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Conference Proceedings of 4th International Conference on Poverty and Sustainable Development (ICPSD 2017)

Edited by Prof. Sarath Kotagama

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<table>
<thead>
<tr>
<th>ICPSD 2017 Committee</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>(Conference Chair, ICPSD 2017)</td>
</tr>
<tr>
<td></td>
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</tr>
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<tr>
<td></td>
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</tr>
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</tr>
<tr>
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</tr>
<tr>
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</tr>
<tr>
<td></td>
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</tr>
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</tr>
<tr>
<td></td>
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</tr>
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</tr>
<tr>
<td></td>
<td>Open University of Sri Lanka, Sri Lanka</td>
</tr>
<tr>
<td>DR. PRIYAN PERERA</td>
<td>(Evaluation Panel Member, ICPSD 2017)</td>
</tr>
<tr>
<td></td>
<td>University of Sri Jayawardenaapura, Sri Lanka</td>
</tr>
</tbody>
</table>
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MESSAGE FROM THE HONORABLE MINISTER OF SUPPORTING MINISTRY

ICPSD 2017

The 4th International Conference on Poverty and Sustainable Development (ICPSD 2017) discusses a currently addressable theme “Strategies for meeting SDGs: Ending Poverty in all its Forms Everywhere”. Discussing on the Sustainable Development Goals, ICPSD 2017 provides golden opportunities for all stakeholders across the globe and will be comprising the involvement of intellectuals, extending of interrelationships, policy makers and fruitful insights. This global gathering will focus to implement measures to develop the life style of communities with a common vision of ending poverty.

It gives me a great pleasure to deliver a message for this precious international event and it is nice to see that The International Institute of Knowledge Management (TIIKM) has taken the initiative to have a knowledge gathering and share valuable knowledge on the subject matter. We, the Ministry of Social Empowerment, Welfare and Kandyan Heritage has implemented many projects towards meeting the SDGs and ending poverty in Sri Lanka and I would like to appreciate this effort of the International Institute of Knowledge Management.

It is our duty to encourage international events to get the utmost contribution from the academicians, researchers, professionals and university students for the development of the community.

As the related representative governing body of the Democratic Socialist Republic of Sri Lanka for this particular field, The Ministry of Social Empowerment, Welfare and Kandyan Heritage will give their fullest support towards the success of the conference.

While conveying my best wishes for a fruitful conference I encourage you to make the maximum use of the gathering to derive the benefits of ICPSD 2017.

S. B. Dissanayake,
Honorable Minister,
Ministry of Social Empowerment, Welfare and Kandyan Heritage,
Sri Lanka.
MESSAGE FROM THE HOSTING PARTNER ICPSD 2017

Prof. A.K. Grover,
The Vice Chancellor,
Panjab University,
Chandigarh,
India.
Way back in 1972, at the UN environment Conference held in Stockholm, Madam Indira Gandhi addressing the plenary on behalf of the Third world countries said:-

"On the one hand the rich look askance at our continuing poverty -on the other they warn us against their own methods. We do not wish to impoverish the environment any further and yet we cannot for a moment forget the grim poverty of large numbers of people. Are not poverty and need the greatest polluters?

The environment cannot be improved in conditions of poverty. Nor can poverty be eradicated without the use of science and technology."

Despite 40 years since, the ideas in the words still echo across the world. In 1987, we were presented with an alternative to "their own methods", through the introduction of the philosophy of “Sustainable Development”. The Brundlandt Report "Our Common Future". In it was recognized that:

"The failures that we need to correct arise both from poverty and from the short-sighted way in which we have often pursued prosperity."

Accordingly the report continues:

"We also found grounds for hope: that people can cooperate to build a future that is more prosperous, more just, and more secure: that a new era of economic growth can be attained, one based on policies that sustain and expand the Earth's resource base; and that the progress that some have known over the last century can be experienced by all in the years ahead. But for this to happen, we must understand better the symptoms of stress that confront us, we must identify the causes, and we must design new approaches to managing environmental resources and to sustaining human development".

Since the endorsement of the above ideals through Agenda 21 in 1992, we were reminded by the Millenium Ecosystems Assessment in 2003, the failure of continuing the existing models of development. We failed in the implementation of the Millennium Development Goals, with no real achievements of satisfaction. With the continued uncertainty of the global
economy and social fabric, the future needs practical actions to achieve sustainable development and "eradication" of poverty.

This opportunity remains open beyond philosophical rhetoric. The documentation of real world success is a need of the day for effective duplication. It is therefore not surprising that the first GOAL in the SDGs is “Eradication of Poverty”. More than 40 years the “poverty string” has remained, we are adding all kinds of beads to make the “Development” neckless beautiful, but these will continue to fail as long as the knot is the present “economic model”.

I hope your contributions can liven the trend for a better tomorrow through the contributions to make Sustainable Development Goals a reality.

Prof. Sarath Kotagama,
Conference Chair,
Professor of Environmental Science,
Department of Zoology,
University of Colombo,
Sri Lanka.
<table>
<thead>
<tr>
<th>Page No</th>
<th>Title</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-06</td>
<td>THE ROLE OF SENIOR CITIZEN’S COMMITTEES (WADIHITY SAMITHI) IN ERADICATING NEW FORM OF POVERTY</td>
<td>C.M. Munasingharachchi</td>
</tr>
<tr>
<td>07-12</td>
<td>THE LINKAGE OF NATURAL DISASTER RISK AND POVERTY</td>
<td>H.M.D Subodini Herath</td>
</tr>
<tr>
<td>13-25</td>
<td>AN EXAMINATION OF MULTIDIMENSIONAL POVERTY PROFILE IN LIMPOPO, SOUTH AFRICA: IMPLICATION FOR USING CBMS GENERATED DATA IN LOCALISING SUSTAINABLE DEVELOPMENT GOALS, 2030</td>
<td>Grace Bicha Oloo</td>
</tr>
<tr>
<td>26-34</td>
<td>THE RELATIONSHIP BETWEEN MIGRATION AND POVERTY</td>
<td>H.L. Hansi Apsara</td>
</tr>
<tr>
<td>35-51</td>
<td>MULTIDIMENSIONAL POVERTY IN PAKISTAN: A POLICY PERSPECTIVE</td>
<td>Hummera Saleem and Muhammad Bilal Khan</td>
</tr>
<tr>
<td>52-64</td>
<td>THE GREAT LAKES REGIONAL COLLEGE AS AN ENGINE FOR DEVELOPMENT: ITS IMPACT AND PROSPECT</td>
<td>Liang-Ling Kuo</td>
</tr>
<tr>
<td>65-77</td>
<td>TRANSPARENCY OF NATIONAL BUDGET AND POVERTY REDUCTION: A CASE STUDY</td>
<td>Rubayat Jesmin</td>
</tr>
</tbody>
</table>
THE ROLE OF SENIOR CITIZEN’S COMMITTEES (WADIHITY SAMITHI) IN ERADICATING NEW FORM OF POVERTY

C.M. Munasingharachchi

National Institute of Social Development, Sri Lanka

Abstract: The last two national censuses in Sri Lanka demonstrate a transformation in the population structure of the country. The current proportion of elderly population in Sri Lanka is higher than the proportion in other South Asian countries. The concept of senior citizens’ committee is implemented by the government under the Protection of the Rights of Elders Act, No 9 of 2000 with the active participation of the community sector. This study examined the contribution of Senior Citizen committees in addressing socioeconomic needs of the elderly within their own local community. The assumption was that they were mostly unable to meet many of their financial needs within the family system due to a range of reasons and as a result, dependency, abuses and emotional suffering etc. have been characteristic facts in their daily living. The study was conducted in Kahatagasdigiliya Divisional Secretariat (DS) Division and looked at how the conducive socio-cultural and recreational environment within Senior Citizen Societies contributes to active economical participation. Purposive sampling was used to get insights in this regard by applying both quantitative and qualitative research methods. The committees promote and provide opportunity for lifelong learning and active ageing so people can be active and resilient, stay connected and increase their economic wellbeing, especially in independency. Community resources are not enough to support the societies and also it has not been the community priority for their limited resources.

Keywords: Senior Citizen’s Committees, Elder Rights, Poverty Eradication, Active Aging

Introduction

The last two national censuses in Sri Lanka demonstrate a transformation in the population structure of the country. The current proportion of elderly population in Sri Lanka is higher than the proportion in other South Asian countries. Therefore, predictions of future trends confront the prospect of a further steadily ageing population (Department of Census and Statistics: 1993; 1997). In 2001, 9.2% of Sri Lanka’s population was 60 years of age and older, which is a relatively large elderly population for a developing country (Department of Census and Statistics: 2001). This was projected to be 12.5% by 2011, and will be 24.8% by 2041, almost a quarter of the total population of the country. During the period between 1981-2001, the growth rate of the older population in the country has well surpassed the total population growth rate, recording 3.3% versus 1.2% respectively (Siddhisena: 2001; 2005). It is an increase of over 100%. Population experts say that this increase is due largely to two reasons: (1) Increasing longevity and (2) declining birth rate. According to some accounts, both direct and indirect effects of international migration have also been a significant reason (Siddhisena: 2005). Inevitably, this trend of population ageing in the country will create a situation of an increased demand for care and support services for the elderly, both in the community and in residential care settings. One will argue that Sri Lanka already has a strong community-based informal system of care for the elderly in the country, and therefore there is no need to ‘panic’. Yet, it is not the realistic situation. The reasons can be summarized into two factors: (1) In an increasingly interconnected world, developing countries, especially many of the economically

fast growing countries like Sri Lanka, undergo a significant social transformations. As a result, the generations-old strong community sector seems to be weakening and some of its functions, for example informal systems to care for the elderly, are gradually weakening (2) Emigration of the young people and young adults from developing countries is reducing the population that could care for the aged in the community. For example, Sri Lanka is internationally well documented as one of the leading countries where almost all types of modern migration movements originate from (IOM: 2014). Cumulative effects of both trends have created a problematic situation of informal caring for the elderly within family. Hence it is evident that there is tension in Sri Lanka between what existed in the past and the new community context where family, extended family and community level informal care for the elderly are fast becoming no longer possible.

The significant fact is that, even though demographic trends of becoming an ageing society have been evident for some years now, ageing and the aged is yet to be a topic in serious social policy dialog in the country. As it is emphasized even in the United Nations Madrid Plan of Action on Ageing, ageing and its’ accompanying issues around care, recognition, respect and dignity should no longer only be a serious concern for developed countries (UNO: 2002; UNO: 2001). So, Sri Lanka has to act to diffuse the tension. Having a hard look at the changes occurring in current informal care systems and the challenges it presents, and reviewing existing social policy in relation to the aged care in the country is an important timely requirement. It will be an action of putting tomorrow’s crucial issue on today’s agenda.

**Background**

After the institutionalizing most of the elders have to adjust themselves to the new environment. When they were in their house they had neighbors, friends, children etc. Then after institutionalizing they lose their relationship, properties and all the things which they earned. They can’t bear these things suddenly. Not only that, but also, those elders who are in later age of life have many wishes in their lives, such as receiving love and affection from the children, grandchildren, feeling of belonging etc. The Sustainable Development Goals (SDGs) clearly identifies older people as an integral part of international development. The goals and targets, such as Goal 3 - “Ensure healthy lives and promote well-being for all at all ages” - provide clear guidance to governments and other development actors that older people must be taken into account. Therefore, this study specially focuses on the responsibilities of informal elder care system in maintaining standards for the psychosocial wellbeing of elders and the challenges in the field.

Communication problems in health care may arise as a result of healthcare providers focusing on diseases and their management, rather than people, their lives and their health problems. Patient-centered approaches to care delivery in the patient encounter are increasingly advocated by consumers and clinicians and incorporated into training for healthcare providers. Moreover, this will promote the elder rights as well. However, the impact of these interventions directly on clinical encounters and indirectly on patient satisfaction, healthcare behavior and health status has not been adequately evaluated.

Sri Lankan government, along with the private and community sectors, has already taken some initiatives to address issue. The concept of senior citizens’ society implemented by the government under the Protection of the Rights of Elders Act, No 9 of 2000 is, among few, one such initiative planned and implemented by the government with the active participation of the community sector. The government encourages community to form the Senior Citizen Societies (SCS), facilitate with a range of logistical support including some financial assistance, and enable the community to create a socio-culturally conducive environment to help enhance the wellbeing of the elderly people.
Older persons as economic contributors

The Madrid Plan of Action calls for taking “measures to enable the full and equal participation of older persons, in particular older women, in decision-making at all levels” (United Nations, 2002, p.15). However, for many older persons around the world this goal has not been universally achieved.

Although the Madrid Plan speaks specifically about the political participation of older persons, it is important not to overlook their economic impact as well, especially since there is usually a close correlation between economic and political power. So if older persons are seen as commanding considerable power in the marketplace, this will likely translate into significant political power and participation too. As a growing cohort of both producers and consumers, older persons, particularly those in high income developed countries, carry substantial weight in the economy and often hold a significant share of their country’s total wealth. In Germany, for example, those over age 50 own half of the nation’s wealth. Moreover, Germany’s senior citizens have the spending capacity of Euro 90 billion per year, equivalent to the GDP of entire nations such as Chile, the Czech Republic and Singapore (EFILWC, 2006a and World Bank, 2006).

Methodology

This study examined the contribution of Senior Citizen Society in addressing the socio-cultural and recreational needs of the elderly within their own local community. The assumption was that they were mostly unable to meet many of their welfare and wellbeing needs within the family system due to a range of reasons and as a result, loneliness, isolation, emotional suffering etc. have been characteristic facts in their daily living. The study was conducted in Kahatagasdigiliya Divisional Secretariat (DS) Division and looked at how the conducive socio-cultural and recreational environment within Senior Citizen Societies contributes to active aging. Purposive sampling was used to get insights in this regard by applying both quantitative and qualitative research methods. Few case in-depth case studies and focus-groups with SCS were also conducted. A comparative analysis of the well-functioning and mal-functioning senior citizen societies was carried out to find out the reasons why some societies have not met the purpose while few others were functioning relatively well.

a) Research questions at an individual level

At an individual level, the underpinning interest lies in exploring how elderly people construct meaning over their course of life and which strategies they develop in everyday life in order to take part in their social environment, to express and develop themselves within their community. Thus, the concrete research questions will be: What are the representations of elderly people regarding their courses of life?

−How do elderly people experience the process of ageing, the transition into a new life period and the related changes in everyday life and everyday needs?

−How do these experiences influence social relationships, the density of social networks and the forms/possibilities of social participation?

b) The community level

The assumption the present work is based on is that the more people are dependent and the more they have functional disabilities, the less society offers them opportunities to participate and to engage in social life. Thus, from a community perspective, the research questions are concerned with the following issues:

−To what extent elderly people are perceived as community members who can return favors given by others?

−To what extent ageing can be considered as determinants of social inequality in society?
Which opportunities are offered by community to sustain elderly people with disabilities in developing community belonging, active engagement and reciprocity?

What hinders social participation, what kind of socially determined and constructed barriers do elderly people have to deal with?

Discussion

The first finding is that, contrary to common perceptions that older persons are physically unable to do their jobs, some elderly were still able to carry out economic activities. Agriculture was one of the income-generating activities that older persons engaged in despite the physical nature of the activity. In spite of their age, the elderly were able to grow crops and rear livestock as one male informant commented: “Engagement in economic activities varies from elderly to elderly. Some older persons are active. Personally I have land that I rent out and get money, have a milk cow that I look after and obtain milk for sale and grow ample potatoes on a commercial basis” (Key Informant, Kahatagasdigiliya).

Similarly, the Elder Rights Promotion Officer had this to say: “Older persons are engaged in economic activities like commercial growing of vegetables in home garden while others are rearing cattle as well as keeping poultry”. The elderly were also engaged in making assorted locally-required craft products. Data from qualitative interviews show that older people made various handicraft items for commercial purposes. Narrating the situation, one male FGD participant put it: “We earn some money using our knowledge to make baskets, wooden handles for hoes and axes, local spears and knives using the blacksmith system. “We also make small toys items from tree stems and branches”. (M, 66 yrs).

Adopt an older person

The following method was developed to address the specific problems with residential care in rural areas. As pointed out before, older Sri Lankans who have no next of kin living locally in the rural areas are particularly affected by social exclusion and poverty. In this scheme, the person in need of care lives together with a farmer’s family on a farmstead. Again, this scheme is of mutual benefit to both parties. The elderly person receives family care and can continue to live in a rural area with the mediation of SCC.

Social Care

An enormous variety of social services for older people is offered in Sri Lanka – mostly targeted at providing an infrastructure for these services. These include clubs for senior citizens to give them an opportunity for socializing and making new social contacts, which are however more common in urban areas. The entire spectrum of social services is provided at divisional level, including care services, home care and institutional care. Population aging has major implications on health and welfare services, employment and society as a whole. The consumption of health and social care services is considerably increased among older people, and those over 65 consume four times more health services than the general population. This means that in the context of the new integrated care approach for the elderly, the adequacy of provided services must be ensured.

Visiting Services

An interesting example of good practice is preventive homecare where the SCC send people around to anyone aged 75 or older to inquire about their care needs. About 40 per cent of the people in this age group had such a visit. The currently less favorable economic climate has resulted in economic pressures specially in urban areas.
Intergenerational Leisure Programmes

The most fascinating examples of good practice we came across is SCC conducts family get-together every six months’ time enabling not only the elders but also other family members to show their talents and spend quality time together. Celebration of national and religious events

The importance of policy

The policy environment is crucial in determining the effect of aging on economic growth. The problem of population aging is more a problem of rigid and outmoded policies and institutions than a problem of demographic change. Policies need to be developed that account for the natural incentives individuals have to adjust their behavior in the face of population aging. Among the most commonly mooted policy changes is to alter retirement incentives so that people can fulfill their expressed desires to work longer in response to expectations of greater longevity. More flexible old-age pension arrangements combined with increases in the official retirement age will encourage prolonged workforce participation. Legal and cultural efforts to discourage age discrimination by employers may also be required. Lifelong education programs could assist in these efforts, by helping people adapt their skills and knowledge to the demands of a changing economy. Investment in improving the health of those aged 60 or over is a further policy option. Not only does this reduce the burden on health care and social security systems, but by compressing morbidity into fewer years late in life, it also enables people to work for longer. As Zweifel, Felder, and Meiers (1999) have shown, health care costs appear to be concentrated in the last few years of life regardless of age, so population aging defers rather than increases costs. In addition to easing strains on state finances, the compression of morbidity will enable older people to continue to contribute their expertise and knowledge to economies. Policy should also encourage increased labor force participation. Upward pressure on wages is likely to increase women’s participation in the workforce, and this can be complemented by policies that facilitate mothers combining work and family, such as state-funded childcare and more flexible working hours. The latter, of course, also incentivizes child rearing, with long-term impacts on the age structure.

Conclusion

In general, Senior Citizen Society has resulted in improving the social participation of elders to a greater extent. So the barriers for connection in the local community have been dealt with at least to some extent. Also, the societies promote and provide opportunity for lifelong learning and active ageing so people can be active and resilient, stay connected and increase their general wellbeing, especially in emotional aspects. Yet, it was found that such program has not been a panacea for all their social, economic and cultural problems. The vacuum in monitoring and guidance by the relevant facilitative authorities, though the provisions are well defined within the legislations, as well as the structural socio-economic, to some extend cultural as well, barriers in the locality have become the key causes for greater disparity between the well-functioning and mal-functioning societies. Community resources are not enough to support the societies and also it has not been the community priority for their limited resources. Therefore external support is essential. However, the concept seems to be well received by the elderly in the community, and prospects for creating relatively reasonable supportive environment for the elderly in the community are high if the societies are supported at least up until they become self-sufficient within their own local community context.

References


THE LINKAGE OF NATURAL DISASTER RISK AND POVERTY

H.M.D Subodini Herath

School of Social Work, National Institute of Social Development, Nawala, Sri Lanka

Abstract: Natural Disasters are broadly predictable to affect inexplicably the poorest in a community, as they have relatively higher sensitivity to disaster events compared with communities of higher development status. Constant events increase the vulnerability and risk of the poor to disasters, increasing poverty levels such that many households often are unable to break out of the poverty cycle. Medium to longer term impacts of natural disasters at the national level also challenge development progress towards reducing poverty, possibly creating situations which place a boundary between urban and rural communities keeping them in an immense risk. The linkage between natural disasters and poverty is a global phenomenon which has long term impacts on lives and livelihood of people worldwide. This study focuses on the linkage between flood disaster risk and poverty which leads people to settle in disaster prone areas. Moreover, the study gives special attention to poverty eradication techniques to reduce disaster risks. The study was conducted in Pattiwla North GN Division under Biyagama Divisional Secretariat in Gampaha District. The primary data was collected through case studies and the secondary data was collected through various sources. The study proves the direct link and co-relationship between disaster risk and poverty. The findings of the research study reveal that disaster risk and poverty has a direct linkage. As a recommendation, Disaster Risk Management should be introduced from the grass root level to minimise risk factors of poor people.

Keywords: Vulnerability, Poverty, Disaster Prone Areas, Poverty Eradication Techniques, Disaster Risk

Introduction

Disaster incorporates the multidimensional socioeconomic and political issues including the physical characteristics, social structure with socioeconomic capability, and political perception. The magnitude of any disaster creates the risks of disaster vulnerability in different ways that apply to different groups. When people face the risks of disaster vulnerability, they face the decrease of capability, which creates the multi-dimensional socioeconomic and political crises. Materially, this involves damage/loss of physical assets, infrastructure, domestic assets, and agricultural output. Non-materially, social relations, status-role linkages, norms, values, crime, grievance, conflicts and the rhythm of everyday organized social and cultural life are disturbed. The major victims are usually those who are marginalized: the poor and the destitute, women, and children, who have the lack of capability on the context of unequal access to resources.

Disasters are felt most often, hardest and deepest, by those countries, communities and individuals that can least cope. Evidence suggests there is an urgent need for both strategic and practical steps to address the relationship between poverty and disaster, at global, national and local levels. This is important for balanced development between the urban and rural poor. Increasingly, exposure to risk grows daily in both urban and rural contexts. Natural disasters are related to the risks of economic vulnerability, which reflects in the everyday lives of local people. Poverty is an ex-post measure which refers to being deprived of basic levels of economic wellbeing and human development. It also characterized as the deprivation of capabilities. Vulnerability, on the other hand, is an ex-ante measure of household’s wellbeing and concerning about the future poor. In both pre disaster and post disaster phases the poor are more vulnerable than any other groups. Virtually all disaster studies show that

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wealthiest of the population either survive the disaster unaffected or are able to recover quickly. Poverty is both a driver and consequence of disasters, and the processes that further disaster risk related poverty are permeated with inequality. Risk as a function of hazard and vulnerability, a relationship that is frequently illustrated with the following formula, although the association is not strictly arithmetic:

\[
\text{Risk} = \text{hazard} \times \text{vulnerability}
\]

Poverty is a vicious cycle of which traps and depletes future generations’ potential. Children born into poverty will grow up in poverty and give birth to children who are brought into the cycle of poverty. Natural Disasters only deepen the poverty within a family or community and makes it harder to break out of the cycle. Without reduction of economic and lifestyle impact of natural disasters in poverty affected areas all means of funding for getting people out of poverty is ineffective. Funds would be spent rebuilding from a disaster and getting to a livable standard instead of directly spent on the underlying problem; Poverty. Poverty itself can physically, mentally and emotionally drain people and the resources and money they possess, therefore, natural disasters adding to this cycle can only mean struggle and hardships which has to be minimized for the betterment of all people.

