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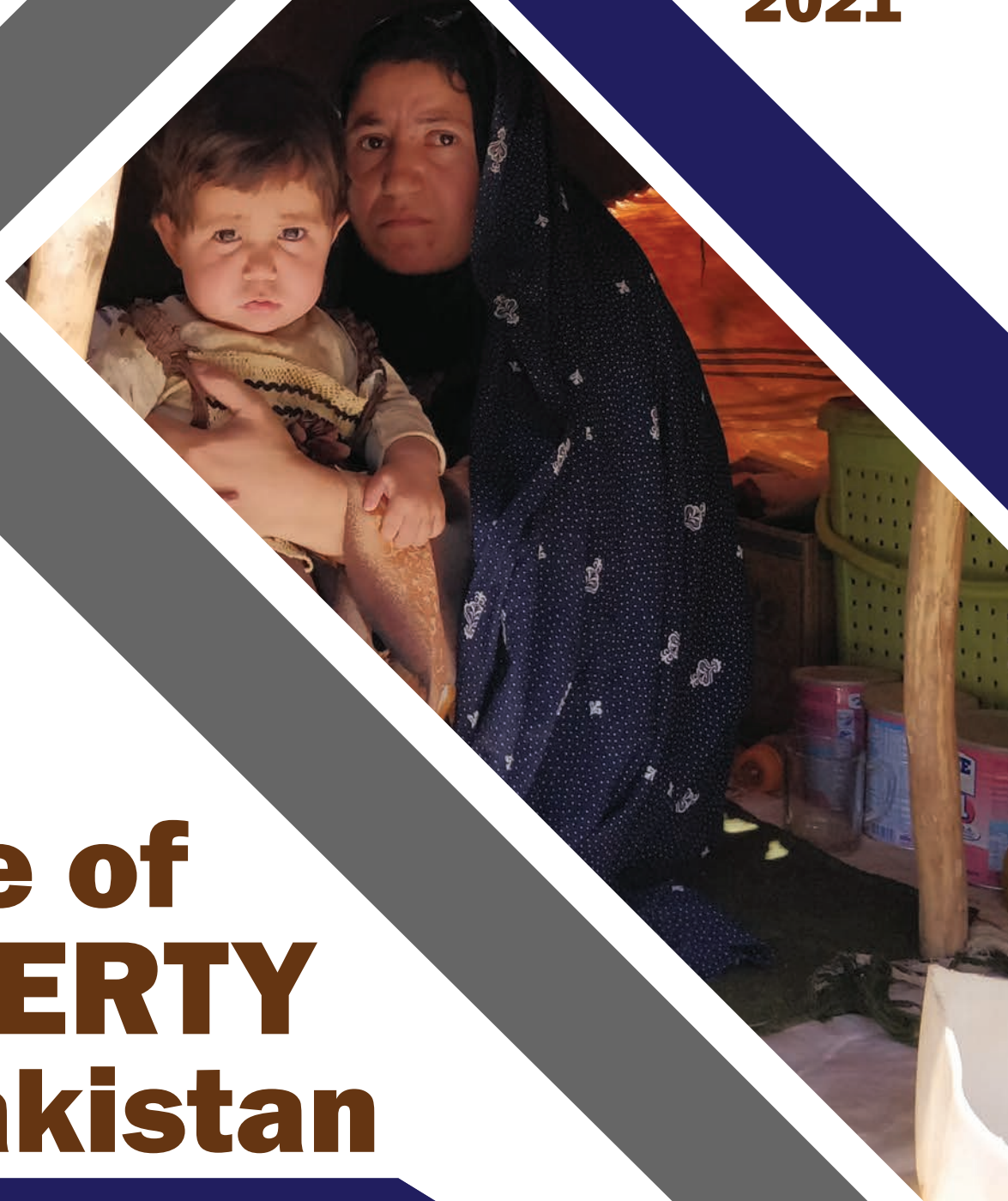
Spirit of Free Inquiry

Islamabad

1957

The State of POVERTY in Pakistan

The State of Poverty in Pakistan
PIDE Report 2021

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Foreword

Progress is underpinned by robust public policy design. Such a design is developed through outstanding research and a healthy debate on evolving evidence. For this, countries invest in a vigorous research effort. PIDE, with a history of contributions to policy, is well-positioned to develop and lead a network of public policy development. We work with all stakeholders to broaden and deepen public policy research and development network.

PIDE has an extended history to contribute to the debate on poverty issues in Pakistan, including poverty measurement, determinants of poverty, rural poverty dynamics, and social protection. PIDE research has also reviewed anti-poverty policies and programs in Pakistan, ranging from rural work programs to the role of PRGF & PRSP. In addition, the role of social protection has always been one of the central interests of PIDE's research. Furthermore, the impact of conditional and unconditional cash transfers on poverty, correlates of urban poverty, poverty estimates, macro- and micro-determinants of poverty, landlessness and rural poverty, and spatial dynamics of poverty have also been the focus of PIDE's research on poverty.

PIDE's contribution to research on poverty, during COVID-19 has produced policy-relevant outcomes, with clear articulation of the impact of pandemic on the vulnerably poor, geographic spread of poverty, what Ehsaas program entails for poor and which policies are needed. PIDE's contribution to the analysis on poverty has also resulted in substantiating real change for the street vendors, by affiliating them with government ministries, CDA & MCI. PIDE webinars have also reflected on enhancing the perception of poverty dynamics. A number of such forums on social protection, poverty dynamics, informal economy and street vending have been conducted, including Nobel Laureate's, Abhijit Banerjee's Lecture on 'breaking out of the poverty trap'.

PIDE annual report 2021 on "The State of Poverty in Pakistan" is a step forward in the direction of the production of contextual knowledge about the state of poverty in Pakistan. The report provides poverty estimates based on consistent poverty line for policy interventions. It also lays out numerous solutions to reduce poverty on sustainable basis. The report focuses on the burning issue of COVID-19 and its implications on poor. The report highlights the institutional, legal, socio-economic, educational and geographical apparatuses, excluding the poor of their right to access and entitlement.

PIDE acknowledges the financial support of Pakistan Poverty Alleviation Fund (PPAF). The support by PPAF gives us the confidence to conduct more granular research on poverty in Pakistan.

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PIDE
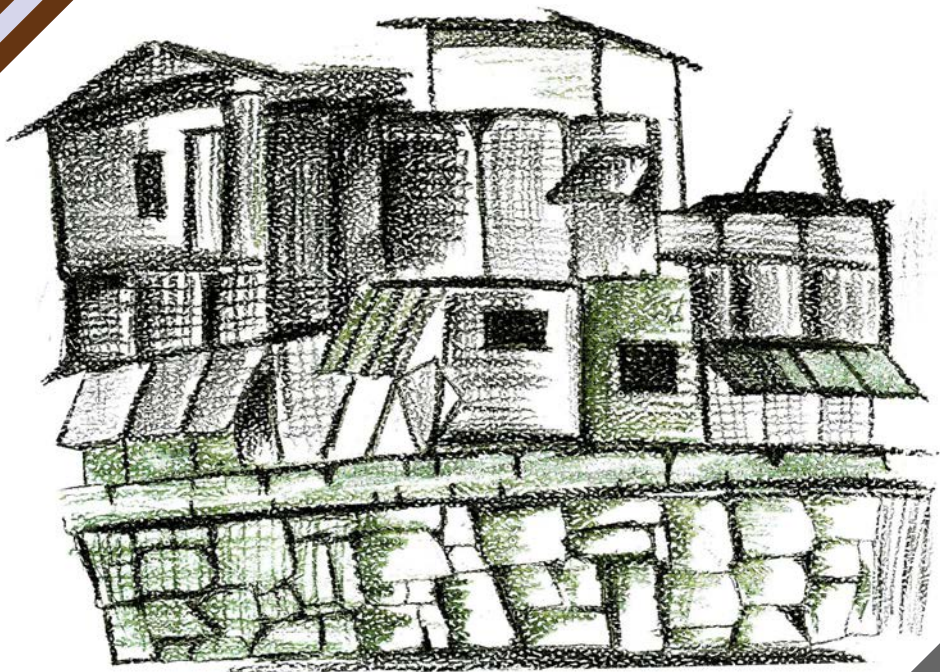
Executive Summary

Ending poverty in all forms and dimensions by 2030 is the first goal of the UN's sustainable development goals (SDGs). Therefore, the identification of the poor and the evaluation of the extent of poverty have received considerable attention in the design of cost-effective poverty reduction programmes and safety nets. The degree of poverty should be estimated in order to assess the budgetary needs / implications of safety nets and to evaluate these programmes. The measurement of poverty has important policy implications. Poverty is one of the indicators used to determine the respective share of each province in the divisible pool of federal transfers to the provinces, through the National Finance Commission (NFC) Award.

Poverty is a multidimensional phenomenon and is correlated with various set of social and economic variables including education level, gender, remittances received, number of assets owned, household size and employment status of household head. This chapter finds significant results in support of and contrary to previous literature for the fore mentioned variables.

Several attempts have been made to construct poverty lines and generate poverty estimates in Pakistan. Government has recently adopted a uni-dimensional approach, called the cost of basic needs approach (CBN), in order to measure poverty. PIDE has also developed a consistent poverty series, using CBN approach, to understand the dynamics of over the last two decades.

Over the last two decades, the percentage of poverty declined from 61.6% in 1998-99 to 21.5% in 2018-19 in Pakistan. In urban areas it has decreased from 47.4% to 10.7% and from 67.5% to 27.6% in rural areas during the same time. The provincial estimates reveal that poverty has reduced across all provinces in the last 20 years. In Punjab, poverty stood at 61.8%, Sindh 57%, KPK 71% and Balochistan 55.9% in 1998-99. In 2018-19, poverty at national level stood at 21.5% whereas in Punjab it was estimated 16.3%, Sindh 24.6%, KPK 27% and Balochistan 40.7%.

Correlates of poverty show that education can be considered a major factor in determining the poverty level. Spending on education is considered an investment in human capital. Many of the developing countries like Pakistan have low level of investment in education. Acquiring education helps individ

uals to overcome their state of destitute. It also helps them, to guide other family members in a better fashion to improve their poverty state.

Remittances usually affect the rural poverty levels; since most of the individuals from rural households are settled abroad or in highly developed cities of the same country as laborers and support their families by sending their incomes as remittances. Assets' accumulation and property owned might potentially help in pulling people out of poverty, as they provide different opportunities of earning, either by renting out their possession or by setting up small home-based enterprises. Similarly, another important factor affecting poverty in Pakistan is the household size. As the family size grows, poverty level also increases. Poverty is recorded to be the highest among larger family units, as compared to smaller and medium family sizes.

National Poverty Graduation Program (NPGP) yields two important components; asset transfers and social mobilization. The chapter on NGPG details the profiling of the recipients in district Jhang. The profiling is outlined along the axis of work opportunities, daily working hours, financial inclusion, formality/informality of work, savings, and gender analysis. The preliminary findings conducted in Jhang District suggest indigenization in other districts of Punjab.

Urban poverty intersects with multiple discourses of exclusion, marginality and vulnerability. Within these discourses intertwines State's practice of anti-encroachment drives against the urban poor. The urban poor who are majorly self-employed, as street vendors, are stripped off their employability and workability due to their violation of working rights. Similarly, their housing rights are violated by violating their spaces (katchi abadis). The opportunities of urban poor to acquire education also gets compromised when anti-encroachment operations are carried out against private schools' construction buildings, which are claimed by CDA to be the encroachment on the State's land. Similar pretext is premised over running such drives against guest houses. The roles of State regulatory authorities such as CDA and MCI are critical.

The report proposes that the role of CDA is to secure human needs irrespective of the differences that exist along the axis of age, gender, race, ethnicity, social status and economic backgrounds in Pakistan. It also explicitly claims to ensure public service delivery regarding health, education, opportunities,

economic work, housing and economic rights. The functioning and role of state and government in the indiscriminate provision of afore-said services seem to be incongruent in the light of the state-institutionalized anti-encroachment drive in Islamabad. Unless this dichotomy of the role of state and government is addressed, the poor will continue to be systematically excluded. The chapter on urban poverty also comes with a few operable policy frameworks, such as using nested approach to formalize and monitor informal economic activities of street vending.

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State of Poverty in Pakistan

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Several attempts have been made to construct poverty lines and generate poverty estimates in Pakistan. Recently, government has adopted a uni dimensional approach, called the cost of basic needs (CBN) approach; to measure poverty. PIDE has developed a consistent poverty series using CBN approach to understand the dynamics of over the last two decades.

◼ 1.1 Poverty Trends in Pakistan

Over the last two decades, poverty has declined from 61.6% in 1998-99 to 21.5% in 2018-19 in Pakistan. Whereas poverty has decreased from 47.4% to 10.7% in urban areas and from 67.5% to 27.6% in rural areas, during the same time period. The pace at which poverty has been declining is not consistent.

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Box 1: Measuring Poverty: Methodological Debate

The official poverty rates have been estimated using the Household Integrated Economic Survey (HIES), conducted by Pakistan Bureau of Statistics (PBS). Different approaches have been used to estimate poverty that includes Food Energy Intake Method (FEI), Multidimensional Poverty Index (MPI) and Cost of Basic Needs (CBN) method. CBN is the modification of FEI, as it not only considers an adequate level of food items, but also captures non-food articles too. In 2013-2014, government of Pakistan for the first time calculated its official estimates of poverty, using CBN methodology. The mechanism of CBN is considered more efficient, as it covers moderate poverty and uses the criteria of minimum income required to remain non poor.

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Poverty is transient in nature and in case of Pakistan moving in and out of poverty is a very common phenomenon (Farooq & Ahmad, 2020). If we look at estimates from 2001-2015 it can be easily inferred that poverty in urban areas has decreased at significantly greater rate as compared to rural poverty. In 2015 it was observed that rural poverty was twice as high as urban poverty.

When we have a look at rural/urban categorization of poverty estimates, we see that rural poverty is significantly higher than urban poverty. Reason for these higher poverty figures against rural areas could be greater percentage of people, especially poor concentration, in rural areas where they usually do not have access to health, education, and employment opportunities.

Figure 1.1: Overall Rural/Urban Poverty Trends Overtime in Pakistan (1998-2019)
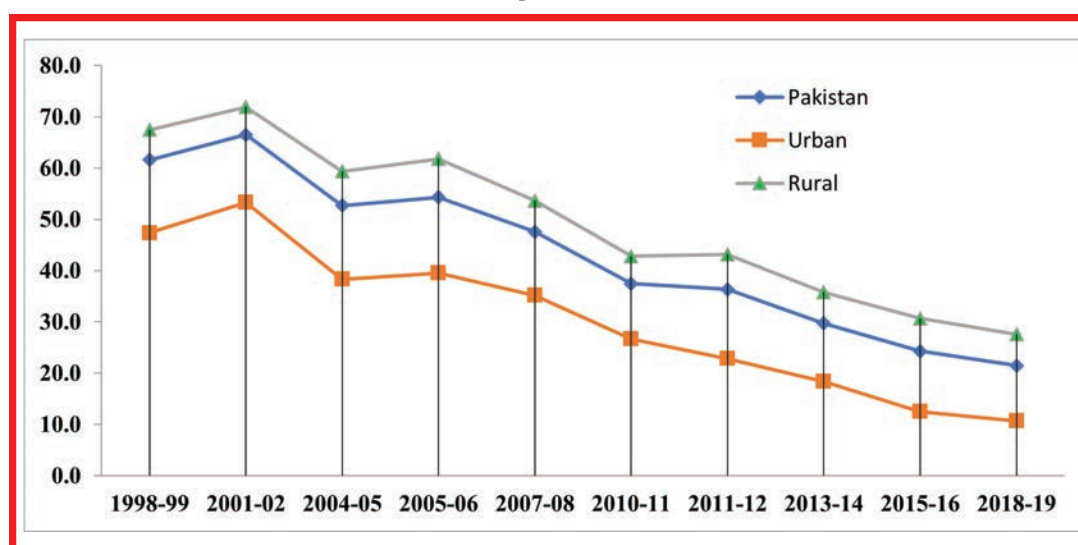
Source: Authors Calculation based on HIES surveys

Table 1.1 gives the consistent series of poverty rate during the last two decades, measured through various waves of HIES and missing values generated through linear interpolation method.

Table 1.1: Consistent Series of Poverty Rate from1998-99 to 2018-19

Years	Poverty Rate	Years	Poverty Rate
1998	61.6	2008	44.2
1999	63.2	2009	40.8
2000	64.9	2010	37.5
2001	66.5	2011	36.4
2002	61.9	2012	33.0
2003	57.3	2013	29.7
2004	52.7	2014	27.0
2005	54.3	2015	24.3
2006	50.9	2016	23.4
2007	47.6	2017	22.4
		2018	21.5

Author's calculation of Poverty Rate overtime in Pakistan using HIES surveys from 1998-2019

◢ 1.1.1.Poverty Across Provinces

The provincial estimates reveal that poverty has declined across all provinces in the last 20 years. On average, province wise analysis suggests that poverty is highest in Baluchistan and lowest in Punjab.

