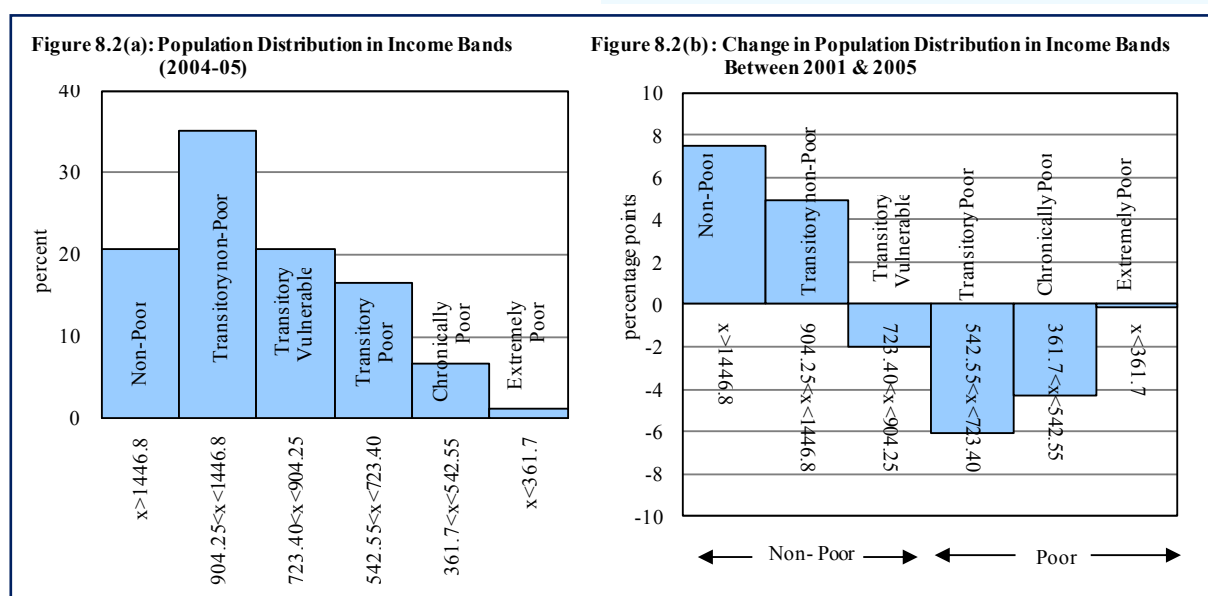
	as percent of poor population		as percent of total population	
	2001	2005	2001	2005
Transitory poor	67.6	68.6	22.5	16.4
Chronically poor	32.4	27.2	10.8	6.5
Extremely poor	3.3	4.2	1.1	1

Source: Pakistan Millennium Development Report 2006

Table 8.5: Region Wise Income Bands

	2005		Change (2001-2005)		
	Urban	Rural	Urban	Rural	
Extremely poor	0.4	1.3	↓	↓	Poor
Chronically poor	4.2	7.6	↓	↓	
Transitory poor	10.4	19.2	↓	↓	
Transitory vulnerable	15.8	22.7	↑	↑	Non-Poor
Transitory non-poor	35.3	34.8	↑	↑	
Non-poor	33.9	14.3	↑	↑	

Source: Pakistan Millennium Development Report 2006



¹⁴ Pakistan Millennium Development Report 2006

¹⁵ The CRPID study defined the transitory vulnerable as household with per capita per month consumption expenditure between the range of 100 percent to 125 percent of the poverty line and poverty line for 2005-06 is Rs.878.64.

¹⁶ The CRPID study defined the transitory poor as household with per capita per month consumption expenditure below 1.25 percent of the poverty line.

threat at the same time, proved to be an advantage for Pakistan as this provided help in improving the poverty status of the country. It is important to mention that the two years provided for the comparison of these estimates are unusual years. 2001 exhibited negative shock being the second year of drought in Sindh and Baluchistan while during 2005 GDP growth was one of the highest (9 percent) and agriculture sector also showed considerable growth ¹⁷(6 percent) and acted as positive shock. As a result of positive shock in 2005, the clustering around poverty line in case of Pakistan proved to be a big advantage.

However in future, in order to avoid a reversal, i.e., falling of people back into the poverty trap, can only be made possible by continuation of pro-poor policies.

8.2.2 Income Inequality

The distribution of population among various income bands becomes quite critical to have a trickle down impact of high economic growth as the policies affecting the bottom poor are different from the policies formulated for the population around poverty line. According to Palanivel & H.A. Pasha (2003)¹⁸ Asian region achieved higher growth rate during the decade though remained unable to enjoy the maximum benefits of this high growth due to the rising inequality in the region. Pakistan seems no exception to this as high growth rate has been accompanied by rising income inequality¹⁹.

Though it is encouraging to note that Non-Income inequality (see other sections of chapter for details) depicted a decline (see **Table 8.6**) as the ratio of highest to lowest for Literacy rate fell from 2.41 in 2001 to 1.95 in 2005 and for immunization coverage the ratio fell to 1.25 in 2005 from 1.76 in 2001 but rising income inequality remains of a great concern for the achievement of sustainable poverty reduction in all respects.

There still appears to be room for proactive government intervention to improve income distribution in the country.

8.3 Employment

According to Economic Survey 2006-07 Pakistan has an active labor force of 50.5 million (see **Table 8.7**), out of which 46.9 million are employed and 3.1 million are unemployed. Over the years, Pakistan has been recording a comparatively high population growth rate along with an increasing labor force.²⁰ It is important for the economic managers to ensure that the economy performs at a scale where it can generate enough employment opportunities to match labor supply and labor

Table 8.6: Ratio of Highest to Lowest

	PIHS 2001			PSLM 2005		
	Urban	Rural	Overall	Urban	Rural	Overall
Income inequality	Consumption share					
	10.4	2.2	3.8	12	2.2	4.1
Non-income inequality	Literacy rate (Age 10 & above)					
	2.08	2.17	2.41	1.69	1.76	1.95
Immunization coverage(children aged 12-23 months)						
	1.58	1.53	1.76	1.25	1.19	1.25

Source: Pakistan Economic survey

Table 8.7: Population, Labor Force and Participation Rates

	Population (million)		Labor Force (million)		LFP Rate (percent)	
	Total	Working age*	Total	Increase	Crude	Refined
1996-97	126.9	84.7	36.3	1.6	28.6	43
1997-98	130.6	88.5	38.2	1.9	29.3	43.3
1999-00	136	92.1	39.4	1.2	29.4	42.8
2001-02	145.8	99.6	42.4	3	29.6	43.3
2003-04	148.7	103.4	45.2	2.8	30.4	43.7
2005-06	151.6	105.4	49	3.7	32.3	46

Source: Labor Force Survey 2001-02, 2003-04 & 2005-06

* Population 10 years and above is considered as working age population.