![Disaster – Poverty Cycle](Source: Human Wellbeing – Natural disasters)

As the above figure 01 explains there is a direct inter-connection between disasters and poverty. Vulnerability is one of the defining components of disaster risk. Poverty is both a driver and consequence of disasters, and the processes that further disaster risk related poverty are permeated with inequality. This study was conducted to identify the linkage between flood disaster risk and poverty which leads people to settle in disaster prone areas. Moreover, the study gives special attention to poverty eradication techniques to reduce disaster risks. The study was conducted in Pattiwala North GN Division under Biyagama Divisional Secretariat in Gampaha District. The main objective of this study is to identify the linkage between flood disaster risk and poverty. The specific objectives of this study are to understand the risk factors and poverty eradication strategies and minimizing the loopholes of implementation of National Disaster Management Policy. This study which aims to examine the trends and patterns in extensive risk and of the interactive links between risk and poverty will provide useful insights into the relationship between disaster risk and poverty, if any, that will help policy makers to improve the effectiveness of policies adopted in reducing poverty and mitigating disaster impacts on poverty.
Methodology

Across the broad spectrum of disasters, poverty generally makes people vulnerable to the impact of disasters. The most important single influence on the impact of disaster is poverty. All other factors could be lessened if the affected population not also limited by poverty. Floods are one of the recurrent disasters to Sri Lanka due to inter monsoonal seasons. Poverty is one of the major causal factors for people to settle in flood prone river banks. The total population in this Grama Niladhari division is 3489 and among that there are 1512 females and 1977 males. The total numbers of flood affected families are 34 and there are total numbers of 16 Samurdhi beneficiaries among the flood affected families. The study used qualitative case study method as the primary data collection method with semi structured interviews. Through convenient purposive sampling method most vulnerable 06 participants (03 males and 03 females) were selected from the total flood affected population according to their low income level rate after checking the records from the total flood affected population of Grama Niladhari. Books and reports were used as secondary data collection method. All research participants’ consent was obtained.

Table 01: Description of the sample

<table>
<thead>
<tr>
<th>Name (Changed the real names)</th>
<th>Job</th>
<th>Average Monthly Income</th>
<th>Number of Family Members</th>
<th>Condition of the present house</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kamal</td>
<td>Daily Wage Worker</td>
<td>Rs: 15,000</td>
<td>4 (One Daughter, One Son and Wife - house wife)</td>
<td>Temporary house</td>
</tr>
<tr>
<td>2. Saman</td>
<td>Construction Worker</td>
<td>Rs: 20,000</td>
<td>5 (Two Sons, One Daughter and Wife-house wife)</td>
<td>Half build house</td>
</tr>
<tr>
<td>3. Asanga</td>
<td>Security Guard</td>
<td>Rs: 20,000</td>
<td>4 (Two Daughters and Wife-house wife)</td>
<td>Half build house</td>
</tr>
<tr>
<td>4. Seetha</td>
<td>House Maid</td>
<td>Rs: 15,000</td>
<td>3 (One Son and Husband-Disabled)</td>
<td>Half build house</td>
</tr>
<tr>
<td>5. Anoma</td>
<td>Cleaner</td>
<td>Rs: 20,000</td>
<td>4 (Two Sons and Husband- not engaged in a job)</td>
<td>Temporary house</td>
</tr>
<tr>
<td>6. Renu</td>
<td>House Maid</td>
<td>Rs: 15,000</td>
<td>4 (One Daughter, One Son and Husband- not engaged in a job)</td>
<td>Temporary house</td>
</tr>
</tbody>
</table>

The Table 01 explains about the sample details and the real names of all the participants have changed due to confidentiality and ethical reasons. The study consists of participants from different ethnic groups and both female and male participants to ensure the ethnic and gender equality. The qualitative data was analysed through a step by step process identifying emerging themes clustering those by concepts. The emerging themes were labelled with participant’s as well as researcher's words. All the case studies are discussed hereunder.
Case Studies

Case 01
Kamal is a daily wage worker and lives with his daughter, son and his wife. He is living in a temporary house and his average monthly income is Rs.15,000. His wife is not doing any job and she is a housewife. Kamal is not eligible to be a Samurdhi beneficiary due to his temporary residency. They are living in a temporary shelter near the river bank and he and his family are constant victims of yearly flood disaster. Kamal has already taken a personal loan and he has to pay monthly debt for that. His monthly income was not sufficient enough to save money to build a permanent house.

Case 02
Saman is a construction worker and there are overall five members within the family consists of two sons, one daughter his wife and himself. His average monthly income is Rs.20,000 and he lives in a half built house. His wife is suffering from various health issues and therefore she is unable to do a job. He had to arrange money for his elder daughter’s puberty ceremony and therefore he had to take a personal loan. Presently he is paying debt for his personal loan. Saman is also living near the river bank and they are suffering yearly due to the flood disaster. Since he has three children his monthly income is insufficient to handle the overall expenses.

Case 03
Asanga is a security guard and he lives with his wife and two daughters. His average monthly income is Rs.20,000 and he lives in a half built house. His wife is not engaged in any job and he is the only bread winner in the family. He is addicted to alcohol. Therefore he spends lots of his monthly income on his alcohol consumption. He never uses to save money and has taken a personal loan to build his present half built house. Since he is addicted to alcohol, he never had any future plan to complete his half built house.

Case 04
Seetha is a housemaid and live with her husband and son. Her average monthly income is Rs.15,000 and she use to live in a half built house. Her husband is not engaged in any job due to physical disability. Their family use to live in the river bank and her salary was not sufficient for their monthly expenses. She is unable to spend much money on her son’s education due to paying debts on her personal loans. She even had to mortgage her house due to insufficient income.

Case 05
Anoma is a cleaner and she lives with her two sons and her husband. She lives in a temporary house and her average monthly income is Rs.20,000. Since she lives in a temporary house she is unable to prove her residency and get Samurdhi benefits. She is the only breadwinner in her family and since her husband is suffering from heart disease he is unable to engage in any job. She is a victim of yearly floods since she lives near the near the river bank. She had to take a personal loan for her husband’s bypass surgery. Her monthly income is insufficient since her monthly expenditure is quite high.

Case 06
Renu is a housemaid and she lives with her daughter, son and her husband. Her average monthly income is Rs: 15,000 and she lives in a temporary house. Her husband is paralysed and due to that he is unable to engage in any job. Renu is the single breadwinner of the family. Since she lives in a temporary house she is unable to
prove her residency and get Samurdhi benefits. Renu has to take personal loan since her monthly salary is not sufficient for her husband’s medical needs and her children’s educational needs.

Results and Findings

According to the findings, all the participants were belong to low income families and therefore, all of them had issues with their monthly expenses. All the participants were engaged in jobs but no one is doing a job in government sector. Therefore there is no job security and there is only one person who is earning money in their families. Many a times they were asked to leave their place due to disaster risk and vulnerability but they were unable to shift due to their low income. Some of the participant’s narrative quotes reveals the difficulty and challenges faced by them which leads them to stay in the same disaster prone area rather than migrating to a safer place. “Miss we don’t have anywhere to go rather than living in this place. We are struggling to live with our monthly income.” This narrative quote reveals that due to their low income, even though they are willing to move to a safer place they were unable to do that. Three participants were having around six perches of their own land plots where their half built houses. Whereas the other three participants even don’t have their own land plots living in temporary houses. Due to low income and insecure accommodation social and environmental vulnerability is comparatively high among this target group. Since all the participants are living near the river bank all of them are victims of yearly flood disaster. Some of them are not getting even Samurdhi benefits since they are unable to prove their permanent residence ship. One of the narrative quotes of participant as, “We don’t even get Samurdhi, because we don’t have our own land. We are victimized yearly because of floods. We know that living in here, there is a big risk but we are helpless” reveals the difficulty they are facing due to not even eligible for getting Samurdhi benefit. The findings of the study revealed that flood impacts leads to reduced accessibility to human basic needs which results into household poverty. Reduced access to income also reduces the household’s ability to fully recover from the flood destructions before the next flood. Because of this, most households are trapped in cyclic poverty. Some households are not able to rebuild their houses because of insufficient income exposing them to poor living conditions.

Conclusion

Natural disaster risk and poverty has a direct inter-relationship. Due to poverty people tend to live in disaster prone areas and ultimately they will be vulnerable towards various risk factors. Urban poor people suffering most with natural disasters and they are at a great risk. Poverty and vulnerability generally associated with each other and it leads to enhance the environmental vulnerability and social vulnerability. Thus it reveals that poverty and vulnerability causes social inequality and socio-economic deprivation in flood disaster situations in Sri Lanka. Due to frequent economic losses caused by floods, the residents are trapped in cyclic poverty with no escape route. The households cannot fully recover from the effects of floods due to limited income and frequent destructions. Instead, their development process is always pushed back each year.

Recommendations

Disaster risk management essentially aims at a reduction of vulnerability. Therefore, Disaster Risk Management should be introduced from the grass root level to minimise risk factors of poor people. Rehabilitation and resettlement programmes should be introduced to minimise vulnerability of poor. Moreover, Disaster Management policy should be reformulated to address the issues of poor people and their vulnerability of living in unsafe areas. There should be a proper policy implication to provide safer locations for the poor vulnerable people who live in disaster prone unsafe areas. Introduce flood insurance through government and non-government partnerships and Flood Plain Management. Rehabilitation and resettlement programmes should be introduced to minimise vulnerability of poor. Social protection, social insurance or micro credit schemes for the landless households might motivate vulnerable people to start small scale business or farming. Drainage systems should be improved and Flood insurance and Flood Plain Management should be introduced and implemented in an effective manner.
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AN EXAMINATION OF MULTIDIMENSIONAL POVERTY PROFILE IN LIMPOPO, SOUTH AFRICA: IMPLICATION FOR USING CBMS GENERATED DATA IN LOCALISING SUSTAINABLE DEVELOPMENT GOALS, 2030

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Abstract: This study sought to profile multidimensional poverty in Tzaneen Local Municipality in Limpopo province in South Africa. The objective was to profile multidimensional poverty and further demonstrate the implication of Community-Based system (CBMS) generated data in localizing Sustainable Development goals 2030 at the municipality level. Consultative and CBMS design approach was adopted in the study. Administered household questionnaire was used to census 1,534 households in Tzaneen Local Municipality Ward1. Indicators for poverty measurements were generated in partnership with local municipality and aligned to relevant sustainable development goals 2030. Data was captured using Excel software and imported to CSPro6.3 software for analysis. Community-Based Monitoring-National Research Database (CBMS-NRDB) software was used to generate poverty maps. Community validation approach was used to authenticate the study findings. We conclude that CBMS can generate multidimensional poverty profile and maps which can be used to localize Sustainable Development goals at municipality levels. We recommend that the local municipality use CBMS generated data to profile multidimensional poverty and as a baseline for localizing Sustainable Development goals 2030.

Keywords: Poverty, Sustainable development goals, community-based, South Africa

Introduction

The study sought to profile community-based multidimensional poverty and to examine the implication of the generated data in localizing Sustainable Development goals (SDGs) 2030. Poverty is an important, universal human problem as evidenced from its position on the world development agenda such as Sustainable Development goals 2030 (United Nations, 2015). Studies have shown that numerous strides have been made in poverty reduction in line with Millennium Development Goals (MDG, 2015). However, according to the World Bank, more than one billion people still live on less than $1.25 per day. In addition, 70% of those living on less than $1.25 per day are women. Almost half of the population of Sub-Saharan Africa survives at that income level (World Bank, 2016). In South Africa for example, years of active discriminatory policymaking and neglect has resulted in high levels of inequality, characterized by extreme wealth on one hand and desperate poverty on the other (The Studies in Poverty and inequality Institute {SPII}, 2006; Bhorat and Kanbur, 2005). On the other hand, one billion poor were raised out of extreme poverty between 1990 and 2013 (World Bank, 2016). This report demonstrates that elimination of extreme poverty is a realistic prospect. The trend in eradication of poverty, therefore, is one of the top priorities for the government of South Africa (Oosthuizen, 2011; Statistics South Africa, 2007). This demonstrates that information on poverty situation is vital for assessing progress out of poverty and for evidence-based policy development (Statistics South Africa, 2008; World Bank, 2016). A United Nations report, state that to effectively track progress on the SDGs, accessible, reliable, timely and disaggregated data at all levels is required. Regrettably this type of data is a major challenge to national and international statistical systems as statistical capacity still needs strengthening worldwide. Furthermore, the
global statistical community is working to modernize and strengthen statistical systems to address all aspects of production and use of data for the SDGs (UN, 2017).

Development practitioners have recently realized that their efforts have not yielded the desired results partly due to inadequate information on poverty (UN, 2008). Furthermore, research and experience reveal that workable follow up mechanisms were weak without disaggregated data for planning and implementation (Orim, 2017; Robb, 2017). Moreover, Meth, (2006) argue that conceptualization and relating it to both the execution and the interpretation of the surveys that provide the data for studies into the incidence of poverty is a challenge. It is in this respect that the United Nations, (2015) committed to enhance capacity building support in the developing countries to increase availability of high quality, timely and reliable data disaggregated by income, gender, status, disability, geographic location and other characteristics relevant in national contexts by 2020. Community-based monitoring System (CBMS) tries to address these gaps by providing timely and reliable data disaggregated across population sub-groups, and by geo-political levels (Reyes and Due, 2009).

There are generally two main approaches used to measure poverty. These are money metric and non-money metric measures. Money metric measures are cardinal measures of poverty which centres on income and expenditure to determine poverty. It measures levels of living by money required to sustain a household, a group or a community (Moser and Felton, 2007). On the other hand, poverty can be seen as multi-Dimensional, encompassing other issues such as housing, health, education, access to services and other avenues of accessing resources in a broader sense (SPII, 2007). A similar pattern is captured in Sustainable Development goals 1 to 8 in terms of, poverty, hunger, food security, health, education, gender, water, sanitation, energy, productive employment and climate change (UN, 2015). Furthermore the 2030 agenda requires follow-up and review processes to be informed by country-led evaluation and the need to build capacity for national data systems and evaluation. The agenda is built on the principle of leaving no one behind, discreetly promoting the inclusion of all poor persons. It calls for a robust follow-up and review process to track progress toward the Sustainable Development Goals (SDGs) through innovative action (UN), 2015. The community based monitoring system indicators follow a similar pattern to Sustainable Development goals 1 to 8 and perceives poverty as multidimensional. Moreover, if done on a continuous basis, community-based monitoring system (CBMS) can produce a panel data usable for monitoring progress toward the achieving Sustainable Development goals agenda. In addition, community-based system is like a household census and is not a sample-based methodology which insures that no one is left behind.

The multiplicity of poverty dimensions has brought about the development of various approaches to poverty measurement (Alkire and Sarwar, 2009; Asselin, 2009; Tarozzi & Deaton, 2007). Ravallion (2001) highlights the numerous discussions and polarizing debates regarding poverty measurements as reactions towards them tend to vary depending on the impact on certain interest groups. However, several researchers have noted that, all approaches are equally useful although some may work better than others depending on the research situation at hand (Alkire, 2011; Atkinson and Bourguignon, 1982; Hume, 2011). Statistics South Africa (2008) emphasised that accountability and transparency decisions on poverty measures should be anchored on the relevancy of approaches and the purpose of measurement. It is worth noting that in South Africa, poverty measuring methodology is institutionalised at national government levels. However there exists inadequate information at local government levels. In spite of the efforts made by the South African government to conduct regular poverty monitoring surveys, its efforts can best be regarded as limited and isolated (May, 2001; Hirschowitz, et al 2000). Moreover, the macro-level analyses camouflage differences in poverty at local municipal conditions. The lack of information on the share of the population living in poverty at household levels hinders evidence-based policy making (Scott, 2005). Community-based monitoring system provides a consistent monitoring framework that enhances local planning, budgeting and implementation at household levels (Reyes and Due, 2009). It is against this background that research was conceived to profile multidimensional poverty in Limpopo province in South Africa and to examine the implication of the generated data in localizing Sustainable Development goals 2030.
Objectives of the Study

The objectives of the study are as follows:
- To diagnose the extent of multidimensional poverty at Tzaneen Local Municipality Ward 1, and
- To examine the implication of CBMS generated data in localizing Sustainable Development agenda 2030.

Methodology

The implementation of the community based monitoring system methodology was used following a series of steps. The steps are explained in detail below.

Advocacy/Organization

Data requirement was evaluated in conjunction with the Local Economic Development (LED) officials at the local municipality to identify existing gaps. A detailed work plan was developed that details the roles and commitment of all parties. Indicators for conduct of the study were developed in conjunction with the Local Economic Development office and aligned with the data requirements. The indicators were also aligned with the national and provincial strategies on poverty reduction.

Study Design and Data Collection

Data collection process was undertaken through a census covering 1,534 households in the 8 villages across all localities by twenty-three trained enumerators. The traditional leaders provided respective household listings that were used to establish the authenticity of the households. Enumerators underwent training which took four days plus one-day field orientation and a two-day field mentorship prior to actual data collection. The researcher employed a convergent design approach where equal priority was given to both quantitative and qualitative strands (Angell and Townsend, 2011). This approach provided a better understanding of the causes of poverty, type and location of affected households. Household profile questionnaire and Ward level administrative questionnaires were used to collect data. The two questionnaires were accompanied by two manuals. Secondary data was collected from various literatures, research journals, periodicals, government official reports, Statistics South Africa, and the Internet. Collected data was edited and captured in an Excel spreadsheet ready for consolidation, coding and analysis.

Data Processing and Analysis

Data processing was done using pre-set poverty dimension, indicators and formula. The CSPro 6.3 software was used to create data dictionary which described the organization of the data file. The following formula was used to calculate proportions per indicators.

\[ \text{X\%} = \left(\frac{Z}{Y}\right) \times 100 \]

Where X\% = Proportion, Z = Magnitude unmet needs, Y = Total number

Map Digitization, Processing and Mapping

Encoded dataset was imported using community-based monitoring systems-Natural resources database [CBMS –NRDB] software to generate poverty maps. Household unmet needs were mapped using core indicators. In addition, four color schemes namely green, light green, light red and red were used in the legend to display the magnitude of vulnerability. The following formula was used to determine the ranges.
1st range maximum value: 
\[ \frac{(\text{Ward value } [X.Y] - \text{minimum value of all villages } [0])}{2} + \text{minimum value of all villages } [0] \]

2nd range minimum value: = 1st range maximum value

2nd range maximum value = Ward data [X.Y]

3rd range minimum value: = 2nd range maximum value

3rd range maximum value: \( \frac{(\text{maximum value of all villages } [100] - \text{Ward data } [X.Y.])}{2} + \text{Ward1data}([X.Y.] \)

4th range minimum value: =3rd range maximum value

4th range maximum value: 100 (always 100 since the percentages ranges from 0-100)

**Data Validation**

The results of the census were presented in a community forum where the extent of multidimensional poverty was discussed, disorganized and explained. At this point, appropriate interventions were also identified. Presentation of the data to the community was vital to ensure accuracy.

**Ethical Considerations**

The researcher communicated the aims and purpose, the implications, and possible risks for involvement in the study to respondents. This was done in order to uphold research ethics, ensure conformity to the ethical requirements and secure informed consent. Approval to undertake the study was sought and granted from the local municipalities and local structures. Even though full participation was required during the exercise, the respondents were informed of the fact that they had the right to withdraw from the study at any time.

**Results of the Study**

**Employment**

Table 1 below shows that of the 1,534 households interviewed, and average of some 38 to 39 percent worked for wages as either employed or casual workers. Of those who worked for wages 62.2 percent were male and 37.6 female. Out of the casual 60.8 percent were female and 39.2 percent were female, for every 100 employed heads of households 37.6 percent were likely to be female. 57.5 percent out of those interviewed were unemployed. Overall 60.3 percent of the unemployed heads of households were most likely to be female compared to 55.5 percent male counterparts. However, of the unemployed category, 56.1 percent were likely to be male while 43.9 percent were female. Within the self-employed category 54.9 percent were male and 45.1 percent were female. This indicates that for every 100 heads of households who were self-employed, 54.9 percent were likely to be male. Yet for unpaid family workers the majority were female at 75.0 percent compared to their male counterparts at 25.0 percent. The unpaid family workers formed only 0.3 percent of in all categories. Self-employed were 3.3 percent while 9.7 percent were casual workers. Overall, the level of unemployment exceeded the levels of the self-employed and employed. Further investigations showed that unemployed respondents depend on income from pensions, government grants and remittance from family members working in urban centres. The self-employed women were engaged in selling vegetables, fruits and other types of food in the villages. To ensure that benefits of growth and employment creation are more equitably distributed, the local municipality needs to ensure that integrated development planning places the growth of labor-intensive sectors at its core.
### Table 1: Magnitude and proportion of household head, by employment status, by gender, Ward 1, G. Tzaneen, Limpopo, 2013

<table>
<thead>
<tr>
<th>Job of head HH</th>
<th>Magnitude</th>
<th>Proportion by category</th>
<th>Proportion by category to total Households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Employed</td>
<td>270</td>
<td>163</td>
<td>433</td>
</tr>
<tr>
<td>Casual worker</td>
<td>90</td>
<td>58</td>
<td>148</td>
</tr>
<tr>
<td>Unemployed</td>
<td>495</td>
<td>387</td>
<td>882</td>
</tr>
<tr>
<td>Self employed</td>
<td>28</td>
<td>23</td>
<td>51</td>
</tr>
<tr>
<td>Unpaid family worker</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Other ( specify)</td>
<td>8</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>892</td>
<td>642</td>
<td>1,534</td>
</tr>
</tbody>
</table>

**Education Institution Attendance**

Table 2 shows education institution attendance by age category. The results show that of 487 children of age 3 to 5 years old in study sites, 82.3 percent were not attending any education institution. The study shows that relatively few children attended pre-school. This could be due to limited public transportation due to bad road conditions and inadequate foundation developmental schools. In computing non-attendance ratio for ages 6 to 18 years old combined, the result shows that the lowest non-attendance ratio of 13.1 percent out of a total of 1,601 in this age range category. The high attendance levels were mostly likely due to the fact that educational enrollment and attendance for children from age 6-18 years old in South Africa was made compulsory. Education at these levels is free and meals are provided to the students. Furthermore, single mothers are able to access monthly child grant. At this age, children are more likely to walk to schools within or outside the villages. In addition, the government provides 60.0 percent funding to rural poor schools. Further investigation revealed that children who did not attend pre-school were most likely to stay at home with their parents and/or grandparents.

Results in Table 2 show that of 2,218 of ages 19 to 35 years old, 76.1 percent were not attending any educational institution. Further investigations showed that this could be due to teenage challenges such as teenage pregnancies, financial issues, social issues and lack of interest. Further investigation revealed that the National Student Financial Aid Scheme (NSFAS) provides loans and bursaries to students from poor backgrounds who wish to study at South Africa’s public higher education institutions.

Figure 1 shows the ages 3-5 years old attendance by village where Senakwe, Pelane, Mauntlala Patamedi Moloko and Manswa villages need urgent attention by local municipality.
### Table 2: Magnitude and proportion of persons, by school attendance, Ward 1, G. Tzaneen, Limpopo, 2013

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Magnitude</th>
<th>Proportion by age group category</th>
<th>Proportion by age group category vs total age group population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Attending</td>
<td>Not attending</td>
<td>Total</td>
</tr>
<tr>
<td>0-2yrs</td>
<td>9</td>
<td>291</td>
<td>300</td>
</tr>
<tr>
<td>3-5yrs</td>
<td>86</td>
<td>401</td>
<td>487</td>
</tr>
<tr>
<td>6-14yrs</td>
<td>975</td>
<td>70</td>
<td>1045</td>
</tr>
<tr>
<td>15-18yrs</td>
<td>509</td>
<td>47</td>
<td>556</td>
</tr>
<tr>
<td>19-35yrs</td>
<td>531</td>
<td>1,687</td>
<td>2218</td>
</tr>
<tr>
<td>35yrs &amp; above</td>
<td>34</td>
<td>2,017</td>
<td>2051</td>
</tr>
<tr>
<td>Total</td>
<td>2,144</td>
<td>4,513</td>
<td>6657</td>
</tr>
</tbody>
</table>

**Figure 1. Proportion of age 3-5 years old not attending education institution by village, Ward 1, G. Tzaneen, Limpopo, 2013**

**Energy Accessibility**

Table 3 below shows that of the 1,534 households interviewed, 86.51 percent used firewood energy source for cooking and 91.53 percent for heating. 94.5 percent received their source of energy from Electricity supply commission of South Africa (Eskom), 0.93 percent from solar and 4.29 percent firewood. However, about 10.00 percent would normally use candle/kerosene lamp or other sources other than electricity for lighting, 0.13 percent used paraffin for cooking and 0.86 percent would normally use charcoal/solar. Only 5.61 percent households would normally use electricity for heating. Further investigation revealed that this could be due to the fact that even though South Africa rural households receive subsidized electricity tariffs, provided as a free basic allowance, rural households tend to incorporate electricity into their domestic energy, primarily using electricity for lighting. Majority were most likely to use energy mainly from the traditional sources such as fuel-wood and cow dung for multiple purposes, such as cooking, water-heating and lighting while others use paraffin (kerosene). Additional investigation showed that the employed and self-employed moderately relied on energy from electricity grid but harvested and purchased fuel-wood to supplement electricity for domestic use.
while those in the unemployed category relied mainly on traditional sources of energy such as wood fuel. Figure 2 below shows that Marapalala, Manswa and Patamedi villages need urgent attention followed by Senakwe and Moloko villages.