Poverty has declined overtime in Punjab but showed a fluctuating trend in the remaining three provinces. In Punjab, poverty stood at 61.8%, Sindh 57%, KPK 71% and Baluchistan 55.9% in 1998-99. In 2018-19, poverty at national level stood at 21.5%, whereas in Punjab it was estimated at 16.3%, Sindh 24.6%, KPK 27% and Baluchistan 40.7%. In 1998-99 poverty was observed to be highest in KPK, at 71% and lowest in Baluchistan, at 55.9% but this trend got reversed in 2018-19, recording the lowest percentage of poverty, 16.3%, in Punjab and the highest percentage in Baluchistan, which was 40.7%.

Overall poverty level in Punjab has a declining trend for the period under consideration. Disparity was observed in rural/urban poverty levels. The Urban poverty declined at a much faster rate than the rural, because of the reason that employment opportunities, access to education and social protection programs are significantly greater as compared to rural parts of the provinces. However, Poverty levels in the province of Sindh showed a mixed trend, in which rural and urban poverty levels increased and decreased at different

rates from 1998-2019. Rural poverty was observed much higher than the urban poverty. Poverty level in Sindh has been high because of inequality, poor education and lack of job opportunities.

Figure 1.2: Rural/Urban Poverty Trends Overtime by Provinces (1998-2019)

Punjab-Rural vs Urban

Year	Rural	Urban
2018-19	21	9
2015-16	26	10
2013-14	30	17
2011-12	38	22
2010-11	40	25
2007-08	48	32
2005-06	55	37
2004-05	57	40
2001-02	67	54
1998-99	67	50
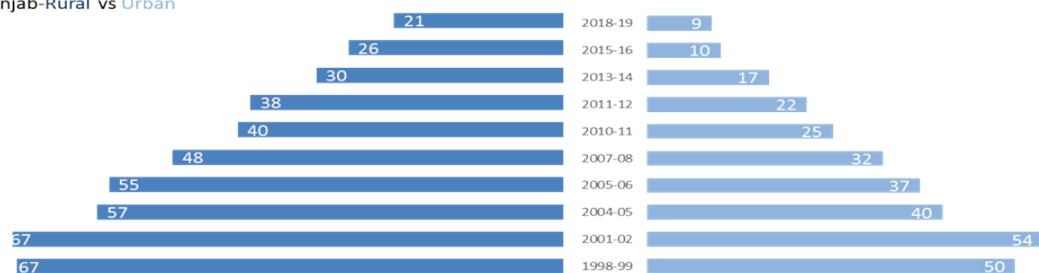
Baluchistan -Rural vs Urban

Year	Rural	Urban
2018-19	47	25
2015-16	48	26
2013-14	62	42
2011-12	63	37
2010-11	52	35
2007-08		61
2005-06		66
2004-05	64	45
2001-02	77	60
1998-99	56	56

Sindh- Rural vs Urban

Year	Rural	Urban
2018-19	40	10
2015-16	49	15
2013-14	50	19
2011-12	54	23
2010-11	49	27
2007-08	64	37
2005-06	70	38
2004-05	59	32
2001-02	79	51
1998-99	69	42

KPK-Rural vs Urban

Year	Rural	Urban
2018-19	29	17
2015-16	20	10
2013-14	30	15
2011-12	44	26
2010-11	44	33
2007-08	54	40
2005-06	66	53
2004-05	68	50
2001-02	77	59
1998-99	74	54

The cumulative analysis of rural/urban poverty across all provinces shows that poverty level in Punjab has declined as compared with other provinces where poverty levels show a clear pattern of increased poverty level in Sindh, Khyber Pakhtunkhwa, with the highest poverty level in Baluchistan in 2018-19. Rural poverty is higher than urban poverty for the province of Khyber Pakhtunkhwa as well. From 1998 to 2006 both rural and urban poverty showed some mixed trends but declining trend in rural/urban poverty was clearly observed from 2007-2016. In 2018-19 the declining trend of poverty was reversed and an increase in rural/urban poverty was noticed. Rural/urban poverty in Baluchistan also showed mixed trend.

The Comparative analysis of south Punjab, north Punjab, and rural Sindh, depict that incidence of poverty was significantly higher to a level of 50 percent as compared to Sindh and north Punjab. Rural poverty was observed to be low in areas where people had opportunity to generate income from non-agricultural sources and integration of these areas with urban areas like Attock, Jhelum, Chakwal, and Rawalpindi/Islamabad. These cities were considered as most developed cities of the country. Moreover, the second most important reason for the poverty reduction in barani areas was overseas migration.

Poverty was widely spread in rural irrigated areas of the country, particularly concentrated in Southern Punjab and Sindh, where feudal system prevails instead of law of the country. The situation worsens in these areas due to limited availability of jobs instead of agriculture and the zero trends of migration to cities or other countries. Estimates suggest that almost one third population of the country lives in extreme poverty, 70% of which is concentrated in rural areas. Data based on agro-ecological zones, suggests that barani areas of Punjab exhibit lowest poverty levels and there are more opportunities available for employment in services sector and overseas migration. The highest level of poverty was observed in Baluchistan due to non-availability of water and low rainfalls resulting in drought, making livestock the only mean of survival.

Overall, the Poverty estimates suggest that poverty levels have reduced across provinces overtime in Pakistan and government of Pakistan is also recognizing the importance of social protection program for promoting the pro-poor growth and handling the exclusion and inequality. Social protection programs serve as an important component in Pakistan's poverty reduction paradigm. These programs interact and supplement social protection programs to support poor individuals by protecting them from destitution,

food insecurity, exploitation, and social exclusion. If the poor households are not protected from the impact of shocks to their consumption by SSP, it would push non-poor households into poverty and poor households into deeper poverty. So, GOP has taken certain measures in the form of safety nets that include Benazir Income Support program (BISP), Punjab Sasti Roti (bread) Program, and Punjab Food Support Scheme (PFSS) (Division, 2009/10).

◢ 1.1.2 Poverty Band: From Extreme Poor to Vulnerable

The poverty profile in terms of poverty bands is very insightful for policy formulation as it groups the population into different bands which need different policy initiatives. The poverty rate or head count ratio has the advantage of being capable enough to explain easily the count of people below and above the poverty line. However, it does not capture the true extent and depth of deprivation and poverty and hence can't tell us how poor the poor are. The concept of poverty bands has been used here to address this issue, as it indicates how far off household are from the poverty line.

Figure 1.3 below shows poverty bands that have categorized the individuals into 5 groups, namely: the ultra-poor, poor, vulnerable, quasi non poor and the non-poor. The data represents that ultra-poor people, who live below 75 percent of the poverty line, are consistently showing a declining trend from 34.5 percent in 1998 to 5.5 percent in 2018. Whereas non poor show considerably increasing trend, ranging from 6.7 percent to 21.4 percent. Pakistan has made substantial progress in reducing poverty, showing the second lowest headcount poverty rate in South Asia

During the last decade, poverty elimination programs helped many among the poor to participate and rise up. The poverty decline in Pakistan has been due to the effective implementation of the Social Safety Net Programme (SSNP). This is an umbrella program which encompasses many different welfare initiatives in Pakistan, all of which aim to provide financial assistance to the poor, and to help them get out of the crisis. The largest of these is BISP as it has served 5.29 million beneficiaries and has reduced the poverty rate by seven percent on its own. The percentage of the non-poor show gradual increase in poverty reduction from 1998 till 2018. Similar pattern has been observed for the poor as well. It means greater number of people are moving out of poverty and have access to education, health, and other basic facilities.

Figure 1.3: Poverty Bands Overtime in Pakistan from 1998-2019
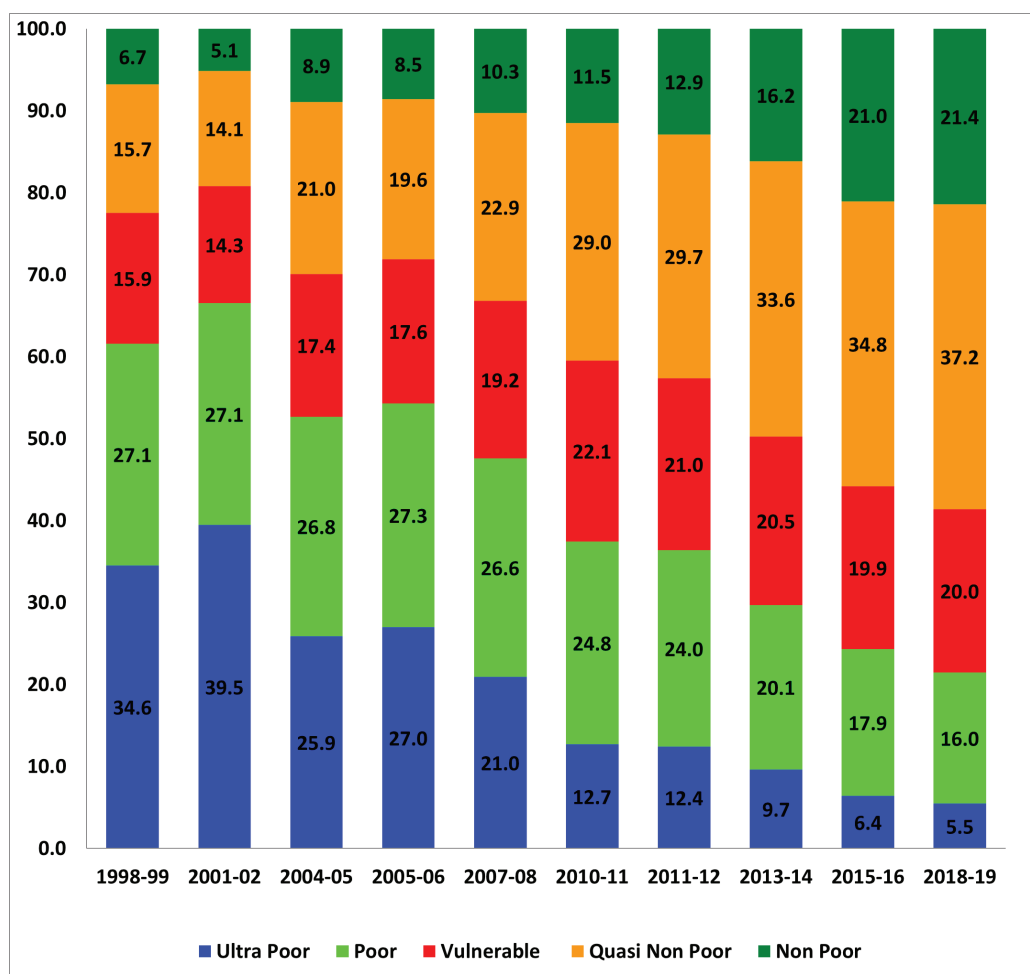
Source: Author's Calculation based on HIES surveys from 1998-99 to 2018-19

◢ 1.1.3 Growth Rate and Poverty Nexus from 1998-2019

It is generally believed that the declining trend of poverty during the 1970s and 1980s was reversed during the 1990s. However, according to some estimates the number of poor increased by 12 million people during FY1993 to FY1999. During the FY1999 the economic growth and development was halted due to severe drought in the country. Rural areas have relatively higher levels of poverty than urban population, as experienced historically. Rural population engaged in non-farm activities was estimated to be 40% of the total population and was affected due to slow economic growth, low public sector development spending and low remittances.

During the 1960s most poverty estimates show an increasing trend, especially the rural poverty. But the income inequality has reduced. This trend was

reversed during the 1970s with falling poverty level and increasing income inequality. This trend continued in 1980s with poverty falling further and an increased income inequality. But the gains of poverty achieved in two decades were reduced drastically during the 1990s, increasing the poverty rate to 12% over the decade, bringing almost one third population under poverty line. These increased poverty levels during this decade are highly correlated with low GDP growth rates pertaining to the shocks of 1992-93 and 1996-97. During the end of 1990s decade the rural poverty was raised to a much higher level of 33% as compared to 30% for urban poverty. Inequality both in rural and urban areas was also immensely increased during the 1990s that amplified the negative impact on poverty due to decreased economic growth during this period.

Figure 1.4: Growth Rate and Poverty Nexus from 1998-2019
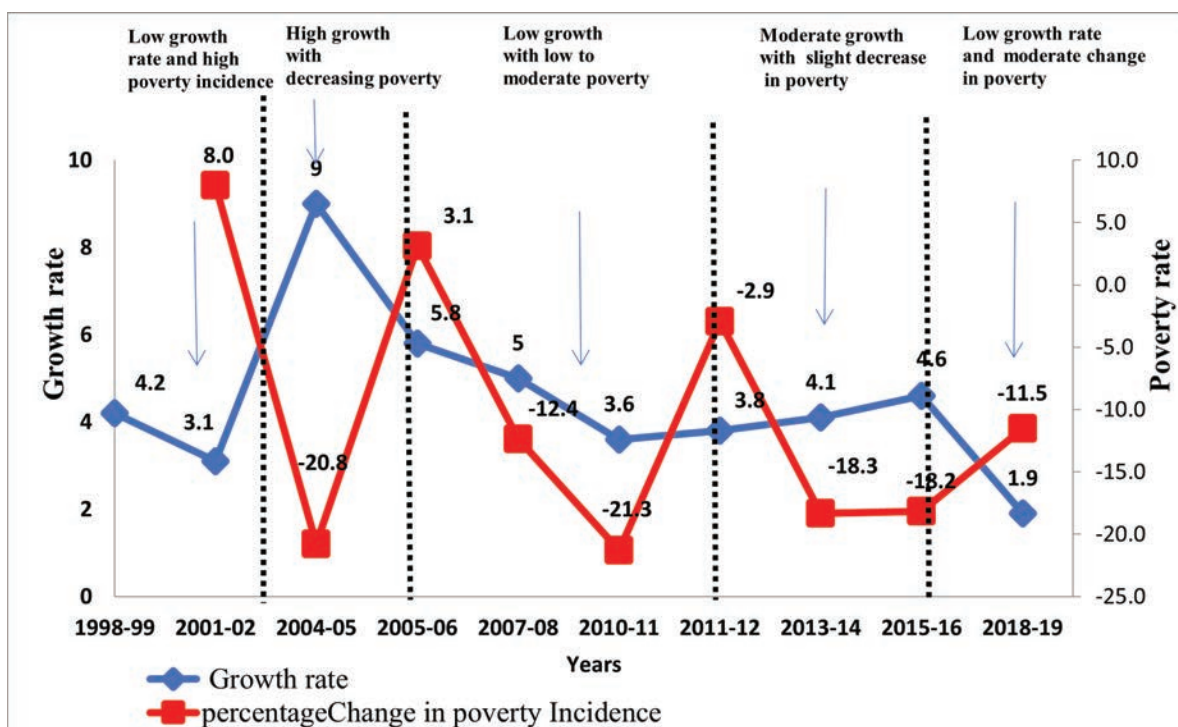
We see that GDP growth influenced poverty reduction during given time, but its effect has been minimal. The main reason for this minimal effect is that GDP growth did not have a trickle-down effect. Given statistics show that areas most deprived of this trickle-down effect are purely agricultural lands of Sindh and Southern Punjab, where lands are mostly controlled by feudal, and the farmers receive only a small share which provides them with only basic subsistence. So, this exclusive nature of agricultural institutions in these areas could be a major reason for continued poverty. There is a need to make

agriculture institutions in these areas more inclusive to transfer proper share of earnings to the farmers along with providing other non-agricultural job opportunities. Further much needed land reforms also need to be made part of the long-term agenda to have real down the road effects of any economic growth.

■ 1.2 Poverty Correlates

Our analysis of different household characteristics as determinant of poverty for 2018-19 in Pakistan mainly focuses on gender, education of household head, remittances, number of assets owned, household size and employment status of household head. The detailed analysis of the above characteristics is mentioned below in detail.

◢ 1.2.1 Poverty and Education

Education is considered as main factor in determining the poverty level. The education of household head has been decomposed into various levels: primary, middle, matric, intermediate, graduate and above graduate. Spending on education is considered an investment in human capital. Many of the developing countries like Pakistan have low level of investment in education. Acquiring education helps the individuals to overcome the multidimensional poverty and it also helps the household head to guide other family members in a better fashion to improve their poverty state. In figure 1.5 it can be inferred that as the education level of the households improves, the incidence of poverty has reduced. A consistent declining pattern can be observed starting from no education with poverty of 31% to Graduate level studies with poverty of just 2.1%.

Figure 1.5: Education Dimension of Poverty
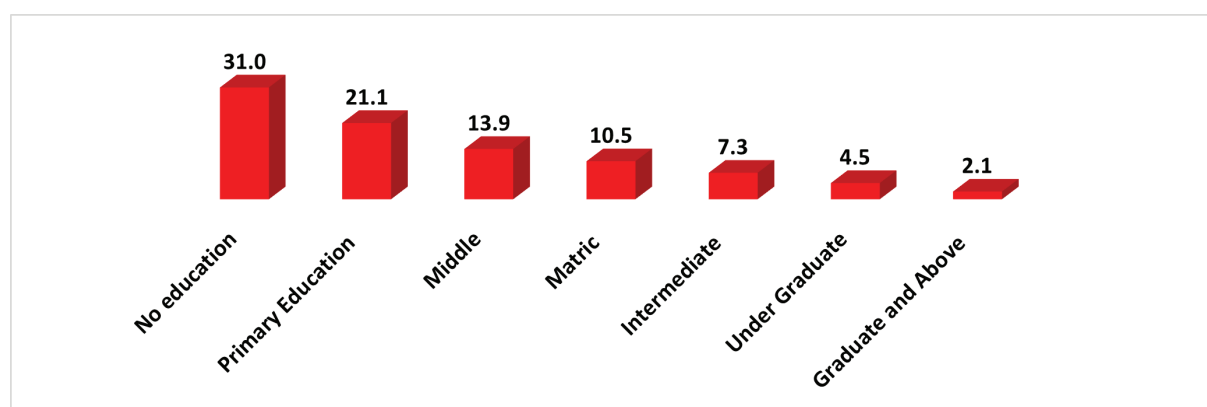
Source: Author's own calculation based on 2018-19 HIES Survey

◢ 1.2.2 Poverty and Gender

Most of the developing countries face the phenomena of gender biasness or gender discrimination in the labor force. It is because of less educational and job opportunities available to female households as compared to men.