¹⁷ 43.4 percent labour force is employed in Agriculture sector and so this sector growth can be critical for poverty reduction.

¹⁸ Pro-Poor Growth & Policies; The Asian Experience

¹⁹ Gini Coefficient has also increased from 0.27 to 0.29

²⁰ According to Human Development Report 2006, the population growth in Pakistan remained 1.8 percent, in India 1.5 percent, in Bangladesh 1.7 percent and Malaysia 2 percent in year 2004.

skill of the country. Labor force which was standing at 25.78 million in 1981 increased to 50.5 million in 2006, the declining unemployment rate (will be discussed in details in following paragraphs) shows that the economic growth over the last five years has created job opportunities for the rising labour force however a gap can still be observed (see **Figure 8.3**).

8.3.1 Sector wise Employment Distribution

Despite a reduction in the share of agriculture sector in job creation since 1990²¹; still it remains a predominant source of employment (see **Figure 8.4**).

The agriculture sector employed 21 million people in the year 2006. The decline in the share of agriculture in total employment is consistent with the changing rural-urban structure of the population. Share of the urban population which constituted 30.8 percent of the total population in 1991 increased to 34 percent in 2005. Other sectors significant in terms of creating additional jobs include electricity& gas, trade and transport sector. As compared to 1990’s job growth in all the said sectors remained strong²² (see **Table 8.8**) during 2001-06 time periods. The incremental job growth remained 2 million in agriculture, 2.2 million in manufacturing, 0.7 million in construction, 1.8 million in trade, 0.8 million in transport, 0.05 million in electricity and gas distribution and others recorded 1.61 million during 2001-06.

Rural-urban job data indicates that agriculture, including livestock and dairy,²³ is the predominant source of employment in rural areas, while in the majority of the urban areas the labor force is allied with other sectors In 2006, trade absorbed the largest segment (27 percent) of the urban labor force followed by manufacturing (25 percent), services (24 percent) and transport (8.2 percent). Province-wise details show that the highest number of people in Baluchistan is attached with the agriculture sector (59.3 percent) while smallest share is with the manufacturing sector (1.75

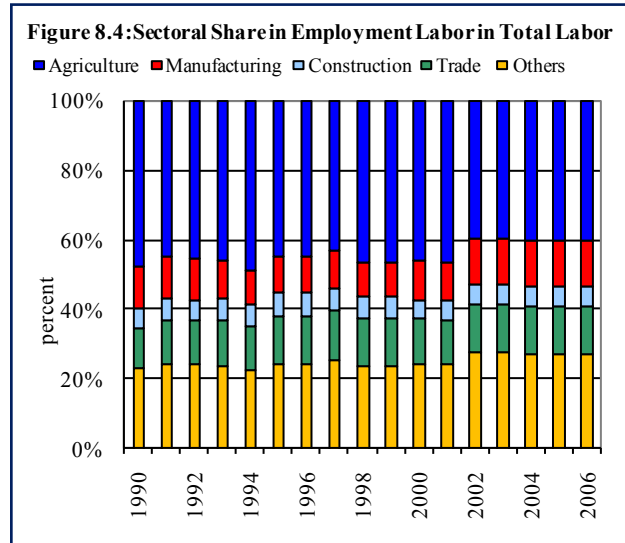
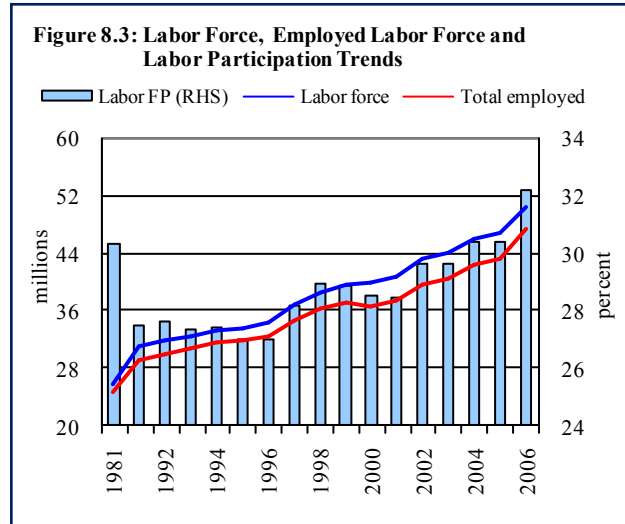


Table 8.8: Sectoral Incremental Contribution in Jobs

	Average cumulative increase			
	percent		million	
	1990-00	2001-06	1990-00	2001-06
Agriculture	1.62	2.36	2.39	2.07
Manufacturing	1.20	7.67	0.38	2.2
Construction	1.16	5.22	0.20	0.70
Electricity& Gas	5.11	3.59	0.08	0.05
Transport	2.57	6.59	0.38	0.80
Trade	3.39	5.60	1.39	1.80
Others	4.35	4.69	1.85	1.61

²¹ 50 percent in 1990 to 43 percent in 2006

²² Labour Force Survey 2005-06

²³The recent government steps to encourage the livestock and dairy sectors also played an important role in enhancing the employment opportunities in the rural areas.

percent) (see **Figure 8.5**). People from Punjab and Sindh have got the leading share in manufacturing sector jobs. Baluchistan and NWFP has a leading share in transport sector. However NWFP labor also has a leading share in construction sector. In trade Punjab and Sindh have a major share while more workers of Sindh and NWFP are attached with services sector.

An interesting fact is that the job growth in agriculture and manufacturing sector does not seem to be consistent in terms of their sectoral share in GDP. Despite, agriculture (20.9) and manufacturing (19.1) having approximately an equal share in GDP, their share in job growth remained disproportionate, 43 percent labor employed in agriculture and 13.9 percent in manufacturing. This is perhaps due to the concentration of population in the rural areas where agriculture is the dominant sector of employment.

8.3.2 Overseas Employment

Given the increase in labor force and lack of adequate resources to absorb them within the country, overseas jobs are not only important source of employment but also a major source of remittances (see **Table 8.9**). This huge inflow of remittances has helped in reducing poverty, increasing investment and bringing stability in the financial markets, especially forex market. The accumulated remittances stood at US\$ 62.8 billion during 1981-07, US\$ 23.1 billion during 1981-90, US\$ 14 billion during 1991-00 and US\$ 25.6 billion during 2001-07, respectively.

