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A Profile of Regional Contribution of Rural Poverty in Punjab: Some Hidden Dynamics

Ikram Ali, Abdul Saboor, Sarfraz Ahmad and Mustafa
PMAS-Arid Agriculture University Rawalpindi-Pakistan

Abstract

The dynamics of any versatile poverty study necessitates some meaningful analysis including tracing the existing scenario at most disaggregated level for generating appropriate policy input. While estimating different indices of rural poverty, we have profiled the regional contribution of such statistics in Punjab province. Primary time series data was retrieved from the Household Integrated Economic Survey (HIES) for the period 1998-99 to 2004-05 to gauge different poverty indices at "Administrative Division Level". Two dimensions of regional contribution of incidence of poverty have been profiled. One is reflecting the regional contribution of each division to over all incidence of poverty in Punjab. Other dimension is showing rural-urban contribution in terms of percentage to the overall poverty in each respective division. Low poverty areas are clustered in northern and central Punjab, while poverty is relatively higher in western and southern Punjab. Similarly, poverty was determined as a rural phenomenon for almost all the divisions are depicting highest proportional contribution to overall poverty for almost all the study period. Rural poverty was not only found to be more than twice of the poverty in urban areas but its proportionate contribution to overall poverty increased gradually. These trends are largely explained by the performance of economy in general and agriculture sector in particular. The analytical findings are suggestive of targeting rural areas of each division and southern areas of Punjab on priority basis with separate and specific policies along with allocation of both soft and hard resources so as to materialize the dream of mitigating overall poverty in general and rural poverty in particular.

Key words: Punjab, incidence, depth, severity, dynamics, proportionate contribution.

Corresponding Author: Akram Ali
PMAS-Arid Agriculture University,
Rawalpindi-Pakistan
Email: ikram@uaar.edu.pk

Introduction

Pakistan has always been considered as an "outlier" in the mode of translating economic growth to the poor. History is witness to the fact that even with substantial growth; poverty could not be reduced to a desirable level. On the other hand, with very insignificant trend of GDP growth, we have seen decreasing trend of incidence of poverty in the country. In this way, Pakistan's poverty analyses depict cyclical trends over the time and across the region. It also shows an inconsistent relationship between national income and poverty, suggesting that income growth did not trickled down and the extent of poverty is likely explained by other factors (Kemal, 2003). Declining trend of poverty in the country seen during the 1970s and 1980s was reversed in the 1990s. The extent and magnitude of rural poverty remained substantially higher than that of urban region, despite the rapid decline during the 1970s and 1980s (Chaudhry *et al.,* 2006).

There are multiple correlates of rural poverty in the Punjab. Land is the principle form of wealth in rural areas, most of it is owned by a small number of landlords who apportion it among tenants for cultivation on the basis of sharecropping. Less than half of rural households own any agricultural land, while 2.5 percent of households account for over 40 percent of all the land owned. Farm assets ownership is also highly skewed among cultivating households (Gazdar, 2004). This landlord-tenant system dominates most of rural Sind and Punjab, resulting in the aggregation of rural wealth in a few hands (Hussain, 1988). A sharp increase in the number of farms of less than five acres, greater fragmentation and shrinking of medium farms also augment rural poverty (Jafri and Khattak, 1995).

Besides land as main driving force of rural inequality, household demographics, education, physical assets, location of area, feudal agrarian structure, rural power structure, access to other assets, social services, labor market, food and health care are also root cause of rural poverty (Kazi, 1995; Qureshi and Arif, 2001; Arif, 2006 and Naschold, 2009). Further, growth rate, inflation and unemployment serve as

major macroeconomic determinants (Chaudhry *et al.,* 2006).

Though agriculture sector continued as the main source of rural employment; however, non-farm employment activities in rural area are also increasing due to increased share of employment in services, transport and construction sub-sectors (Arif *et al.,* 2000). Nevertheless, incidence of rural poverty is still higher among non-farm as compared to farm households (Qureshi and Arif, 1999). The reason for high rural poverty is primarily due to a major reliance on agriculture as source of employment and also the slow generation of non-farm employment activities in the rural areas (World Bank, 2002). Higher extent and magnitude of rural poverty is also attributed to adverse shocks and structural constraints faced by the agriculture sector, suggesting the need for pro-poor policies and institutional packages to reduce poverty (Anwar and Qureshi, 2002).