Figure 1.6: Gender and Dimension of Poverty
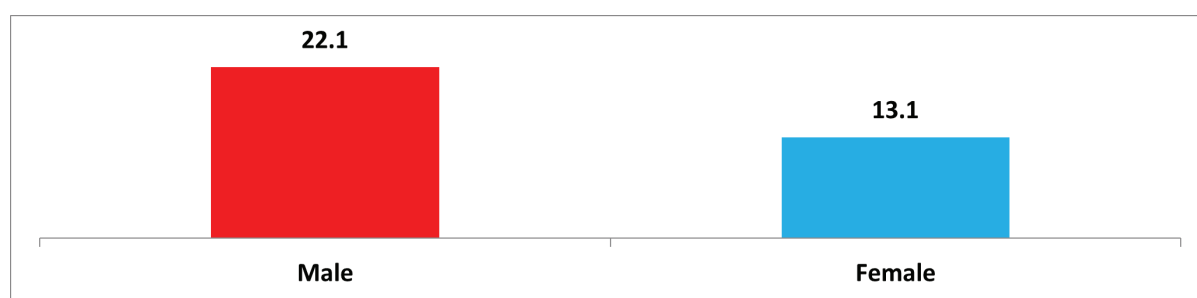
Source: Author's calculation based on 2018-19 HIES Survey

Generally, it is observed that females have low labor force participation rate and have difficulty in escaping poverty. The data analysis shown in figure 1.6 reflects a different picture, as on average there are less poor female headed households as compared to male headed households. There are multiple reasons for this result and one of the main reasons behind this could be the under-representation of female headed households because of cultural reasons. There are many houses that are female headed but pretend to be male headed because of the societal pressures, as Pakistani society is a male dominant society.

◢ 1.2.3 Poverty and Household Size

Household size is one of the primary determinants of poverty level across the country. A large population size with higher growth rates of population in developing country, like Pakistan is problematic due to the low level of human capital. Usually, a large family size is positively related to poverty level of the households. Empirical analysis suggests that a household is poor if it has a large family size. Results depicted in figure 1.7 suggest that as we move from small family size to medium and large family size, the state of poverty worsens. Poverty level increased from 17.6 percent (small family size) to an alarming figure of 38.4 percent (large family size).

Figure 1.7 Households Size Dimension of Poverty
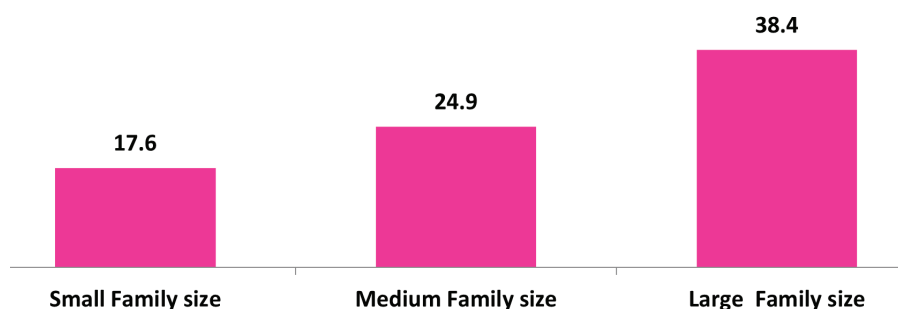
Source: Author's calculation based on 2018-19 HIES Survey

◢ 1.2.4 Poverty and Remittances

Remittances are considered a source of income for the households and help in reducing poverty. We have based our analysis on the categorization of no remittances received, remittances received within Pakistan and remittances received from within and outside from Pakistan (Majeed and Malik, 2015). Remittances usually affect the rural poverty levels as most of the individuals from rural households are settled abroad or in highly developed cities of the same country as laborers and support their families by sending their incomes as remittances. It has been observed in the analysis that poverty level was highest at 22.9 percent when no remittances were received where-as it declined to around 14.2 percent as the remittances were received from within and outside of Pakistan.

Figure 1.8: Remittances and Dimension of Poverty
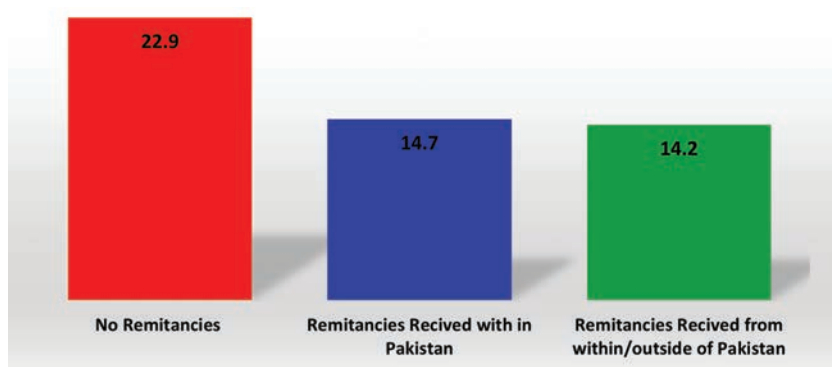
Source: Author's calculation based on 2018-19 HIES Survey

◢ 1.2.5 Poverty and Employment Status of Household Head

The employment status of the households is categorized into two broad

categories: agriculture sector and non-agriculture sector. If the household's status falls under the agriculture sector, then it reduces the household's probability of being poor. As the poverty is estimated to be less among households associated with agriculture sector. In most of the developing countries like Pakistan, people are usually associated with the traditional agriculture sector of the economy. Households associated with non-agriculture sector are relatively more poor 22.5 percent approximately when compared with the agriculture household that is around 21 percent.

Figure 1.9: Employment Status and Dimension of Poverty
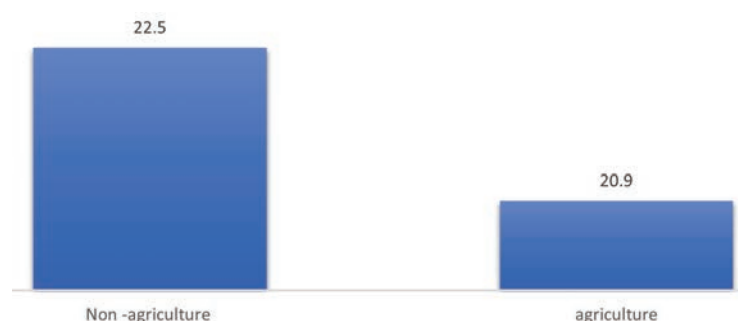
Source: Author's own calculation based on 2018-19 HIES Survey

◢ 1.2.6 Poverty and Number of Assets

Assets owned is considered as one of the main determinants of poverty. We have categorized it into further four groups that are, households having no assets, low level of assets, medium level of assets and high level of assets. Data reveals that households with no assets experience highest level of poverty at 60 percent that gradually decreases as the level of asset accumulation increases. Households with the highest level of assets have lowest poverty percentage of around 1 percent. So, we can infer from here that asset accumulation decreases the poverty incidence and they are positively correlated to each other.

Figure 1.10: Assets and Dimensions of Poverty

Source: Author's calculation based on 2018-19 HIES Survey

◢ 1.2.7 Poverty and Total Property Owned

Property owned is another important determinant of household poverty. Owning property acts positively in reducing poverty. Households with no poverty had high level of poverty over 20 percent. Lowest level of poverty at around 8 percent was recorded among households with moderate range of property owned. By property here we mean the number of commercial or residential buildings owned by any household. This property acts as saving or income for individuals if rent is being received in return or also acts as investment because the value of property usually increases with the passage of time.

Figure 1.11: Property Owned and Dimension of Poverty
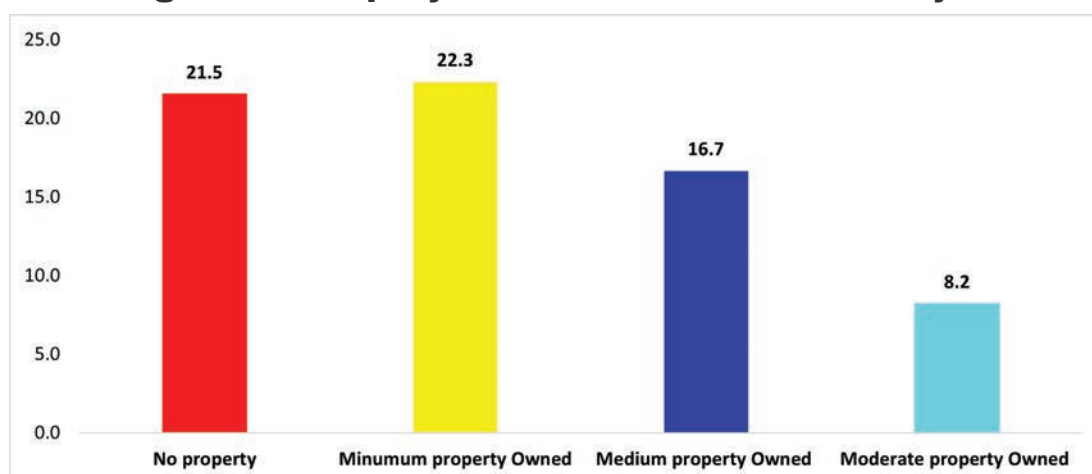
Source: Author's calculation based on 2018-19 HIES Survey

■ 1.3 Conclusion

The analysis contained in this report is an attempt to produce a poverty data series at provincial level along with rural/urban classification that can be used to measure the progress and development of the country in coming years. To measure poverty rate CBN method has been used along with inter-polation technique for generating the missing data in Pakistan. It is pertinent to mention here that it is the first kind of data available on poverty in Pakistan. Pakistan has experienced four different episodes of growth and poverty starting from 1998 to 2019. There were periods of low, high, and moderate economic growth along with high, low, and moderate poverty levels. It was observed that rural poverty was considerably higher than urban poverty due to multiple reasons, like low level of employment opportunities and poor

quality of education.

With the passage of time poverty level has decreased in Pakistan due to improved policy interventions by various governments, targeting the marginalised segments of the society for poverty reduction. Current government is highly committed in reducing poverty as it has targeted to reduce poverty by 6 percentage points, restricting it to 19% by 2023. To achieve this target government has integrated more than 134 poorly managed social protection programs, launched under Ehsaas. It was launched in 2019, built upon the framework developed under BISP. It is considered as the South Asia's largest cash transfer program and Pakistan's flagship social protection initiative. Moreover, there is need to adopt income mediated approach coupled with expenditure led policies to achieve the target of SDG1 of reducing poverty level across the country.

The COVID-19 pandemic had infected almost 1 million people in Pakistan, resulting in 22,939 deaths. Anyone can be exposed to the virus, but the poor are most vulnerable because they do not have the means to cope on their own. The recession in economy has mostly affected the economically vulnerable group. Poor workers, especially those dependent on a daily wage with no reserves, would not be able to cope with any possible lockdown as a result of the pandemic.

We have to evaluate the economic cost of this pandemic from the vulnerable-group's perspective.

The official statistics show that:

1. The share of vulnerable employment is around 56% (52% among male and 71% among female). Vulnerable employment is measured as the proportion of own-account workers (also including the daily wage earners) and unpaid family workers in total employment.

2. As for sectoral share of vulnerable employment, it is more than 80% in agriculture; about three-fourths in wholesale and retail trade; near 50% in hotel and restaurants; more than three-fifths in real estate and business; and approximately two-fifths in transport and communication sector.

In the given scenario, COVID-19 poses huge implications for the poor and

vulnerable segments of the society. It will substantially increase poverty levels across the country. Using simple econometric model, it is estimated that poverty rate has increased from 21.5% in 2018-19 to 26% in 2019-20 (Table 1.2). Poverty in urban areas has increased from 10.7% to 15.2%, and from 27.6% to 32.2% in rural areas from 2018-19 to 2019-20 (Iqbal, 2021). The projected poverty rates will be 29.1% in 2020-21 in Pakistan.

Table 1.2: Projected Poverty for 2019-20 and 2020-21

	All	Urban	Rural
Projected Poverty for 2019-20			
Pakistan	26.0	15.2	32.2
Punjab	20.8	13.3	25.2
Sindh	29.1	14.9	44.5
KPK	31.5	21.3	33.5
Balochistan	45.2	29.2	51.2
Projected Poverty for 2020-21			
Pakistan	29.1	18.3	35.3
Punjab	23.9	16.5	28.3
Sindh	32.3	18.1	47.7
KPK	34.6	24.4	36.7
Balochistan	48.3	32.4	54.4

Source: Author's estimates based on HIES 2018-19 data and Micro-Econometric Model

Based on these poverty rates, it is projected that poverty in Pakistan has increased from 45 million people in 2018-19 to 56.3 million people in 2019-20 and 64.4 million 2020-21.

Figure 1.12: Projected Poverty (million)
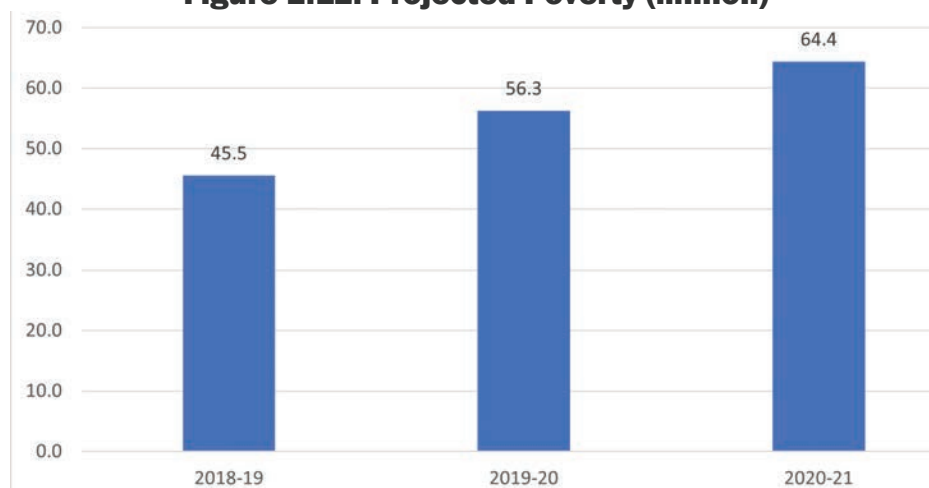
Source: Iqbal (2021)

Chapter 2

Designing a Poverty Graduation Model for Pakistan: National Poverty Graduation Programme (NPGP)

This chapter details poverty graduation in Pakistan and the role of Pakistan Poverty Alleviation Fund (PPAF) in conducting Randomized Control Trials (RCTs) on Asset versus Cash Transfers, across 4 districts of Southern Punjab. The chapter is divided into 3 interconnected sections: first section explains PPAF's graduation approach and components of National Poverty Graduation Programme (NPGP), second section details about profiling of NPGP beneficiaries in Punjab in relation to their earnings, working hours, and gendered dimensions and finally, third section is about designing social protection either through UCTs or in-kind transfer programs.

■ 2.1 Uptaking Poverty Graduation in Pakistan

From 2008 to 2010, PPAF tested Bangladesh's BRAC livelihoods approach 'Targeting the Ultra-Poor' with a pilot on asset transfers, as part of a Global Study on Poverty Graduation. The final results of this study came out in 2015, showing statistically significant increases in consumption, income and wealth of treated households in the PPAF pilot. From 2010-2016, PPAF III

Project under the World Bank was conducted, through which PPAF provided 65,000 households in Pakistan with assets, mainly livestock. From 2013-2018, PPAF commenced its Randomized Control Trial (RCT) on Asset versus Cash Transfers across 4 districts of southern Punjab. Midline results of this RCT show promising improvements in other baseline indicators as well as in savings and re-investment into businesses by poor and ultra-poor households. 2016 onwards, PPAF has engaged with government and international stakeholders to promote a holistic approach to poverty alleviation. Building on PPAF's successful piloting of the poverty graduation approach, the Internal Fund for Agricultural Development (IFAD) is now funding PPAF to deliver a 6-year 'National Poverty Graduation Programme' from 2017 to 2023, to sustainably graduate BISP[1] beneficiaries across Pakistan out of poverty. This is part of Government of Pakistan's National Poverty Graduation Initiative (NPGI) under its Ehsaas Strategy, containing three components – Asset Transfers (Ehsaas Amdan), Vocational / Skills Trainings (Ehsaas Amdan), Interest Free Loans (IFL, Qarz-e-Hasna).

NPGP operationalizes its poverty graduation model through the following two key components.