Presently, there are 3.8 million Pakistanis who are working abroad which reflect that Pakistan is one of the major a labor supplier to the global market. The breakup of this data reflects that the people who left the country were mainly (unskilled and semi skilled) workers and headed to the destinations primarily in the Middle East and others to East Asia, Western Europe, US and UK (see **Figure 8.6**). Within the Middle East, Saudi Arabia is the biggest employer of Pakistanis followed by the UAE, Kuwait, Oman, Bahrain, Libya and Qatar. Presently, 2.12 million Pakistanis are employed in Saudi Arabia, 0.98 million in UAE, 0.158 million in Kuwait, 0.252 million in Oman and 0.067 million in Libya respectively. In order to further enhance, the scope of labor

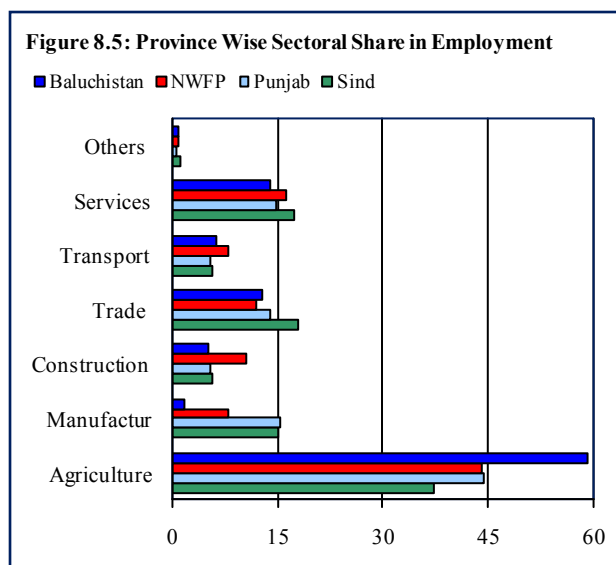
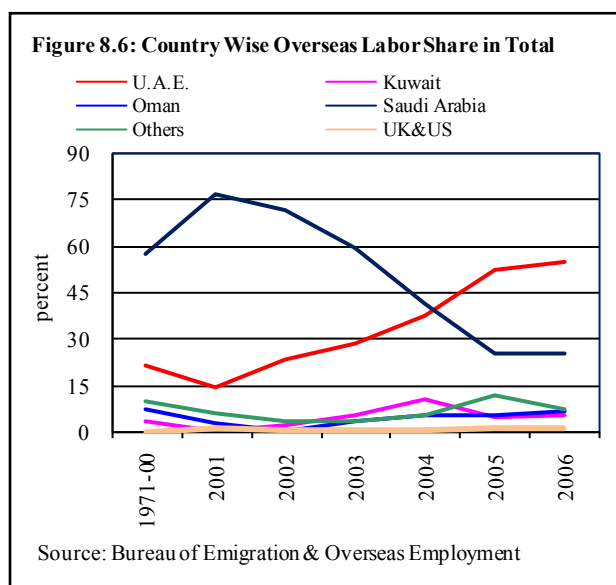


Table 8.9: Unemployment-Pakistan and Provinces

	2003-04			2005-06		
	Total	Male	Female	Total	Male	Female
Pakistan	7.7	6.6	12.8	6.2	5.4	9.4
Baluchistan	8.3	6.3	29.4	3.1	2.5	7.1
NWFP	12.8	10.1	29.2	11.8	8.1	30.0
Punjab	7.4	6.7	9.6	6.0	5.7	6.9
Sindh	6.0	4.9	19.8	4.4	3.9	8.7

Source: Labor Force Survey



Source: Bureau of Emigration & Overseas Employment

supply, the government has signed MOUs with the Korean and Malaysian governments for exporting labor to these countries during the last couple of years.²⁴ However, the Ministry of Labor and Manpower needs to further streamline the process of labor export and check the issues of human smuggling.

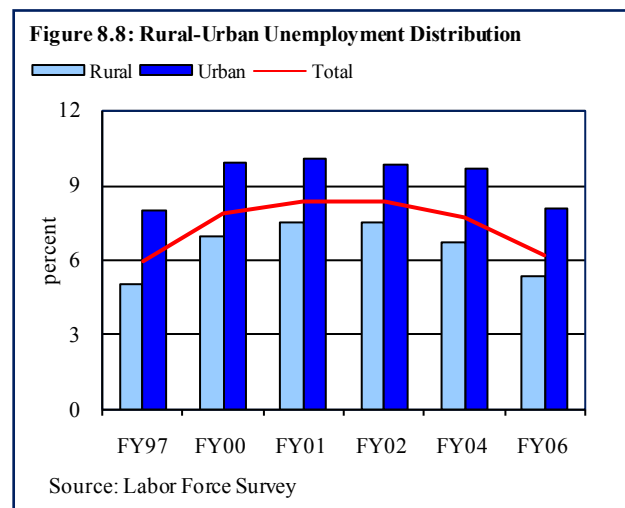
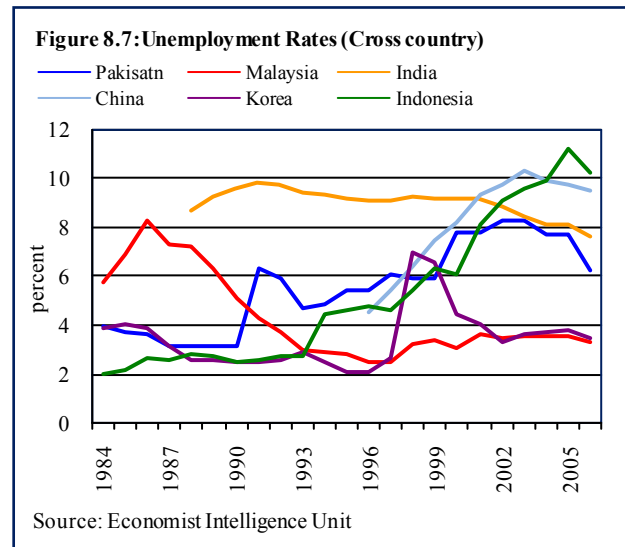
8.3.3 Unemployment Trends

The unemployment rate came down to 6.2 percent in 2006 after touching the peak level of 8.3 percent in 2002.²⁵ This trend also prevailed in the regional countries (see **Figure 8.7**). This decline in unemployment can probably be linked with the robust economic growth during the last couple of years, which created job opportunities during the last two years. Furthermore, higher public sector development spending, growth in private sector investment and foreign direct investment and easy access to micro finance and other credit have put a dent in the unemployment numbers.

The data indicates that the reduction in unemployment is more pronounced in urban areas compared to the rural areas, where unemployment declined from 9.7 per cent to 8 per cent in the urban areas, while it declined from 6.7 percent to 5.4 in rural areas during 2004-06 (see **Figure 8.8**).