The benefits of agricultural growth have a more equitable income distribution than industrial growth (Jeetun, 1978). Though Green Revolution in Pakistan was responsible for reducing income disparity between small and large farms, between farm and non-farm rural classes and between well-to-do and poorer agricultural regions (Chaudhry, 1982), but rural regions of South Punjab and Baluchistan are relatively poorer (Zaidi, 1992 and IFAD, 2001). Rural Punjab has the highest level of extreme poverty and land inequality and its less developed areas in terms of access to different welfare indicators are clustered in its South-Western part (Pasha *et al.,* 1982; SPDC, 1998, 2001; Anwar, 1998 and 2004; Malik, 2005; Akhter and Sarwar, 2007; Akhter *et al.,* 2007; and Sikandar and Ahmad, 2008).

Poverty analyses though have largely been carried out at national and provincial levels with rural-urban bifurcation only; we have seen very few studies showing statistics of different poverty indices in juxtaposition at divisional levels and that too in terms of proportionate contribution of each division to the overall Punjab statistics and rural-urban contribution to overall incidence poverty of respective divisions. How each division of Punjab is contributing to the overall poverty, how each rural region in each division is contributing to respective overall poverty and what are the dynamics of such contributions? These core questions are being addressed. The fundamental purpose of such a research exercise is to identify the highly deprived regions in terms of incidence of poverty as well as the divisions of Punjab consistently confronting income or consumption deprivations.

Materials and Methods

This study is based on Household Integrated Economic Survey (HIES) data for the years from 1998-99 to 2004-05, collected by the Federal Bureau of Statistics (FBS), Statistics Division, Government of Pakistan. Consumption expenditure has been used as proxy of income to estimate poverty incidence against the poverty lines defined by the Planning Commission of Pakistan.

FGT (Foster et al., 1984) class of poverty measures have been used to successively unfold different aspects of poverty and make the results meaningful. Head Count Index/poverty incidence (P_0) simply counts the number of poor below poverty line but ignores its depth and severity. Poverty Gap Index (P_1) determines the average shortfall in income and measures how poor the poor are, but does not address severity or inequality among poor. Squared Poverty Gap Index (P_2) measures the degree of inequality/ severity of poverty amongst poor. Thus P_1 and P_2 are imperative not only to identify relative change in average level of poverty amongst the poor but also see the distribution of growth benefits, even if P_0 is unchanged.

Results and Discussion

Poverty incidence at national level exhibited cyclical trends during 1998-99 to 2004-05. Its regional distribution revealed that Punjab was having highest rank in overall poverty incidence (30.44 percent) in 1998-99 in relation to other provinces of the country. Poverty perked in all provinces up to 2001-02 and then followed significant decline in the next interregnum period (Arif *et al*., 2006). Different poverty indices ((P_0, P_1, P_2) in Punjab for the period "between" 1998-99 to 2001-02 revealed that this province was least affected by rising wave of national poverty, largely attributed by adverse effect of unprecedented drought period for the years 2000-01 and 2001-02 (Table 1). Contrary to other provinces, a minimal increase of 3.35 percent was observed in rural poverty of Punjab. In fact, Punjab was least affected for having the largest canal irrigation system; increased cotton production by 29 percent; and rice and wheat as 18 and 17 percent, respectively (Cheema, 2005). Besides, improvements in P_2 at all its levels and minimal increase in P_1 contrary to other provinces are the supplementary plausible reasons of relatively low poverty increase in Punjab. It is interesting to note that rural poverty decreased substantially during 2001-02 to 2004-05 and exhibited parity with decreasing overall and urban poverty. Moreover, improvement in other poverty indices such as poverty gap and severity of poverty during this period is suggestive of inextricable link

among different poverty indices towards overall reduction in poverty. More to the point, improved agricultural growth rate; devolution of power at district levels and diversion of increased public resources for rural development also played vital role in reduction of rural poverty. This analysis also establishes the fact that clustering of large rural population around the poverty line implies that a drought or bad agricultural year may cause families to fall into poverty or otherwise (Wall, 2006)

During the span of seven years, different poverty indices (P_0, P_1, P_2) showed substantial improvement across all its levels (overall, urban and rural); however, regional bifurcation shows relatively less pronounced improvement in rural areas as compared to overall and urban Punjab. Among different indices, relatively low improvement has been observed in case of poverty incidence. Another important finding of the study is the maximum proportionate contribution of Punjab to overall national poverty and rising proportionate share of rural to overall poverty in Punjab (Table 2).