Component I, Transfers: Programme Targets

1. **Asset Transfer**
   - Tangible Asset Transfer – 159,402 individuals
   - Intangible Asset Transfer – 18,445 individuals

2. **Assets for Joint Business**
   - Pilot Business Model – 4,600
   - Common Interest Groups / Farmers Organisations – 2,000

3. **Interest Free Loan (IFL) – 269,681 loans**

4. **Training of Livelihood and IFL Beneficiaries – 376,075 individuals**

Component II, Social Mobilization: Programme Targets

- Revitalization/Formation of Community Institutions (CIs) – 3,980 CIs
- Identification/Training of Community Resource Persons (CRPs) – 3,980 CRPs
- Campaigns on Health and Nutrition / Gender / Sustainable Environment / Peace and Justice – 5,964 Events
- Training / Exposure of Members of Shared Asset Business Models – 230 Trainings
- Community Trainings – 6,300 Trainings, 56,118 Sessions, 1,592 Youth Engagement Activities

The NPGP Graduation Model Sequence

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[1] Benazir Income Support Programme (BISP).

The NPGP Graduation Model Sequence
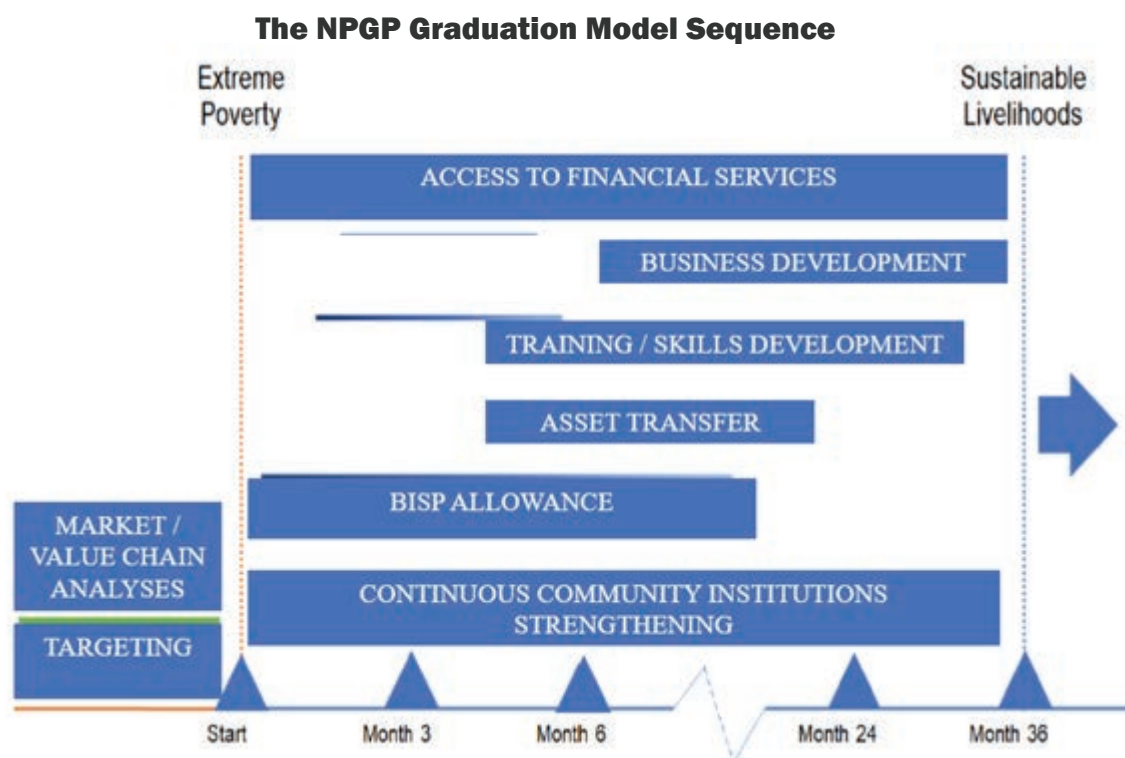
2.1.2 A Profile of NPGP Beneficiaries in Punjab

In 2021, PPAF is undertaking a study to quantify impacts of the three waves of COVID-19 on its beneficiary households (HHs) across Pakistan. A baseline profile, analyzing 254 poor and ultra-poor HHs for their Livelihoods Investment Plans (LIPs),[2] from district Jhang in Punjab contains insightful findings on the nature of lived poverty NPGP aims to neutralize. Some of these baseline findings for Jhang are as follows.

Work Opportunities: The findings suggest that predominant cohort of families have either one or two earners. In Figure 2.1, we have categorized the 'Average Number Days when Opportunities to Work are Available in a Month' in 4 groups: those having 0 to 5 workdays, those having 6 to 10 workdays, those having 11 to 19 days, while the last category is those having 20 or more workdays. While it is satisfactory to observe that a predominant share of respondents reported to get such opportunities; figure 2.1 is just

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[2] LIPs are developed for each NPGP beneficiary household (HH) to capture baseline information across demographic and socioeconomic indicators of HH Income, HH Expenditure, HH Savings, HH 5-Year Vision, HH Members, HH Owned Assets, among others.

qualified evidence in that it doesn't capture how satisfied or dissatisfied respondents are with the type of work available, or the ability of the available work opportunity to meet their basic HH needs.

Figure 2.1: Average Monthly Workdays Available in Jhang
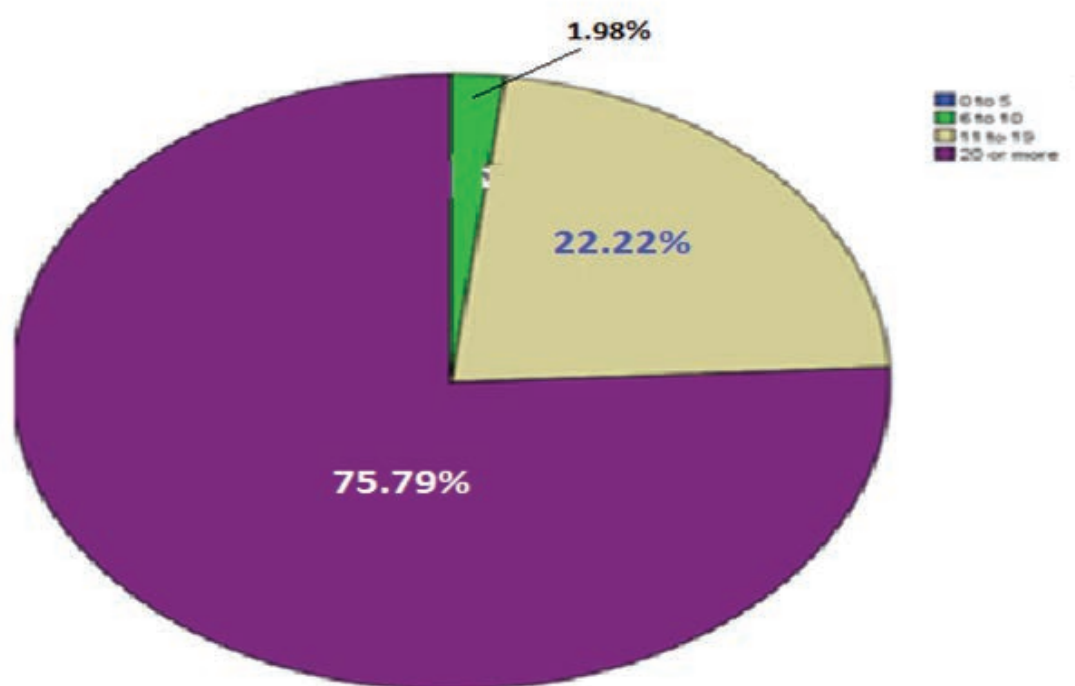
Daily Working Hours: Practices of the respondents were analysed in terms of the compliance of their daily working hours with labour laws in Pakistan (specifically with Section 34 of The Factories Act 1934; Sections 22B and C of Mines Act 1923; Section 8 of Shops and Establishment Ordinance 1969; Section 4 of Road Transport Ordinance 1961). According to these laws, no adult[3] worker shall be forced to work for more than 9 hours per day.[4] [5]

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[3] According to the 1973 Constitution of Pakistan, child labour means employment of a child younger than 14 years old. However, international watchdogs, such as the UNICEF differentiates between child's wilful employment and forced labour (WageIndicator 2020). With this backdrop, an adult is defined as someone whose age is more than 14 years.

[4] WageIndicator 2020, Paycheck.pk, https://paycheck.pk/labour-laws/fair-treatment/minors-and-youth/child-labour

[5] Pak Lawyer (2020). Labour Working Hours in Pakistan. https://paklawyer.com/labour-working-hours-in-pakistan/

Reference Figure 2.2, it is worth noting that almost 29% of our respondents are working in contradiction to the labor laws of Pakistan. Nonetheless, it remains to be researched whether such a factor (that is, having to work for more than 9 hours per day) is wilfully in practice or it is forced upon the workers by the employer. With the underlying factor that our respondents are the poor and ultra-poor HHs, it could be inferred that they could also be willfully working for more than 9 hours to make ends meet.

Figure 2.2: Compliance of Daily Working Hours with Labor Laws of Pakistan
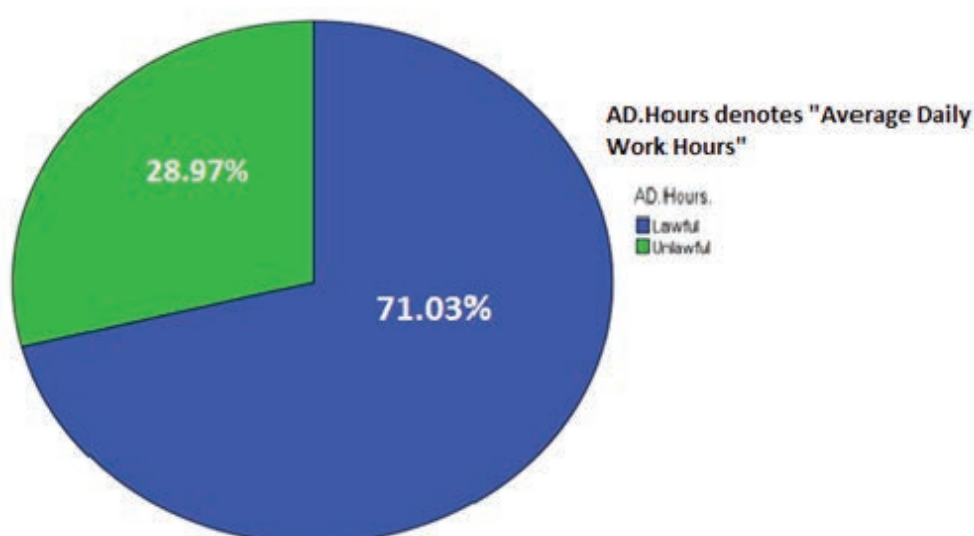
Percentage of males and females who are working more than 9 hours per day is 29.94 and 25.97, respectively. In Figure 2.2, the term unlawful is strictly used only if the workers working for more than 9 hours per day are not doing it willfully. It needs a more precise research whether and how many NPGP beneficiaries (NPGP, c2020) are working more than 9 hours wilfully. Considering that a significant share of Pakistan's economy is informal/unregistered, this scenario though significant may not be easy to regulate.[6]

On average, nearly 72% of Pakistan's labor force is engaged in the informal/unregistered sector. It is worth noting that this percentage is even higher in the country's rural areas, which is also where a predominant major-

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[6] Arif, A., Sadiq, M., Shabbir, M. S., Yahya, G., Zamir, A., & Bares Lopez, L. (2020). The role of globalization in financial development, trade openness and sustainable environmental-economic growth: evidence from selected South Asian economies. Journal of Sustainable Finance & Investment, 1–18.

ity of NPGP beneficiaries are situated.[7] [8]

◼ 2.2 Financial Inclusion and Informal Economy

We used the presence of a bank account as indicative of financial inclusion, while violation of maximum daily hours limit (9 hours per day) as violation of labor laws of Pakistan. Of the 73 respondents who are working less than 9 hours a day, 9.5% have bank accounts. It is almost 15% for the 254 respondents who reported that on average they work more than 9 hours a day. Figure 2.3 establishes that financial inclusion alone cannot predict compliance with labor laws.

Figure 2.3: Financial Inclusion and Labor Law Compliance
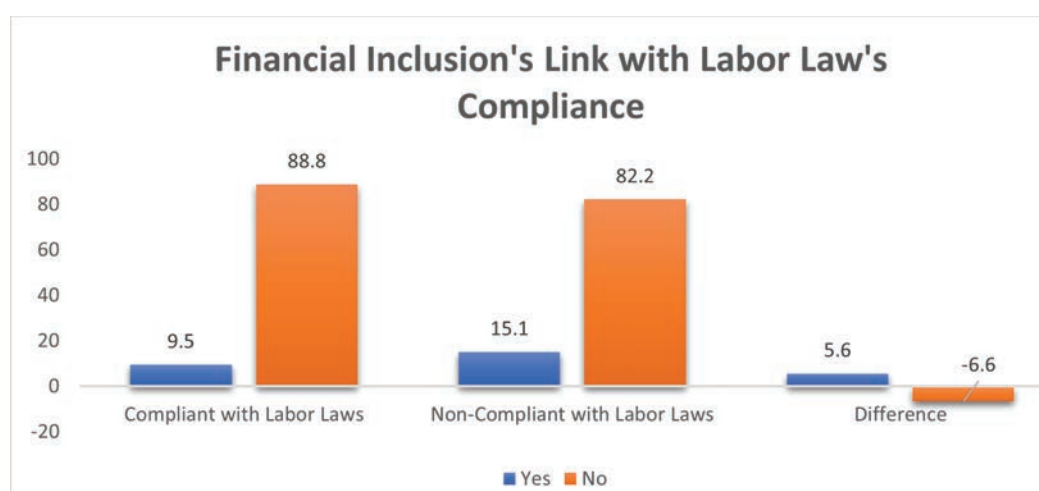
In Figure 2.4, it is noted that as many as 75% of our respondents in Jhang are not saving any amount. To analyze the amount of savings, we calculated quintiles. It can be noted in Figure 2.5 that of the 59 respondents (out of a total of 254 respondents) who reported at the date of interview[9] that they do savings, 33.33% respondents had savings of less than or equal to PKR 1,500; and 66.66% respondents had savings of less than or equal to PKR 3,000.

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[7] GOP (2018). The Labor Force Survey 2017-18, http://www.pbs.gov.pk/content/labour-force-survey-2017-18-annual-report

[8] NPGP (c2020). National Poverty Graduation Programme. http://www.ppaf.org.pk/NPGP/index.html

[9] That is, when their LIP response was recorded.

Analysis of Savings

Figure 2.4: Distribution of Savings

Pie Chart of Status of Savings

Savings
- NO
- YES

24.70%

75.30%
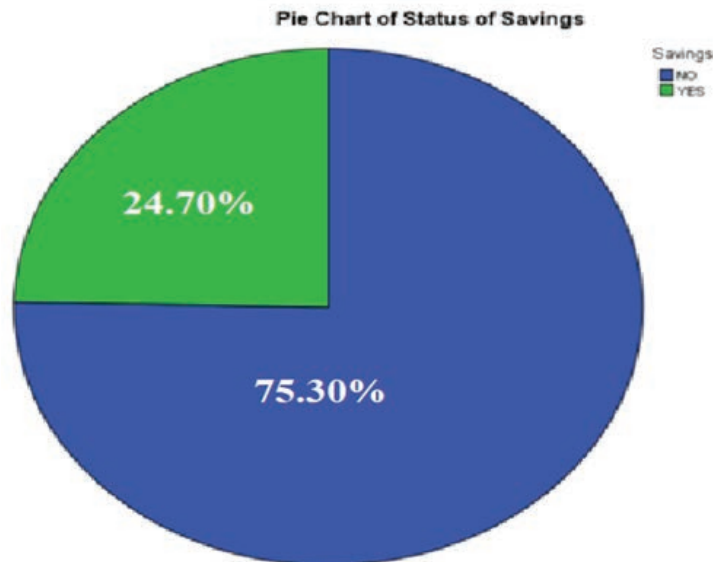
Figure 2.5: Quintiles of Savings

33.33%

3000

1500

66.66%
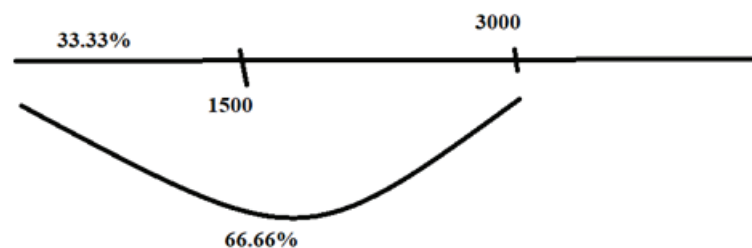
◢ 2.2.1 Analysis of Loan

To analyze the amount of loan taken by respondent households in Jhang, we calculated quintiles. It can be noted in Figure 2.6 that of the 137 respondents (out of a total of 254 respondents) who reported that they have taken loan, 10% respondents had taken a loan of less than or equal to PKR 10,000; 20% respondents had taken a loan of less than or equal to PKR 20,000; 30% respondents had taken a loan of less than or equal to PKR 30,000; 40% respondents had taken a loan of less than or equal to PKR 50,000; 50% respondents had taken a loan of less than or equal to PKR 80,000; and 10% respondents had a loan value which is at least PKR 80,000 up till a maximum of PKR 300,000.