A provincial break up reflects that a reduction in the unemployment can be observed across all the provinces. The highest drop was recorded in Baluchistan as it declined to 3.1 percent in 2005-06 from 8.3 percent in 2003-04 (see **Table 8.9**).

Gender wise distribution reflects that female participation in the labor force is significantly low despite the fact that they represent 49.6 percent of the total population. According to the data, the females constitute 25 percent (10.08 million out of 50 million) of the labor force. Out of this total female labor force, 80.36 percent are from rural area while 19.64 percent belong to urban areas. Province wise data depicts that Females from Punjab forms the largest component 76 percent of the labor force followed by Sindh 11.41 percent, NWFP 10 percent and Baluchistan 2.5 percent. Majority of the females are associated with the agriculture sector followed by teaching, medicine and domestic helpers. The unemployment rate in females dropped from 12.8 percent in 2004 to 9.4 percent in 2006. It is surprising to note that the biggest drop in the female unemployment was recorded in Baluchistan, which came down to 7.1 percent in 2006 from 29.2 percent in 2004. Similarly, 11.1 percentage point drop was observed in Sindh during these two



²⁴ Pakistan and Malaysia signed the MoU for export of semi-skilled and unskilled workers from Pakistan to work in Malaysia in October 2003. This will allow employment opportunities to more than 200,000 unskilled and semi-skilled Pakistanis in a year.

²⁵ Sluggish economic growth, implementation of privatization and deregulation policies, contraction in the developmental expenditure during mid 1990s were some of the main reasons responsible for the rising unemployment trend that touched 8.3 percent in 2002.

years. In Punjab, the female unemployment dropped by 2.7 percentage points during 2004-06. However, NWFP was the only province where female unemployment increased by 0.8 percentage points and was recorded at 30 percent during 2006.

The government has taken a number of initiatives that include encouraging of females to come to non traditional jobs such as traffic police warden, Air force as pilots etc.²⁶ In addition, Khushali Bank and other microfinance institutions in the country are extending loans to the women.²⁷ These are positive developments, however a lot remains to be done to improve the working conditions for the female labor force.

The employment situation in Pakistan has improved over the last three years. However, further measures are required to make this abundant labor into an asset. In this regard, enhancement in vocational and technical competence of the workforce, promotion of SME sector, training of displaced workers, setting up of public employment services and support for women entrepreneurship development would be steps in the right direction.

8.4 Education

While developed countries enjoy higher literacy rates, underdeveloped nations struggle with the issue of low literacy rates. However in the league of developing nations some have been able to drastically improve their literacy level while some still lag behind. The latter category also includes Pakistan.

Even among its South Asian group the indicators for education sector do not reflect an encouraging (see **Table 8.10**) situation.

However, over the last few years 2001-06 due to the government's focus on the sector there has been a significant improvement in the national literacy level.

The PSLM 2005-06 highlights a 9 percentage point increase in literacy rate over the last five years and was recorded at 54 percent in 2005-06 compared to the 45 percent in 2001. Similar to literacy rate other indicators like Gross enrolment rates (GER) and Net enrolment rate (NER) also showed significant advancement (see **Figure 8.9**); GER has been recorded at 85 percent in 2005-06 as compared to 73 percent in 2001-02 and after showing an increase of 3 percent NER for primary schools has been recorded at 85 percent. A province-wise

breakdown also provides the same picture as last year, putting the Punjab (with a 56 percent literacy rate) on the top, followed by Sindh having 55 percent literacy level, NWFP with 46 percent literate population and Balochistan having the lowest figure of 38 percent. Moreover appropriate measures taken by the government not only reduced the drop out rate from 15 percent in 2001 to 10 percent in 2005 but also resulted in gender disparity decline (see **Table 8.11**). It is worth mentioning that this

Table 8.10: SAARC Countries Comparison (2004)

	Literacy rate	NER (primary)	Children reaching Grade 5
Maldives	96.3	90	NA
Sri Lanka	90.7	95.6	NA
India	61	90	79
Pakistan	49.9	66	70
Nepal	48.6	78	67
Bhutan	NA	NA	91
Bangladesh	NA	94	65

Source: Human Development Report 2006

Table 8.11: Gender Parity Index

	Literacy rate		GER (primary)		NER (primary)	
	FY02	FY06	FY02	FY06	FY02	FY06
Pakistan	0.55	0.64	0.73	0.85	0.82	0.85
Punjab	0.63	0.71	0.82	0.9	0.91	0.88
Sindh	0.51	0.89	0.67	0.8	0.73	0.87
NWFP	0.35	0.46	0.57	0.75	0.68	0.77
Balochistan	0.28	0.37	0.57	0.63	0.61	0.69

Source: Economic Survey 2006-07

²⁶ Government of Punjab has also taken initiative and inducted female traffic warden in the Punjab Traffic Police.

²⁷ For instance, Khushhali Bank extended Rs.9603 million loans and approximately 33 percent of the clients are women.

improvement can be observed in all the provinces; Sindh got the highest GPI for literacy rate in 2005-06, while for GER (Primary) and NER (Primary) Punjab occupied the highest²⁸ rank.

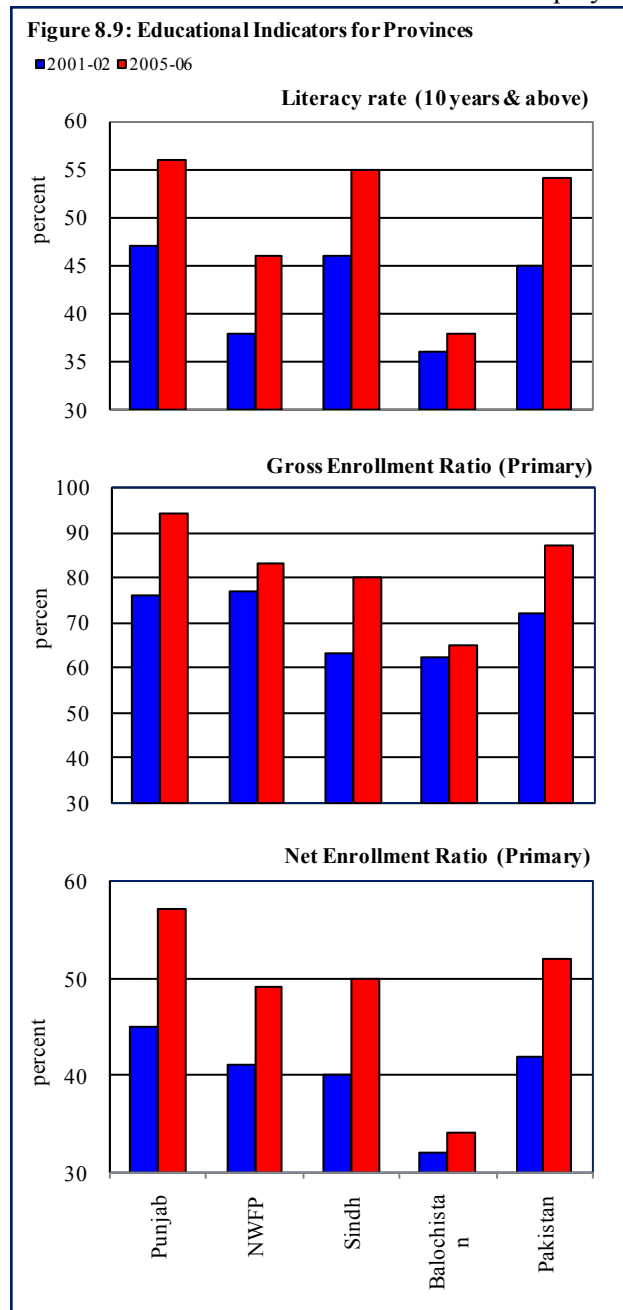
At the policy level the government has taken major initiatives including the Education Sector Reform Action Plan 2001-05. National Education policy 1998-2010 is under review to ensure ownership by all stakeholders. In order to improve imbalance of school facilities at different levels of education system President Education Sector Reforms have been introduced focusing on provisioning of facilities like electricity, water and boundary wall etc especially for primary schools. In 2005 the higher education commission developed a medium term development framework (MTDF) for higher education for 2005-2010.