**Table 3. Magnitude and proportion of energy accessibility per household. Ward 1, G. Tzaneen, Limpopo, 2013**

<table>
<thead>
<tr>
<th>Energy access</th>
<th>Magnitude</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eskom</td>
<td>1322</td>
<td>94.5</td>
</tr>
<tr>
<td>Solar</td>
<td>13</td>
<td>0.93</td>
</tr>
<tr>
<td>Firewood</td>
<td>60</td>
<td>4.29</td>
</tr>
<tr>
<td>Candle/ lamp etc</td>
<td>153</td>
<td>10.0</td>
</tr>
<tr>
<td>Firewood as cooking energy source</td>
<td>1327</td>
<td>86.51</td>
</tr>
<tr>
<td>Electricity as cooking energy source</td>
<td>195</td>
<td>12.71</td>
</tr>
<tr>
<td>Paraffin and solar</td>
<td>4</td>
<td>0.26</td>
</tr>
<tr>
<td>Firewood as heating energy source</td>
<td>1404</td>
<td>91.53</td>
</tr>
<tr>
<td>Charcoal/ solar and other</td>
<td>13</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Note: Multiple answers by households were obtained therefore the percentage does not add up to 100.

**Figure 2. Proportion of household using firewood as source of energy for cooking by village, Ward 1, Tzaneen, 2013**

**Accessibility to Safe Drinking Water**

Table 3 indicates that an average of some 73 to 74 percent of 1,534 households had accessed unsafe drinking water from communal piped water, municipality water tank, and river/ stream. This is because the taps were dry or there had not been any water in the tanks for a period up to three months due to broken pipes or lack for maintenance from Local municipality. Those who did not access communal, water tanks or water pipes in the yard were more likely to access contaminated water from river/ stream. Further investigation revealed that those who had no access to safe water fell under the unemployed and/or depended on social security for survival. Investigations also revealed that the average distance to the water source for 1 out of 5 households was above
1.7 km. Of the households that did have access to water; further interrogation revealed that water was soiled and could not be drank. Figure 3 shows that Marapala, Moloko Manswa, Senoplelwa Pelane and Senakwe villages need urgent attention in relation to the indicators showing that the water issue was severe in majority of the villages.

Table 3. Magnitude and proportion of households by safe water accessibility and distance to water source, Ward 1 Tzaneen, Limpopo, 2013

<table>
<thead>
<tr>
<th>Water accessibility</th>
<th>Magnitude</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piped water inside house</td>
<td>3</td>
<td>0.2</td>
</tr>
<tr>
<td>Piped water in Yard</td>
<td>41</td>
<td>2.67</td>
</tr>
<tr>
<td>Communal piped water</td>
<td>1,058</td>
<td>68.97</td>
</tr>
<tr>
<td>Borehole</td>
<td>72</td>
<td>4.69</td>
</tr>
<tr>
<td>Water tank</td>
<td>215</td>
<td>14.02</td>
</tr>
</tbody>
</table>

Distance to water

<table>
<thead>
<tr>
<th>Observations</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>1534</td>
<td>1.688889</td>
<td>0.8512335</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Figure 4. Proportion of households without adequate water source per village, Ward 1, G. Tzaneen, Limpopo, 2013

Health Facility and Accessibility

Table 5 below shows health accessibility, diseases and health facilities accessibility by household. Out of 1,534 household interviewed, some 42 to 43 percent had suffered various sicknesses a month prior to the study period. These diseases included cholera, diarrhoea, malaria and tuberculosis. These are expected in Tzaneen due to water and toilet situations. In addition, Tzaneen is a malaria prone area. Of those respondents, 89.11 percent were attended to by public hospitals while 89.7 percent went to public health hospitals for treatment. 39.9 percent attended clinics and 61.73 percent were treated by a nurse. The clinics are mainly mobile clinics that visit the Wards to attend to those who are not able to reach the hospitals. Out of the respondents, 11.93 percent had been treated by traditional healers, while 31.16 percent did not specify the type of treatment they received. Of those interviewed, 52.44 percent indicated that the money for medical treatment came from pocket and that it was not adequate. 86.06 percent said that there was increase in medical cost due to inflation (75.44 percent) with others simply saying increase in registration. Further investigations revealed that there was no hospital in Ward 1 and that households attended either public clinics or mobile clinics.
Table 5. Magnitude and proportion of households, by sick members, sickness type, health facilities and medical cost, Ward 1, G. Tzaneen, Limpopo, 2013

<table>
<thead>
<tr>
<th>Variables</th>
<th>Magnitude</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sick members((Diarrhoea, Pneumonia, Malaria and Cholera)</td>
<td>629.0</td>
<td>41.00</td>
</tr>
<tr>
<td>Health facilities by Household</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospital</td>
<td>1367.0</td>
<td>89.11</td>
</tr>
<tr>
<td>Public Health</td>
<td>1376.0</td>
<td>89.7</td>
</tr>
<tr>
<td>Public Clinic</td>
<td>612.0</td>
<td>39.9</td>
</tr>
<tr>
<td>Over the counter</td>
<td>486.0</td>
<td>31.68</td>
</tr>
<tr>
<td>Mobile clinic (Nurse)</td>
<td>947.0</td>
<td>61.73</td>
</tr>
<tr>
<td>Traditional healer</td>
<td>183.0</td>
<td>11.93</td>
</tr>
<tr>
<td>Other</td>
<td>478.0</td>
<td>31.16</td>
</tr>
<tr>
<td>Other Concerns</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequacy of medical fund</td>
<td>805.0</td>
<td>52.44</td>
</tr>
<tr>
<td>Increase in Medical cost</td>
<td>1321.0</td>
<td>86.06</td>
</tr>
<tr>
<td>Reason for increase( inflation)</td>
<td>1158.0</td>
<td>75.44</td>
</tr>
</tbody>
</table>

Note: Multiple answers by households were obtained therefore the percentage does not add up to 100. Eg: households using multiple health facilities.

Discussions

The purpose of this study was to examine multidimensional poverty in Tzaneen Local Municipality and to further demonstrate the implication of using generated data in localizing Sustainable Development goals 2030. Community-based monitoring system was used to capture the multiplicity of poverty conditions in the study sites. Study results demonstrate that CBMS methodology can be used to profile multidimensional poverty at local municipality.

The study results revealed that 72.88 percent of households interviewed had unsafe drinking water. The CBMS findings portray similar pattern with Integrated Development Plans (IDP), (2012), which state that approximately 26.00 percent of the population did not have access to clean water.

The CBMS findings further show that of the 3-5 years age category 82.3 percent were not attending any education institution. This is an area of concern considering that this is the foundation level for child development. On the other hand, an average proportion of education attendance for age 6-14 and 15 to 18 years old was 93.3percent and 93.6percent respectively. Education attendance level at ages 19 -35 years old seems to have dropped to 23.9 percent with 76.1percent not attending. The finding above follows a similar pattern with the South Africa Annual Performance Plan 2013-2014 which indicate that drop out in grades 9, 10 and 11 was high. The National Planning commission,2011, argues that the promotion of learners who were not ready in primary and early secondary phases led to substantial dropout before grade 12 (equivalent to Cambridge HIGCSE). In its vision for 2030, the South Africa government plans to set up early childhood development centers that would be properly monitored (NPC,2011). The results have similar findings by Cloate, Sheppard and Van Schalkwyk, (2016) who state that South Africa tertiary participation is too low partially because it does not have a post-secondary college even though there is high primary and secondary participation.

Study results show that 86.51percent of households used firewood energy source for cooking and 91.53percent used it for heating. Further investigation revealed that South Africa rural households receive subsidized electricity tariffs, provided as a free basic allowance. However rural households primarily use electricity for lighting. Majority were most likely to use energy mainly from the traditional sources such as fuel-wood and
cow dung for multiple purposes, such as cooking, water-heating and lighting while others use paraffin (kerosene). In addition, the self-employed moderately relied on energy from electricity grid but harvested and purchased fuel-wood to supplement electricity for domestic use while those in the unemployed category relied mainly on traditional sources of energy such as wood fuel. Programmes that promote restoration of rural forests should work closely with local municipality to investigate environmental challenges resulting from deforestation for wood fuel by residents.

Implication of the Use of CBMS Generated Data in Localizing Sustainable Development, 2030

The results highlight implication for use of generated data in both practical and future research.

Implication for Practice

The first major practical implication is that the study results provide much needed empirical data on multidimensional poverty realities at local levels in terms of who are the poor, where they are and what contributes to their poverty. The Community Based-Monitoring System generated data is therefore vital for formulating appropriate Sustainable Development Goals (SDGs) by providing the basis for allocation of resources and targeting the right beneficiaries per dimension by local municipality and by other poverty focused organizations. This finding can be used to further respond to concerns raised by the UN, 2015 that more than 700 million people still live in extreme poverty and are struggling to fulfill the most basic needs like health, education, and access to water and sanitation.

A second important implication is derived from the uniqueness of the CBMS generated data in terms of disaggregation across population sub-group and geo-political groups. An analysis of such data can be used to assess policy implication by sub-groups and geo-politics and the development planners to make informed decisions by gender, age-groups, location based on the actual data. This finding responds to the concern by UN, 2015 that achieving the Sustainable Development goals (SDGs) effectively, in a fast, efficient, impactful and lasting way will require innovative action (UN, 2015)

A third implication is that generated data capture multiple dimensions of poverty based on a set of carefully selected indicators. In Sustainable Development goals 2030, these similar patterns of indicators are captured in goals 1 to 8. Moreover, the usage of CBMS-NRDB generated maps which show a simple color scheme on the severity of situations makes it easier to interpret and understand both the magnitude of poverty and provide quick reference on beneficiary targeting. Such information can be used by planners to prioritize projects through appropriate budget allocation. The findings respond to several calls by UN, 2015 that the 2030 agenda requires follow up and review processes to be informed by country-led evaluation and the need to build capacity for national data systems and evaluation.

The fourth important implication is that CBMS generated data if conducted on ongoing basis can produce panel data that could be used by local planners to monitor the impact of interventions disaggregated across subgroups or geo-political levels. The data can therefore provide baseline information for preparing progress reports. This answers the call by UN, 2015 that the 2030 agenda that calls for a robust follow-up and reviewing process to track progress toward the Sustainable Development Goals (SDGs).

The fifth implication is that community-based monitoring system is grounded on the principle that poverty can best be understood through the lives and experiences of the poor themselves. The system captures various dimensions in an ongoing dynamic way and allows the poor themselves to validate the information in collaboration with local officials and planners. This makes it easier to diagnose the extent and nature of poverty (Reyes and Due, 2009). This corroborate the over two years of intensive public consultation, engagement done during the SDG 2030 process with civil society and stakeholders around the world with particular attention to the voices of the poorest and most vulnerable to come up with the agenda for 2030 (UN, 2015). Participatory
processes ensured that programmes were aligned with local needs, building local capacity, and ensured sustainability (UN, 2017)

**Implication for Future Research**

While we have generated a number of what we believe are useful results given the rigorous nature of the CBMS methodology, this study will be more comprehensive if data is collected from a number of local municipalities. Secondly, our study offers the opportunity to refine and expand the usage of CBMS data to other areas related to Sustainable Development goals 2030 such as climate change and an in-depth study on energy.

**Limitations and Critique of the CBMS**

These findings are based on the study on one Ward; there is therefore need for a rollout to other local municipalities for a more comprehensive conclusions. Secondly, with regard to data limitation, it is worth noting that certain characteristics for instance, employment and civil status were only available at the household level and not at the members level. Such Information should be included at member level to get a more comprehensive data and conclusions. Finally, CBMS should be viewed as a complement and not a substitute, to national-level sample surveys. Furthermore, indicators, data-collection methodology and validation must be adapted to local conditions and developed over time. Critical to its success is the fact that enabling conditions need to exist for CBMS to be effectively institutionalized (Reyes and Due, 2009).

**Conclusions and Recommendations**

Information on poverty, is vital for assessing progress and evidence-based policy development. The CBMS generated data results reveals that there exist multidimensional poverty at local municipality level which can be used to track progress on Sustainable Development goals at municipality levels (Statistics South Africa, 2008; World Bank, 2016). However indicators, data-collection methodology and validation must be adapted to local conditions.

Accessible and reliable disaggregated data is required at all levels to effectively track progress on the SDGs. Study results demonstrated that CBMS generates data can be disaggregated across population sub-group and geo-political groups. An analysis of such generated data can allow policy-makers and the development partners to make informed decisions based on the actual data. However, statistical capacity and systems will need to be strengthened at local municipality levels to address all aspects of production and use of data for the SDGs (UN, 2017).

Sustainable Development goals one to eight encompasses issues such as housing, health, education, water, toilet, health, gender and energy. Study results demonstrate that a similar pattern is captured by CBMS generated data. However, CBMS methodology should be viewed as a complement and not a substitute, to national-level sample surveys.

We recommend that the local municipality consider using CBMS generated data as a baseline for profiling multidimensional poverty and assessing progress towards achieving Sustainable Development agenda. CBMS should however be used as complementary to other study methods and not as a stand-alone method.

**Acknowledgement**

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THE RELATIONSHIP BETWEEN MIGRATION
AND POVERTY

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Abstract: 1977 is the year which it introduced open economy to Sri Lanka and as result not only men but also women who became the breadwinner of a family. The women or men, who live in rural areas and fell in poverty, select migration as the oldest action against poverty. The sample survey was conducted in Sri Lanka from August to December 2017, covering 80 females who were worked so domestic human resources abroad. The study explore the bond sandwiched between the poverty furthermore the migration of the special analysis area in Sri Lanka. Sri Lanka has paid attention to overcome the problem of poverty since her independence, but still there are considerable amount of the population living below the national poverty line. Also relevant data for the study were gathered from the secondary as well as primary sources. The main primary data collection methods were questionnaire survey, household interviews and key informant interviews. The present situation of the village is a result of number of factors which directly or indirectly affect the women’s and men’s economy in Sri Lanka. The study found that the main reason for their poverty situation is low income regarding the lack of educational attainment of the women have negatively affected their present living standard. And also most of the women reported that present poverty alleviation program (Samurdhi) isn’t enough to overcome the poverty situation. Other reasons for women’s migration were image the relationship of present poverty situation in the area, lost some valuable opportunities for their education due to poor condition of their families, thinking much about their children and fulfill their requirements than others requirements of the households’ etc. It seems that there is no good guidance for the poor people of the area. As many of the people in the village have the negative ideas about their poverty situation, there should be stronger guidance for the people. Without such a strengthening of the people it is difficult to upgrade peoples’ living standard. If there is awareness programs and if give some kinds of training and self-employment programs, it will be helpful to overcome their poverty conditions and not to get decision to migrate.

Keywords: migration, women, poverty, Sri Lanka

Introduction

A violation of human rights and a denial of the most basic needs of the poor could be regarded as poverty in developing countries. Poverty is a major socio-political issue in Sri Lanka. It was recognized as a critical issue in the late 1980’s and a limited poverty alleviation programme of income support was introduced in 1989, but the incidence of poverty still exists. This is partly a reflation of growing income and other disparities in the country and partly a result of the deterioration of publicly provided services such as health, education, environmental sanitation and transport. Increasing private investments in some of these areas have been accompanied by a decline or at least a stagnation of public investment. The result is that higher income groups have access to high quality services in the private sector while low income people who constitute the vast majority of the population are compelled to rely on deteriorating health, education and transport services. Moreover, even the poor cannot rely entirely on publicly provided services as they are forced to pay for some of the services such as prescription drugs, medical tests, private tuition, school transport, etc. For all these, they have to use their meager earnings. This situation makes it virtually impossible for the poor to satisfy the basic needs of their household members, forcing them deeper into poverty and indebtedness. This largely explains the
continuing exodus of low-income persons from rural and plantation areas. Consequently, population pressure is increasing in cities and towns throughout the country leading to urban social problems.

Poor relief by way of cash transfers hardly provides an adequate cover against income and consumption poverty. The amounts involved are insignificant. For instance, most poor families receive the equivalent of anything between Rs. 500 to Rs. 1000 a month barely enough to buy a kilogram of imported powdered milk. Increasing costs of food, health care, education, housing and transportation compel people to look for higher incomes outside the country. Though overseas employment provides higher incomes, it does not ensure long-term social security. As is well known, people employed abroad on short-term contracts are not covered by social security systems like pensions and retirement gratuities, either at home or abroad. Unless they invest part of their income in long term savings bonds etc., their future is likely to be as uncertain and instable as their present situation. As is evident from research, most short-term migrants use up their earnings for day-to-day requirements at home and often have no savings or investments to fall back on when they can no longer work due to age or other constraints.

When we discuss on women migration in the context of poverty reduction, out of the 190 million migrants in the world today, almost 50% are females; many of them moved from and within developing countries. More than 166 billion in 2014, migrant remittances sent home to developing countries, it is noticed that major proportion was received by women. Migration, particularly through remittances, can be an important factor for poverty reduction and growth in many developing countries like Sri Lanka (Lucas, 2004; Adams, 2005).

Statement of the Research Problem

Why do huge numbers of Sri Lanka women migrate overseas despite their family commitments? Various types of factors at origin and destination, as well as individual reasons, household and country level factors (Ghosh 2009; Eversole 2006) determine their migration. These migrant women come from low-income families and have lower levels of education, which inhibits their possibilities of entering into the local labour market. Even if they are employed in Sri Lanka, their salaries are low, and their families’ lives in poverty. They need more money to improve the economic and social well-being of their families. Since they couldn’t find other alternatives to earn money in Sri Lanka, they take the decision to migrate. Therefore, the main reason for their migration is mainly economic. These economic reasons consist poverty, limited employment opportunities for them to work in Sri Lanka, unavailability of permanent jobs for their husbands, repayment of debts, buying a land, building a house, and family obligations. Poverty alleviation and building a house were expressed as the main reasons for migration by an equal proportion of migrant families (about 36 per cent). Among the non-economic reasons such as providing better education and health for their children and recovering husband’s illness were reported as main reasons only by a small proportion of families. Although the provision of education for their children was the main reason for migration only for a small number of families, it is one of the reasons reported by more than half of the families.

Economic development causes to increase female labour force participation, limited time that women can spend on household chores and childcare activities, and government policies of destinations countries in the Middle East and Southeast Asia has generated a demand for Sri Lankan migrant workers (Ghosh 2009; SLBFE 2009; Hugo 2005b; Asis 2004a; Chammartin 2004a; Lim and Abella 1994). Moreover, advancements in transportation and communication technologies that link places and people globally, easy access to information in finding job opportunities, quick communication with family members, and immediate transfers of remittances made it easy for women to migrate internationally (Sumulong and Zhai 2008; Wickramasekera 2002). Who gets the decision to migrate? Person mainly responsible for the decision to work overseas is the migrant. The migrant woman is the people who have more power in taking the decision to migrate. Their migration is recognized as a household strategy since the reason for their migration generally for the improvement of the well-being of their families.
with reducing the poverty. The study mainly focused on; do the women’s migration able to reduce their poverty situation of their family?

**Objectives of Study**

Sri Lanka has paid attention to overcome the problem of poverty since her independence, but still there are considerable amount of the population living below the national poverty line. The main objective of the research is to explore the ability of reducing poverty situation in their families regarding to the women’s migration of the selected study area. The specific objectives are to identify how the remittances effect to reduce their poverty, to investigate the relationship between the poverty and the gender basic.

**Methodology**

The sample is motley in the sense that it included migrant households with different socio-economic characteristics. It consists of 80 returned females who were worked as domestic workers in abroad at the time of the survey. The sample survey was conducted in Sri Lanka from August to December 2017, covering 80 respondents with using judgment sampling. These types of migrant households were selected for the study assuming that the perception of the females on the impact of reducing poverty condition through women’s migration to their families. Field Research Design is the main data collection method used in this study. Demographic and socio-economic characteristics such as age, ethnic group, number of children, marital status, educational attainment, income, occupation provides background information for this study. Both primary and secondary data were used for this study. Therefore, primary data required for this study had to be collected by means of a sample household survey using a structured questionnaire and In-depth Interview. Secondary data likewise the departures for foreign employment, occupational categories of migrants were collected from the published records of the SLBFE. In addition relevant data were also collected from the official Social and Economic reports and Department of Census and Statistics, the Central Bank of Sri Lanka and the Divisional Secretariat. A selective content analysis of media especially print media was also carried out to capture an understanding of how women migrants in the media were a focus of the study.

**Theoretical Background and Literature Review**

Gender as a social construction that organizes relations between males and females can greatly differentiate the causes, processes and impacts of migration between the two sexes. Knowing how these differences play out at the interface of migration and poverty can be important for achieving the third Millennium Development Goal – to promote gender equality and empower women, as a way of enhancing economic growth and reducing poverty. A gender analysis of migration looks beyond simple differences in migration behaviour between men and women – such as the likelihood and type of migration – and examines the inequalities underlying those differences. It looks at how these are shaped by the social and cultural contexts of the individual, and the influence that membership of social groups and economic and political conditions can have on decisions about migration.

The household theory about migration decisions being taken rationally by families was an important departure from earlier neoclassical economic theories of migration. It recognizes that the relative control over resources exercised by men and women has a significant and often gender differentiated impact on family consumption and expenditure. But it has not adequately accounted for the fact that households, like workplaces, can be sites of inequitable decision-making in many cultures. Gender inequality can permeate the decision, process and impacts of migration, as well as the networks and support systems that play a key role at all stages of migration (UNGA, 2004). But migration can also help reconfigure gendered relations, particularly by offering more women the opportunity to enter the global labour market.
Migration can result from poverty, but it is not always the poorest who migrate, because of the costs and opportunities involved (World Bank, 2005). And poverty may result from migration, both for the migrants in destination locations and the families left behind, often mostly affecting women and children. At the same time, female migration can indirectly help alleviate poverty by raising the productivity, education and health of the females and their families, all key to reducing inequality and poverty in the home.

But evidence of the positive impacts of migration on poverty remains scanty. Firstly, a number of developing countries with high poverty levels have no significant studies on migration, poverty and livelihoods (Black, 2004a), let alone gender analyses in that field. Secondly, most immigrant-receiving countries do not consider the gender implications of their immigration policies and programs, and thirdly most migration literature to date has been gender indifferent, or given it a male bias. Overarching this is a general deficit of evidence on the exact impact of migration and remittances on poverty.

The gender distribution among migrants today is reasonably balanced, with almost 50 percent of the global migrant population today being female, although the increase has been mainly in the developed world. Between 1970 and 2000 the numbers declined in Asia (46.6% to 43.3%) and North America (51.1% to 50.3%), but rose in Africa (42.7% to 46.7%), Oceania (46.5% to 50.5%), Latin America and the Caribbean (46.8% to 50.2%) and Europe (48% to 51%). But these statistics on recorded migrant populations do not reveal the true numbers of movements, particularly within countries and regions. We do know that in most developing regions more females are migrating independently, i.e. not just as dependents or family members, and more are making a difference for development (Sorensen, 2004).