Figure 2.6: Quintiles for Loan

Cat-1=10%
Cat-2=20%
Cat-3=30%
Cat-4=40%
Cat-5=50%
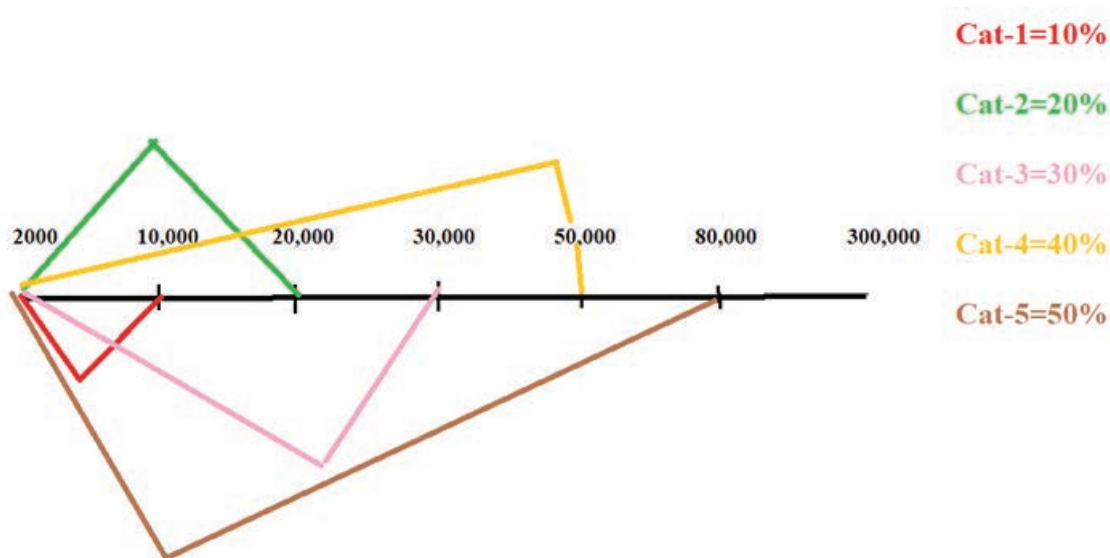
2.3 Association of Poverty Score with Gender

H0: Gender of Respondent and Poverty Score of HH are Independent.
H1: Gender of Respondent and Poverty Score of HH are Associated.

Figure 2.7: Association of Poverty Score with Gender
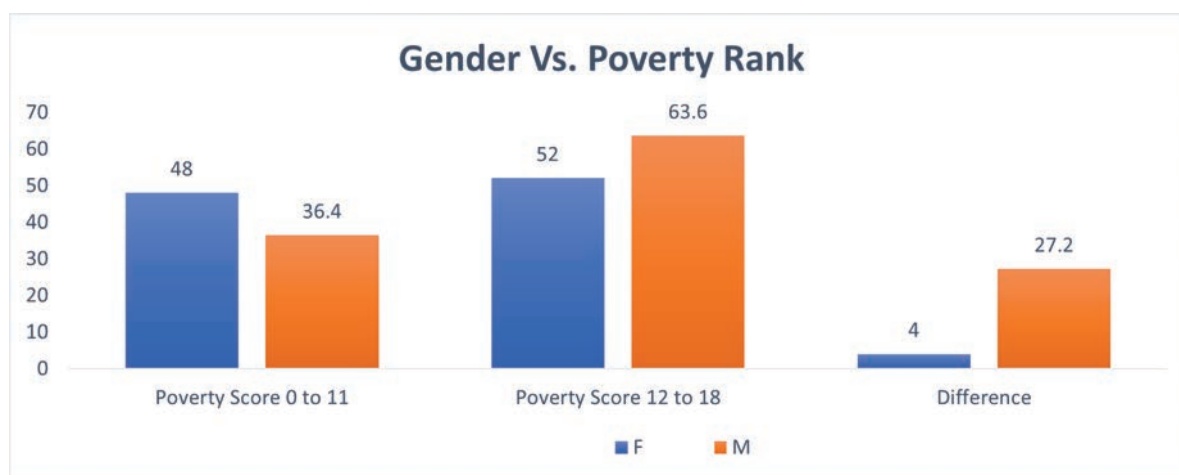
The p-value for our above hypotheses came out to be 0.057, hence at all alpha greater than or equal to 0.057, we can conclude that Gender of Respondent and Poverty Score of HH are associated. From Figure 2.7, it is evident that a significantly high share of males reported lesser intensity of poverty. It is evident that the difference of high poverty score from the low poverty score is much more for males than for females. This means that as compared

to females, males reported more diverse perceptions about their poverty scores.

In Table 2.1, we see that more than half of our respondents reported a poverty score between 12 and 18. This shows that overall, for both males and females; there are 44.4 percent respondents who are experiencing extreme poverty, while 56.6 percent are experiencing chronic poverty (NPGP, c2020).

Table 2.1: Frequency Table of Poverty Scores

	Frequency	Percent
0 to 11	112	44.4
12 to 18	140	55.6
Total	252	100
Missing System	2	
Total	254	

◢ 2.3.1 Correlation of Poverty Score with Household Members Younger than 18 Years Old

In Table 2.2, we observe that there is a statistically significant negative correlation between poverty score and number of household (HH) members younger than 18 years. This implies that with an increase in number of HH members aged less than 18 years, the poverty score of a household is expected to decrease, that is, the intensity of poverty of the household is expected to increase.

By way of this it seems that household units which have a higher dependency ratio are expected to experience more poverty. Note that the dependency ratio is sensitive to how many members are earning in a given household. For instance, if we have two household units, A and B, considering that household A has 3 members aged less than 18 years while total earners are 2, then such a household cannot be declared comparable to a household with 3 members aged less than 18 years and total 3 earners.

In other words, the dependency ratio of a household should be adjusted, keeping in view the effect of the 'number of earners in HH'. Statistically, this can be done by calculating the partial correlation coefficient of 'HH members aged less than 18 years' with 'Poverty Score of HH' and treating 'number of earners in HH' as a control variable, as we have done in Table 2.2.

Table 2.2: Partial Correlation of HH Members Aged Less than 18, with HH Poverty Score

Control Variable			Poverty Score
No of Earners	HH Members Aged less than 18	Correlation	-0.245
		Significance (2-tailed)	0.000

To comment on the association of poverty with the total household size (that is, total number of members in the HH), we first created a binary variable E.Class, which was recorded by using the data on total number of earners in a household.

$$E.Class = \begin{vmatrix} 0 & \text{if the number of earners is less than 3 (Lower Tier)} \\ 1 & \text{if the number of earners is 3 or more (Upper Tier)} \end{vmatrix}$$

In Figure 2.8, if we focus on the higher poverty score (encoded as 2 in the vertical axis of the figure, representing those experiencing lesser poverty), a significant share of our respondents belongs to the lower tier (that is, they have either one or two earners in the HH). If we focus on the lower poverty score (encoded as 1 in the vertical axis of the figure, representing those experiencing more poverty), a significant share of our respondents belongs to the lower tier (that is, they have either one or two earners).

Figure 2.8: Split-Bar Chart of HH Poverty Score versus HH Earning Tiers
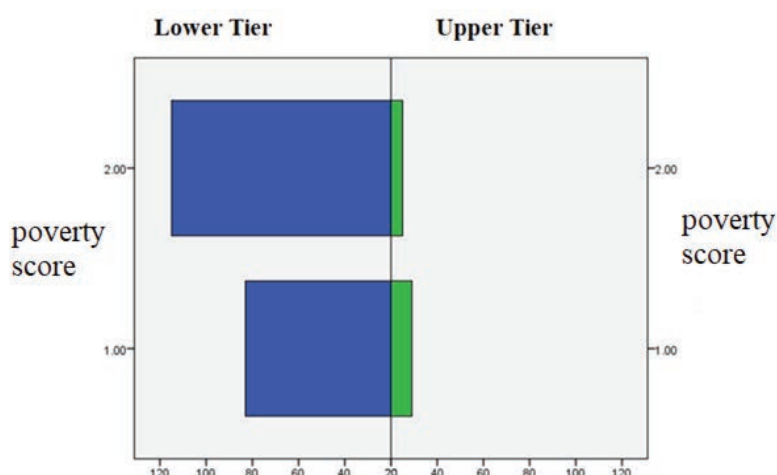
It thus seems that being in the lower or upper tier of earning cohort does not make a significant difference on the household's poverty score. It seems apparently counter-intuitive, nonetheless not so surprising if we consider that the argument for the relationship between household earnings and its poverty score can be better proven by considering total household earnings rather than total number of earners in a household.

Figure 2.9 analyzes gender-wise opportunities for work. The 'Less Work Options' corresponds to respondents who usually get work on less than 15 days in a month, while the 'Better Work Options' corresponds to respondents who usually get work on at least 15 days in a month.

It is evident that females have reported more 'Better Work Options' than males. This finding can imply interesting dimensions, for example that,
- Females are advantaged in this regard, or
- Females are more likely to be forced to work to shun dependency on the males of household, or
- Respondents in Jhang are so poor that females cannot afford not to work, or
- The type of work available is more suited (from employer perspective) for females than for males, or
- Wages are lower – it is worth noting that according to literature reviewed, females are more willing and thus more likely to work on lower wages than are males.[10] [11]

Figure 2.9: Association of Poverty Score with Gender
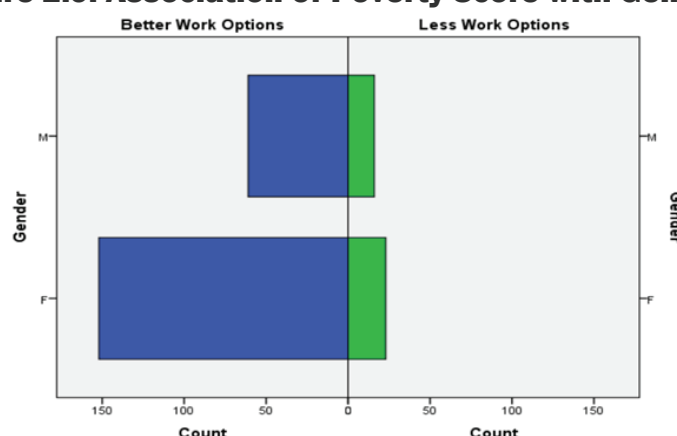
[10] Addis, E. (2010). Meta-analysis of gender and science research: Topic Report-Gender and Scientific Excellence.
[11] Ramay, M. I., Marri, Y. K., Khalil, S., & Nas, Z. (2013). Difficulties faced by working women: A study of banking sector of Islamabad, Pakistan. Asian Journal of Research in Banking and Finance, 3(3), 1-12.

■ 2.4 In-Kind Asset Transfers vs. UCTs: Designing Social Protection

Social protection programs, to neutralize these poverty indicators, have proved vital for the fight against poverty, by improving entrepreneurship and leading to a shift from low-paid wage labour to sustainable self-employment. These programs have taken various forms from Cash Transfers (Unconditional Cash Transfers (UCTs) or Conditional Cash Transfers (CCTs) to In-Kind Transfers.

To establish comparative effectiveness of in-kind asset transfers versus unconditional cash transfers (UCTs), we examine whether households do better or worse with cash relative to in-kind transfers. We also explore whether any such differences between the two social protection types are attributable to market imperfections or to psycho-social factors, causing households (HHs) to perceive and treat cash and in-kind transfers differently. We do this through a large-scale Randomized Control Trial (RCT), comparing the classic Targeting the Ultra Poor (TUP) asset transfer design[12] to a modified programme, which offers HHs the choice of cash instead of an asset-skills in-kind bundle.

Our Asset Transfer Program is a regional poverty alleviation development intervention, implemented in 4 poor districts of southern Punjab: Bahawalpur, Muzaffargarh, Lodhran, and Bahawalnagar.[13] 19,000 households[14] were sampled from 103 randomly selected mouzzas, in the four programme districts, of which 58 mouzzas[15] serve as our Treatment Group. This Treatment Group is subdivided into Treatment 1 Villages, where HHs received PPAF's asset transfer + training and Treatment 2 Villages where HHs chose between asset transfer + training OR an equivalent UCT. Remaining 45 mouzzas received nothing, serving as our Control.[16] The intervention was completed in mid-2014, with 1,832 ultra-poor HHs receiving one of the two treatments. Two tracker surveys were conducted 4 and 8 months after transfers. Midline surveys were conducted 1, 2, and 4 years after transfers.

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[12] A classic TUP Program provides a one-off large asset transfer (typically livestock) combined with complementary training.

[13] The project is led by the Centre for Economic Research in Pakistan (CERP) in partnership with the Pakistan Poverty Alleviation Fund (PPAF).

[14] Ranked using BISP Poverty Scorecard.

[15] Mouzzas are administrative sub-districts; the term refers to all revenue villages in the mouzzas instead of specific blocks within these.

[16] Social mobilization was carried out in all 103 villages through the formation of community and village organizations.

Treatment Groups

Treatment 1 HHs were presented a menu of assets to choose a combination up to a value of PKR 50,000. Beneficiaries were also offered at least two trainings; first being Enterprise Development Training, second being Asset Management Training/Technical Training.

The two treatment arms differ only in the additional item included in the second treatment: an equivalent amount of PKR 50,000 UCT. HHs selecting cash did not undergo training, and instead received additional PKR 12,000 UCT.

Preliminary Results

Across the surveys of this RCT, we covered a total of 3,375 ultra-poor HHs, including both Treatment and Control groups.[17] We compared the post-treatment average across key household indicators for each treatment group with the control group.[18] [19]

Asset Retention

Figure 2.10 demonstrates that, for most asset types, while retention declined between subsequent surveys, a bulk of HHs retained productive livestock assets, which was also the most preferred choice among recipients of in-kind asset.

Figure 2.10: Individual Asset Retention

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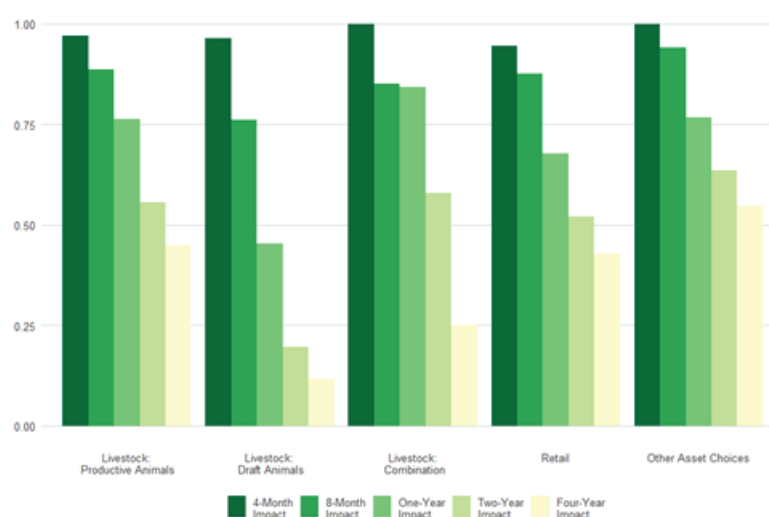
[17] This includes 1832 treated HHs from treatment villages and 1543 ultra-poor households from control villages.

[18] We control for baseline levels, a vector of household characteristics, and strata-fixed effects.

[19] Strata are defined on the basis of geographic location and village size and divide the sample of 103 villages into four levels.

Occupational Responses to Treatment

Figure 2.11 displays our OLS regression results for different occupational choices for men and women in the HH. Decline in unemployment rates sustained over 4 years post-intervention has been observed, especially for women at 12.6 and 9.5 percentage points in in-kind and UCT treatment groups respectively, compared to just over 1 percentage point for men. Shift from casual wage labour to self-employment has also been observed. Among male members of HHs, casual employment fell by nearly 9 percentage points in both treatment groups 4 years post intervention, while other self-employment increases by around 10 percentage points. These changes are remarkably less prominent for women.

Figure 2.11: Extensive Margin Labour Market Activity [20]

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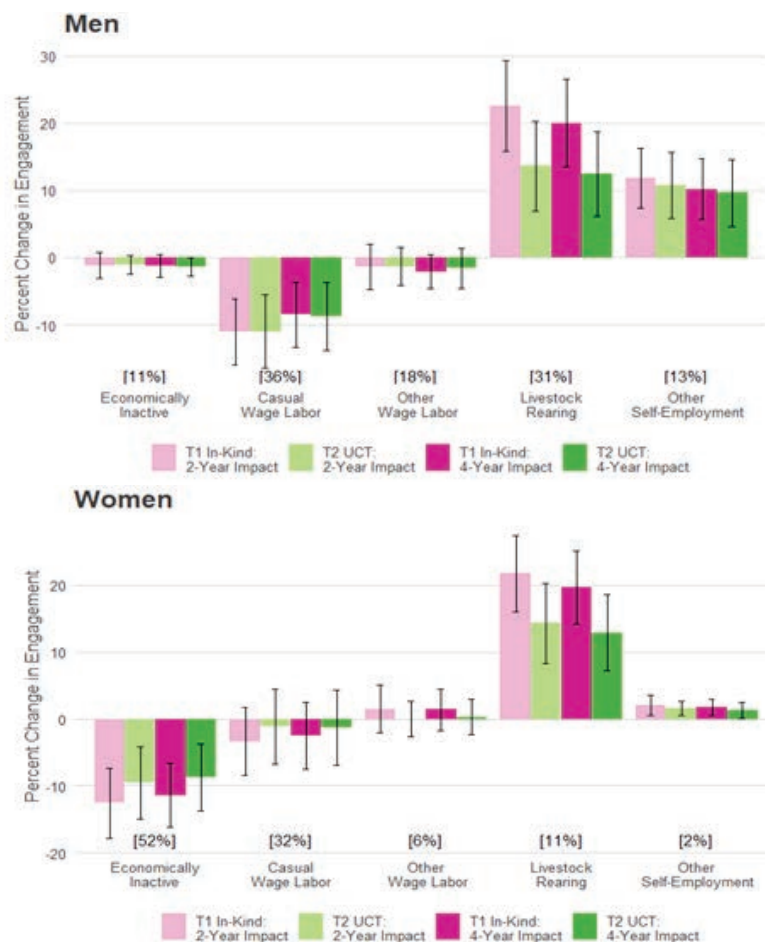
[20] Figures in brackets represent baseline mean percentages of occupational engagement. Intensive margin refers to the number of hours worked, while extensive margin refers to the changes in labor force participation,that is if somebody enters or exits the labor force.