For the first time in the history of Pakistan a National Education Census (NEC) was conducted in 2005. As mentioned in the Fiscal Responsibility and Debt Limitation Act (FRDL) 2005²⁹, the government has decided to double the education budget as percentage of GDP term.

Figure 8.10 indicates that government is fulfilling its promise as public expenditure on education as percent of GDP depicted a considerable rise this year after declining for two years since FY05 though the absolute expenditure had a rising trend over the years (2001-07)

According to the NEC 2005 there are currently 0.23 million institutions in the country, with 33.38 million students enrolled and a teaching staff of 1.35 million. Public private partnership is playing a significant role in education sector where public sector is operating 0.15 million institutions catering to 22 million³⁰ of students and offering employment to 0.723 million³¹ of teaching staff while private sector is operating 0.08 million institutions offering education to 12 million students and employing 0.632 million teaching staff.

NEC 2005 also highlighted the disproportionate existence of institutions in rural and urban areas. Almost 74 percent³² of total institutions are in urban areas while 26 percent³³ are located in rural areas.



²⁸ For NER (Primary) Punjab is though at the top but its ranking dropped from 0.91 to 0.88

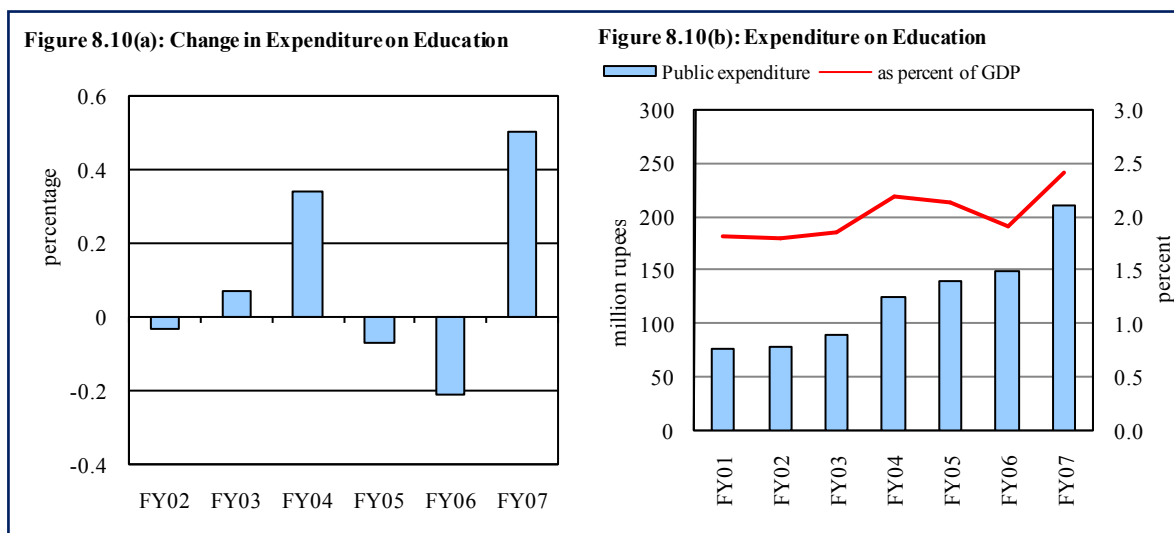
²⁹ Economic Survey 2006-07

³⁰ 64 percent of total students.

³¹ 53 percent of teaching staff

³² 0.17 million

This explains the gap between rural and urban literacy rate. Another interesting fact is that 79 percent³⁴ of total institutions in rural areas are government owned while only 21 percent³⁵ of them are privately owned. This trend is totally opposite that in urban areas where private institutions constitute 67 percent of the total institutions. This not only depicts a high standard of living and higher capacity to afford private education in urban areas but also the availability of teaching staff and other infrastructure facilities.



A district-level analysis for 1998-2005 shows that districts from the Punjab and Sindh occupied the top positions, followed by NWFP and Baluchistan. Districts that occupied top 10 positions in 1998 maintained the same position in terms of the group in 2005. However there were some movements within the group (see **Table 8.12**) with Sialkot losing 4 places and Gujranwala gaining 5 places. The top seven districts belong to Punjab which supports Punjab’s position of having the highest literacy rate with other three provinces represented by one district each. However, the bottom ten districts belong to only two provinces Baluchistan (8 districts) and NWFP (2 districts). It is worth mentioning that three districts Bolan, Kharan and Shangla have been able to move out of the Bottom Ten Group over the period 1998-2005 and have been identified among fast improving districts.