Our perception of international migration is that it was predominantly a male phenomenon during the large labour movements of the 60s and 70s in Europe and the US, with women and children following in secondary waves of family reunification in the 1980s and 1990s. But by the 1990s, women were migrating in far higher numbers, both as family members and independently, voluntarily or involuntarily. This has certainly been the experience of Maghrebian women (particularly Moroccans) in the EU region (Khachani, 2001; Sorensen, 2004). In Asia and Africa, more women have become primary wage earners in domestic and cleaning jobs, child rearing, care of the elderly, and as nurses and hospital aides (UN World Survey, 1999).

Migration can help raise women and men from the lower to lower middle class socio-economic ranks (ILO, 2004; De and Ratha, 2005). Many migrant women seize the opportunity to buy land or real estate with their earnings (e.g. Indian and Filipina migrants). Many tend to remit more of their earnings then men, and to exercise control of their household income by ensuring the remittances are spent on food and clothes for the family back home (IOM, 2005b). This general pattern has been observed elsewhere, despite the fact that women often do not have the same labour opportunities abroad and tend to earn less than men (ILO, 2004). Increased education seems to encourage more migration of women (UNESCAP, 2003a), and in turn foster greater education of females. For Indonesian women in the Gulf Countries, migration can be both a way of seeing the world and making a pilgrimage to Mecca (ILO, 2004).

For many poor women, migration has strengthened their agency within structures that normally offer them few opportunities. And lesser paid, lesser regarded occupations like domestic work or sex work have enabled them to carve out spaces for control and influence at home and in the community. In Kerala, India, in the 1990s, the so-called “gulf wives” left behind by male emigrants were found to experience loneliness and too high a work burden at home. But today, they and their daughters form a new generation of self-confident, independent female managers in Kerala (UNESCAP, 2003a).

Migration increasingly offers women education and career opportunities that may not be available, or be denied them, at home, as well as alternatives to marriage, the traditional role of home carer (even though it is often home care that the women engage in abroad) and some of the more negative cultural practices regarding women
Hansi Apsara / The Relationship Between Migration...

(such as genital cutting). These opportunities include domestic work in other households for an income rather than to be an unpaid domestic in their own household (Momsen, 1999).

Migration as a transforming experience can improve or worsen the position of women in families and society. It can also do that for men, but often not in a way that is as gender-specific. It is important to note that while statistics under-represent the number of females who migrate, they tell us even less about the number who ultimately ends up in the workforce, regardless of how they migrated (Carling, 2005).

Results and Discussion

The study found that the main reason for their poverty situation is low income regarding the lack of educational attainment of the women (73%) have negatively affected their present living standard. And also most of the women (14%) reported that present poverty alleviation program (Samurdhi) isn’t enough to overcome the poverty situation. Other reasons for women’s migration were image the relationship of present poverty situation in the area (6%), lost some valuable opportunities for their education due to poor condition of their families (12%), thinking much about their children and fulfill their requirements than others requirements of the households’ (54%) etc. It seems that there is no good guidance for the poor people of the area. As many of the people in the village have the negative ideas about their poverty situation, there should be stronger guidance for the people.

Remittances are one of the most visible developmental effects of migration, although too little is still known about their impact on poverty. There is evidence that they alleviate poverty at the household level in some countries, among others by funding child schooling, reducing child labour, increasing family health and expanding durable good ownership (Yang, 2004). According to the G8, remittances by both male and female migrants have become the most stable source of foreign assistance for their home countries (Ramirez et al, 2005). They form a “family welfare system”, which can help smooth consumption, alleviate liquidity constraints and provide a form of mutual insurance. As such, they particularly affect women, as traditional homemakers and major recipients of remittances, but also increasingly as heads of households in place of the migrating men (Sander and Maimbo, 2003).

While there is evidence that remittance flows and expenditure patterns can be highly gender-specific, there is still too little research on the relationship between gender and remittances. Most of it is piecemeal and scattered throughout general studies on remittances. Most household surveys do not account for gender differences, and most data collected on remittances do not disaggregate by sex. There is particularly little on how the culturally constructed roles that men and women play in their home countries can influence the way in which they invest their remittances.

It is clear that low-middle income regions with a high share of female emigration, such as Latin America and the Caribbean, or South Asia, also have high remittance rates (LAC = 35% of all remittances globally in 2003). This is true also of female dominated sectors, such as the domestic worker sector in Kuwait. And there is some evidence that females tend to remit more of their earnings than men. The domestic workers in Kuwait were found by ILO to remit a higher percentage of their income monthly (more than 85%) than the men (78.5%) (ILO, 2004). According to the household survey showed that some 55% of the more than 50 lacksfamilies benefiting from remittances are female. This is ascribed to the culturally-based domesticated roles assigned women in the survey. In parts of Asia, it is common for the mother or other female relative of a remitting female migrant to both care for the family in the absence of the migrant, and to receive and spend the remittances, often on instruction from the migrant (Momsen, 1999).

Analyses by the World Bank and others tell us that remittances sent and/or received by females can have a positive effect on health, education and mortality of children. In some countries, women tend to remit a higher
percentage of their salaries than men (although overall less than men, because of low salary levels), and prioritize nutrition, health and education for the family over savings and investments for the future (Escriva and Ribas, 2004). These priorities are mirrored in the behaviour of female heads of households receiving the remittances in the country of origin. It is understandable that migrant women are generally successful in improving the economic situation of their families although little more than a quarter of the migrant families reported that monthly household income was sufficient after migration. More than three quarters (75 per cent) reported that the household income increased due to the migration of women (Table 5.1).

Table 5.1 Household opinion of whether the household income increased due to migration

<table>
<thead>
<tr>
<th>Income increase</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High increase</td>
<td>10%</td>
</tr>
<tr>
<td>Moderate increase</td>
<td>25%</td>
</tr>
<tr>
<td>Increase</td>
<td>30%</td>
</tr>
<tr>
<td>No increase at all</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field Study, 2017

Regression analysis based on a recent survey conducted in Sri Lanka by the World Bank shows that remittances received by female heads of household in Sri Lanka have a positive impact on health and education of the children (controlling for sex, age, land ownership, food consumption, absence of father etc) (De and Ratha, 2005). Feedback to a question in this survey about the ownership of major items such as housing, land, and vehicles and consumer durables before migration and after migration are shown in Table 5.2. By comparison, in Sri Lanka it was found that where males are heads of households, there is rather a more positive impact on asset accumulation. An analysis of the impact of exchange rates on Filipino remittances and a range of household outcomes in the Philippines finds that positive exchange rate shocks generally result in higher household expenditure on education for children, but with a higher increase in education for girls (Yang, 2004)).

Table 5.2 Ownership of major items before and after migration

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>House</td>
</tr>
<tr>
<td>Had before migration and no improvement</td>
<td>40%</td>
</tr>
<tr>
<td>Had before migration but now improved</td>
<td>30%</td>
</tr>
</tbody>
</table>
In this research, it is shown that the overall increased income through remittances improves children’s health and mortality rates (62%). This is in addition to the general improvement of family health through the increased health education of female migrants abroad. Furthermore the study has found that children of migrant households are estimated to be 1-2 percent less likely to die in their first year than children born in households without a migrant member.

The impacts of poverty and migration on health – of the migrants, their families, and the public – are complex and vary according to a large number of factors, including public policy, culture, vulnerability of mobile populations and sexual behaviour, all of which can be highly gender-specific. There continue to be enormous disparities in health between developed and developing countries, or poorer and richer regions within countries; and poverty is the critical indicator for these. Public policies can play a critical role in correcting this, but there is as yet insufficient connection between migration, health and development policy-making, despite the globalized impacts and costs of such pandemics as AIDS.

Government policies can be crucial for stimulating productive use of remittances, but in some developing countries of origin the legal systems limit or even exclude women from owning land or accessing the means to gain credit or loans and invest remittances more productively (Ramirez et al, 2005). Migrant workers’ earnings are also spent in investments and on savings (Kageyama 2008). Of the total migrant families in the study, 70 per cent reported that they invested migrants’ earnings in both productive and non-productive items. These productive investments include land and setting up a business and non-productive activities includes housing, vehicle and household items. About 80 per cent had the opinion that their savings of migrant’s remittances were sufficient (Table 5.18). Little more than a third reported that the money they saved was enough and only one respondent said that their savings are more than enough.

Table 5.18 Respondent opinion about the adequacy of their savings

<table>
<thead>
<tr>
<th>Opinion about savings</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than enough</td>
<td>1</td>
<td>5%</td>
</tr>
<tr>
<td>Enough</td>
<td>3</td>
<td>15%</td>
</tr>
<tr>
<td>Not enough</td>
<td>16</td>
<td>80%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field Study, 2017

The extent to which destination countries support the settlement and integration of migrants in the host community can influence their propensity to remit funds, indeed generally to contribute through knowledge exchange or other “returns” to the home country. There is still inconclusive evidence to show that greater settlement in the destination country will lead to more or fewer remittances and ties with the origin country. Some studies show that women have a greater tendency to settle in the destination country, and initiate family...
unification, thereby reducing future remittances home (Ramirez, 2005). But there are too few examples, and there is still inadequate evidence that long term migration or settlement generally leads to lowered remittance flows (World Bank, 2005 (forthcoming)).

Remittances have been able to strengthen women’s economic status in both countries of origin and destination, and in some cases help them to re-negotiate the gender roles at home. Women send money home, and in many cases it is other women in the family who receive and use the remittances for the family. In this study found that left behind by women (78%) worked in the abroad feel that their status and authority have increased through remittances. By last few years, half of them had houses or land in their own names, some 40 percent had their own income, which they controlled, and 7 out of 10 kept their own bank accounts.

Thus, women back home have also been able to strengthen their role as financial managers, in some instances through creative investments (67%) like microcredit enterprises. This is seen as a new form of transnational networking at the household level, with multiplier effects at the societal level, even if only symbolic.

**Conclusion**

These migrant women come from low-income families and have lower levels of education, which lives their possibilities of entering into the local labour market. Even if they are employed in Sri Lanka, their salaries are low, and also their families live in poverty. They need money to improve the economic and social well-being of their family members. Since they find no other options to earn money in Sri Lanka, they take the decision to migrate. In addition, the reason for their migration is mainly economic. These economic reasons contain poverty, limited employment opportunities for them to work in Sri Lanka, unavailability of permanent jobs for their husbands, repayment of debts, buying a land, building a house, and family obligations. Poverty alleviation and building a house were reported as the basic reasons for migration by an equal proportion of migrant families. Non-economic reasons like as providing better education and health for their children and recovering husband’s illness were reported as main reasons only by a small proportion of families. Insufficient household income to fulfill their needs is a major problem of these migrant families. One of the facts that the migrant women tended to come from poorer families is also reflected in the nature of occupation of the migrants’ husbands. Sri Lankan migrant women have lower levels of education which is only primary education. Their lower levels of education can have a heavy impact on their salaries, money management, and communicating with their employers.

The most direct benefit from migration is the incensement in the household income. It is reflected in the findings of the rise in the average monthly income of the households, increase in the adequacy of household income, and the increase in migrants’ income. Migrant families had a low average monthly household income at the time of their migration. With the migration of women, the average monthly income of the households has increased. Consequently, the proportion of the families whose monthly income was sufficient to meet their family needs has also risen significantly.

A positive relationship is reported between the percentages of families who reported that their monthly income was sufficient as a result of the migration of women and the duration of work abroad. This finding suggests that migrant women can get more economic benefits in relation to the increase in household income only if they can work more years overseas. Migration has supported in the ability of women to contribute to the daily expenses of the household.

It is apparent that migrant women are generally successful in developing the economic situation of their family since there is an increase in the household income. There had been a high or impartial increase in income for about one third of the households. This increase is significant as the duration of work overseas increases. Their remittances not only supported to increase the household income, but also enhanced the ability to purchase and improve family housing and land ownership, and to purchase or upgrade household consumer durables. This
suggests that remittances minimize poverty and improve access to goods and services, thereby extending opportunities for people to improve their living standards.

Almost all migrant families sent their portion salary to their families or a bank account in Sri Lanka. Migrant’s husbands were the main recipient of remittances. Parents also receive remittances from migrants because they play a key role in financial activities of the households. Migration of women is closely related to their family needs, in particular to improve the living conditions of their families. These families used these remittances for children’s education, children’s health, and repaying debts. A considerable proportion of these families were able invest for productive and non-productive items. An investment in non-productive items such as housing is higher than productive items such as land and setting up a business. Moreover, little number of these families was able save some money. Likewise finally those findings helps to prove women’s migration directly give major benefits especially from remittances to reduce the poverty situation of their families.

Reference


MULTIDIMENSIONAL POVERTY IN PAKISTAN: 
A POLICY PERSPECTIVE 

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Abstract: Mostly poverty related researches have only explored monetary poverty. This empirical analysis reveals the International Multidimensional Poverty Index estimations for Pakistan. The statistical data has been gathered from the statistical Survey of “Pakistan Social and Living Standard Management” (PSLM). The Alkire and Foster (2010, 2014) methodology is used in this empirical analysis due to its instinctive and appropriate properties for policy making. The five provinces of Pakistan (including rural and urban regions) are taken such as Punjab, Sindh, Baluchistan and Khyber Pakhtunkhwan. Using PSLM statistical surveys data, we found that Pakistan’s global multidimensional poverty (MDPT) index value is 0.292 points in 2004/05, decreases significantly to 0.197 in 2014-15, while the headcount (HD) ratio dropped from 55.2% to 38.8% with (16.4% difference).Finding of this analysis shows that during all time periods multidimensional poverty (MDPT) of Pakistan remained significantly higher in rural areas as compared to urban areas. This empirical analysis provides that an integrating technique adopting for MDPT to overcome the socio-economic issues rapidly in Pakistan because it is basic requirement of millennium and sustainable development goals (MDG’s) to provide basic necessities of life (e.g., food, health, water, and education) to meet the Global standards of wellbeing.

Keywords: Poverty, health, education, welfare.

JEL CLASSIFICATION: I132, P46

Introduction

In Pakistan Multidimensional poverty (MDPT) index has been used to identify socio-economic factors which increase development process with minimize poverty ratio and meet the requirements of Vision (2015) and identify various social goals. Pakistan’s MDPT index tries to fulfill the requirements of Pakistan’s vision 2025. To encourage the growth process, monitoring and readapting programming, providing policy for effective governance as well as designing and targeting integrating policies are the main functions of MDPT index. The key objective of Pakistan's Vision (2025) is to achieve significant and sustainable growth and development to minimize the deprivations from economy. Poverty in Pakistan is Multidimensional, covering not only money deficiency based poverty but also the deficiency of hospitals and healthcare facilities in the country, high rate of illiteracy and various social issues for whole population across the country. Pakistan’s commitment to eradicate poverty report explores that national MDPT based on the method of Alkire-Foster (AFS), from in this report we take statistical data of PSLM various survey to estimate MDPT in the Pakistan, this survey also estimate the impact of socio-economic indicators and dimensions to MDPT (Government of Pakistan 2016).

There is prerequisite of wellbeing to realize the main indicators of deprivation through economic as well as social aspects and issues are related to poverty (Bourguignon & Chakravarty, 2003). The famous Chronic Poverty Research Center explore that deprived condition of the people cannot be measured through lowness of income rather it has numerous manifestations such as hunger and malnutrition, absence of health facilities, inadequate income and productive resources, inadequate educational facilities, and many other basic services, and mortality from illness, increased morbidity, and lack of shelter, unsafe and unhealthy environmental conditions, social exclusion and marginalization (CPRC, 2004). To fulfill the all financial requirement the
income is being a partial proxy explains as only necessary condition but not a sufficient indicator of welfare of the people that just deals with one pillar for attacking deprivation. Pakistan as a developing country thus there is need to reshaped anti-poverty policies and there is need such policies which minimize the poverty ratio from country, but has not yet accurately applied MDPT the measurement. So, in this article we try to adopt the Alkire-Foster methodology to fill the gap.

The remaining sections describe the details of paper. Section (2) represents the conceptual framework. Section (3) relates to the literature review. Section (4) presents methodology and empirical analysis of the study. The findings of this empirical study are mentioned in Section (5). Section no (6) based on conclusion and discusses the policy suggestions and implications.

### Conceptual Frameworks

#### The main Concept of Poverty

Theoretically, this study is based on the approach of AmartyaSen’s Capability (ASC) which described that deprivation is multidimensional concept in nature (Sen, 1999). Poverty is not a single aspect as it contains multiple aspects so measurement of poverty in only monetary term cannot be beneficial (Ravallion, 2011b) and various empirical analyses found. It is not necessary that improvement of welfare is related to economic growth (Ahlulwalia, 2011). Khilji (2014, 2015) stressed on policy makers to design various appropriate economic policies, programs for poverty reduction which is essential to understand the main concept of poverty. However, poverty is multidimensional, diverse and narrow dimensional concept (see, Misturelli and Heffernan 2010). The economic deprivation in terms of money and deficiency of financial resources to access the basic necessities are the main aspects of poverty and according to prior literature that minimum level of consumption and basic necessities are needed for a healthy life (Lipton 1997). According to World Bank (2011) modern monetary definition of poverty is about USD $ 1.90 a day in line (with inflation), this relates to the consumption and income level of the people and assumes that financial deficiencies facing by the poor and this are the main reason of poverty.

The Alkire&Santos (2010) explained that the concept of multidimensional poverty is broadly acknowledged by recent socio-economic literature, because globally, more than 114 million children have not facilities of basic education, and illiteracy rate of women is also more than 584 million. The 42% of the world population and more than 20% south Asian countries are facing the problem of clean drinking water, toilet and many other inefficient basic necessities of life (UN Millennium Project, 2002), further major contribution has been done by the Alkire&Santos (2010), who revealed that the concept of multidimensional poverty is broadly acknowledged by recent socio-economic literature, because globally, more than 114 million children have not facilities of basic education, and illiteracy rate of women is also more than 584 million.

A strong theoretical foundation is given by the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs), that’s highly focused their attentions on human development program and poverty reduction policies. Due to theoretical development, availability of data based on micro-level and advances in methodology in last few years have provided research into measurement of poverty with its all dimensions. Angulo et al. (2016) discussed that poverty measurement is including not only money based poverty but it tries to estimate poverty with its all dimensions and aspects. Estimation of MDPT with its new measures are encouraging by Oxford Poverty and Human Development and united nation development programs (UNDP) (e.g., UNDP 1997, 2010; Alkire and Foster 2011; also Alkire and Santos 2010).

#### Review of literature

More than 1129 million people are living in a serious socio-economic deprivation condition, with a certain disparity in magnitude across different economies and regions (UNDP, 2013). The dilemma of deprivation of
people has been a notable challenge in the last many decades of third world countries; it is more challengeable because it has bad influenced on the economic growth and development process. Globally, 557 million people are poor in south Asian countries, and the magnitude and rate of deprivation has risen significantly over time (UNDP, 2013). Pakistan is not free from poverty, overtime the proportion of poverty is increasing significantly (Naseem, 2012). During the period of 1990s in Pakistan, the poverty is becoming is increasing because of destabilizing policies, poor quality of governance, inflation (prices of goods and services are increasing) and slow growth rate and etc.( Haq&Bhatti, 2001; Naseem,2012).

Various empirical analyses have employed varying indicators and dimensions to quantify MDPT (like Sahn and Stifel 2000; Mohanty 2011; than various recent studies Batana 2013; Yu, 2013; Santos 2013; Battiston et al. 2013; Hanandita and Tampubolon 2015; and finally Angulo et al. 2016). A systematic review and numerous methods have been developed for estimating MDPT (e.g., Alkire and Foster 2008; Mishra and Ray 2013; Decancq and Lugo 2013; Dehury and Mohanty 2015). The estimation of multidimensional poverty done by (e.g., Anand and Sen 1997; Bourguignon and Chakravarty 2003; then Jayaraj and Subramanian 2010; Coromoldi and Zoli 2012; Rippin 2010; Khan et al. 2015,Saboor et al 2015, Mishra and Shukla 2016,Alkire and Shen 2017). Though, empirical analysis on the application of multidimensional poverty findings remains scared (Mohanty 2011).

Data and Research Methodology

Description of data

This study tries to examine the deprivation ratio in Pakistan including its four provinces i.e., Punjab, Khyber Pakhtunkhwan, Sindh and Baluchistan and. The data was collected from PSLM survey of Pakistan for different time periods, i.e. 2004/05, 2006/07, 2008/09, 2010/11, 2012/13 and 2014/15. The data on facilities of health, education and houses are the main indicators of socio-economic aspects of the economy. These main indicators with its main 10 variables are mentioned in table (1). The years of education and ability of reading and writing are used as years of education than availability of clean drinking water, immunization and pre and postnatal consultation are used for the proxies of health facilities deprivation. Likewise, other five main variables access to electricity and telephone services, house occupancy status, and access to facilities of gas toilet in houses are used as the proxies of the deficiencies of facilities of housing.

Finally, multidimensional poverty is estimated which is based on estimated dimension levels in all provinces for five time periods.

Table 1. Details of MDPT Dimensions, main indicators and deprivation thresholds

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>MAIN INDICATORS</th>
<th>Criteria used for DEP, CUT-OFF (deprived if…)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (CY)</td>
<td>One-dimensional</td>
<td>If income is less than(&lt;)National poverty line then D=1, and 0 otherwise</td>
</tr>
<tr>
<td>Facilities of Education (ED)</td>
<td>Years of education</td>
<td>If highest classis ≤ 6 then D =1, and 0 otherwise</td>
</tr>
<tr>
<td></td>
<td>Reading and writing ability</td>
<td>If cannot read and write in any language then D = 1, and 0 otherwise</td>
</tr>
<tr>
<td>Facilities of Health (HF)</td>
<td>Immunization/vaccination</td>
<td>If not immunized then D = 1, and 0 otherwise</td>
</tr>
<tr>
<td></td>
<td>Clean drinking water facility</td>
<td>If source of water not piped then D = 1, and 0 otherwise</td>
</tr>
<tr>
<td></td>
<td>Pre/post-natal consultation</td>
<td>If did not go for any pre-natal consultation then D = 1, and 0 otherwise</td>
</tr>
<tr>
<td>Facilities of housing (HU)</td>
<td>Own House or not status</td>
<td>If house is not owned then $D = 1$, and 0 otherwise</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td>Availability of electricity</td>
<td>If electric connection is absent then $D = 1$, and 0 otherwise</td>
<td></td>
</tr>
<tr>
<td>Availability of gas</td>
<td>If gas connection is absent then $D = 1$, and 0 otherwise</td>
<td></td>
</tr>
<tr>
<td>Availability of telephone services</td>
<td>If telephone connection is absent then $D = 1$, and 0 otherwise</td>
<td></td>
</tr>
<tr>
<td>Toilet facility</td>
<td>If flush not connected to public sewerage/pit then $D = 1$, and 0 otherwise</td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Pakistan Social and Living Standard Management Survey (PSLM)

**Note:** $\text{Dep} = \text{Deprivation}$

**Methodology of the Study**

The methodology of MDPT study is divided into two different segments i.e. multidimensional headcount ratio and identification. So, MDPT can be measured with various available methods; the choice of methods depends upon the data and its type and context of segregation. The study used AFS methodology designed by (Alkire and Foster, 2010, 2015) because of its instinctive and appropriate properties of policy. The AFS approach with its various benefits is now getting popularity and with its various dimensions to decompose poverty, so that’s why the AF method is being used here. The aggregation phases (methodology of headcount ratio) and identification or dual cut-off method are two main segments of MDPT. The aggregation method is related to the knowledge of the deprived persons and thus poverty line which explains the poverty at the combined platform. However, the identification system first depends upon the difference between the poor and non-poor people are mentioned in all dimension and secondly, to check about the poor from non-poor people across the domain than the identification is applied (Alkire & Foster, 2008).

The methodology of AFS provides comprehensive information about the three significant indices of MDPT i.e., the head count ratio (HD) of MDPT, the intensity of poverty (IA) and finally the MDPT Index (Alkire and Foster 2015). The equations are given below,

The percentage of poor persons of the country’s population is denoted by the ratio of headcount (HD), following equation based on total numbers of deprived person.

$$HD = \frac{tq}{tn} \quad (1)$$

Where $tq$ indicates the total number of deprived persons in the economy and $tn$ is related to total population.