Figure 2.12 documents an increase in number of hours spent in any employ-ment activity at the HH level at 42.6 and 38 hours respectively, for in-kind and UCT treatments 2 years post-intervention; and 20.5 and 18 hours respec-tively 4 years post-intervention. This increase is more pronounced for women[21], given their comparatively low baseline labour force participation, combined with substantial impacts of the interventions.

For male household heads, time investment in employment is statistically significantly higher for those receiving in-kind assets, at 12.3 two years and 10 hours four years post-intervention. This suggests that in-kind asset trans-fers may be more effective at increasing labour market activity on the inten-sive margin.

Figure 2.12: Intensive Margin Labour Market Activity[22]
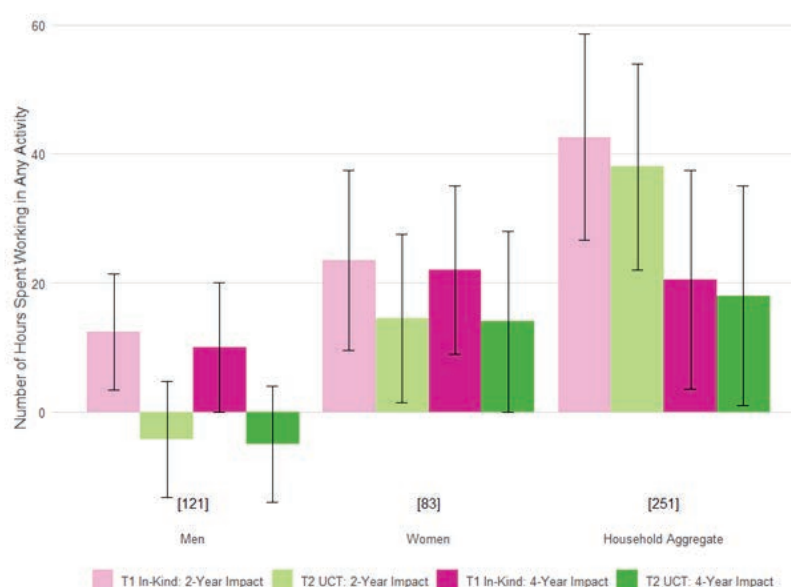
Impact on Household Income

Both interventions resulted in a significant increase in monthly employment earnings relative: Nearly 22% after two years and nearly 19% after four years for in-kind transfer, nearly 15% after two years and nearly 14% after four years for UCT.

21
    Women in this context refer to spouses of male household head.

22
    The figures given in brackets are baseline mean values of total hours spent per month in any employment activity.

Figure 2.13: Household Income
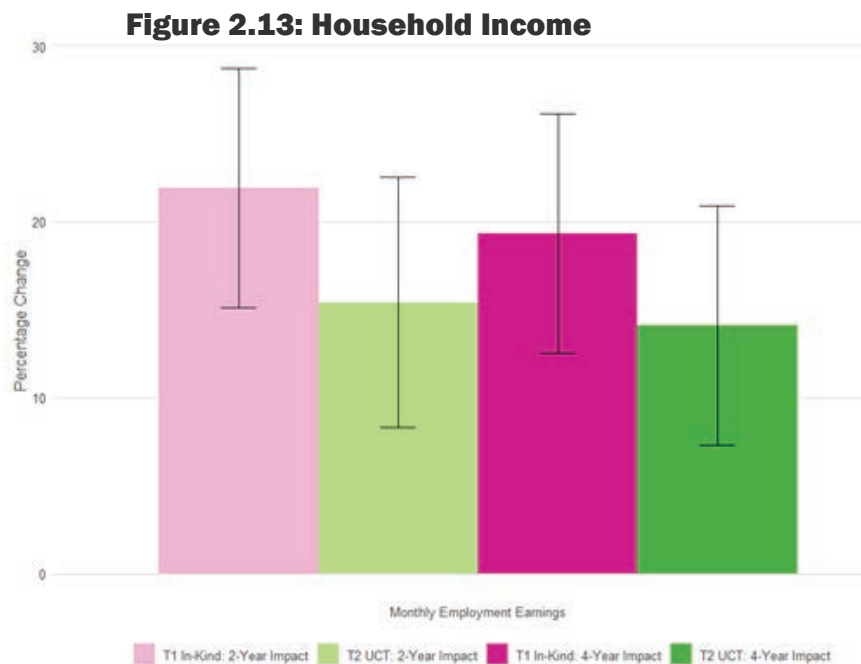
Impact on Household Expenditure Patterns

Figure 2.14A shows that food consumption was higher in the treatment arms two- and four-years post-intervention.[23] However, results are not statistically significantly different across treatment arms, implying HHs have similar short-term consumption patterns irrespective of which treatment they received.

Figure 2.14B shows a significant increase in savings for both treatment arms relative to the control group. However, differences across treatment arms are not statistically significant. Figure 2.14B also shows an encouraging increase in investment among treatment households, suggesting the program is achieving intended entrepreneurial effect.[24]

Our preliminary findings have revealed a significant shift from wage employment to self-employment, translating into increased earnings from self-employment particularly in livestock-related businesses, as transferred assets were largely retained.

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[23] Food consumption includes consumption of cereal grains, meat, vegetables, dairy, oils, major condiments, and meals away from home or bought for visitors. Non-food consumption includes expenditure on fuel, cosmetics, toiletries, entertainment, transportation, electricity, maid salary, clothing, footwear, utensils, furniture, household textiles, legal matters, education, dowry, rituals, and others. Consumption is measured in per-adult equivalent terms using the OECD scale: 1 + (0.7*number of adults - 1) + (0.5*number of children).

[24] Business assets include productive and draft livestock, retail business assets, farming business assets, stitching business assets, and other non-livestock related business assets.

Figure 2.14A: Household Consumption
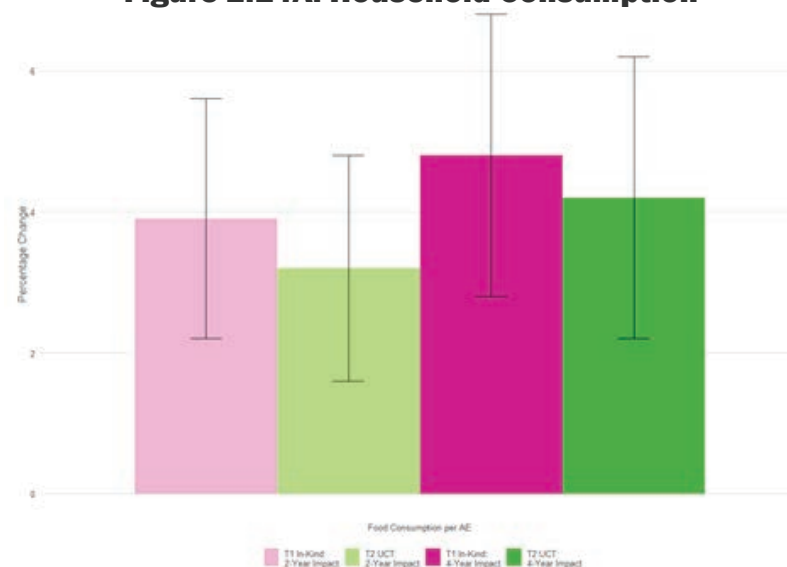
Figure 2.14B: Savings and Investment
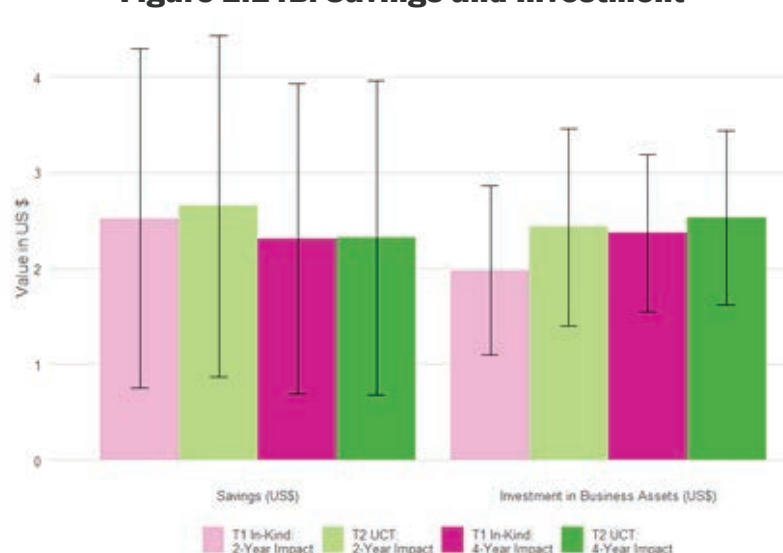
These results are consistent with households having overcome income growth delays, as they developed expertise in managing transferred assets and having been diverted from previous employment in low-paid wage labor. We also observe increased earnings in both treatment arms.

The results which will continue to emerge from this study are more relevant today, especially in a COVID-impacted scenario, as we assess how social protection programs can maintain HHs' economic resilience in the face of a global pandemic. Our initial results indicate that both approaches – In-Kind Asset Transfers and UCTs – show promise, but more data and its analysis are needed to further establish their relative contributions.
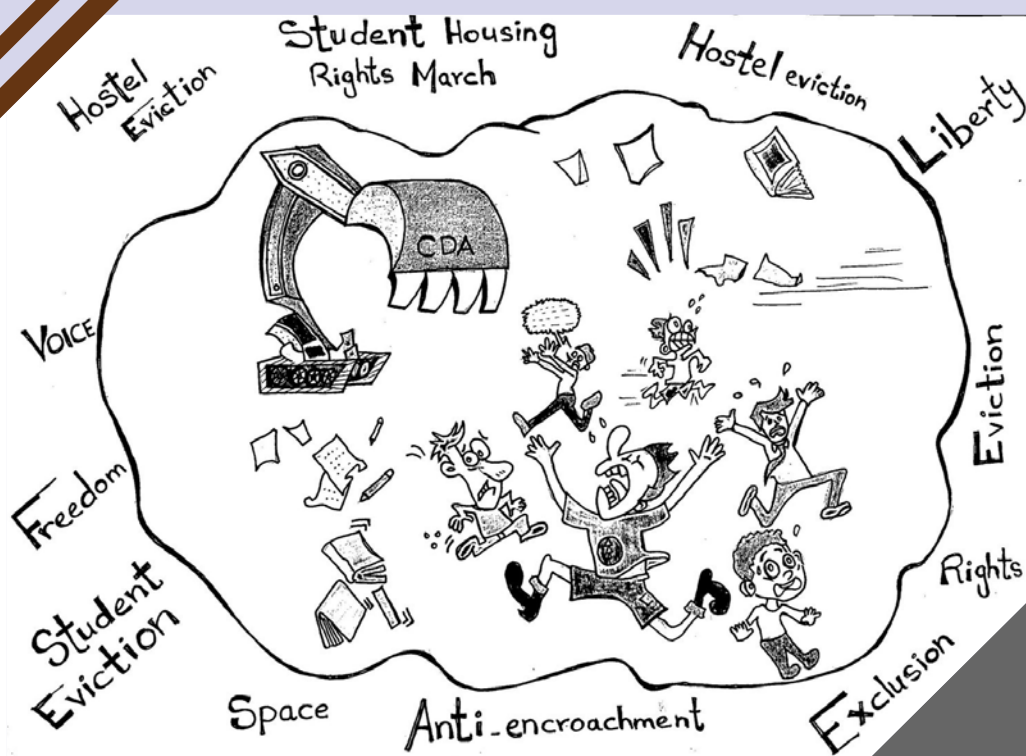
Chapter 3

Narrating Poverty of the Urban Poor

Exclusion is the process of structural discrimination, ostracization and margin-alization of certain groups in the society. Scholarly literature on exclusion expounds that the groups which are discriminated may be outlined along the axis of their poverty, ethnicity, religious belief, race, caste, sexual orienta-tion or disability. Concomitantly, poverty is defined as the economic depriva-tion in human beings due to socio-cultural and political factors in the light of the competing theoretical conceptualizations across variant Social Sciences. The relationship between poverty and exclusion has been articulated on theoretical, processual and interactional fronts. The lacuna, however, exists on pragmatic front; explaining that how and why the two factors deprive human beings of their citizenship rights, especially in the context of Pakistan. Moreover, the national and international policy debates have capitalized on policy-related jargons such as 'pro-poor growth', 'poor-led development', 'inclusive development', and 'community-led development'. The narrative of inclusive approach for the socio-economic uplift of the poor has been the subject of scholarly criticism and has not been translated into improving the living standards of the poor. This pedagogical and political critique on the inclusive approach and the lack of operable efficiency therein, has re-concep-tualized this approach as mere buzzword in Development as Discourse para-digm. In the forthcoming text, we have explained the variant ways the poor have been deprived of the rights, resource and mobility in the Capital City of

Pakistan. The arenas we have discussed in the following text are katchi abadis, khokhas, guest houses, hostel evictions and demolishment of private schools.

■ 3.1 Katchi Abadis

In July 2015 Islamabad police and ranger troops carried out a massive operation at I-11 katchi abadi in which Pashtun families were evicted through forceful intervention. The coercive eviction was operationalized under anti-encroachment drive of CDA. The drive also targeted the informal settlements situated in the spatial proximities and vending stalls (khokhas). One week's notice was issued to approximately fifteen thousand katchi abadi residents of I-11 to vacate the area. In response to their non-compliance their houses were demolished and residents were arrested on account of their collective resistance to the violent eviction. The two representatives in the roundtable were the residents of I-11 katchi abadi (now residing in I-10). I-11 katchi abadi is located in the I-11 sector which emerged in 1983. The abadi is situated in the outskirts of Islamabad, bordering Rawalpindi and adjoining fruit and vegetable wholesale market. In 1990s, the real estate developers, city planners, and money-grabbing middlemen changed the urban landscape of Islamabad by capitalizing on the urban land and partitioning the same through capital accumulation. It was also the time period when upward mobile classes started to purchase plots and secured their entitlement over those in gated communities in the formal housing market, which created a sense of fear and abandonment among the poor laboring class that had migrated to the city in search of livelihood and secured residence in the burgeoning informal settlements (including I-11 katchi abadi). When compared to the affluent class, the migrated laboring class suffered due to lack of tenure security and threat of being coercively evicted on account of being labeled as 'encroachers' or 'illegal occupants'.

General Zia ul Haq considerably expanded the Defence Housing Societies in his regime's spree to financialize, capitalize and urbanize the country. These Societies which were initially specified for military personnel only, were now opened up for public sale and consumption. With the military supporting the real estate, catering to the profit seeking entrepreneurs, and subservicing the western notion of modernization, the situation turned more precarious

for the poor with the massive pouring of Afghan refugees to Islamabad, Karachi and Quetta. These refugees now popularized as Internally Displaced Persons (IDPs) in the discourses of human rights and marginality, settled in the refugee camps located in the city outskirts. This dispossessed community gradually built their informal spaces of living (shanty homes) somehow managing to meet both ends by securing employment in the informal sector. Concomitant to this historical trajectory is also the recognition of the fact in scholarly and public discourses that Islamabad is the fastest growing urban center which is also reflexive of the current scenario in other cities of Pakistan. Just like other cities, Islamabad has become home to landless laboring class who migrate in huge proportions, start residing in the informal settlements and find a livelihood in the informal service sector. The processes of urbanization, financialization, capitalism and expropriation have widened the existing socio-economic and political inequalities between the propertied class and the laboring class in Islamabad.

◢ 3.1.1 Informal Settlements in Islamabad

I-11 katchi abadi has been referred to as a slum in newspaper articles and on CDA's website. Lexicographically, katchi abadis are translated as informal settlements in English. In public discourse basti is also in vogue which in I-11's katchi abadi's context is referred to as Afghan Basti. UN Habitat (2003) defines katchi abadis as informal settlements which are the result of squatting or informal subdivisions of state or private land whereas slums are

primarily Tenure security and up-gradation of slums usually take place through political support. There are also notified katchi abadis and non-notified katchi abadis; the latter have been created on the valuable land which is to be used for the projects of infrastructural development and for this reason cannot secure tenancy for the katchi abadis residents.