Table 8.12: Ranking of Districts (Literacy Rate)

Top ten		Bottom ten	
1998	2005	1998	2005
Rawalpindi	Karachi	Zhob	Upper Dir
Karachi	Rawalpindi	Qilla Abdullah	Qilla Abdullah
Lahore	Lahore	Barkhan	Barkhan
Jhelum	Chakwal	Bolan	Panjgur
Gujrat	Gujranwala	Kharan	Awaran
Sialkot	Jhelum	Awaran	Zhob
Quetta	Gujrat	Shangla	Khoistan
Chakwal	Quetta	Nasirababd	Nasirabad
Abbottabad	Abbottabad	Jhal Magsi	Qilla Saifullah
Gujranwala	Sialkot	Khoistan	Jhal Magsi

Source: Pakistan Millennium Development Report 2006

Policies need to be coupled by political will and funding for successful implementation. Government’s focus on promoting education is clear from education being given the largest portion of PRSP expenditure. During FY06 approximately 33 percent of PRSP budget was spent on education, this depicts a 21.2 percent increase that is RS 141.7 billion expenditure in FY06 over FY05. This increase in expenditure was seen across the board with Federal government spending 32.8 percent

³³ 0.06 million

³⁴ 132008

³⁵ 35458

more than previous year, Punjab 10.5 percent, Sindh 33.7 percent, NWFP 27.5 percent and Baluchistan 4.2 percent respectively. Though an increase in expenditure on education is a positive development however the relatively small increase in Baluchistan's education budget as compared to other provinces may not be sufficient to offset the challenges faced by the province, which already has the lowest literacy rate. However provincial governments are working at their best to reduce illiteracy through various strategies and programs (see **Box 8.4**) along with other stakeholders like federal government and NGOs where possible. The following box provides a summary of some of the initiatives undertaken by the provinces.

Box 8.4 Provincial Governments Initiatives

Punjab:

The Punjab government intends to reach out to 38 million illiterates around the province. To make this possible 22,656 literacy centers were established in 2001-06 where skill based training was imparted to 0.63 million adults. "Model Districts for Literacy Campaign to achieve 100 percent literacy" was launched in four districts i.e. Khanewal, Khushab, M.B.Din and D.G.Khan with a target to provide 1.5 million people with basic level education. One of the ambitious programs of Punjab government in the "Literate Punjab Program" started in 2005-06 and is set to achieve establishment of 40,000 Adult literacy Centers and 3,100 Non Formal Basic Education schools in the next three years. In order to reduce gender disparity and promote women empowerment the Punjab government has introduced "Crash Literacy Program for Rural Women in Southern Punjab" program which is supposed to provide 1000 adult literacy centers for women in a period of three years. In addition to these programs establishment of Literacy and Non formal Resource Centers at Provincial and District level for quality assurance and training activities are expected to improve the current status of education in the province.

Sindh:

The Directorate of Literacy and Non-Formal Education, education and literacy Department Govt of Sindh is currently overlooking the "Adult Literacy Program". The department has been receiving funds since 2001 under the education sector reforms and is responsible for dispersing them across the province. Since 2001 around 970 adult literacy centers have been established that have trained 30,398 illiterate. An estimated 750 adult literacy centers are expected to be setup during 2006-07 where approximately 22,500 illiterate will be made literate.

NWFP:

A major project was launched by Elementary Education Foundation "Literacy for All in NWFP". The project is running province wide covering all twenty four districts of NWFP. The total number of literacy centers established so far is 15,567 and 82,243 individuals has been made literate. The program currently employs 1800 teachers. One of the significant achievements of this program is the establishment of 1100 learning centers in five earthquake affected districts.

Baluchistan:

Despite the challenges that exist in education sector in the province of Baluchistan the provincial government along with NGOs is trying to play an important role to improve the literacy level in the province. Two major programs Integrated Literacy Model (ILM) and Request for Assistance (RFA) 1& 2 are significant in drive to enhance literacy in Baluchistan. A number of NGOs like SPO, SEHER, RCDC, LAFAM, PPDS, HHHPO, SCSBEB, and TARAQEE have been at the forefront of this drive to promote literacy amongst the people of Baluchistan. An estimated 1108 adult literacy centers are expected to be established in Baluchistan during 2006-07 where 30,000 will be made literate.

Source: Pakistan Millennium Development Report 2006

Pakistan has been a signatory en route for all major declarations regarding access to education. MDGs have a special focus on education as two goals are dedicated to promotion of education. Since Pakistan is a signatory to MDGs it is obliged to achieve the set targets of Goal 2 'Achieve Universal Primary Education' and Goal 3 'Promoting Gender Equality and Empowerment'. While the literacy level has gone up (see **Table 8.13**) over the last five years but the government still needs to do a lot more to achieve 100 percent literacy rate. Similarly though gender disparity has been declining but it still remains an issue and further measures are required to reduce it.

While most of the indicators have been on a positive trajectory however various factors have been slowing down this process. Inefficient budget allocation still remains an issue; most of the funding is not dispersed efficiently and timely. Physical infrastructure of a significant number of institutions is not in a satisfactory state. This ranges from inadequate building structures to absence of clean

drinking water, furniture, stationary etc. Shortage of teachers will keep slowing down all efforts to enhance literacy rate as achieving education for all will not be possible in absence of an adequate number of well trained teaching staff.

In current circumstances it is hard for the government to provide education facilities for children under five, however this is growing need and measures need to be taken to provide education to children of this age group.

An approach that combines micro finance facility for the poor families, covering nutrition and health care will help in ensuring poor to send their children to schools and reduce the drop out rate. Private sector involvement needs to be encouraged in the rural areas, for which the government can enter in public private partnership based ventures and provide subsidy to viable projects. The government has not been able to successfully complete the registering process of Madrassas. Concrete measures need to be taken to not only complete the registration process but also revamp the curriculum of Madrassas. Data collection process needs to be stream lined and assesments like NEC 2005 needs to be continued along with periodical assessment of ongoing projects. Elements of quality, relevance and accreditation have to be ensured so that there is no waste of resources or mismatch between skill set of labor force and market need.

8.5 Health

A comparative analysis of basic health indicators of Pakistan reflects that the country has shown significant improvement in terms of per capita health spending, life expectancy, infant and maternal mortality rates, provision of immunization to children, the provision of human and physical health infrastructure over the years. However the situation is not satisfactory when compared to regional countries in South Asia and East Asia (see **Table 8.14**). Life expectancy in the country is relatively low as compared to most of the countries discussed in the table while mortality rates indicate more dismal conditions as Pakistan has had the highest rate in the mentioned group. This can be mainly attributed to factors like poverty, low health spending, lack of infrastructure and lack of awareness etc.