The intensity (IA) of MDPT denotes as the average weighted deprivation practiced by the poor people and is described as

$$IA = \frac{\sum c_k(i)}{tq} \quad (2)$$

Where the censored deprivation is symbolized as $c_k(i)$ and the number of deprived people or multidimensionally poor people is symbolized as $tq$.

The multiplication of HD and IA represents the MDPT index

$$\text{MDPT} = \text{HD} \times \text{IA} \quad (3)$$

Where, index of MDPT shows the proportion of the total number of multidimensional.
Different indicators with its significant contribution to the MDPT

\[ w_i \cdot \text{censored headcount ratio}_i + \text{MDPT INDEX}_{\text{country}} \times 100 \]  \hspace{1cm} (4)

Where, \( w_i \) indicates as the weight of the indicator (ith)

This analysis used the structure of equal weighting among the significant magnitudes of deprivation i.e. education, health and housing services, across various attributes (above mentioned domains) due to the non-availability of suitable justification. The problems of basic necessities of the life can be discussed as multidimensionally with a suitable solution to the weighting methodology (Saboor et al 2015). Kruijk and Rutten (2007) explained that the adoption of weights preferably demonstrates the relative significance of the various features among the sets of attributes. Thus the different dimensions of deprivation allows the investigators to use these dimension separately (with control the weights) (Noble et al 2009). It is important to find suitable direction to put proper weights to each domain otherwise putting more weights to one dimension as compared to another dimension will not be rational (see Deutsch, & Silber, 2008; Foster, 2007).

### Identification stage

Dual cut-off method is described in this phase where deprivation threshold identification explains person is poor or not poor in 1st phase. Table (1) explains the different achievement level of deprivation are regularized that for deprived person with the positive (non-zero) values indicates as “1” and then “0” shows otherwise. Secondly, we construct vector by counting vertically each column then assigning the number of deprivation of each deprived person where sample data based on poor and non-poor peoples. The method of cut-off denotes as “kt” which relates to deprived person that should be greater than or can be equal to the “kt”. To identify the dimension of poverty there is essential to estimate kt which can be estimated by dividing the number of dimensions by 2 (Naveed & Islam, 2010).

### Robustness of Estimates

By setting the kt point of the weighted deprivation the MDPT can be measured. The kt ratio of deprivation is fixed at 33.3% (with its three dimensions) globally and Pakistan also. The level of multidimensional poverty decline when the value of kt is increased. If score of deprivation of individuals equal or more than the values of 33.3% those will be considered as multidimensionally deprived person. The person will not be identified multidimensional poor if his/her score doesn’t exceed 33.3%. Before setting the points of cut-off, this analysis carried out a robustness test (shown in figure 1) by different values of kt for Pakistan in different years. When the kt value fixed at 33.3% the value of multidimensional (MDPT index is dropped from 0.292 in 2004-05 to 0.197 in 2014-15. Pakistan tackled statistically significantly declines in its poverty (MDPT).

To find the main significant indicators of MDPT, this study used a logistic regression model (logit model) for Pakistan. In this logistic model the dependent variable was the grouping of family member constructed on MDPT, i.e. is a person is multidimensionally deprived or not poor (denoted as “0” if the person is multidimensionally none deprived and 1 if the individual is deprived.). The following model is followed by (Mohanty et al 2017).
Following equation represents the regression model,

$$ Multi\_dimentional\_poor_i = \alpha + \beta_1 \text{resi}_i + \beta_2 \text{sex\_hhli}_i + \beta_3 \text{age\_hhli}_i + \beta_4 \text{educ\_hhli}_i + \beta_5 \text{size\_hhli}_i + \beta_6 \text{cons}_i + \beta_7 \text{deat}_i + \beta_8 \text{relig}_i + e_i $$ (5)

Where the intercept is denoted as \( \alpha \), \( Multi\_dimentional\_poor_i \) is defined as multidimensional poverty. \( \text{Sex\_hhli}_i \) is described as the sex (male/female) of head of household. \( \text{resi}_i \) is residence (population lives in rural or urban regions). The age of the head of family is denoted by the education of head of family is denoted as \( \text{educ\_hhli}_i \), \( \text{size\_hhli}_i \) related to the size of household, \( \text{cons}_i \) relates to the consumption of the household if any person of the family has been died in last one \( \text{deat}_i \) is symbolized as, year, religion of the head of family is defined as \( \text{relig}_i \) and \( i \) subscript is applied for \( i^{th} \) household.

![Figure 1. MPI (%) in Pakistan for different values of \( k_t \), 2004 to 2014](source: Statistical data is taken from PSLM (2016)).
Empirical Results

Pakistan’s Regional MDPT Results

Table: 2 Results of Headcount MPI rate (%)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At National level</td>
<td>Overall</td>
<td>55.2</td>
<td>52.5</td>
<td>49.3</td>
<td>46.5</td>
<td>40.8</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>24.0</td>
<td>19.4</td>
<td>17.3</td>
<td>13.9</td>
<td>10.1</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>70.3</td>
<td>69.5</td>
<td>65.2</td>
<td>62.3</td>
<td>56.0</td>
</tr>
<tr>
<td>Punjab</td>
<td>Overall</td>
<td>49.7</td>
<td>46.4</td>
<td>43.2</td>
<td>40.0</td>
<td>34.7</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>19.7</td>
<td>16.1</td>
<td>13.2</td>
<td>11.0</td>
<td>8.4</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>62.7</td>
<td>61.0</td>
<td>57.0</td>
<td>53.4</td>
<td>46.9</td>
</tr>
<tr>
<td>Sindh</td>
<td>Overall</td>
<td>57.3</td>
<td>53.7</td>
<td>51.2</td>
<td>49.5</td>
<td>44.6</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>27.2</td>
<td>19.6</td>
<td>20.0</td>
<td>14.9</td>
<td>10.9</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>88.1</td>
<td>87.4</td>
<td>81.0</td>
<td>79.9</td>
<td>75.5</td>
</tr>
<tr>
<td>Khyber Pakhtunkhwa (KPK)</td>
<td>Overall</td>
<td>65.8</td>
<td>66.1</td>
<td>66.1</td>
<td>57.0</td>
<td>49.1</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>30.5</td>
<td>32.9</td>
<td>23.2</td>
<td>19.2</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>72.9</td>
<td>72.8</td>
<td>68.0</td>
<td>64.8</td>
<td>57.1</td>
</tr>
<tr>
<td>Balochistan</td>
<td>Overall</td>
<td>83.4</td>
<td>79.8</td>
<td>78.9</td>
<td>76.7</td>
<td>71.9</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>49.4</td>
<td>42.6</td>
<td>40.1</td>
<td>37.2</td>
<td>29.0</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>91.6</td>
<td>91.9</td>
<td>90.7</td>
<td>89.3</td>
<td>85.8</td>
</tr>
</tbody>
</table>

Source: Researcher own calculations based on data collected.

Table (2) reports the provincial disparities in Pakistan, urban areas are less deprived as compare to rural areas. The results at province level indicate that Baluchistan with highest MDPT in while Punjab has the lowest incidence.

Pakistan’s Global MDPT Results

Table: 3. Multidimensional Poverty by Region in Pakistan,2014-15

<table>
<thead>
<tr>
<th>Provinces</th>
<th>Values</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MPI values</td>
<td>H(Incidence)</td>
<td>A(Intensity)</td>
</tr>
<tr>
<td>Punjab region</td>
<td>Total</td>
<td>0.152</td>
<td>31.40%</td>
<td>48.40%</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>0.026</td>
<td>6.30%</td>
<td>41.80%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>0.214</td>
<td>43.70%</td>
<td>48.90%</td>
</tr>
<tr>
<td>Sindh region</td>
<td>Total</td>
<td>0.231</td>
<td>43.10%</td>
<td>53.50%</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>0.046</td>
<td>10.60%</td>
<td>43.40%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>0.415</td>
<td>75.50%</td>
<td>54.90%</td>
</tr>
</tbody>
</table>
The intensity of poverty (IA) and headcount ratio (HD) presents for provinces, urban and rural areas of Pakistan in table (3). The statistical figures indicate that people in rural zones are more deprived as compared to urban areas and the difference is statistically significant. Overall poverty in rural areas high and IA is higher because in Pakistan two-thirds or 180 million people live in rural areas, this difference is not closely as more as the inconsistency in the poverty HD between cities and rural regions. These results are consistent with the results of Khan et al. (2015).

Table: 4 Statistical results of (HD), (IA) and (MDPT) Index

<table>
<thead>
<tr>
<th>Index</th>
<th>Value</th>
<th>Confidence interval at (95% level)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey MDPT</td>
<td>0.197</td>
<td>0.189 - 0.205</td>
</tr>
<tr>
<td>HD</td>
<td>0.39%</td>
<td>0.37% - 0.40%</td>
</tr>
<tr>
<td>2014-15 IA</td>
<td>0.51%</td>
<td>0.51% - 51.3%</td>
</tr>
</tbody>
</table>

Source: Authors’ estimations based on the PSLM survey (2014-15)

The statistical results of Pakistan's MDPT with its population ratio are presented in table (4) for period 2014-15, with the value of its major components where HD shows as MDPT in percentage and IA represents the level of intensity of poverty. The 38.8% is the value of HD and level of confidence interval at 95 % which shows that we are 95% sure that ratio HD is in between 37.3% and 40.2% (total population). The rate of average IA is 50.9% (which reveals the contribution of deprivations by each poor person), where deprived ratio (average) is approximately half of the weighted indicators. The value of MDPT (HD*IA) is 0.197which reflects the ratio of MDPT in Pakistan experience 19.7% of the total deprivations.

Table: 5 Pakistan’s national MDPT results: 2014-15

<table>
<thead>
<tr>
<th>Index</th>
<th>Population (in%)</th>
<th>Value</th>
<th>Level of confidence interval (95%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDPT</td>
<td>URB</td>
<td>0.04</td>
<td>0.035 - 0.045</td>
</tr>
<tr>
<td>HD</td>
<td>33.10%</td>
<td>9.40%</td>
<td>8.20% - 10.50%</td>
</tr>
<tr>
<td>IA</td>
<td>3.10%</td>
<td>42.50%</td>
<td>43.60%</td>
</tr>
<tr>
<td>MDPT</td>
<td>RUR</td>
<td>0.281</td>
<td>0.273 - 0.29</td>
</tr>
<tr>
<td>HD</td>
<td>54.60%</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>IA</td>
<td>67.00%</td>
<td>51.60%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Source: Authors’ own estimation constructed on data from the PSLM survey (2014/15)

Table (5) shows statistical result that is estimated for the IA, MDPT, and HD ratios as (% of population) share (including rural and urban regions) and adds the confidence intervals.
Censored and Uncensored Headcount Ratio in Pakistan

Table (6) indicates the ratios of Censored headcount (CENHD), results show that ratio of people whom are deprived or multidimensional poor (MDPT) and who are deprived in a set of many indicators for 2012-13 to 2014-15 periods covered by the PSLM statistical data. Results show that CENHD have weakened over time in each indicator, e.g., the ownership of land and livestock (reveals deprivations increased) and especially with the exception of vaccination. The CENHD ratios of education(with its all indicators) are shown decreasing trend between the periods of 2012 and 2015.
Table 6: Structure of Censored Headcount Ratios (CENHD) (in %)

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YS</td>
<td>SA</td>
</tr>
<tr>
<td>National</td>
<td>37.0%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Rural</td>
<td>49.6%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Urban</td>
<td>9.6%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Pun</td>
<td>31.2%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Sind</td>
<td>41.2%</td>
<td>23.4%</td>
</tr>
<tr>
<td>KP</td>
<td>43.1%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Balo</td>
<td>67.1%</td>
<td>36.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YS</td>
<td>SA</td>
</tr>
<tr>
<td>National</td>
<td>35.2%</td>
<td>16.6%</td>
</tr>
<tr>
<td>Rural</td>
<td>49.3%</td>
<td>22.6%</td>
</tr>
<tr>
<td>Urban</td>
<td>8.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Pun</td>
<td>28.5%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Sind</td>
<td>39.1%</td>
<td>22.0%</td>
</tr>
<tr>
<td>KP</td>
<td>43.9%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Balo</td>
<td>66.9%</td>
<td>36.7%</td>
</tr>
</tbody>
</table>

Source: Statistical data is taken from PSLM (2016), Pakistan bureau of statistics Govt of Pakistan

NOTE: Where, {YS (Years of schooling), SA (School attendance), EQ (Educational quality), HF (Access to health facilities), FM (Full care Assisted Immunization), AN (Ante-Natal Care), AD (Assisted delivery), IW (Improved Walls), OC (Overcrowding), EL (Electricity), SN (Sanitation), WA (Water), CF (Cooking Fuel), AS (Assets), LN (Land & Stock), Pun (Punjab), Sin (Sindh), KP (Khyber Pakhtunkhwan), Balo (Baluchistan)}.

The deprivation rate of poor people (in%) whom are fallen in each of the fifteen (15) indicators of MDPT irrespective of their status of poverty can be count in Uncensored head counts (UNCHD) ratios. Table (7) reports the UNCHD for time periods of 2012-13 to 2014-15; it is including the different factors with the highest and lowest levels of deprivation (in percentage). The results show that highest rate of deprivations are found in CF (cooking oil) with deprivation rate is 60.6% of population, YS (years of schooling) is found 48.5%, total assets and overcrowding rate found (39.0%) and (38.3%) respectively. But on the other hand EL (without a supply of electricity) found 6.4%, deliveries of babies without the assistance of is (8.2%).


Table 7: Composition of Uncensored Headcount Ratios (%) of Pakistan

<table>
<thead>
<tr>
<th>Year</th>
<th>YS</th>
<th>SA</th>
<th>EQ</th>
<th>HF</th>
<th>FM</th>
<th>AN</th>
<th>AD</th>
<th>IW</th>
<th>OC</th>
<th>EL</th>
<th>SN</th>
<th>WA</th>
<th>CF</th>
<th>AS</th>
<th>LN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>National</td>
<td>49.0%</td>
<td>18.8%</td>
<td>18.6%</td>
<td>38.8%</td>
<td>8.0%</td>
<td>8.3%</td>
<td>6.4%</td>
<td>21.2%</td>
<td>37.2%</td>
<td>6.6%</td>
<td>23.8%</td>
<td>10.7%</td>
<td>63.1%</td>
<td>45.2%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>59.1%</td>
<td>23.3%</td>
<td>22.6%</td>
<td>51.1%</td>
<td>9.7%</td>
<td>10.3%</td>
<td>8.1%</td>
<td>28.8%</td>
<td>40.0%</td>
<td>8.8%</td>
<td>33.8%</td>
<td>14.1%</td>
<td>86.3%</td>
<td>55.1%</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>26.8%</td>
<td>8.8%</td>
<td>11.5%</td>
<td>11.7%</td>
<td>4.2%</td>
<td>4.2%</td>
<td>3.1%</td>
<td>4.8%</td>
<td>30.0%</td>
<td>1.7%</td>
<td>2.8%</td>
<td>5.3%</td>
<td>17.5%</td>
<td>25.9%</td>
</tr>
<tr>
<td></td>
<td>Pun</td>
<td>43.3%</td>
<td>13.5%</td>
<td>15.3%</td>
<td>40.5%</td>
<td>5.0%</td>
<td>7.2%</td>
<td>4.0%</td>
<td>12.6%</td>
<td>34.7%</td>
<td>4.9%</td>
<td>21.1%</td>
<td>4.9%</td>
<td>64.2%</td>
<td>42.2%</td>
</tr>
<tr>
<td></td>
<td>Sind</td>
<td>53.2%</td>
<td>26.1%</td>
<td>22.2%</td>
<td>29.9%</td>
<td>11.5%</td>
<td>7.7%</td>
<td>8.3%</td>
<td>32.3%</td>
<td>47.5%</td>
<td>8.7%</td>
<td>24.9%</td>
<td>10.1%</td>
<td>51.2%</td>
<td>49.6%</td>
</tr>
<tr>
<td></td>
<td>KP</td>
<td>56.2%</td>
<td>22.1%</td>
<td>20.3%</td>
<td>42.1%</td>
<td>9.9%</td>
<td>12.3%</td>
<td>10.8%</td>
<td>21.4%</td>
<td>33.6%</td>
<td>5.5%</td>
<td>22.0%</td>
<td>24.8%</td>
<td>73.9%</td>
<td>48.6%</td>
</tr>
<tr>
<td></td>
<td>Balo</td>
<td>75.7%</td>
<td>38.1%</td>
<td>35.6%</td>
<td>51.8%</td>
<td>20.1%</td>
<td>13.3%</td>
<td>12.5%</td>
<td>69.3%</td>
<td>28.5%</td>
<td>18.9%</td>
<td>56.4%</td>
<td>41.0%</td>
<td>76.2%</td>
<td>49.8%</td>
</tr>
<tr>
<td>2014-15</td>
<td>National</td>
<td>48.5%</td>
<td>18.5%</td>
<td>17.7%</td>
<td>32.4%</td>
<td>14.0%</td>
<td>9.1%</td>
<td>8.2%</td>
<td>18.5%</td>
<td>38.3%</td>
<td>6.4%</td>
<td>27.1%</td>
<td>10.9%</td>
<td>60.6%</td>
<td>39.0%</td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>60.0%</td>
<td>23.8%</td>
<td>21.8%</td>
<td>45.5%</td>
<td>15.6%</td>
<td>11.6%</td>
<td>10.7%</td>
<td>26.2%</td>
<td>41.4%</td>
<td>9.2%</td>
<td>39.8%</td>
<td>12.7%</td>
<td>84.4%</td>
<td>47.4%</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>27.1%</td>
<td>8.5%</td>
<td>10.1%</td>
<td>7.9%</td>
<td>11.1%</td>
<td>4.5%</td>
<td>3.3%</td>
<td>4.1%</td>
<td>32.4%</td>
<td>1.3%</td>
<td>3.4%</td>
<td>7.6%</td>
<td>16.2%</td>
<td>23.2%</td>
</tr>
<tr>
<td></td>
<td>Pun</td>
<td>42.7%</td>
<td>13.3%</td>
<td>13.9%</td>
<td>30.7%</td>
<td>13.2%</td>
<td>7.0%</td>
<td>5.1%</td>
<td>9.6%</td>
<td>36.8%</td>
<td>5.2%</td>
<td>20.5%</td>
<td>4.3%</td>
<td>61.8%</td>
<td>34.7%</td>
</tr>
<tr>
<td></td>
<td>Sind</td>
<td>50.4%</td>
<td>24.5%</td>
<td>21.6%</td>
<td>28.3%</td>
<td>12.5%</td>
<td>9.5%</td>
<td>11.2%</td>
<td>29.6%</td>
<td>47.7%</td>
<td>8.3%</td>
<td>35.5%</td>
<td>12.1%</td>
<td>47.6%</td>
<td>46.2%</td>
</tr>
<tr>
<td></td>
<td>KP</td>
<td>59.0%</td>
<td>21.1%</td>
<td>20.4%</td>
<td>41.2%</td>
<td>16.8%</td>
<td>13.1%</td>
<td>11.7%</td>
<td>17.6%</td>
<td>30.7%</td>
<td>3.9%</td>
<td>23.9%</td>
<td>25.7%</td>
<td>74.3%</td>
<td>42.3%</td>
</tr>
<tr>
<td></td>
<td>Balo</td>
<td>74.9%</td>
<td>38.5%</td>
<td>34.1%</td>
<td>46.9%</td>
<td>22.6%</td>
<td>19.3%</td>
<td>17.6%</td>
<td>65.5%</td>
<td>29.0%</td>
<td>17.6%</td>
<td>67.6%</td>
<td>39.1%</td>
<td>74.4%</td>
<td>41.5%</td>
</tr>
</tbody>
</table>

**Trends and overtime changes in Multidimensional poverty in Pakistan**

The level of poverty (table 8) rose during the period of 1992/93 to 2001/02 except the year of 1996/97, and then dropped quickly 10.6 percentage points after the periods of 2001/02 (34.5%) to 2004/05 (23.9%). These figures caused a huge disturbance at that time in the civil society, national press and amongst development experts in Pakistan. According to statistical survey of Pakistan HD was found 17.2 percent in 2007-08 and which meant that the proportion of deprivation had declined a furthermore 5.1 percent declined found in between 2005-06 and 2007-08, when the HD reduced further to 12.4 percent (Government of Pakistan, 2014).

**Table 8: Overtime changes in Multidimensional poverty / based on poverty line (official)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Head count ratio of poverty</th>
<th>Poverty gap</th>
<th>Extreme level of poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
<td>Total</td>
</tr>
<tr>
<td>1992-93</td>
<td>20.0%</td>
<td>27.6%</td>
<td>25.5%</td>
</tr>
<tr>
<td>1993-94</td>
<td>15.9%</td>
<td>33.5%</td>
<td>28.2%</td>
</tr>
<tr>
<td>1996-97</td>
<td>15.8%</td>
<td>30.2%</td>
<td>25.8%</td>
</tr>
<tr>
<td>1998-99</td>
<td>20.9%</td>
<td>34.7%</td>
<td>30.6%</td>
</tr>
<tr>
<td>2001-02</td>
<td>22.7%</td>
<td>39.3%</td>
<td>34.5%</td>
</tr>
<tr>
<td>2004-05</td>
<td>14.9%</td>
<td>28.1%</td>
<td>23.9%</td>
</tr>
<tr>
<td>2005-06</td>
<td>13.1%</td>
<td>27.0%</td>
<td>22.3%</td>
</tr>
<tr>
<td>2007-08</td>
<td>10.0%</td>
<td>20.6%</td>
<td>17.2%</td>
</tr>
<tr>
<td>2010-11</td>
<td>7.1%</td>
<td>15.1%</td>
<td>12.4%</td>
</tr>
</tbody>
</table>


Table (9) shows the incidence of head count ratio (HD), intensity of poverty (IA) and level of MDPT as the three main three key statistics for measurement of poverty. Results indicate that these three statistics have changed over periods of 2004 to 2015 which include four provinces. The ratio of multidimensional poverty has been decreased slowly between the periods of 2004 and 2015 and it is also evident in results that the rate of decrease found statistically significant also. The results of MDPT are shown decline from 0.292 points in the period of 2004-05 to 0.197 points in 2014-15, while the ratio of headcount (H) dropped from 55.2% to 38.8% (16.4% is difference). But the average intensity (IA) rate is declined strikingly very little, from 52.9% to 50.9%. Nevertheless, the results found positive and significant change in poverty reduction rate in terms of MDPT ratio or HD*IA between 2004-05 and 2014-15.

**Table 9: Overtime changes in HD, IA and the MDPT, 2004-2015**

<table>
<thead>
<tr>
<th>Kt=33% (Cut-off)</th>
<th>HD*IA or MDPT (%)</th>
<th>HD (%)</th>
<th>IA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05 (I)</td>
<td>0.292</td>
<td>55.2</td>
<td>52.9</td>
</tr>
<tr>
<td>2006-07</td>
<td>0.281</td>
<td>52.5</td>
<td>53.4</td>
</tr>
<tr>
<td>2008-09</td>
<td>0.26</td>
<td>49.3</td>
<td>52.6</td>
</tr>
<tr>
<td>2010-11</td>
<td>0.228</td>
<td>44.7</td>
<td>51</td>
</tr>
<tr>
<td>2012-13</td>
<td>0.207</td>
<td>40.8</td>
<td>50.7</td>
</tr>
<tr>
<td>2014-15 (II)</td>
<td>0.197</td>
<td>38.8</td>
<td>50.9</td>
</tr>
</tbody>
</table>

**Change, 2004 (I) to 2015 (II)**

<table>
<thead>
<tr>
<th></th>
<th>0.095***</th>
<th>0.164***</th>
<th>0.020***</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE (aggregate)</td>
<td>0.0052</td>
<td>0.0091</td>
<td>0.0025</td>
</tr>
<tr>
<td>Hypothesis testing</td>
<td>18.16</td>
<td>17.99</td>
<td>8.08</td>
</tr>
<tr>
<td>p-value</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Authors’ estimation constructed on data from various issues of the PSLM statistical surveys.
*** Denotes 1% level of significance.