The survey list prepared by the Islamabad Police states that there are 23 katchi abadis in the rural and urban areas of Islamabad housing 13, 521 families and 84, 591 individuals. 21 out of 24 are located in the urban areas and
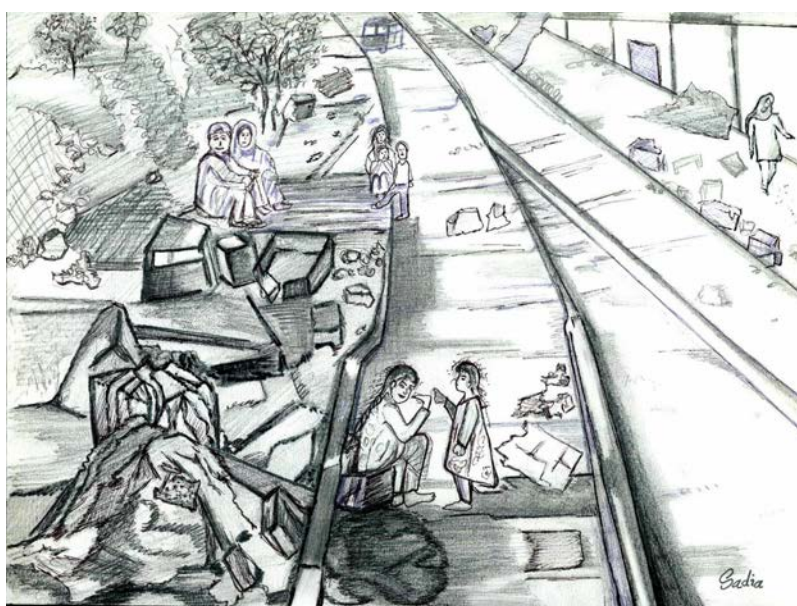
the remaining 3 in the rural areas. The need for police to conduct the survey was the high reporting of criminal activities related to the katchi abadis residents. 9 of these katchi abadis, especially located in the G and F sectors and in Bari Imam have been reported to be the hubs of drug dealing. Whereas, those located in the Industrial Zone (including the I-11 Afghan Basti and in H sector) are termed as hazardous for NESCOM and railway tracks passing through the vicinity. The most crime-prone is the Mera Jaffar slum in Saddar Zone where the maximum number of crimes has been reported to the police. The survey further reveals that all 23 abadis are majorly occupied by genitors, laborers, CDA sanitary staff, loaders and beggars. Of these 23 abadis CDA recognizes only 10 and as per rules cannot develop the rest; rather to remove them. Related to CDA's role as regulatory authority, the survey points out at upgrading the slums which the authority actually approved of for 6 abadis: (i) Shopper Colony (G-7/1), (ii) 66 quarters and 48 quarters (located

in G-7/2 and G-7/3-2 respectively), (iii) France Colony (F-7/4), (iv) 100 quarters (F-6/2), and (v) Hansa Colony (G-8/1). Despite claims, nothing significant in terms of housing and regarding up-gradation has been done so far.

Rashid and Akhtar (2021) state that in 2015 when PML-N government started an operation against kachi abadis, they demolished I-11 abadi with the help of coalition between Islamabad High Court and CDA and launched a petition in the Supreme Court along with their representatives. They built their argument on the basis of National Housing Policy 2001, which clearly states that no one can demolish an abadi without resettling or providing some council accommodation or an alternative. So, their reason for reaching out to Supreme Court was the lack of affordable housing in Pakistani cities, where housing supply is artificially made scarce by the groups who control those lands. The groups controlling land and land supply include bureaucracies, both civil and military. They use the old colonial instrument, such as land acquisition act through which they take over the land. After that they force people to sell the land in the name of public interest and finally institutionalize zoning regulations within CDA; abiding people to restrict the spaces where formal houses can be constructed. While filing a case against anti-encroachment drive, they came to know that in the Master Plan of Islamabad there is a 5 percent quota specified for the lower income groups, signifying that the residents cannot be allowed to secure more than 5 percent of the urban land. Later on, it was revealed from Supreme court that CDA did not even allocate that 5 percent.

◢ 3.1.2 Narrates of Exclusion

Zahid (2015)[25] reports state that people from I-11 have shown their Computerized National Identity Cards to the media reporters to prove their citizenship status and how their status has been instrumentalized by political parties to raise their vote bank. The misperception that I-11 katchi abadi is dominated by the Afghani Pathans has also been discussed in the report. All the people who resided in the abadi were Pakistani Pakhtuns, originally from Charsada, Mardan, Peshawar, Bajaur and Mohmand Agency. In the past three attempts of eviction met stay orders from the High Court. In 2003 and then consecutively in 2005 and 2006, CDA lost the case only to resurface in 2013 under the political tutelage of PML-N government. It was that time when the state narrative of abadi being encroached by the violence-prone Afghani Pathans also surfaced, that pushed the agenda of their eviction further. It has also been reported that NADRA blocked their CNICs to deprive them from any proof which can guarantee their citizenship. The report refers to the estimates provided by the All Pakistan Katchi Abadi Alliance which state that more than 2000 families (approximately 25,000 people) who resided in the Afghan Basti were forcefully evicted on the charge of their criminality, ethnicity and illegal entitlement over a State land. Zahid (2015) declares this eviction a 'calculated disenfranchisement' and an 'institutional racism'.

Khilji (2015)[26] in his report divided the responses to the eviction into those who viewed that state should not tolerate the illegal settlements and those who considered eviction as a coercive way of excluding the poor. Charged for criminality (the overarching narrative was that the abadi was dominated by Afghani Pathans who are into criminal activities), he questions that whether 'criminality qualifies entire community for eviction, displacement and homelessness.

The author also explains that residents earn living from fruit and vegetable wholesale market and others work as domestic labor below minimum wage rates. According to one narrative, resident filed a court case against NADRA

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[25] https://www.thefridaytimes.com/afghan-basti/

[26] https://usamakhilji.com/2015/11/21/too-poor-for-the-capital-forced-evictions-from-islamabads-slums/

over refusal to issue him identity card. The court instead raised serious questions about the legality of the abadi where he was residing and the slum where his house was located. The subsequent result was that the court ordered CDA to demolish abadis as being illegally encroached. The evictees demanded either formalization of their houses, with the provision of gas, running water and electricity in the slums as endorsed in the National Housing Policy, 2001 or provision of an alternative low-cost shelter for the poor working class in the slums. The Supreme Court of Pakistan granted a stay order on further demolishment of abadi as a response to petition filed by the President of AWP[27] and abadi residents borrowing support from the Article 9 (about protection of fundamental right to security of individual), Article 10(a) (about right to fair trial), and Article 25 (about equality of citizens).

Usman (2015)[28] while referring to the National Housing Policy, 2001 and emphasizing upon the constitutional rights of the poor, reveals that the report compiled by the then Law and Justice Commission Secretary was submitted to the Supreme Court affirming the right to housing for all the citizens of the country. The report also asks for active response from the Pakistan Housing Authority to provide updates regarding plans for shelters of low-income citizens. The five percent allocation of land as guaranteed by the Islamabad Land Disposal Regulations is not even ensured to the poor.

Hussain (2015)[29] in his report provides evidential record of alliances between CDA, Ministry of Interior, Islamabad Police and the city administration, in which four phased plan was devised; in the first plan the illegal settlements located at G-7, I-12, H-11, I-10, H-10 and Bari Imam were decided to be targeted, in the second phase the areas to be targeted were slums from places such as Sham Colony, Khanna Pull etc., in the third stage the to-be-targeted slums were located in G-12, F-12 and E-12 etc. and finally in the fourth phase katchi abadis of F-6/1, F-7/4 and G-7 sectors were targeted.

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[27] Awami Workers Party.
[28] https://tribune.com.pk/story/955801/i-11-katchi-abadi-alternative-housing-for-evictees-proposed/
[29] https://tribune.com.pk/story/924005/uncertain-future-action-against-katchi-abadis-begins-today/

■ 3.2 Khokhas

When the Capital was shifted from Karachi to Islamabad, Jam Market was established where CDA allowed people to run small taverns to serve labor class. In Ramli village[30], CDA issued licenses to people to run khokhas where for each month small amounts were paid as rents[31]. In 1979, the number of khokhas was increased with the government support. In cities khokhas provide earning for the poor. Khokhas are also an important way to protect right to business of the poor. In 1980s, 480 licenses were issued to khokhas in Islamabad. In 2015, government carried out a crackdown in which CDA and Islamabad Capital Administration demolished many khokhas. The demolishment was a set up. Standing Committee took this issue under consideration, was able to reverse the decision and the khokha licenses were reissued. Since then the legal status of khokhas has been questioned by the political parties and bureaucrats. In 2018 Islamabad Municipal Corporation passed a resolution in a District Assembly declaring that khokhas should not be demolished. In 2019, Supreme Court passed an order in cases of Safa Gold Mall and Centaurus Mall highlighting that there are illegal encroachments in cities, and CDA and Islamabad Territory Association did not succeed in bringing an end to them.

The Supreme Court also suggested CDA to take strict action against these encroachments. The order for demolishment was issued in June 2019 and the very next day CDA carried out a massive operation in which many khokhas were demolished within 2 days. More khokhas were to be demolished but the khokha association timely took stay order from the High Court. But the hearing of the stay order was not completed and the order was reserved after two hearings. The order and judgment of Islamabad High Court was the matter of surprise as it declared that all the khokha licenses are illegal, as the khokhas were not envisaged in the Master Plan of Islamabad, prepared in 1962 by Doxiades and Associate. The Master Plan was neither presented in the court nor did CDA consult the association or inform defense lawyer about the fact that khokhas were abolished because of not being in Master Plan.

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[30] In the proximity of Quaid-i-Azam University.
[31] The President of Khokhas Association shared that he used to pay PKR 10 as rent.

The khokha association protested as a response to demolishment and they also put up their case to National Assembly and Senate. Then after several meetings a mutual consent was suggested in Assembly and CDA was directed to accommodate the affectees, making up for their damage. CDA passed the case to Metropolitan Corporation Islamabad (MCI) to take required action. MCI established a committee which after one and a half years (in 2018) took a decision and gave licenses to 485 khokhas selling grocery and food items. These khokhas are located in F4, F6, F7 and G3 sectors of the city. The khokhas used to be a profitable business in the past. The land rent has also increased from PKR 3000 to 6000 since 2008. The area specified for khokhas by CDA has also been decreased. Yearly, PKR 3 crore goes in the account of government through khokhas. In 2019, however, khokhas were demolished under the order of the Supreme Court.

◢ 3.2.1 Livelihood of Khokha Shopkeepers at Risk

The number (485 khokhas) can also be corroborated by statistics provided by CDA. A recent report stated[32] that in July 2019 CDA bulldozed more than 102 licensed khokhas without notice. In most cases, the owners' belongings were inside their khokhas causing more damage. CDA's stoic response to the anti-encroachment drive is reflected by its stance; khokhas are 'shabby and ugly structures' which were given temporary licenses to feed people when the city's markaz were not developed. CDA believes that since now the city has developed into a functional city so khokhas are not needed anymore. The rates at which tea, single roti and a plate of gravy (pulses or vegetables) are sold are very less as compared to a restaurant, which has found its way to develop into the 'functional city'. Out of the khokha earnings the owner spends at the khokhas, and also on the family (in most cases they reside outside Islamabad).

◢ 3.2.2 Defining Khokhas

In 1978 the Secretary of Housing and Works, Islamabad issued licenses to the khokha owners of Islamabad who provided food for the labor class. By 1986 a government policy titled 'Policy regarding Location of Cabin Shops,

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[32] https://www.sochwriting.com/one-khokha-one-thousand-lives/

Kiosks, Tea Salts and Temporary Structures in Islamabad' was issued in which CDA's responsibility to streamline the process for the issuance of licenses to khokhas was declared. The three types of khokhas as classified in the policy are detailed as follows:

a.   Khokhas are temporary settings that are set up as an interim arrangement for the city's residents, till the development of markets in the city's markaz.

b.   The khokhas were also allowed for construction along the peripheral service road of sectors and highways in urban areas, for travellers.

c.   Khokhas were also allowed for construction in recreational parks for the visitors, selling drinks and snacks.

▲3.3.3 Role of CDA

Over the years the number of licensed khokhas has increased and CDA has also extended support to improve aesthetic value of these khokhas. The incidents as unravelled over the years in Pakistan regarding khokhas and the role of CDA in doing that are presented as:

•According to CDA there were 235 khokhas in 2009; the number has increased to 485 in 2019.

•In 2011 as a response to lack of transparency in the allotment process, CDA banned further allotment of new khokhas till framing of a new policy.

•In 2012 Islamabad High Court banned new leases and licenses regarding the use of CDA land.

•In 2013 CDA cancelled the license of all khokhas.

•In 2015 CDA demolished 200 khokhas under anti-encroachment drive; these khokhas were those whose licenses were cancelled in 2013. The National Assembly took notice of the drive and asked CDA to restore (and in cases of damage renew) 485 khokha licenses, frame a policy so that differences between legal and illegal khokhas can be defined and take actions against the illegal ones.

•In 2016 CDA raised the khokha rent from PKR 450 to 3000. The khokha owners were willing to pay the rent as long as they were allowed to function.

•In 2017 MCI was established and powers of municipal administration of Islamabad were transferred to MCI which passed a judgment in favour of khokhas. CDA refused to comply with CDA's decision.

•In July 2019 Islamabad High Court passed a judgment against the khokha owners and claimed that all the licenses were illegal as CDA and MCI carry no right to allot or license land without permission granted from the Federal Government that regulates land according to Master Plan. The Master Plan provides a guideline for Islamabad and is divided into four tiers of legislation, with khokhas falling under the third tier, describing 'Zoning Regulation and Developing sector' based on the needs of the citizens. Hence putting entire blame to Master Plan with no fault of MCI and CDA is false as the latter organizations have been and are still running their own political economy by receiving millions of rupees from khokha owners as licenses, and renewal fees.

Even those khokhas which held licenses from CDA were demolished. The khokha owners were already paying rents and renewal payments to the authority. According to one narrative, if drive is being undertaken as per Master Plan then all the illegal encroachments on the CDA land should be demolished, not khokhas alone. In case of necessary action taken against encroached lands, 15 days' notice is mandatory, says sections 49B and 49C of CDA Ordinance.[33] A report published in Pakistan Today[34] revealed that 200 out of 485 khokhas were demolished in Islamabad and the remaining were under the threat of being demolished despite all being licensed by CDA. The khokhas are being run by the poor serving free water, and offering cheap food for the poor. The demolishment is causing livelihood of many poor khokha owners at risk.

■ 3.3 Hostel Evictions

One recent newspaper report shows[35] that 80 to 85 hostels located in Islamabad were evacuated till November 2019. The eviction has been held in every sector, including E-11 which practically does not come under the regulation of CDA. In the same report the CDA official has been reported, saying that the laws of constitution do not allow building student hostels on the residential areas of the capital. The reasons as quoted in the report are that

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[33] https://www.samaa.tv/news/2019/09/islamabad-khokhas-safe-for-now-but-not-for-long/
[34] https://www.pakistantoday.com.pk/2019/07/25/trail-5-khokhas-go-to-court-over-demolition-threat/
[35] https://nation.com.pk/21-Nov-2019/over-80-hostels-evacuated-in-islamabad

residential building can accommodate not more than 12 people per house whereas in hostels 60-70 people reside causing issues related to shortage of water and drainage. The solution as prescribed by the official is that students should use commercial areas; since it is not the responsibility of CDA to provide them with the living area rather its universities' responsibility. Another report[36] identifies that students in the middle of night are forcefully evicted through police crackdowns. The report also highlights that there are around 1600,000 students enrolled in the Higher Education Institutions (HEIs) of Pakistan. Considering that all HEIs are not in a position to guarantee accommodation to this huge number of students hence they reside as co-tenants in the residential areas. It is also feared that if this eviction process goes unnoticed then other cities will follow the same route, putting students in a more vulnerable position across Pakistan.

◢ 3.3.1 Private Hostels: The Issue of Non-Confirming Category

Another recurrent theme which reverberated in the media reports from the Hostels Association was tagging of hostels in the non-conforming category, which means that if there is no family residing in the place and if it is a hostel set-up, then it is non-residential rather a non-conforming activity. Elaborating more on non-conforming activity, the reports state that the universities are not providing residence to their students due to which they have to live in hostels or in a mutual live-in setup between 10 students, if the house rent is PKR 1 lac (approximately). Upon knowing, CDA issues a notice, asking them to vacate as they are involved in non-conforming use of the property. It is also corroborated that the eviction is like a military coup process in which the police comes at night, drags the students out of their beds, and evicts them with their belongings. He also shared that there are almost 30,000 students residing in these hotels. An average house is around 12 Marla and each house accommodates around 50 students in a three-storey building. As a response to forceful eviction of students from private hostels, AWP, PSF and SHA protested critiquing incapacitation of universities in providing hostel accommodation. The students' eviction on the pretext of occupying space in residential areas has been looked at sceptically by the civil society, students and practitioners.

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[36] https://www.thenews.com.pk/print/545326-evicting-students

3.4 Guest House Associations

In 1988 guest house started providing low-cost paying-guest facilities to the immigrants. In 2005 guest houses were included in non-conforming category after an issue of possession of the property of the Late Shafi Sehwani[37]. CDA personnel sent notices to the owners of guest house but in 2014 they got stricter in their operations, using police force to negotiate with the representatives of guest house associations on the issue of non-conforming category. Since then, the representatives have filed cases and have also informed current PM. They have also been in talks with Sayed Zulfi Bukhari[38] and the CDA Chairman; both have ensured them that guest houses will be included in the forthcoming Master Plan.