Table 8.13: Pakistan Status-MDG-II
percent

Indicators	1990-91	2005-06	MTDF (2005-10)	MDG (2015)
Net Primary enrolment ratio	46	52	77	100
Survival rate to Grade 5	50	74	80	100
Literacy rate	35	54	77	88
Male	48	65	85	89
Female	21	42	66	87

Source: Pakistan Millennium Development Goals Report 2006 & Economic Survey 2006-07

Table 8.14: Comparative Social Indicators

Country	Life expectancy		Infant mortality rate	Mortality rate under 5
	Male	Female	per 1000	per 1000
Pakistan	63.2	63.6	70[^]	101
India	62.1	65.3	62	85
Sri Lanka	71.7	77	12	14
Bangladesh	62.5	64.2	56	77
Nepal	61.6	62.4	59	76
China	70.2	73.7	26	31
Thailand	66.7	74	18	21
Philippines	68.6	72.8	26	34
Malaysia	71.1	75.8	10	12
Indonesia	65.3	69.2	30	38

[^] Pakistan Social and Living Standard Measurement Survey (PSLM) 2005-06
Source: Human Development Report 2006

In order to overcome the challenges faced by the health sector, the government has started allocating more funds in terms of development and non-development per capita spending (see **Figure 8.11**). Total developmental spending on health as a percentage of GDP has witnessed a static trend compared to 2000 and a declining trend compared to 1990. However, total per capita spending on health stands at US\$ 18 which is substantially less than the WHO³⁶ recommended figure of US\$ 34 for Pakistan. Moreover only US\$ 5.31 per capita out of US\$ 18 is contributed by the government

³⁶ WHO commission on Macroeconomics and Health

which does not seem sufficient for the provision of better health facilities.³⁷ However a positive development on the supply side is the significant increase in human resource base (see **Table 8.15**)

The relationship between health and poverty has been recognized internationally as three out of eight MDGs are related to health and therefore it is more meaningful to compare the improvement in health indicators against the targets of MDGs and the targets set by the government in PRSP and MTDF (see **Table 8.17** for Goals & Indicators).

Goal 4: Reduce the under-five mortality rate by two-thirds between 1990 & 2015

Statistics in **Table 8.16** indicate that the government was successful in curtailing (both) under five year mortality and infant mortality compared to 1990-91, however the set targets in the PRSP, MTDF and MDG remained unachievable. The low availability of food at national level due to poverty and income inequality is one of the major reasons for higher child diseases. Although the national nutrition policy is in place but problems such as lack of ownership and responsibility, poor management and technical support to provinces, and the nonexistence of a planned framework produce inadequate results. Moreover, factors such as a lack of safe water and sanitation availability, higher drug pricing and high prevalence of infectious diseases, have also exacerbated the problem.

The immunization of children in the age of 12-23 has fallen short of its targets. Currently, 77 percent of the children are immunized against the PRSP target of 82 percent, MTDF target of 90 percent and MDG target of greater than 90 percent. Similar situation exists in the case of immunization of children less than 1 year against measles

Presently 78 percent children are vaccinated which is closer to the PRSP target of 80 percent but is less than the targets set in MTDF and MDG. However the indicator; Proportion of children under five who suffered from diarrhoea in the last 30 days and received ORT, appear compatible with its target.

Immunization campaign, which is under way in various districts of Pakistan, has been a success uptill now and on average a 10 percentage points increase has been observed in immunization. Considerable increase can be observed in all the provinces (see **Table 8.17**).

On an aggregate level, the full immunization coverage during 2005 remained at 84 percent in the Punjab, 73 percent in Sindh, 76 percent in NWFP and 62 percent in Baluchistan. According to the district wise information, 90 percent districts of Punjab are covered while the coverage is the lowest (40 percent) in Baluchistan districts. However, the coverage in Baluchistan and NWFP districts is on

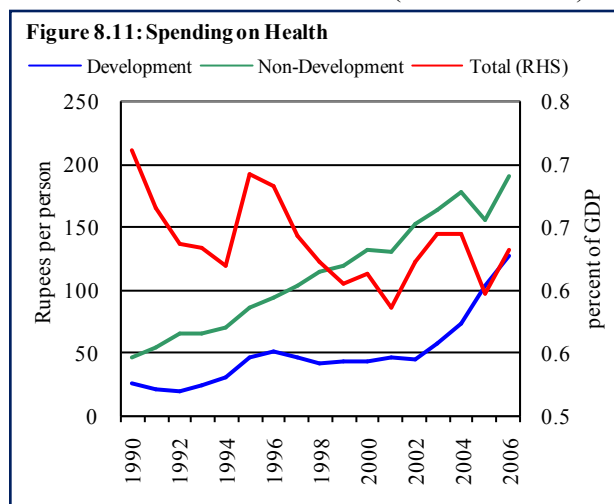


Table 8.15: Human Resource Availability

	1995	2000	2005	2006
Population				
per doctor	1,719	1,473	1,274	1,254
per dentist	44,223	32,819	22,345	20,839
per nurse	5,448	3,642	2,935	2,671
per midwife	5,810	6,068	6,297	6,235
per LHVs	29,027	25,113	21,274	18,318

Sources: Pakistan Medical and Dental Council & Pakistan Nursing Council, Islamabad

³⁷ Please see the details in "Pakistan Millennium Development Goals Report 2005".

Table 8.16 Health Related Millennium Development Goals

Indicators	Units	1990-91	2000-01	2004-05	PRSP	MTDF	MDG
					Target 2005-06	Target 2009-10	Target 2015
Goal 4: Reduce by two-thirds, between 1990 & 2015, the under-five mortality rate							
Under-five mortality rate	per 000 births	140	105	100	80	77	52
Infant mortality rate	per 000 births	102	77	73	63	65	40
Proportion of fully immunised children 12-23 months	percent	75	53	77	82	90	>90
Proportion of under 1 year children immunised against measles	percent	80	57	78	80	90	>90
Proportion of children under five who suffered from diarrhoea in the last 30 days and received ORT	percent	26	12	16	n/a	16	<10
Lady Health Workers' coverage of target population	percent	n/a	33.6	80	83	90	100
Goal 5: Reduce by three-quarter, between 1990 & 2015, the maternal mortality rate & achievement of universal access to reproductive Health by 2015							
Maternal mortality ratio	per 00,000	550	350	400	300-350	300	140
Proportion of births attended by skilled birth attendants	percent	18	40	48	75	60	>90
Contraceptive prevalence rate	percent	12	30	36	41	51	55
Total fertility rate	average	5.4	4.1	3.5	3.7	2.7	2.1
Proportion of women 15-49 years who had given birth during last 3 years and made at least one antenatal care consultation	percent	15	35	50	50	70	100
Goal 6: Reverse the spread of Disease, especially HIV/AIDS & Malaria							
Target 7 : Have halted by 2015, & begun to reverse, the spread of HIV/AIDS							
HIV prevalence among 15-24 year old pregnant women	percent	n/a	0.03	0.03	n/a	n/a	baseline to be reduced by 50 percent
HIV prevalence among vulnerable group	percent	n/a	0.03	n/a	n/a	n/a	baseline to be reduced by 50 percent
Target 8: Have halted by 2015, & begun to reverse, the incidence of malaria & other major diseases							
Proportion of population in malaria risk areas using effective malaria prevention & treatment measures	percent	n/a	20	30	25	50	75
Incidence of tuberculosis	per 00,000	n/a	177	160	133	130	45
Proportion of TB cases detected & cured under DOTS*	percent	n/a	25	40	70	80	85

Source: Pakistan Millennium Development Report 2006

* DOTS; Direct Observed Treatment Short Course

the rise. Lack of resources has restricted the mobility and outreach of the staff by hampering their activities.