The intensity of derivation of the poor population is depicted in pie chart below (figure 2), the deprivation intensities range start from than 33.3% to less than 40%. These groups with different ranges showed the intensity of poor people in percentage.

![Intensity (IA) Deprivation](image)

**Figure 2: Intensity (IA) Deprivation**

**Significant change in headcount (H) for all four Provinces**

The results of headcount ratio and multidimensional poverty incidence over time across provinces are reported in table 10. The changes between different years 2004-05 / 2014-15 and 2014 also compared with 2004 in this analysis. The results of Punjab across all years are showed reduction in terms of HD and MDPT prospective and also found significant reduction in whole country (2004 to 2015), a significant drop can be seen in MDPT for province Sindh, from 2008-10, and 2006-08. The statistical figures of KPK show an increasing and decreasing trend in both HD and MDPT ratios. The significant drop between the periods of 2006 and 2012 can be observed in HD and MDPT, and a reduction between 2004 and 2014 also found significant. The poverty in Baluchistan is higher as compared to other provinces, only one significant change in MDPT found between 2008 and 2010. Though, HD and MDPT have significantly decreased over the years of 2004 to 2014.

**Table 10: Change in Headcount for All Provinces (with statistical significance)**

<table>
<thead>
<tr>
<th>Province</th>
<th>Years</th>
<th>Change in HD</th>
<th>Change in MDPT</th>
<th>Province</th>
<th>Years</th>
<th>Change in HD</th>
<th>Change in MDPT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUN</td>
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* Significant at 5% significance level  
** Significant at 1% significance level  

**Source:** authors’ own estimation constructed on statistical data from PSLM statistical surveys, Pakistan bureau of statistics, Govt of Pakistan.

**Discussion**

The “No Poverty” in all its dimensions everywhere by 2030 is one of the main Goal of Sustainable Development Goals. The vision 2025 of Pakistan also based on poverty reduction in terms of “No left behind” but at the same time it stances the challenges of eliminating poverty in all its dimensions and from all regions of Pakistan.

Some countries such as Mexico and Colombia have been incorporated social action program into the poverty reduction programs (Angulo et al. 2016 and Coneval 2007). In 1980s, the Government of Pakistan launched poverty reduction program though mainly concentrating the basic necessities of life e.g., health, education, clean drinking water and etc. Government launched different social safety net programs for poverty reduction as cash money transfer the Benazir Income Support Program, Pakistan Bait ulul-Mal, Workers Welfare Fund (WWF), Pakistan Micro finance network and another social welfare program for old people s Employees Old Age Benefit Institution.

The result of these schemes to overcome the problem of poverty is not beneficial in the rural as well as in urban areas. Poverty in Pakistan cannot overcome the problem of poverty with its all dimension because as corruption and wrong implementation of social action programs, high rate of terrorism attacks, high rate population, regional disparities, political instability, energy crises and dearth of effective targeting. Reductions of socio-economic deprivations are prerequisite for the sustainable living. Pakistan as developing country couldn’t achieve the required targets from these social action programs, so education is important indicator which can be removed poverty and poverty gap from economy efficiently, in addition poverty gap between urban and rural regions can be reduced by provide more educational facilities to rural regions as well. Higher education and technical education is directly effect on poverty reduction with creation of job opportunities but the health and house facilities are also important in poverty reduction. The worse health facilities have been associated with higher rate of poverty. Poverty alleviation programs should be properly implemented to improve all three dimensions.

**Conclusions**

This article is based on poverty with its different shapes in terms of the regional variations including four provinces, rural and urban regions of Pakistan. Applying Alkire–Foster methodology with Global Multidimensional Poverty Index standard, the results shows the increasing trend in between 2010/11 and
2012/13. The results at provincial level indicate that Balochistan found higher rate of poverty with its all dimensions while Punjab has the lowest incidence.

This empirical analysis provides that an integrating technique adopting for MDPT to overcome the socio-economic issues rapidly in Pakistan because it is basic requirement of millennium development goals (MDG’s) to provide basic necessities of life (e.g., food, health, water, and education) to meet the Global standards of wellbeing. The policies based on poverty alleviation from Pakistan there are some steps have been taken by government especially the regions with higher level of poverty, and trying to the quality of primary and secondary education through growing number of schools and teachers, by increasing school enrollment ratio, and providing some inducements of scholarships and try to compensate various poor families with money and send their children to school. The Government may provide high quality with technical education such as knowledge and skills which can be contributed to economic growth and development (also supported by Khilji (2014, 2015). Pakistan is an agriculture based country so provide opportunities in terms of providing agriculture credit with easy process, subsidized pesticides, seeds and cheap availability of gas and electricity, proper infrastructure than the these areas may also can be control on poverty. Similarly, health facilities should be increased in rural areas especially, by providing them well-resourced hospitals, including trained doctors and other paramedical staff and to check their efficiency there should be a proper system which indorsing the proper monitoring.

Further, easy access and free entry to the technical schools particularly for poor pupils may also raise the chances of income by providing skills to start non-farm earning initiatives (Chawanote & Barrett, 2012). The multidimensional poverty in rural areas of Pakistan, receiving opportunities in the agriculture sector may also be enhanced through providing easy access to suitable credit, subsidized inputs and needed extension services. Similarly, health facilities should be increased in rural areas, particularly through increasing the number of well-resourced hospitals along with suitable trained staff and confirming the proper monitoring of their working efficiency mostly in the rural part of the population.

Thus escalating social protection schemes and pursuing appropriate programs to the poor and most vulnerable can further decrease poverty. Social protection programs based on particularly cash transfers programs, school feeding schemes and, improvement in labor market, as well as social and unemployment insurance and, adding old-age pensions, skills training, disability pensions, and wage subsidies, among others. Moreover, the suggestion of this study to adopt those policy mechanisms which is beneficial for poverty alleviation, developing countries can also follow these suggestions to overcome the problem of poverty.

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THE GREAT LAKES REGIONAL COLLEGE AS AN ENGINE FOR DEVELOPMENT: ITS IMPACT AND PROSPECT

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Abstract: This study aims to investigate whether higher education can work as a vehicle of empowerment to eradicate poverty. It is based on fieldwork research at the Great Lakes Regional College (GLRC) in the Kanungu district of Uganda. The results depict a complex socio-economic image produced by poverty reduction policies. It is surprising, interrelated with various factors, and thus difficult to simply categorize as positive or negative. In the eyes of the institution’s founder, achieving poverty relief with regard to alumni career development remains a significant challenge. In fact, the school’s intended goal of creating a better future for college students is undermined by environmental constraints. With regard to the impact that the GLRC has had on the surrounding community since its establishment, this study’s findings indicate that simply providing higher education is insufficient to achieve community development. However, the GLRC’s role goes beyond that of a simple educational institution. Because it attracts an external population, the college serves as a multifunctional institution that triggers community changes at various levels. Taken together, this study offers potential directions for higher education institutions that target community development, and recommends a broad functional approach for such institutions.

Keywords: higher education, poverty reduction, community development, college impact

Introduction

Higher education’s role in spurring economic development has recently come under the spotlight (Bloom, Canning and Chan, 2006). Substantial evidence and statistical data have demonstrated a positive correlation between higher education and macroeconomic development (Meulemeester and Rochat, 1995; Bloom, Canning and Chan, 2006; Obwona and Ssewanyana, 2007). Related studies based on numerical analyses are persuasive; however, since they tend to look at the macroscopic level, they lack detailed investigation of how individuals can change themselves and their surroundings through higher education. This report focuses on a study of the Great Lakes Regional College (GLRC), which was founded under a partnership with Volunteer Uganda and CHIFCOD (The Child to Family Community Development Organization). Both non-profit organizations cooperate to empower children and youth in the Kanungu district of Uganda through education in order to raise them out of poverty. Supported by Volunteer Uganda, this report aims to offer an understanding of how people can be inspired and motivated to bring benefits to the local community as well as earn higher education qualifications.

Situated in Krima subcounty of the Kanungu district in Uganda, the GLRC is an inter-denominational academic and vocational college established to deliver tertiary education that can effectively transform the local community. Currently, approximately 430 students aged 17 to 45 from western districts in Uganda like Kanungu, Rukungiri, Bushenyi, Kasese, Kabale, Kisoro, and Mbarara, are enrolled at the school. The GLRC offers multi-disciplinary courses including business, natural and social sciences, and education programs at the certificate, diploma, and degree level. Its various impacts in the ten years since its establishment reveal the institutional aspects of a higher education institution.

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This fieldwork sought to highlight the fact that a higher education institution can also be viewed as a multifaceted catalyst of broader development in the surrounding community, through impacts ranging from empowering people with knowledge and skills, creating businesses, and attracting an external population that boosts community dynamics. The findings of this research suggest that the development goals set by the GLRC are compromised by environmental limitations, indicating that a higher education institution simply offering education is not sufficient to achieve development in other areas. As shown in this case study of the GLRC, a higher education institution can operate in multiple dimensions to promote development. This implication informs recommendations for other higher education institutions to broaden their functions beyond merely teaching and learning.

Research Methodology

The qualitative data collected in this report was generated through semi-structured interview. Interview questions are shared in the appendix. Each respondent section is detailed below:

1. Current college students: This section focuses on the analysis of 22 interviews with college students, aged 18 to 30. The respondents included 5 women and 17 men; 17 were students in business administration programs, 2 were studying for a bachelor of arts in education, 2 were pursuing a degree in social work and social administration, and 1 was working toward a diploma in agriculture.

2. College alumni: Fifteen alumni participated in the research project. These participants were between 23 and 40 years of age and included 6 males and 9 females. Their backgrounds varied in disciplines and education levels. Their fields of study ranged from business administration, record management, education, social work and social administration to public administration. At the time of the interview, 3 were unemployed, 4 were self-employed, and the rest were employed by an employer. Their occupations included public servant, teacher, radio presenter, and accountant.

3. Community members: This section analyzes the interviews of 8 respondents from the extended community surrounding the institution. Research participants ranged from 28 to 50 years old and all were male. All of them had been living in the community for many years. Their occupations included GLRC college staff, technical teacher, health inspector, NGO worker, and church pastor.

Literature Review

The positive correlation between higher education and economic development has been proven in many quantitative studies (Bloom, Canning and Chan, 2006; Obwona and Ssewanyana, 2007; Kimenyi, 2011). All of these studies seek to examine the relationship between higher education and macroeconomic growth at the country level. As demonstrated by the econometric model developed by Bloom, Canning and Chan (2006) targeting Africa, higher education helps a country to catch up technologically, and enhances its ability to maximize economic output. To be more precise, increasing tertiary education stock by one year will result in a stable long-term 12% rise in the African GDP per capita. A case study conducted by Obwona and Ssewanyana (2007) suggests a positive link between student enrollment in public universities and GDP growth in Uganda. Kimenyi (2011) concludes that the divergence of income between African countries and their Asian and Latin American counterparts is partly due to different levels of enrollment in higher education. These studies have shed light on the importance and positive impacts of higher education on economic development. The results drawn from mathematical data analysis and presented in macroscopic indicators such as GDP and its growth rate are plausible, as they point out a clear relationship between two variables. Despite their strengths in clarity and simplicity, such research papers fall short in providing detailed explanations of the interaction dynamics between higher education institutions and the contexts within which they operate. For example, the specific role that the higher education institution plays in promoting economic development needs further investigation.
Meanwhile, its potential and limitations have to be addressed in order to better understand the whole picture: how can and how should higher education encourage development?

Some studies have already uncovered interactive relationships between a higher education institution and the socio-economic environment where it is located. A causality analysis conducted by Meulemeester and Rochat (1995) affirms a positive link between national educational effort and economic development in four developed countries but fails to show this trend in Italy and Australia, indicating that higher education can only be effective in fostering development when certain environmental requirements are met. The authors propose that the content of teaching must be in accordance with the actual needs of the local economy. At the same time, the local socio-economic and technological threshold must be at the level needed to allow graduates to apply their knowledge. This finding is consistent with a case study based in Romania where the youth unemployment rate has increased in spite of higher education qualifications (Neamtu, 2015). Neamtu (2015) asserts that higher education has to be designed according to the real demands of the labor market. Otherwise, these well-educated human resources will remain underused and thus have no impact on economic development. Such studies deepen the discussion on the interaction between higher education and economic development by revealing the complexity of their relationship. It appears that higher education institutions need to work in coordination with the socio-economic structure with which they associate so as to successfully bring about improvements.

In this sense, a case study aiming at a single project or a higher education institution can probe into the topic at hand more deeply. In their research, Kruss et al. (2015) conclude that the “interactive capabilities” of a university in mediating its relationship with firms, sectoral intermediaries, government, and other knowledge producers is critical in driving economic development. The Square Kilometre Array project focusing on astronomy technology in South Africa achieved its success because of the excellent way that skills, knowledge, technologies, intermediaries, and funding worked together (Kruss et al., 2015). This case study stresses that the dynamics at different levels work in complicated ways to shape development possibilities (Kruss et al., 2015).

As discussed above, contextual factors and their interplay with higher education institutions have been highlighted through previous research. Correspondingly, the concept of “learning region”, which describes the agency of a place to proactively respond to changing economies, emphasizes the vital role higher education institutions play during this process (Shaw and Allison, 2010). Under this framework, Shaw and Allison (2010) argue that universities are crucial actors in the transfer of knowledge from one group to another and create the learning system that propels economic development. The University of Sunshine Coast (USC) in Australia was the research target in their corresponding case study. The USC had been serving in a multifunctional role to empower the community. For example, it offered marine science courses tailored to local demands, conducted collaborative research with businesses and industries, and consulted with these community players regarding course development. The interactive relationship between the USC and the community ensured that the university best suited the local economic needs and therefore could enable community members to cooperate with businesses and industries in order to generate mutual benefits. The region itself is learning with the help of the USC, resulting in economic development from the perfect match between the supply and demand in human resources. In addition, the USC has created jobs by employing local architects in university design. The USC’s case study shows that higher education institutions can work in various ways in relation to their local contexts to spur development, thus widening universities’ potential for community development and informing further research on the detailed dynamics between the two.

The diverse variables in the relationship between a higher education institution and its hosting environment inevitably invites challenges caused by conflicting roles amid different missions, as reflected in some case studies (Aligaweesa, 1987; Lazzeretti and Tavoletti, 2005). Aligaweesa (1987) notes that the Makerere University in Uganda has been struggling between two contradictory paths: fulfilling the traditional educational role to transmit academic knowledge, and attempting to be relevant to rural development as to address local needs. This tension casts uncertainty on its direction. It remains difficult for the university to strike a balance
between universal scholarship and the demand for relevance to the Ugandan situation. Moreover, the plurality of the university community makes it difficult to reach consensus over curriculum adjustments. In actuality, little adaptation of course programs has been made to increase the university’s relevance to its local context. Conversely, the University of Twente in the Netherlands represents a successful example in which the higher education institution effectively plays multiple roles at the same time (Lazzaretti and Tavoletti, 2005). The university adopts the concept of “entrepreneurial universities” proposed by Clark (1998) and proves that local economic relevance and international academic excellence are not mutually exclusive features (Lazzaretti and Tavoletti, 2005). Defined by Clark (1998), an entrepreneurial university is good at expanding a developmental periphery, establishing a diversified funding base, and stimulating an academic heartland. Practically speaking, the University of Twente is financed by various funding sources and has built up a network with many spin-off companies so as to solidify its role in maintaining mutually beneficial relations between the university and the regional economy. The stable funding allows the university to implement research at an international standard and achieve a good academic reputation in certain fields like strategic science. Additionally, the university serves as a consultant and mentor to start-ups and spin-off companies by providing professional knowledge to support their operations. These companies in turn employ the students from the university. The entrepreneurial approach undertaken by the University of Twente expands the dimensions in which a university can have influence, making it a business driver in the region. Its entrepreneurial vision is the key factor enabling it to be a regional development booster. Although Makerere University and the University of Twente provide differing examples of how higher education institutions strive to balance different roles, their results suggest that inherent structural barriers can be impediments to success. However, the challenges can be resolved through innovative strategies, which require a new set of knowledge.

Many studies indicate a close link between higher education, technological innovation, and improvements in R&D capabilities (Porter et al., 2002; Lederman and Maloney, 2003; King, 2004; Lin, 2004). The knowledge generation effect is clearly addressed in these studies. From this perspective, higher education is the catalyst in transforming developing economies into capable actors that grow and prosper independently as they become able to produce knowledge based on existing conditions and future goals. The impact is long lasting as a result of the acquired agency in self-learning and creativity to spark positive change; therefore, sustainable development becomes possible.

Summarizing the literature above, higher education institutions are generally impactful in expediting economic development despite varying scenarios illustrated in every case study. In reality, many factors at different levels of scale are involved in the complicated dynamics by which higher education institutions operate as multifunctional institutions to coordinate every element of a network efficiently in order to drive development. The interactions connecting each part in the economic system and adaptability to local needs have been shown to be critical factors in this process. Nevertheless, challenges that arise from complex aims can drag down development when higher education institutions fail to appropriately balance conflicting roles. In sum, higher education can only be effective in promoting development when it is well embedded within the local context.

Analysis of Semi-Structured Interviews

1. Feedback from Current College Students

The Secular View of Education

There is a clear consensus among respondents who are currently in college that education is impactful and positive in changing people’s futures. Going further, this belief appears to stretch beyond these students to the people in their circles as many reply that they have been told about the importance and advantages of education. Encouraged by their parents or older relatives to enroll in college, many of them are supported financially by their families. Based on this observation, it is obvious that the perception of pursuing education as a way to improve one’s standard of living has been deeply rooted in the community. This belief is repeatedly expressed
throughout the interviews, with one student even stressing that “If you are not educated in Uganda, you are nothing.”

Though respondents mention changes that education has brought about in their thinking capacities, the secular view of education dominates as respondents address it much more strongly. Almost all respondents state that education is a powerful tool in facilitating social mobility, especially in terms of monetary status. They interpret education from an economic perspective with focuses on employment and income. That is, they share the view that being well educated is a guarantee of a better future in which they can get better jobs, defined by higher salaries and social status, and thus they can become self-reliant. In most cases, these students want to become accountants. Accounting is a popular job in the extended community around the GLRC because of the steady income and reasonable working hours it offers. However, some respondents say that education equips them with knowledge and skills to start self-owned businesses by which they can become wealthier. This finding may be biased because the majority of respondents were studying in the business department at the GLRC. However, as business department students constitute around 65% of the college population, the view provided by these study participants can be interpreted as the mainstream opinion in this school, confirming that business studies are popularly perceived as a way to improve one’s finances and achieve upward mobility in life.

The majority of the community around the Great Lakes Regional College earns a livelihood through agricultural activities that demands intensive labor but does not guarantee a stable income. Enrolling in higher education is considered a means to escape from such living conditions.

When it comes to how education can improve respondents’ futures, a common answer is that the college teaches the entrepreneurial knowledge and skills to start a business through which they can become self-sufficient. The business plans among students seem to be fairly identical. Most respondents who were interested in establishing their own businesses already had an idea in mind; for example, running a retail shop was seen as an ideal choice. Different options like operating an animal husbandry business or restaurant were rarely voiced. These kinds of businesses mirror the most frequently spotted businesses in the surrounding community. Normally they are profit-oriented and sell similar commodities to each other, sharing the market within the limited local population.

Across the interviews education is perceived in an instrumental way as a means to become employed and wealthy. In fact, few respondents talked about their genuine interests in learning subjects like accounting and finance. Most of them had entered these programs because of the availability of jobs associated with their qualifications. Education is presented as a strategic ladder toward a better life instead of an inspirational contributor to self-growth and maturity. In a nutshell, education is simply related to terminating poverty through its function to support students’ ability to find employment, earn money, or start their own businesses.

Certainly, education about social responsibility or creativity in business strategy is omitted in the GLRC’s course design. Except for one respondent, all of the students interviewed were studying for the sole purpose of ameliorating their own problems without considering the positive influence a businessperson could have on the community. The business ideas students produced seem to copy common businesses in the surrounding area. Their plans center mainly on retail businesses, which means selling products already available in the local shops. Such businesses serve only to segment the market. This reveals a gap within the college education as the GLRC aims to cultivate community transformers who are creative and able to innovate. Accordingly, the concept of social enterprise whereby both the entrepreneur and community can mutually benefit needs to come into play to inspire students to think about possibilities to improve the local economy as well as drive community development. Moreover, GLRC must provide courses relevant to the local context if students are expected to become active agents in transforming the community. The current college curriculum seems to ignore the reality of the local economy, instead emphasizing general knowledge about running small-scale business that would have a limited impact on emancipating the community from economic stagnation.
Social Respect

Some respondents talked about becoming more respected by others in the community after enrolling in the college. People see them as more intelligent individuals who have a higher standing. It is common for well-educated people to be approached by the masses for advice and guidance, as described in the student testimony below:

I started to be a counsellor......I had a lot of my lives in custody......Because I am educated, I can be expected to be a leader, either in politics as the village level or in some organizations. You have a big role to play as an educated person.

The popularity and influence of educated people within the local community indicate a clear divide that exists in the public’s attitude toward individuals with different levels of education. This implies that the community members value education. They appreciate the knowledge and skills acquired in school and regard them as correct guidelines. The community perceives that education is something beneficial that can change their lives. Based on this observation, the interplay between the college and the community is promising because the institution is working with people who appreciate its existence.

Future Projections

Most students have clear visions for their futures. Their plans include being employed, starting businesses, and advancing to higher education. When talking about the future, they feel confident and optimistic about concrete objectives. Clearly, they believe that education has positioned them along a predictable track of progress in contrast with an idle life that lacks any effort or chance of improvement.

Despite differences in their responses about future planning, these students have a clear concept of “future”, in which they can work hard and then achieve goals. With such awareness that they can become agents of change and take initiative to direct their careers, they can escape impoverishment. Although this line of thinking is not directly taught by any course, the education presents some potential paths to them and inspires students to conceive their own plans. Moreover, students gain the capacity to predict the outcomes of different actions. By assessing current conditions and pros and cons of each decision, they can avoid getting caught in unfortunate predicaments. In conclusion, their education has empowered them with the skills to be self-motivated, and placed them at the start of a road to brilliant futures.

2. College Alumni Testimony

Job Searching

The first challenge GLRC students face after graduation is the search for a job. This reality may not be as positive as alumni might have expected. In fact, three alumni who participated in the interviews were unemployed. Some respondents disclosed that the qualifications they had earned from a bachelor degree were not sufficient to guarantee employment upon graduation:

Below, one alumna with a diploma shares her view on the chances of getting a job after graduation, as well as the motivation to achieve an even higher level of education:

The difficulty we are getting here, diploma it is not enough. So we continue studying to reach the higher level, we get bachelors and masters.

We are in a competitive world, everyone has studied, everyone has gone to school, so it become hard. For me, and you, and other person, looking for one job. Of course they can’t employ all of you......
She then moved on to talk about classmates who were unemployed and desperate for jobs: *They are still finding, they are calling me “can you find me some jobs?”*

Correspondingly, it can be seen that a diploma is not considered valuable in the public sector:

*You can’t get a better job with a diploma.....In fact the repeated restructuring is coming within government institution in district......You find those who have diploma they tell you go for a degree......when you don’t have money to go for a degree they restructure you and you go out of the system.*

Based on the responses above, one regarding the private sector and the other the public sector, there is an obvious oversupply of post-secondary educated graduates. In other words, employers do not appreciate any qualifications below the bachelor level. As the number of people with post-secondary qualifications has increased, the value of their education has decreased on the demand side. Meanwhile, this has caused the degree holders to stand out amongst the candidate pool, making them perfect fits for rare jobs available in the community. Even though graduates who have earned certificates and diplomas are better educated than they previously were, they may end up caught between struggling to secure formal jobs or living like uneducated neighbors as peasants or housewives.