The hotels in Islamabad are scarce; if 5000 people visit Islamabad in a day then there are only 1200-1300 rooms to cater to them (excluding five-star hotels from this analysis). Not everyone can afford to pay PKR 20-30,000 for a day in five-star hotels. The guest houses typically charge rupees PKR 2000-8000 and provide good facilities. The guest house representatives stated that they have over a hundred guest houses operating currently. The Supreme Court of Pakistan demanded answer over the last orders of Justice Ejaz Afzal, asking where the tourists would stay if supposedly all the guest houses are banished. In Peshawar, the guest houses are allowed to function in the Peshawar University Town in the previous tenure of PTI. In Lahore, too, the Lahore Development Authority (LDA) has permitted but there is an issue when it comes to Islamabad although there are on average 10 rooms in a guest house accommodating almost 10 people, so there is no issue of overcrowding. During summer season (in June and July, specifically) when there is a high local-tourist influx in Islamabad from Karachi, the guest houses usually run out of space.

3.4.1 Guest House: The Issue of Non-confirming Category

Regarding construction of guest houses on residential areas, CDA document[39] spells out:

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[37] Former chairman of CDA.
[38] Special assistant to the PM for overseas Pakistanis and HRD.
[39] http://www.cda.gov.pk/documents/docs/cda-ordinance-1960.pdf

> *...[G]uest houses have been classified as commercial and business activity and residential plots have been defined as plots meant only for a family. Similarly, the restriction on any use of residential building, which is non-conforming use, is denied in Regulation 1.2.92 as use of a plot or structure thereon not conforming to the purpose authorized or permitted under the Regulation or the condition of allotment. Similarly, residential building is defined in Regulation 1.2.121 as a building authorized for residential occupancy by one or more families but does not include hotel or lodging house...[H]ouse is defined in Regulation 1.2.72 as a building to be used for residential occupancy of one or more families as prescribed under the Regulations...[T]he definitions of residential building, house, and non-conforming use shows that residential use of property is meant for habitation by a family or families. Similarly Regulation 3 classifies guest houses as commercial activities and takes it beyond the scope of residential house.*

'Non-confirming activities' signify unlawful possession over CDA land. The text as stated above demarcates the difference between residential and commercial building, and draws the legal rubrics for the occupancy of such buildings.

◾ 3.5 Private Schools Association

The representatives from private school association quote one education minister who said in a televised interview that there were 393 government schools in rural and urban Islamabad, 25 years ago when the population size was 5 lac. Now, the population is 1 million and the number of government schools has been increased to 422. To his analysis, the number of government schools should be more than five times (approximately 2000). So, as a response to lack of public schools, the private schools took over and mushroomed over the years. It was also detailed by him that as per government survey five years ago the burden on government was to meet the expenditure of 7401 students of IMCG/IMCB. This number increased to 11400 in the next five years. The role of government in this regard should be to meet the expenses and private schools should also be flourished to meet the increasing demand for education.

In addition, the president of private schools association also state that private schools are not a profitable venture because most of the money

earned is paid as rent of commercial buildings. The representatives claim that they have neither invested anywhere nor have money in their bank account for the last five years. They shared that in profitable private schools, 24 percent goes to rent, 55 percent to salaries and 10 percent profit is allocated in the business. But this is a case of successful schools. The school fees, however, vary from rupees PKR 1000 to 5000. They also stated that for 80 percent private schools the fee is less than PKR 6000 and for the remaining 20 percent the fee on average is PKR 15000. So, variants exist along the axis of quality of school infrastructure, the level of education, school costs and locality.

There are 342 schools in the CDA sectors and 2000 schools in general as articulated by another representative of the association. They also shared that with the introduction of MCI in the equation, CDA has made it even more difficult to have constructed private schools in the houses and residential areas. The representatives of the association have asked CDA to provide them plots, but they told that those vacant plots have been allotted to the government schools in the G-10 and F-10. CDA have also allotted some plots to the private schools in the H, G-11 and F-11 sectors. They requested CDA to provide them with plots (even of a smaller area) to construct multi-storey buildings in the denser sectors of F-8, F-9, and F-10. They can use the adjoining vacant grounds as school grounds. There is limited place for private schools in the Master Plan.

In 1980s, an ordinance was approved by Punjab to include private schools to cater the issue of illiteracy. In the last 20 years there has been no addition to educational institutions run by the state. Six police stations have been increased to twenty nine, thirteen union councils to fifty while the city is divided into three constituencies. The 18th amendment promises that education would be free of cost up to 16 years of age. There are not many concerted efforts to achieve this goal in the capital city nor have any SROs been framed in this regard. On contrary, 42 private schools have been closed down in Sectors G-6, G-7, and H-8, following the orders of the Islamabad High Court which directed all the private schools to evacuate the CDA residential buildings as per the report published in The Express Tribune.[40] Another report pub-

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[40] https://mail.google.com/mail/u/0/#inbox/FMfcgxwGCbDZZXHLvPsBCtFBCWjdtkTl. Few recent reports have identified 60 schools being shut down.

lished in The Nation [41] highlighted that 21 out of 59 schools, which were closed down on non-confirming use of residential area, were unsealed when Private Schools' Association approached the Islamabad High Court and argued that they were not given notices before operation.

3.6 Problematizing the Concept of Encroachment

The term has been discussed in scholarly, public, legal, constitutional and political debates more visibly in the last five years of Pakistan's political land-scape. The competing theoretical debates on the definitions of encroach-ment need to be looked at introspectively and retrospectively. Furthermore, the themes running most recurrently in the narratives of exclusion and pover-ty, as explicated and deconstructed above, are 'Encroachment' and 'Anti-en-croachment'. Hence a few definitions, relevant to Pakistan's politico-constitu-tional and academic discourses have been discussed in the following text: On Encroachment, CDA spells out[42]:

• No person shall encroach on the land under the charge of the authority or put up an immovable structure, hut or khokha or overhanging structure under any circumstances. Free flow of pedestrian traffic in circulation verandahs of all the markets of Islamabad shall not be obstructed by stacking articles or in any other manner. Articles so stacked shall be liable to be removed and confiscated at the cost and risk of the defaulter.

Furthermore the document speaks of:

• Monthly licence for roofless movable stalls can be issued but also revocable by 12 hours-notice.

• The licence as granted will not be transferrable.

• In case of revoked license, the articles (such as sale and furni-ture, to name a few) will be removed by the licensee within 12 hours. In case of non-compliance, the articles shall be removed by the authorized officials at the cost and risk of the licensee with no compensation granted.

• The area of movable encroachment should not exceed 16 sq. ft. for which rent at the rate of PKR. 1 sq. ft. per month shall be paid.

• A person will be liable to punishment of fine which may exceed hundred rupees in case of violation of any of the bye-laws stated in the chapter on encroachment. The amount may extend to twenty rupees per day in case of continuing contravention.

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[41] https://nation.com.pk/04-Aug-2018/cda-unseals-21-out-of-59-private-schools
[42] http://www.cda.gov.pk/documents/docs/islamabadLaws.pdf

Speaking about encroachment of land per se, the Punjab government has framed the Model Bye-Laws, 2018, titled Prevention and Removal of Encroachments[43]. According to this document:

> • Encroachment means and includes movable or immovable encroachment on public place, public property, public park, open space, public road, public street, public way, right of way, market, graveyards or drain.
> • Encroacher or wrongful occupier means and includes a person who has made movable or immovable encroachment on an open space, land vested in or managed, maintained or controlled by the local government, public place, public proper-ty, public road, public street, public way, right of way, market, graveyard or drain and owns the material or articles used in such encroachment existing at the time of removal of encroachment or ejectment and also any person(s) in possession thereof on his behalf or with his permission or connivance.

Rashid, Saleemi, and Akhtar (2019)[44] find the state-concocted narratives of encroachment highly problematic because the state is oblivious of the struc-tural inequality it practices against its citizens. They argue that Pakistan's land reform policies have been circumvented by rural and urban elites in coa-lition with military bureaucracy and religious clergy. The result of which is that Pakistan is among one of the world's largest landless rural population which depicts contrived agricultural productivity and massive rural-urban migration because a huge number of landless farmers have migrated to cities in search of livelihood. This phenomenon should be viewed in the light of the fact that Pakistan has now become the most urbanized society in South Asia with the lowest economic growth rates.

Another important factor as quoted by them is the rapid increase of real estate sector with a growth rate of 112% between 2012 and 2017. The sectors' growth is linked with huge financial global flows from American aid primarily during General Zia's regime and later in General Musharraf's time period. Post 9/11 the sector's growth is also attributed to the remittances sent by overseas Pakistanis when they funnelled their savings into real estate in Pakistan coupled with their quest to secure plots and homes in gated com-munities. The sector is considered to be the least regulated and transparent in the world which leads to highly unequal concentrations of urban land and

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[43] https://lgcd.punjab.gov.pk/system/files/final_draft_of_PLGs_Removal_of_Encroachments_model_bye_laws.pdf
[44] Position paper titled 'Economy of debt: Alternatives to austerity and neoliberalism'.

property ownerships. More and more land is being allocated and entitled to the urban elites causing widespread displacements of the poor. With this issue at the backdrop, it becomes imperative more than ever to institute a ceiling on the maximum urban land an individual can possess and to bring about reforms in building and zoning reforms.

■ 3.7 CDA's Policy Input

◢ 3.7.1 Model Urban Shelter Project (MUSP)

In case of katchi abadis of Islamabad the planning wing of CDA uploaded a letter on its website for public awareness in 2019.[45] The letter clearly states to have started rehabilitation of katchi abadis and recognize those which existed up till December 1995. The document also outlines ten katchi abadis recognized by CDA which are:

Table 3.1: No. of CDA-Recognized Katchi Abadis of Islamabad[46]

Sr. No.	Name of Katchi Abadi	Housing Units
1	*Katchi Abadi* of G-7/1	208
2	*Katchi Abadi* of G-7/2	475
3	*Katchi Abadi* of G-7/3	98
4	*Katchi Abadi* of F-7/4	418
5	*Katchi Abadi* of F-6/2	Yet to be finalized
6	Muslim Colony of F-7	993
7	Haq Bahu (I-11/4)	243
8	Dhoke Najju (I-10/4)	182
9	Essa Nagri (I-9/1)	213
10	*Katchi Abadi* of G-8/1	575
	TOTAL	**3505**

On policy front, in 2001 CDA finalized a project titled Model Urban Shelter Project (MUSP) at Ali Pur Farash to provide accommodation for four recognized katchi abadis (Muslim Colony, Essa Nagri, Dhoke Najju and Haq Bahu making a total of 1631 residents). CDA has specified an area of 160 acres, consisting 4007 plots with each measuring 3 Marlas. Till now 1231 plots have been allocated to the residents of above-mentioned four katchi abadis and

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[45] http://www.cda.gov.pk/documents/publicnotices/475.pdf
[46] http://www.cda.gov.pk/documents/publicnotices/475.pdf

the remaining had already been allocated to the residents of labour colony, F-9 Park back in early 1990s. 5 out of 7 reasons for starting this project as stated in the document are instrumental: (i) clearance of slums, (ii) development initiative for sustainability of physical environment, (iii) elimination of security threats for the Capital City (on pretext that residents are prone to criminal activities and hence are threat to the residents of formal housing), monetary gains, and (iv) utilization of precious land by capitalizing on the land value. The remaining two are normative, namely provision of housing to the lower-income groups and provision of proper accommodation.

◢ 3.7.2 Three-Dimensional Policy

The process of rehabilitation of these settlements entails strong policy input, which CDA aims to carry out by the following three-dimensional policies tabulated as:

Policy No.	Policy Narrative
1	Rehabilitation of *katchi abadis* through up gradation at existing location in the present form.
2	Relocation of *katchi abadis* at Ali Pur Farash Islamabad.
3	Rehabilitation through up gradation of *katchi abadis* at existing location in the form of planned plots.

As part of second policy the eligible residents of Muslim Colony and Essa Nagri were offered plots in Farash Town, of whom 70 percent from Muslim Colony and 15 percent from Essa Nagri availed the offer. For katchi abadis of G-7/1, G-7/2, G-7/3, and F-7/4, CDA has taken the steps entailing up gradation, such as electricity, gas and water supply as depicted in Phase I. In Phase II planned plots have been requested by the katchi abadi residents but for that land and funds are needed which CDA falls short, as stated in the letter.[47]

◼ 3.8 Way Forward

• The municipal offices for katchi abadis, khokas, and informal sector workers, follow a 'nested approach' which places officers on the front lines within the communities they serve. These offices should be well-resourced and as pilot or prototype department efforts, should be evaluated following a test period across different urban settings. The overall governance structure of support for informal sector residents and workers needs to cut through federal and provincial levels of government and support the front lines of operations within the municipal/local government cells.

• Local government should consider revisiting the license approach on a neighborhood by neighborhood basis and ensure that street vendors and service providers must have a space which they can rely on, offering services on weekly or monthly basis.

• Consider tying social service support to street vendors together by technology (ICT facilitated cell phone use) where their economic activities and license is also bound to services they can receive for their families (education, healthcare, etc.). This brings them more into the fold of formalized social services (this has been done in Dhaka, in more densely concentrated areas).

• The need is to consider multiple pilots across different cities with different mixes of license/permit/support services which we can try out, and then evaluate. Design might be; (i) Permit based model: a permit, tied to a cell phone number allows a street vendor to operate in a certain area for a particular

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[47] http://www.cda.gov.pk/documents/publicnotices/475.pdf

duration, with services accessed by a certain state (or NGO) provider, (ii) License based model: a license, tied to a cell phone number allows a street vendor to operate in a broader area (allowing for more fluid market dynamics) with services accessibly by a certain state (or NGO) provider, and (iii) Zone based model: Local officers manage street vendors across a zone based on the balance of services needed in various markets and local registration and monitoring is provided by a state (or NGO) provider.

• Governance should not be dependent on technology, as learned from the Urban North. Rather one people are engaged and proceses are developed, technology should be introduced to administer and sustain the system. Adoption of GIS based strategies for comparing and monitoring support for informal sector entrepreneurs across cities and settings can be helpful. Also imperative will be to explore ICT and cell phone-based communications to bind entrepreneurs to zones of operation and the needed administrative licenses. The role of ICT is also crucial to give entrepreneurs the needed social support and access to their families, who are within katchi abadis. Leverage database knowledge and analysis to measure the economic output and contributions (qualitative and quantitative), which informal sector activities provide to urban economies and service sectors, is also important.

• The role of CDA is to secure human needs irrespective of the differences that exist along the axis of age, gender, race, ethnicity, social status and economic backgrounds in Pakistan. It also explicitly claims to ensure public service delivery on domains as diverse as cleanliness, health, education, opportunities, and supply of goods. The functioning and role of the state and government in the indiscriminate provision of afore-said services seem to be incongruent in the light of the state-institutionalized anti-encroachment drive in Islamabad. Unless this dichotomy of the role of state and government is addressed, the poor will continue to be systematically excluded.

Appendix

Table 1.3: Poverty Trends at Provincial Level in Pakistan from 1998-99 to 2018-19

Years	National	Rural	Urban	Punjab	Sindh	KPK	Balochistan
1998-99	61.6	67.5	47.4	61.8	57.0	71.0	55.9
2001-02	66.5	71.9	53.3	63.2	68.2	74.3	74.3
2004-05	52.7	59.4	38.3	51.5	47.5	64.8	59.8
2005-06	54.3	61.8	39.5	49.4	54.4	64.2	79.6
2007-08	47.6	53.6	35.2	42.7	51.2	51.5	77.9
2010-11	37.5	42.8	26.7	35.0	38.1	42.4	47.9
2011-12	36.4	43.2	22.8	32.9	38.6	40.9	56.7
2013-14	29.7	35.8	18.4	25.6	34.5	27.5	56.6
2015-16	24.3	30.7	12.5	20.8	32.2	18.1	42.2
2018-19	21.5	27.6	10.7	16.3	24.6	27.0	40.7

Author's calculation of National and Provincial Poverty overtime in Pakistan using HIES surveys from 1998-2019

Table 1.4: Poverty Bands Overtime in Pakistan

Bands / Years	1998-99	2001-02	2004-05	2005-06	2007-08	2010-11	2011-12	2013-14	2015-16	2018-19
Ultra-Poor (>50 % and <75%)	34.6	39.5	25.9	27.0	21.0	12.7	12.4	9.7	6.4	5.5
Poor (> 75% and < 100% of Poverty Line)	27.1	27.1	26.8	27.3	26.6	24.8	24.0	20.1	17.9	16.0
Vulnerable (> 100% and < 125% of Poverty Line)	15.9	14.3	17.4	17.6	19.2	22.1	21.0	20.5	19.9	20.0
Quasi Non-Poor (> 125% and < 200% of Poverty Line)	15.7	14.1	21.0	19.6	22.9	29.0	29.7	33.6	34.8	37.1
Non-Poor (> 200% of Poverty Line)	6.7	5.1	8.9	8.5	10.3	11.5	12.9	16.2	21.0	21.4

Source: Author's calculation based on PSLMHIES surveys from 1998-99 to 2018-19

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