Moreover, the shortage of qualified staff, appropriate equipment and medicines in Basic Health Units (BHUs) and Rural Health Units (RHCs) have also adversely affected the needs of growing local population. Furthermore, government's effort with regard to an increase in the number of Lady Health Workers has been unsuccessful in meeting the target.

The inability to reduce high maternal mortality rate are impacted by factors such as lack of trained staff³⁸ and medical problems such as hemorrhage, infection, eclampsia and obstructed labor etc. In this regard, there is a need to increase investment in public health facilities and programs to prevent maternal deaths. On the other hand, awareness raising programmes about family planning appear successful as family planning techniques are getting more acceptances in the general public and the fertility rate is on the decline which stands at 3.5 compared to PRSP target of 3.7, MTFD target of 2.7 and MDG target of 2.1.

Goal 5: Reduce the maternal mortality rate by three-quarter, between 1990 & 2015, & achievement of universal access to reproductive Health by 2015

Maternal health does not portray a satisfactory picture as maternal mortality ratio of 400 is much higher than the targets set in PRSP, MTFD and MDG (see **Table 8.16**).

Goal 6: Reverse the spread of Disease, especially HIV/AIDS & Malaria

Review of key indicators under this goal indicates that the situation is not much different from that of Goal 4 & 5. Performance of Goal 6 indicators is quite below their set targets (see **Table 8.16**) and requires a more focused approach.

The MTFD includes policies regarding devolution of family planning and primary health care to provincial and district levels, the introduction of mobile family planning service units to remote villages, establishment of National Population Commission, consultation with religious scholars and further coordination with NGOs and private sectors. This approach is a reflection of government commitment to providing health facilities. These initiatives indeed will be helpful in achieving the targets set in MDGs over the coming years.

8.6 Environment:

The relationship between environment and economic growth has become clearer over the last few years. Unfortunately because of lack of resources, increasing population pressures, and weak legislations developing countries are faced with the issue of deteriorating environment. This degradation is not only affecting health of the people but is also hampering economic growth of these countries. Pakistan with its increasing population, limited resources is faced with the same challenges of environment degradation ranging from shortage of clean drinking water, efficient sanitation system, unregulated slums, increasing air pollution, and deforestation and changing weather cycle amongst many other environmental concerns.

Government of Pakistan with its limited resources is focused at adopting measures to improve country's environment. The government being a signatory to most of the international agreements including Convention on Biodiversity (CBD), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), World Heritage Convention (WHC), Climate Change Convention (CCC), Kyoto Protocol, Montreal Protocol, SAARC Social Plan and Environment Action Plan and Environmental Action, and Millenium Declaration (MD) is an evidence of its commitment to conserve environment. It is note worthy that government actions are geared towards achieving targets set under the MDG goal of Ensuring Sustainable Environment. As a part of this policy stance, environment has been identified as one of the important sectors in PRSP (especially PRSP-II) and MTFD.

Table 8.17: Child Health Indicators

	Full immunization coverage		Measles immunization coverage		Diarrhea cases where ORS was given	
	FY01	FY05	FY01	FY05	FY01	FY05
Punjab	57	84	63	85	45	63
Sindh	45	73	46	73	70	92
NWFP	57	76	59	77	57	84
Balochistan	24	62	38	62	71	85
Total	53	77	57	78	54	78

Source: Pakistan Social and Living Standard Measurement Survey 2005

³⁸ This indicator is fall short of its targets as well.

In 2005 a National Environmental Policy was announced to improve the deteriorating environment of the country on sustainable basis. The policy has been made part of PRSP II and MTFD to ensure its prioritization and implementation. The federal government is also encouraging provincial governments to participate in environmental policy to make it more effective. In this regard the NWFP Forest Policy and Forest law are positive developments. The National Environment Action Plan (NEAP) initiated in 2001 and supported by UNDP NEAP-SP has now entered in its second phase NEAP-SP Phase II. The second phase will be guided from the experiences of Phase-I that appraised more than 300 project proposals from various stakeholders.

With the enhanced focus of government on environment; the indicators have started showing positive results but few are still short of their targets set in MTFD and MDGs. Forestation, Energy Efficiency and Air Pollution are indicators of Target 9 (see **Table 8.18**) which are not aligned with their set targets and the government is taking measures to improve this status. Pakistan Forestry Institute has been given the responsibility to assess the forest type and cover and monitor any changes and provide subsequent management plans. Oil and Gas Regulatory Authority (OGRA) through issuing licenses of CNG stations is trying to check the pollution caused by the increasing number of cars. Pakistan being an agriculture based economy relies a lot on groundwater as a key resource. However over reliance on this resource has caused 70 percent of tube wells now providing hazardous sodic water. The government needs to plan alternative sources to avoid further deterioration of current situation. MTFD is trying to address the green environment issues.

Table 8.18 : Status of Pakistan towards achievement of Environment Goal of MDG

Indicators	unit	1990-91	2004-05	PRSP Target 2005-06	MTDF Target 2009-10	MDG Target 2015
Target 9: Integrate the principles of sustainable development into country policies and programs & reverse the loss of environment resources						
Forest cover (State owned & Private)	percent of Total Land Area	4.8	4.92	5	5.2	6
Land area protected for the conservation of wildlife	percent of Total Land Area	9.1	11.3	11.3	11.6	12
Energy efficiency*	Rs.per ton	26471	27000	27300	27600	28000
Vehicles using CNG	number	500	700000	na	800000	920000
Air Quality**	percent	1	1	na	0.5	0.5-0.25
Target 10: Halve, by 2015, the proportion of people without sustainable access to Safe Drinking Water & Basic Sanitation						
Proportion of people with sustainable access to improved water source	percent of population	53	66	70	76	93
Proportion of population with access to sanitation	percent of population	30	54	55	70	90

Source: Pakistan Millenium Development Report 2006

* GDP per unit of energy use as a proxy for Energy Efficiency

**Sulphur content in High Speed diesel

Target 10 (see **Table 8.18**) presents a quiet dismal status and requires more attention and dedicated efforts. Though the indicator; Proportion of people with access to sanitation, appears on the track however Water supply coverage remains way short of the 93 percent target of MDG by 2015. Government's multi billion projects 'Clean Drinking Water Initiative' (CDWI) and 'Clean Drinking Water for all' (CDWA) are set to provide Cleaning Water for all by 2008 though steps in the right direction. All those projects seem to have ambitious targets in view of current status.