Connections are the deciding factor in whether or not a graduate gets a job. Information about job openings is shared only between people who know each other. Because there are no official or public hiring channels like job websites or bulletin boards with applications and interviews to follow, graduates who lack such information channels are likely to be excluded from employment opportunities. Although some alumni do send in applications and go through interviews, they initially learn about those job openings from their acquaintances. An alumni describes these connections below:

*One might not know me, but knows my dad, or knows my grandfather, or knows my uncle, or knows my sister. So one will give you a job because something connects you to that person, that is very common here, actually that is the most thing it does.*

He then talked about somebody he knew who searched for a job for seven years after finishing a bachelor degree in the college.

This phenomenon was further confirmed by an unemployed alumni who had a certificate in business administration. She described the process she was using to find a job: *“I haven’t applied but my friends are trying for me. They are trying for me where they work.”*

Besides the networks at hand, proof of educational qualifications also matter. As told by two alumni: *“You still need to have qualifications, it’s not all about just going,” “When you apply the job, they need to receive original documents.”* From the interviews, two critical factors that dominate the job search can be identified in this community: connections and the evidence of a good education. Wherever these two coexist, obtaining a job become possible.

**The Financial Burden**

Most alumni who were employed reported they were not happy with their current situations. These feelings primarily derived from dissatisfaction with their income, or feelings of being overwhelmed by many required expenditures that drained their earnings. The related difficulties even prevented them from pursuing future goals.

This situation was exemplified by the words of one of the respondents:
We wish to go for further study, but of course you see that income we are getting here does not help us to go for that side, degree. Because I have a family and I am earning 200 thousands (equivalent to 50 pounds) so I can not pay tuition for bachelor degree.

Someone who possesses a rarely seen bachelor degree in this community is expected to lead a decently comfortable life. However, one of the alumni disproves this notion in his interview. As a secondary school teacher he earns a monthly income of 500 thousand Ugandan shillings, which is much higher than the average. However, he continues to struggle:

It’s not enough. I have dependents. I have parents……My in-laws and my brothers and sisters and the elders…I have to look after them...therefore I have the debt burden.

A respondent with a bachelor degree in social work and social administration said the same thing, although she currently has a job in the district government as a community development officer and earns 800 thousand Ugandan shillings per month:

I can not say I am satisfied because…it can not be enough for my family because I have other siblings, I have other children who I am looking after.

In truth, the monthly incomes of these two respondents were the second and third highest among all of the interview participants. Their descriptions of financial stress were surprising given that the attainment of a bachelor degree is typically associated with an affluent life in the community. This is not to conclude that higher education is completely useless in improving students’ quality of life. However, these comments from alumni speak to the fact that some background constraints limit the impact of the GLPC in improving the financial conditions of its graduates. The general level of poverty and unemployment in the community force those who are well educated and have jobs to shoulder the responsibility of supporting family members. Such burdens eat up their salaries.

Though some alumni are able to save up to thirty percent of their income, most alumni’s monthly savings do not exceed 50 thousand Ugandan shillings, which equates to approximately twelve pounds. Their situations reveal that the local economy fails to grant well-educated alumni the affluence expected by themselves and the local society. In comparison to the public respect that educated people gain from the community, their financial conditions can be interpreted as underperforming relative to local commodity prices. Indeed, this trend reflects the local salary level, which is intertwined with the area’s economic development stage, and which should also be assessed and tackled by the college as it aims to alleviate poverty through higher education.

**Positive Opinions**

Apart from these disappointments, these alumni refer to some advantages and positive impacts from their education as well. For example, they admit that it is impossible to get a “formal” job, which involves working indoors and is less labor-intensive, without the qualification of higher education. Obviously, higher education still serves as the ticket to employment, though other factors like networking play a role. Also, alumni who have chosen to be self-employed agree that their education has taught them the know-how to run a business. Female alumnae are inclined to stress that their education has helped their confidence and empowered them with the knowledge and skills to be financially independent. Their responses imply that education frees them from being engaged to be married at early age during which women usually concentrate on household affairs and rely on their husbands economically.

The women express a further positive aspect of their college education that specifically benefits females. Girls who do not enter higher education are very likely to be married at a young age in this community. Thereafter, they become housewives confined in the household. Higher education provides them with alternatives: they can
have their own careers or find independence at home if they have to meet traditional expectations and do not find the workplace to be friendly.

One woman who has a diploma in business administration said the education enabled her to be self-employed as staying at home was preferred by her husband and working outside was considered unsafe. In short, higher education helps to reduce the gender inequality to some extent by empowering women. This issue requires further research and investigation.

3. Perspectives of Community Members

Business Generation

The business generation effect directly resulting from the GLRC is very significant. It is even reflected physically in the landscape changes around the college. As noted by the community respondents, most businesses surrounding the college were built after its establishment. The types of businesses are quite diverse to accommodate all the basic needs of the students living there. The influx of students provides a market for local businesses and brings a flow of capital that benefits the community. The drastically increased land value supports this assertion, as it manifests the high demand for commercial property, and implies the popularity and potential of the market generated by the college.

The Great Lakes Regional College

![Figure 1: Houses have been built around the college](image)
In general, these business generation effects are caused by the incoming population from outside towns. This new population is composed of people who can afford tuition and living expenses, so they introduce external capital into the community, thus stimulating and energizing the local economy. In the area around the college, the majority of locals are peasants whose livelihood depends on manual agricultural production. The newly emerging population gives these peasants additional income by purchasing their agricultural products at grocery stores and meals made from them in restaurants. They may not buy the food directly from the peasants, but they significantly increase demand for the food. This helps the peasants earn more because they now have a market base and can serve as upstream suppliers. Even the college itself has to buy a large quantity of agricultural products from local peasants in order to provide regular meals to staff and boarding students. Aside from agriculture, many types of businesses like salon and retail shops have begun to spring up to target the incoming population. Without a doubt, the college, as an institution that brings people into the community, has contributed to the local economy by increasing the population and demand for goods and services.

**Demographic Shift**

Because the college has attracted an external population to the community in the form of students and foreign volunteers, important social changes have taken place in the area. People in the community have connected with people from other towns, and even other countries. They have started to acquaint themselves and build relationships with these outsiders.

The community is now exposed to the outside world. It was originally isolated to some extent due to the poor transportation network and its distance from the central part of the country. The college can thus be seen as a mediator between the community and the outsiders. This institutional role can be a double-edged sword. On the positive side, the college has the potential to alleviate the isolation of this community and thus facilitate its economic development. If the community can take advantage of the connections with the outside world, many development opportunities provided by the new external population, such as project interventions, job recruitment and agricultural trade, will become possible. Since the community is situated in a very rural part of the country and has little exposure to the outside, the college should serve as an important coordinator that mediates the relationship between the community and the external people, identifying cooperation opportunities that will benefit the locals. On the negative side, the incoming population has caused some problems that annoy local residents. These are described in the following section.
Negative Impacts

There have been various impacts stemming from youth and foreigners flocking into the community from outside. These people have brought changes to community dynamics in terms of culture and interpersonal relationships, and unfortunately, community members perceive most of these shifts negatively. These phenomena are worth paying attention to because they may lead to serious social problems like the spread of HIV or mistrust between incoming students and locals. In the long run, these problems are likely to hinder the development impact the college aspires to make. The community feedback contained herein should motivate the college to seriously examine the effects of attracting outsiders and construct proper strategies to smoothly integrate the population in a way that is beneficial for local development.

Most concerns expressed by community members revolve around unrestricted sexual behaviors among students, or between students and community members. Associated problems include the spread of sexually transmitted diseases, early pregnancy and abortions, and an increased divorce rate. All of these trends have incurred many negative feelings and complaints about the college. Some locals even think the college is completely “bad”. Below is one testimony offered by a local resident who has been living in the community for many years:

You find people have divorced their wives just because they now get into relationships with the students of the college...and then you are looking at how the community perceives education, try to say it's a lot of misbehaviors...interpretation of the community is like that.

Because the college sometimes invites foreign volunteers and researchers into the community, foreign cultures, usually western ones, have been influencing the local people as well. This impact is especially observable among the youth. However, some of these influences are regarded as offensive to local customs. These issues emerge in the experience shared by one local man, who notes that there were few foreign visitors to the community before the founding of the GLRC:

For example, other culture, they may accept people to put tattoos on their bodies, and most of the students here, they put tattoos on their bodies. It did not happen. Because of the influence of the people that come from western cultures, that would be a negative impact...... Before, it was a shame in the community for a lady to put on a miniskirt.

As one can see from the description above, the import of western culture is deemed a cultural invasion that weakens the local tradition. Such concerns cast doubt on the relationship between the community and incoming visitors. Because the community has just started to be in contact with external people since the establishment of the college ten years ago, transformation from a closed society to one that welcomes foreigners would be significant and would require discretionary policies to address related issues like how to properly introduce different cultures in order to build positive relationships that encourage mutual trust and community development. Any attribution of cultural offense to the college will certainly impede its efforts to promote community development. Thus, the college, as the main importer of foreigners, should play a major part in related research and practice at this beginning stage of the community’s opening.

Conclusion

Overall, the GLRC has brought about community development to some extent, though development has been accompanied by some negative effects and leaves room for improvement. The locals are genuinely appreciative of the school’s provision of higher education at lower prices at which payment installment plans are possible. Both youth and employed adults have acquired knowledge and skills from the college, which has empowered them to reach goals like running their own businesses, and equipped them with professional expertise in community development. At a personal level, these well-educated students and alumni have capabilities that place them at a starting point from which they can produce change. For example, they plan for the future, think
analytically, and have a good command of English that helps them connect with the outside world. Furthermore, as some students are interested in or have devoted themselves to development either by creating a business or operating projects, their impact benefits the whole community. The existence of the GLRC and associated influences have also raised awareness within the community of the importance of higher education.

In spite of the college’s ambition to change the futures of students, the GLRC’s effect remains tempered, even limited due to the environmental constraints. The reality uncovered from interviews with alumni clearly clashed with the expectations held by current students. This contradiction highlights the challenges of the college and suggests more work is required to enhance development. The geographical isolation of the community and the nascent local economic development offer few job opportunities, low salary, and many unemployed dependents. Though some alumni manage to save a regular amount every month, many find it hard to make ends meet. The scarcity of the “clean collar” jobs that educated people aim for makes degrees and educational qualifications very important, while personal connections are vital assets to stand out among the workforce competition. In spite of facing continued financial challenges after graduation, all alumni agree that their college education has lifted their quality of life to some degree, and most earn a steady income.

The GLRC also contributes to the community by attracting an external population and creating employment. The former has an enormous impact on the local economy as these newcomers are relatively affluent compared to local peasants. They have become house tenants, the market base for agricultural products and retail shops. As the college has been operational for ten years and many businesses have already been established around campus, it is worth investigating whether this impact has topped out, or whether growth potential still exists. The influx of newcomers has caused negative impacts as well. The incoming population has changed the social and cultural dynamics in the community, resulting in serious problems like the spread of sexually transmitted diseases and early pregnancies.

This case study of the GLRC sheds light on how a higher education institution may operate at various levels to influence the community, and how it can adapt to enhance its impact on community development. From the experiences of the GLRC, it can be deduced that a higher education institution can work in different dimensions to impact its surroundings, especially when the community was previously isolated with little exposure to the outside world. Although the school has successfully introduced economic benefits into the community, persisting economic underdevelopment due to the county’s remote location remains a big hindrance to community development. The GLRC must therefore continue serving a multifunctional role to engage with many facets of community life. For example, it needs to coordinate the community’s relationships with the outside so as to bring in more interventions and opportunities. The college should also increase its emphasis on social responsibility in the course design and educate community members through agricultural projects and literacy programs. The implementation of such recommendations could serve to help the GLRC achieve its mission of raising the local community out of poverty through sustainable community development.

References


TRANSPARENCY OF NATIONAL BUDGET AND POVERTY REDUCTION: A CASE STUDY

Rubayat Jesmin

Abstract: National budget is the key document for every country indicating the country’s financial health by depicting past performance and highlighting future aspirations and emphases in line with national goals and development agenda. Even two-three decades back transparent and inclusive budgeting process was considered not the right thing to do. Accordingly, national budgets were drafted and managed by the finance ministry in a cautious, non-inclusive way by leaving out civil society and other non-government actors. Now fiscal transparency is widely advocated by major international institutions such as the International Monetary Fund, the World Bank, and the Organization for Economic Co-operation and Development and practiced by most of the countries across the globe. Improved fiscal transparency has also enhanced inclusiveness. This is especially significant for developing and under-developed countries whose most important target is economic growth coupled with poverty reduction. The Open Budget Survey takes into account factors such as the amount, level of detail, and timeliness of budget information governments make publicly available to assess a country’s budget transparency. This paper aims to re-instate the positive correlation between enhanced transparency of national budget and poverty reduction taking Bangladesh – a Lower Middle Income Country – as an empirical case.

Keywords: fiscal transparency, national budget, poverty reduction

Introduction

It is perceived that economic development of a country depends on well-orchestrated functioning of both the public sector and the private sector: while the private sector is the driver of economic development, the government provides facilities and the required framework (legal, regulatory, supervisory and the like) to pave the way for development. States aim to ensure economic stability as well as efficient use and full employment of resources. Therefore, it requires opting for proper and efficient collection, allocation and utilization of public finances. In this context, fiscal transparency is recognized as an essential condition of a well-functioning public sector. According to International Monetary Fund (IMF), fiscal transparency refers to the comprehensiveness, clarity, reliability, timeliness, and relevance of public reporting on the past, present, and future state of public finances. The Organization for Economic Co-operation and Development (OECD) defines fiscal transparency as openness toward the public at large about government structure and functions, fiscal policy intentions, public sector accounts, and projections. Since fiscal transparency requires providing comprehensive and reliable information about past, present, and future activities of a government including potential risks to the fiscal outlook that should result in an earlier and smoother fiscal policy response to changing economic conditions, the availability of such information helps to improve the quality of economic policy decisions and reduces the incidence and severity of crises. On the other hand, by defining the scope and responsibilities of the government in a clear manner, making available the fiscal information (both revenue and expenditure) for the population, openly preparing and executing the budget, and assuring the integrity of fiscal procedures, a transparent fiscal environment limits corruption and diversion and, therefore, facilitates development and the increase in living standards. Hence, fiscal transparency helps to provide a government the exact picture about public finances including costs and benefits of a policy continuation or policy change as well as the associated risks, which, in

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turn, helps a government in assessing and adopting policy decisions. Additionally, fiscal transparency benefits citizens by giving them the information they need to hold their government accountable for its policy choices. Thus, financial transparency is critical not only for effective fiscal management but also for accountability. The transparent governments also benefit from improved access to international capital markets. The greater oversight by civil society and international markets further reinforces the first objective by encouraging governments to pursue sound economic policies and achieve greater financial stability.

Budget transparency is considered to be one of the most crucial elements of fiscal transparency as this - enhances accountability by providing clarity about the sources and uses of public funds which, in turn, ensures public representatives’ and officials’ accountability for effectiveness and efficiency; - improves integrity and reduces scope of in the use of public funds; - augments inclusiveness by involving informed and inclusive debate about the budget policy impacts; - fosters trust in society that people’s views and interests are respected and that public money is used well; and ultimately, supports better fiscal outcomes and more responsive, impactful and equitable public policies.

This paper aims to revisit the correlation between fiscal transparency, more specifically budget transparency, and government’s poverty reduction initiatives in Bangladesh. Over the last decade, the country has enjoyed accelerated economic growth along with remarkable progress in socio-economic sector despite numerous internal and external challenges such as wide-spread poverty, effects of climate change, global slowdown, and so on. To combat these challenges in order to maintain the growth momentum coupled with poverty alleviation, the Government of Bangladesh has adopted and implemented numerous reforms to strengthen its public financial management systems. This paper will assess how fiscal transparency has played a role, if any, in the country’s poverty reduction which happened in many countries around the world.

**Fiscal Transparency and Economic Performance**

It is now generally accepted that fiscal transparency is a core element of good governance, which, in turn, is of grave importance for achieving macroeconomic stability and high-quality growth. To assess a country’s state of fiscal transparency the IMF in 1998 introduced a Code of Good Practices on Fiscal Transparency, which is now recognized as the international standard for disclosure of information about public finances. Following this Code countries conduct a voluntary program of fiscal transparency assessments called fiscal transparency modules of Reports on the Observance of Standards and Codes (fiscal ROSCs). The IMF’s Code of Good Practices on Fiscal Transparency comprises of a set of principles built around four pillars: (i) clarity of roles and responsibilities of the government; (ii) open budget process; (iii) public availability of information; and (iv) assurances of integrity. Briefly,

- the First Principle advocates that the government sector should be distinguished from the rest of the public sector and from the rest of the economy, and policy and management roles within the public sector should be clear and publicly disclosed. Simultaneously, it is required that there should be a clear and open legal, regulatory, and administrative framework for fiscal management. Accordingly, the first principle assesses the extent to which the non-commercial activities of the government are clearly distinguished from the rest of the economy; how clearly defined are the responsibilities of the executive, legislative and judicial branches; how the budgetary and extra-budgetary activities are coordinated and managed; how clear are the arrangements between the government and non-government public agencies; how clear and nondiscriminatory is the government involvement in the private sector; how open and comprehensive are the budget laws defining the commitment and administrative rules; how explicit, easily accessible and understandable is the legal framework for revenue management including that for taxation and other public financial issues; how well are the contractual arrangements between the government and public or private entities; and clarity on government liability and asset management mechanism.
the Second Principle stresses that budget preparation should follow an established timetable and be guided by well-defined macroeconomic and fiscal policy objectives and that there should be clear procedures for budget execution, monitoring, and reporting. This principle also upholds that audited final accounts and audit reports, including reconciliation with the approved budget, should be presented to the legislature and published within a year.

the Third Principle advocates that the public should be provided with comprehensive information on past, current, and projected fiscal activity and on major fiscal risks. In addition, fiscal information should be presented in a way that facilitates policy analysis and promotes accountability. To ensure public availability of fiscal information, the third principle also states that the timely publication of fiscal information should be a legal obligation of government.

to ensure integrity, the Fourth Principle stresses on the importance of fiscal data meeting the accepted data quality standards and to be subject to effective internal oversight and safeguards as well as to be scrutinized externally.

Countries are now more and more encouraged in promoting fiscal transparency following the inception of the Code. A number of other transparency initiatives in the fiscal area have also been established over the years, including the OECD best practices for budget transparency (issued in 2001), the multi-stakeholder Extractive Industries Transparency Initiative (EITI - launched in 2002), and the Open Budget Index by the Open Budget Initiative (introduced in 2005). In addition, for countries in receipt of official development assistance, assessments under the multi-donor Public Expenditure and Financial Accountability (PEFA) program include a series of performance indicators covering aspects of fiscal transparency, crucial for effective public financial management (PFM), which are derived in part from the Code. The Code has also been used by the private sector as a framework for evaluating fiscal transparency.

Numerous studies aimed to assess the contribution of fiscal transparency in a country’s economic performance and its aspiration to alleviate poverty. After conducting comparable fiscal incidence analysis for 28 low and middle income countries, Lustig (2017) highlights that fiscal policy plays a positive role in reducing inequality, but, to varying degrees, in all countries a portion of the poor are net payers into the fiscal system and are thus impoverished by the fiscal system because of various consumption taxes. While spending on pre-school and primary school is pro-poor (i.e., the per capita transfer declines with income) in almost all countries, pro-poor secondary school spending is less prevalent, and tertiary education spending tends to be progressive only in relative terms (i.e., equalizing but not pro-poor). Health spending is always equalizing but not always pro-poor.

In addition, Ali, Lustig, and Aranda (2017) and Ali (2017) shows that the redistributive potential of a country does indeed depend on the size and composition of government spending and how it is financed, as well as the progressivity of all the taxes and government spending combined.

On the other hand, based on assessments of fiscal transparency in twelve countries in Latin America, Parry (2007) shows that good fiscal management and improvements in fiscal transparency enhance the prospect for sound fiscal performance and a more favorable investment environment. This is an important step toward sustaining stable, higher quality growth which, ultimately, contributes to poverty reduction.

The development and implementation of MTBF has proved to be an effective tool for enhancing fiscal transparency. To develop a MTBF, governments need to involve their spending ministries in developing detailed medium-term estimates, which then be reviewed as part of the annual budget process and included in the budget document. As the quality of forward estimates improves, they can serve as the basis for the following years’ annual budget to deepen the connection between forward-year plans and the annual budget preparation process. The medium term budget then becomes a credible statement of fiscal policy intentions and a means to avoid pro-cyclical fiscal policy. Accordingly, the MTBF is also recognized as a valuable tool for planning reallocation of expenditure toward pro-poor programs.
In order to ascertain budget transparency to the citizens, the government should provide clear information, on a regular basis, at least on the programs, objectives, responsible agency, targets/indicators set along with the timeframe, budget allocation, financial performance and gaps/risks-faced. This will enable the public to assess the performance of government’s past, current and projected fiscal activities (also in terms of sources and uses of funds) and associated fiscal risks.

Bangladesh – country context

Bangladesh has come a long way from being an aid dependent country soon after its independence in 1971 to today’s export-led Lower Middle Income Country according to the World Bank classification. As per the official statistics, the country achieved a record economic growth of 7.28 percent in Fiscal Year 2016 – 2017 (in Bangladesh, Fiscal Year – FY – covers the period from July to June next year; i.e. Fiscal Year 2016 – 2017 refers to July 2016 to June 2017). At the same time, Gross National Income (GNI) per capita has grown US$1,602 (current prices) which was around US$ 100 only in 1972. The country also attained most of the targets of Millennium Development Goals (MDGs) and set an example for other developing countries. Bangladesh achieved notable progress in poverty reduction, gender parity in primary and secondary schools, enrollment rate in primary schools, reduction of maternal, infant and under-5 mortality, expansion of immunization coverage, women empowerment, etc. The country is now in Medium Human Development group in Human Development Index. Despite these progresses, disparities across economic classes, social groups, gender and regions continue.

Table 1: Selected Economic Indicators (Bangladesh)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth (at FY06 constant market prices)</td>
<td>6.0</td>
<td>5.1</td>
<td>5.6</td>
<td>6.5</td>
<td>6.0</td>
<td>6.1</td>
<td>6.6</td>
<td>7.1</td>
<td>7.28</td>
<td></td>
</tr>
<tr>
<td>CPI inflation (base: FY96=100)</td>
<td>9.9</td>
<td>6.7</td>
<td>7.3</td>
<td>8.8</td>
<td>8.7</td>
<td>6.8</td>
<td>7.4</td>
<td>6.4</td>
<td>5.9</td>
<td>5.4</td>
</tr>
<tr>
<td>Foreign exchange reserves (billion US$)</td>
<td>6.15</td>
<td>7.47</td>
<td>10.75</td>
<td>10.91</td>
<td>10.36</td>
<td>15.32</td>
<td>21.51</td>
<td>25.03</td>
<td>23.62</td>
<td>25.52</td>
</tr>
<tr>
<td>Population (million)</td>
<td>143.8</td>
<td>145.8</td>
<td>147.8</td>
<td>149.7</td>
<td>151.6</td>
<td>153.7</td>
<td>155.8</td>
<td>157.9</td>
<td>159.9</td>
<td>161.8</td>
</tr>
<tr>
<td>(As percentage of GDP)</td>
<td>19.2</td>
<td>20.3</td>
<td>20.8</td>
<td>20.6</td>
<td>21.2</td>
<td>22.0</td>
<td>22.1</td>
<td>22.2</td>
<td>25.0</td>
<td>26.1</td>
</tr>
<tr>
<td>Domestic savings</td>
<td>26.2</td>
<td>26.2</td>
<td>26.3</td>
<td>27.4</td>
<td>28.3</td>
<td>28.4</td>
<td>28.6</td>
<td>28.9</td>
<td>29.7</td>
<td>30.3</td>
</tr>
<tr>
<td>Investment</td>
<td>9.6</td>
<td>9.1</td>
<td>9.5</td>
<td>10.2</td>
<td>10.9</td>
<td>10.9</td>
<td>10.5</td>
<td>9.6</td>
<td>10.2</td>
<td>12.4</td>
</tr>
<tr>
<td>Revenue income</td>
<td>14.9</td>
<td>12.5</td>
<td>12.7</td>
<td>14.0</td>
<td>14.5</td>
<td>14.5</td>
<td>14.0</td>
<td>13.5</td>
<td>15.3</td>
<td>17.4</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>15.4</td>
<td>15.2</td>
<td>14.1</td>
<td>17.6</td>
<td>18.0</td>
<td>17.7</td>
<td>17.2</td>
<td>15.8</td>
<td>15.1</td>
<td>9.0</td>
</tr>
<tr>
<td>Export</td>
<td>21.3</td>
<td>19.8</td>
<td>18.6</td>
<td>25.3</td>
<td>25.0</td>
<td>22.4</td>
<td>21.2</td>
<td>18.8</td>
<td>17.9</td>
<td>11.4</td>
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</table>


To achieve enhanced inclusive growth and sustainable development contributing to poverty reduction, the country needs to pave the way for further socio-economic development of disadvantaged and vulnerable groups specially, women, children, indigenous people and other backward sections of the society. To realize its goals of attaining a Middle-Income Country status by 2021, the Government of Bangladesh, in its national development documents (e.g. Outline Perspective Plan of Bangladesh 2010-2021: Making Vision 2021 a Reality, and the 7th Five Year Plan 2016-2020), has acknowledged the need and importance for a strengthened revenue collection mechanism and a prudent spending of resources for better public services delivery, improvement of the efficiency and productivity of public sector enterprises and of the financial governance. This calls for mitigation
of key governance challenges such as low public administration capacity, weaknesses in public order and safety and in economic management. Enhanced fiscal transparency through a sound public financial management (PFM) system can significantly contribute in this regard by addressing issues related to revenue mobilization, allocation of funds to various activities in line with the policies, efficient expenditure, proper accounting, and effective scrutiny and oversight of the spent funds.

Fiscal Transparency in Bangladesh: an analysis

Key Public Institutions

The Ministry of Finance (MoF) is the primary fiscal transparency and PFM stakeholder who is responsible for preparation, execution and presentation of the budgets and government financial statements to the Parliament. National Board of Revenue (NBR), under jurisdiction of the MoF, is the apex authority for tax administration with the primary responsibility for the formulation and re-appraisal of tax-policies and tax-laws, negotiating tax treaties with foreign governments and the collection of tax revenues (mainly, Income Tax, Value Added Tax, Customs Duty and Excise Duty). The Planning Commission prepares the development part (around 30 percent) of the budget and the national development documents such as Perspective Plan and Five Year Plans. It is the primary body responsible for planning in Bangladesh. The National Economic Council (NEC) provides overall guidance at the stage of the formulation of Five Year Plans, Annual Development Programs (ADP) and other economic policies. It reviews progress of implementation of development programs and approves development projects. The ADPs are endorsed by the Executive Committee of NEC (ECNEC) throughout the year in the monthly meetings. The Cabinet is responsible for approval of the budget within the Government before its presentation to the Parliament. Individual Ministers are responsible for line ministry policies, programs and budgets. The Coordination Council coordinates the macroeconomic framework including fiscal, monetary and exchange rate strategies and policies. The Budget Management and Review Committee assess the availability of resources and discuss progress on budget implementation. This Committee of senior civil servants from central Ministries/ Divisions is headed by the Finance Minister. Line Ministries and Divisions are responsible for providing key inputs to the budget process in the form of MTBF and development proposals. They are the recipients of the budget allocations, and responsible for the delivery of programs and projects.

On the other side, the Office of the Comptroller and Auditor General (OCAG), the Supreme Audit Institution (SAI) of Bangladesh, is responsible for auditing government receipts and public spending. The Parliament and its three financial oversight committees - Public Accounts Committee (PAC), Estimates Committee and Undertaking Committee - play a major role in promoting public sector accountability and effective governance. In addition, the Standing Committee on Ministry of Finance is responsible for overseeing the activities and performance of the Ministry of Finance in the areas of public finance including national budget, taxation and economic policy.

Main Instruments

Following this, several instruments guide Bangladesh Government’s implementation activities for achieving the planned social and economic development embedded in its Five Year Plans. The Annual Development Program (ADP) is the main document that covers all public investment in Bangladesh. The Medium-Term Budget Framework (MTBF) is the fiscal arrangement that allows the Government to extend the timeframe for fiscal policy making beyond the annual budgetary calendar. The introduction of the MTBF approach of budgeting in the country in FY2005-06 was a milestone in the context of fostering fiscal transparency in Bangladesh. It covers the preparation, execution, and monitoring of multi annual budget plans and contain both expenditure and revenue projections as well as the resultant budget balances. The underlying objectives of this approach are: establish aggregate fiscal discipline, enhance allocative efficiency, provide advance information on resource availability over the medium-term, enhance resource utilization capacity and establish an institutional arrangement on financial accountability. It demands that during the budget preparation, ministries should
attach more importance on the deliverables (goods and services) and achievements (output and outcome) than on resource allocation. That is, more emphasis needs to be given on the output expected to be achieved in the short-term, and outcome/impact expected to be created on the socio-economic field over the medium to long-term through utilization of allocated resources. The Government of Bangladesh has also introduced the Medium Term Strategy and Business Plan, which is the budgetary instrument to link the Five Year Plan and sector strategies to the policies and budgets at the individual ministry level. The Annual Operational Plan - prepared within the framework of the MTSBP - aims at allocating adequate resources against specific projects and activities. On the other hand, the Annual Performance Agreements (APA) is used as a monitoring and evaluation instrument within the Government Performance Monitoring System to assess each ministry's performance against a specific set of indicators, including in public financial sector.

Reforms – past and ongoing

With respect to the fiscal transparency improvement and financial governance development processes, a series of PFM reform programs were undertaken from the 1990s onwards. The past reforms followed a gradualist approach in two distinct phases. The first phase for PFM reform can be dated back to 1989 when the Committee on Reforms in Budgeting and Expenditure Control (CORBEC) provided findings and recommendations on the PFM improvement which were the basis of the initial PFM reform projects that addressed basic technical issues such as budget classification, core financial rules and the introduction of basic information technology in budgeting and accounting functions. These reforms undoubtedly improved the management of public resources, but fell short of expectations as some of such initiatives (e.g. the development of a new chart of accounts or the roll out of a new Financial Management Information System), though improving, are yet to make a significant difference. The second phase, characterized by the development of broad reform programs, focused on more strategic and advanced reforms such as the introduction of the Medium-Term Budget Framework (MTBF), enhanced systems through the introduction of the Integrated Budgeting and Accounting System (iBAS), strengthened debt management, macro-economic forecasting, an updated budget classification system and enhanced cash forecasting and management, introduction of ASYCUDA (an now ASYCUDA WORLD) and external scrutiny and oversight. However some of these reforms, such as the development of a medium-term horizon when preparing budgets, as well as strengthening the linkages between budgets and policies, are still struggling to be fully operational across all ministries.

Briefly, since the nineties the core PFM reforms have been put in place contributing to the achievement of the Government’s vision to:

- Enhance revenue collection by identifying new taxpayers alongside addressing loopholes in the system (such as tax evasion, tax exemptions, etc.) and, thus, increasing the revenue-GDP ratio
- Improve the budgeting, accounting and expenditure control procedures
- Establish a financial management information system
- Improve the management of public debt, deficits, local currency loans etc.
- Improve the links between the Revenue and Development budgets
- Establish links between budget and macro-economic policy
- Introduce modern budgeting techniques like program-based budgets
- Improve the capacity of government officers in PFM
- Update and modernize the manuals and codes

Status of Fiscal Transparency

On the basis of IMF’s Code of Good Practices on Fiscal Transparency, Bangladesh’s status is depicted below.
### Table 2: Status of Fiscal Transparency in Bangladesh

<table>
<thead>
<tr>
<th>IMF’s Principles</th>
<th>Basic Requirements</th>
<th>Bangladesh’s status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clarity of Roles and Responsibilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 The government sector should be distinguished from the rest of the public sector and from the rest of the economy, and policy and management roles within the public sector should be clear and publicly disclosed.</td>
<td>A published institutional table clearly shows the structure of the public sector, identifying all government entities, by level of government, and public corporations.</td>
<td>The Government website (<a href="http://www.bangladesh.gov.bd/">http://www.bangladesh.gov.bd/</a>) contains information on all government entities including public corporations.</td>
</tr>
<tr>
<td></td>
<td>The extent and purpose of all quasi-fiscal activities is explained.</td>
<td>Quasi-fiscal activities are not always explained.</td>
</tr>
<tr>
<td></td>
<td>Revenue and responsibilities are clearly assigned between different levels of government.</td>
<td>The Government website (<a href="http://www.bangladesh.gov.bd/">http://www.bangladesh.gov.bd/</a>), respective line ministry’s website and national budget documents contain such information.</td>
</tr>
<tr>
<td>1.2 There should be a clear and open legal, regulatory, and administrative framework for fiscal management.</td>
<td>No public funds can be spent without publicly available evidence of appropriation by the legislature.</td>
<td>This is established by the Constitution.</td>
</tr>
<tr>
<td></td>
<td>Revenue collection is governed by clear and easily accessible laws and regulations.</td>
<td>Required laws and regulations are in place; but tax evasion, tax exemption and less number of tax payers contribute to low tax-GDP ratio.</td>
</tr>
<tr>
<td><strong>Open Budget Processes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Budget preparation should follow an established timetable and be guided by well-defined macroeconomic and fiscal policy objectives.</td>
<td>Realistic draft budget proposals are presented to the legislature according to a prescribed timetable.</td>
<td>Budget proposals are prepared on a timely manner.</td>
</tr>
<tr>
<td></td>
<td>The likely costs and effects of new expenditure and revenue measures are clearly explained.</td>
<td>This is not always done properly.</td>
</tr>
<tr>
<td></td>
<td>A consistent multiyear fiscal framework is provided, based on realistic economic assumptions.</td>
<td>MTBF is prepared regularly. But there is room for improvement in case of making realistic economic assumptions.</td>
</tr>
<tr>
<td>2.2 There should be clear procedures for budget execution, monitoring, and reporting.</td>
<td>Revenues, commitments, payments, and arrears can be tracked effectively.</td>
<td>Many issues in these areas need further attention and reform.</td>
</tr>
<tr>
<td></td>
<td>Audited final accounts and audit reports are presented to the legislature and published within a year.</td>
<td>There is considerable time lag in preparing audited final accounts and audit reports, placing those before the legislature and publishing within a year.</td>
</tr>
<tr>
<td><strong>Public Availability of Information</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 The public should be provided with comprehensive information on past, current, and projected fiscal activity, and on major fiscal risks.</td>
<td>The budget documentation covers all budgetary and extra-budgetary activities of the central government, the fiscal position of subnational government, and the finances of public corporations.</td>
<td>The budget document is very comprehensive. The documents can be made more reader-friendly so that information on past, current and projected fiscal activities – also in terms of sources and uses of funds – can be tracked easily.</td>
</tr>
<tr>
<td></td>
<td>Information published on the central government includes details of its debt, significant financial and natural resource assets and non-debt liabilities, and contingent liabilities.</td>
<td>Information published on the central government includes details on many aspects, but there is less clarity on information regarding financial and natural resource assets, non-debt liabilities, etc.</td>
</tr>
<tr>
<td>3.2 Fiscal information should be presented in a</td>
<td>The main proposals and economic background to the budget are</td>
<td>In recent times, Government encourages pre-budget consultations even with general</td>
</tr>
<tr>
<td>IMF’s Principles</td>
<td>Basic Requirements</td>
<td>Bangladesh’s status</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>way that facilitates policy analysis and promotes accountability.</td>
<td>explained clearly to the general public.</td>
<td>people. There are some limited numbers of post-budget discussions as well.</td>
</tr>
<tr>
<td></td>
<td>Revenue, expenditure, and financing are reported on a gross basis and expenditure is classified by economic, functional, and administrative category.</td>
<td>It is done along with the other budget documents. But there is a gap in reporting and accounting of revenue collection. In addition, expenditure is still not classified by economic and functional category.</td>
</tr>
<tr>
<td></td>
<td>Results of central government programs are presented to the legislature.</td>
<td>This is done on an ad-hoc basis.</td>
</tr>
<tr>
<td>3.3 A commitment should be made to the timely publication of fiscal information.</td>
<td>There is a legal obligation to publish timely</td>
<td>Commitment is there.</td>
</tr>
</tbody>
</table>

**Assurances of Integrity**

| 4.1 Fiscal data should meet accepted data quality standards. | Accounting policies meet generally accepted accounting standards. | Weaknesses are observed in this area. Further improvement is needed. |
| 4.2 Fiscal activities should be subject to effective internal oversight and safeguards. | Standards for procurement, financial transactions involving the public sector, and the ethical behavior of public servants are clear, publicly accessible, and observed. | The standards are there, but there are issues in terms of implementation. |
|                                                           | Internal audit procedures are clear.                                              | Internal control mechanism needs to be effectively introduced across the government entities. |
| 4.3 Fiscal information should be externally scrutinized.   | A national audit body, which is independent of the executive, provides timely reports (at a minimum on an annual basis) for the legislature and public on the financial integrity of government accounts. | There is considerable time lag in preparing audit reports. |

Source: IMF’s Manual on Fiscal Transparency and Researcher’s own assessment

The Public Expenditure and Financial Accountability (PEFA) Assessment 2015 for Bangladesh confirms the above findings. The PEFA 2015 highlights progress in areas such as medium-term budgeting, macro-economic forecasting, debt management, fiscal transparency, improved financial information management and in external auditing. It also points out that deficiencies remain notably in the accounting, financial management information system, in the fragmentation of the recurrent and development budgets, in budget transparency, timeliness and quality of the annual audited financial statement as well as in internal controls, external oversight mechanism, follow-up to audit observations and on the revenue collection and tax administration. It needs also to be aware that in some areas reforms are only just starting and are yet to see results. For instance, advanced reforms of the tax administration and public investment management are only just getting off the ground.

The Open Budget Index evaluates the quantity of information provided to citizens in the eight key budget documents that all governments should make public during the course of the budget year. The executive’s
budget proposal is one of the most important documents released during the budget year. Bangladesh’s executive’s budget proposal provides some information to the public on a comprehensive picture of the government’s financial activity, but there is room for improvement. For better budget transparency, it is required that governments should report to citizens regularly during the budget year on their spending, revenue collection and borrowing with in-year reports. Bangladesh provides partial information in its in-year reports, but it would greatly strengthen public accountability by publishing a comprehensive mid-year review. This document should provide the public with updates on what can be expected for the second half of the budget year. Year-end reports by the executive are also not produced regularly which impedes comparisons between enacted levels and actual outcomes. Bangladesh does not make its audit report public on time and does not provide any information on whether the audit report’s recommendations are successfully implemented. Citizens require both access to information, and opportunities during the consideration of the budget to use that information, to ensure their informed participation in budget debates as well as to hold the government accountable for its management of the public’s money. Hence, Bangladesh’s score on the Open Budget Index over the years suggests that the public’s access to information has to be improved. To improve budget transparency, the country should publish In-Year Reports in a timely manner, and produce and publish an Audit Report and a Citizens Budget.

Table 3: Bangladesh’s ranking in Open Budget Index

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Pre –budget statement</td>
<td>Produced for Internal Use Only</td>
<td>Produced for Internal Use Only</td>
<td>Produced for Internal Use Only</td>
<td>Produced for Internal Use Only</td>
</tr>
<tr>
<td>Executive’s budget proposal</td>
<td>Available to the public</td>
<td>Available to the public</td>
<td>Available to the public</td>
<td>Available to the public</td>
</tr>
<tr>
<td>Enacted budget</td>
<td>Available to the public</td>
<td>Available to the public</td>
<td>Available to the Public</td>
<td>Available to the Public</td>
</tr>
<tr>
<td>Citizen’s Budget</td>
<td>Not produced</td>
<td>Not produced</td>
<td>Available to the Public</td>
<td>Not produced</td>
</tr>
<tr>
<td>In-year reports</td>
<td>Available to the public</td>
<td>Available to the public</td>
<td>Available to the Public</td>
<td>Produced late</td>
</tr>
<tr>
<td>Mid-year review</td>
<td>Produced for Internal Use Only</td>
<td>Available to the public</td>
<td>Available to the Public</td>
<td>Not produced</td>
</tr>
<tr>
<td>Year-end report</td>
<td>Not produced</td>
<td>Not produced</td>
<td>Available to the Public</td>
<td>Available to the Public</td>
</tr>
<tr>
<td>Auditor’s reports</td>
<td>Produced, but for internal use only</td>
<td>Not produced</td>
<td>Not produced</td>
<td>Not produced</td>
</tr>
<tr>
<td>Ranking (out of 100)</td>
<td>39</td>
<td>58</td>
<td>56</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: compiled from different Open Budget Indices published by the International Budget Partnership

Challenges faced

The reforms undertaken (and planned) in the area of Bangladesh’s PFM system has been part of a broader political agenda of poverty reduction and were based on the understanding that promoting transparency and accountability in the management of public resources is essential in spearheading and sustaining the government’s efforts in reducing poverty. Nevertheless, it is not clear to what extent politicians really understand and believe in the value of fiscal openness, and this undermines reform success. In addition, Ministry of Finance continues to spearhead the reforms related to fiscal transparency when line ministries and other government agencies have a critical role to play in promoting transparency in the use of public funds. Furthermore, every year revenue collection falls short of the target set in the national budget. The national budget also does not outline potential sources of revenue to back up the additional revenue target. In order to enriching the Government exchequer and meeting incremental expenditure budget, the internal resource
planning, NBR Tax, and non-NBR revenue sources should be redesigned making those more realistic for attaining the ambitious revenue collection target. Failure to realize expected tax collection hamper the regular government expenditure and ADP implementation and result in mid-year revision (mostly downsizing) of the budget. This, undoubtedly, impacts the planning and effectiveness of public financing and the rational mobilization of resources. On the other hand, the promotion of fiscal transparency has been mostly supply-driven. External actors have played a positive role in recent times, both in setting norms and standards and in providing support to — and putting pressure on — the Government to become more transparent. Fiscal transparency should be linked to demand for budget accountability and, ultimately, to improved access and quality of basic public services. In this context, both institutional and human resource capacities need to be improved further.

Budget Transparency and Poverty Reduction – the correlation in Bangladesh’s context

For achieving most of the MDGs and attaining more than 6 percent growth rate for several consecutive years, Bangladesh is now considered to be a model for other developing countries. Poverty reduction remains at center of Government’s development agenda. The economic growth strategy of Government’s, the 7th Five Year Plan, is based on four fundamental themes:

- Break out of the sphere of 6% growth and raise the annual average growth rate to 7.4%
- Growth will be inclusive, pro-poor, adapt well to the urban transition and be environmentally sustainable
- By the end of the 7th Five Year Plan (i.e. by FY 2020), poverty and extreme poverty will be substantially lowered
- All the additional labor force will be gainfully employed including much of the under-employed

Official data indicates that both national poverty rate and extreme poverty rate are on downward trend. Annual national poverty rate and extreme poverty rate in Bangladesh now stands at 23.2 percent and 12.9 percent, respectively (Household Income and Expenditure Survey - HIES, 2016). In 2010, national poverty rate stood at 31.5 percent and extreme poverty rate at 18.5 percent (HIES, 2010). In 2005, national poverty rate was 40 percent (Bangladesh Poverty Maps, 2005). Though the poverty rate is decreasing in the country, the pace of poverty reduction has slowed down in recent years compared with the period 2005-2010.

On the other hand, the national Gini co-efficient shows a negative trend in income and wealth distribution. According to HIES 2016, the Gini co-efficient now stands at 0.483, while it stood at 0.458 in 2010. That is, due to unequal distribution of income, income gap is getting wider between rich and poor.

There also exists a regional disparity: poverty rate is the highest in rural areas, at 36 percent, compared with 28 percent in urban area. In addition, the incidences of poverty are higher in some part of the country compared to those advanced part such as Dhaka and Chittagong.

To address these issues and to attain national development goals, the Government of Bangladesh has been meticulously tracking poverty reduction related government-initiated activities and associated expenditures since FY2007-2008. In order to attain the objective of poverty reduction, the country’s Ministry of Finance has grouped areas of spending in a way to generate a better focus in terms of priority on programs/spending that would benefit the poor, such as: direct services, and indirect services. The Direct (targeted) Services addressing income-poverty includes social safety net programs, income and employment generating programs/projects targeted directly at the poor, i.e. the services that benefit the poor for the most part. Direct services are designed and targeted at the poor and, hence easy to identify and prioritize. However, some activities in this category, though targeted at the poor may not always reach the ‘hard-core’ poor. Micro-credit programs are examples in hand. Social ‘safety nets’ and other income and employment generating programs are good examples of direct
services to address income-poverty. The other types of direct services help human development, and hence mitigate human-poverty. Programs/projects for development of education (primary, secondary, technical/vocational, etc.), health, nutrition, and water and sanitation are good examples of direct services addressing human poverty. The Indirect (growth–oriented) Services include spending on overall infrastructure development including roads/highways, electrification, modern agriculture etc. These services are not directly pro-poor in appearance but, rather pro-growth in nature. Some of these services, however, contribute to the alleviation of poverty more than the others. For example, construction of the road/highway does help all, regardless of the income-class and certainly is pro-growth. Since most of these indirect services are growth-oriented, they help alleviate income-poverty, e.g. spending for building roads and highways, bridges construction/repair/rehabilitation of river ports/terminals etc. Some of the indirect services help alleviate human-poverty, e.g. spending on construction, repair/renovation of primary/secondary schools flood rehabilitation, etc.

Bangladesh recognized decades ago that empowering women and creation of human capital are essential to ending extreme poverty. In this context, the country introduced and implemented various innovative approaches. For instance, Bangladesh developed a national family planning program in the 1980s that created an army of women health workers who went door to door to bring contraceptives to women. This helped reduce fertility rates dramatically and sparked the demographic transition that continues to support remarkable development progress. The following decade, in the 1990s, Bangladesh started a female secondary school stipend program, one of the first conditional cash transfers programs in the world. To track the activities and associated spending, the Government of Bangladesh has introduced Gender Budget since FY2007-2008 and Child Budget since FY2014-FY2015 derived from MTBFs of respective line ministries and divisions.

**Conclusion**

It is widely acknowledged that fiscal policy is a powerful tool for combating poverty. In the short term, governments provide cash transfers, food relief, and subsidies. In the medium and long term, they opt for improving education and health services and create regulatory and institutional framework for employment generation. Domestic revenue mobilization such as taxes is the main source for these activities. Hence, governments need to have comprehensive revenue policies and ensure that people pay taxes properly and regularly. They also need to ensure that programs to reduce poverty are effective. Particularly, they should track all pro-poor spending and provide access to services that will enable people to escape poverty.

In its efforts to end extreme poverty, Bangladesh got many of the basics right. Bangladesh set an example of impressive record of economic growth and investments in people despite many internal and external challenges. This helped to lift millions of people out of poverty. Inclusive development is about to ensure development of standard of living and economic sustainability of every single individual in the country as well as ‘leaving no one behind’ which the motto of the Government of Bangladesh. It is recognized that economic growth is not sufficient for reducing poverty rate. Hence, the Government of Bangladesh has given priority to inclusive and sustainable development rather than economic growth only. Accordingly, the Five Year Plans and other national documents have put emphasis on efficient allocation and utilization public funds for better public services delivery based on sound PFM system.

Qualitative analysis (based on limited quantitative information from secondary sources) indicates that the enhancement of fiscal transparency, particularly budget transparency, has contributed positively in reducing both national poverty and extreme poverty in Bangladesh because initiatives related to poverty reduction can now be better tracked and monitored. This, in turn, not only ensures efficient allocation and utilization of resources but also helps to identify which works and which does not. Nonetheless, various assessments indicate that there is room for improvement in terms of transparency, public participation, scrutiny and oversight.
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