The myopic view of different poverty indices within Punjab, both in static and dynamic sense unfolds significantly important aspects aimed to identify target groups of poor within the province and required allocation and distribution of resources to pull them out of poverty. Overall results ascertain that poverty is absolutely a rural phenomenon in the Punjab province. Overall P_0 declined in all Divisions across all levels, except DG Khan at its overall and urban levels and rural Lahore. Corresponding P_1 and P_2 also declined across all levels, except urban areas of DG Khan Division where it increased by 144.45 and 183.59 percent, respectively. Maximum decline in overall P_0 was observed in Rawalpindi, followed by Faisalabad and Sarghoda Divisions while maximum decline in corresponding P_1 was observed in Faisalabad, followed by Sarghoda and Rawalpindi Divisions. Similar trends with few exceptions are also observed in P_2.

In rural perspective, maximum decline in rural P_0 was observed in Rawalpindi, followed by Faisalabad and DG Khan Divisions while maximum decline in corresponding P_1 was observed in Faisalabad, followed by Sargodha and DG Khan Divisions. In case of changes in resource distribution, P_2 declined maximum in Sargodha, followed by Faisalabad and DG Khan Divisions. Rural areas of Gujranwalla, Lahore, Multan and Bahawalpur resulted in increased proportionate contribution to overall severity of poverty in Punjab contrary to other rural areas (Table 2).

Besides behavior of different poverty indices within Punjab, estimations have also been made towards the share of each administrative division to overall provincial poverty. Intra-provincial statistics of 1998-99 revealed that Sargodha was highest contributor (17.77 percent) to overall incidence of poverty, followed by Bahawalpur (16.62 percent) and Multan (15.18 percent). On the other hand, Rawalpindii was the least contributor (5.07 percent) to overall poverty, followed by provincial capital – Lahore. Regional bifurcation of poverty incidence indicates that rural contribution of poverty is significantly higher in all divisions of the province than that of urban contribution. Moreover, trends of this percentage contribution increased substantially in Lahore, Multan and Bahawalpur.

Intra-provincial temporal changes in poverty indices reflected in Table 3 explicitly explains hidden dynamics of extent of incidence, depth and severity of poverty in each division.

The above analysis addresses the economic dimension of poverty. The reported results just differentiate different regions only on the basis of consumption as welfare indicator. Studies covering the assessment of core social welfare indicators at district levels also depicted more or less similar scenario pertaining to the status of these indicators in different regions of the province. According to these studies, developed districts are generally clustered in Northern and Central Punjab while a majority of less developed districts is situated in Western and Southern Punjab. (Pasha *et al.,* 1982; SPDC, 1998, 2001; Akhter and Sarwar, 2007; Akhter *et al.,* 2007; and Sikandar and Ahmad, 2008). Administrative Divisions of Punjab with low poverty incidence (Rawalpindii, Gujranwala, Lahore and Faisalabad) constitute Northern and Central Punjab, while the administrative Divisions with high poverty incidence (Bahawalpur and DG Khan) are the part of Western and Southern Punjab. Multan Division, amalgam of Southern and Northern Punjab had relatively moderate poverty incidence. Rawalpindi, the Division of least poverty incidence comprised of four districts situated in Northern Punjab. All these occupy their position in top ten of the most developed districts of the Punjab. Contrarily, Bahawalpur - the Division of highest poverty consists of three districts occupying their position in bottom ten percent during 1998 to 2005. In 1982, ranking of these districts was relatively much better and were falling in the third quartile (Pasha *et al.,* 1982, SPDC, 1998, 2001; Akhter and Sarwar, 2007; Akhter *et al.,* 2007; and Sikandar and Ahmad, 2008).

Table 1. Intra-provincial trends of poverty indices in Punjab

	1998-99	**2001-02**	**2004-05**						
	Poverty Headcount (P_0)	Poverty Depth (P_1)	Poverty Severity (P_2)	Poverty Headcount (P_0)	Poverty Depth (P_1)	Poverty Severity (P_2)	Poverty Headcount (P_0)	Poverty Depth (P_1)	Poverty Severity (P_2)
P U N J A B									
Overall	**30.44** {31.6}	**6.98** {37.43}	**2.34** {41.64}	**31.14** {26.04}	**6.99** {30.01}	**2.28** {33.88}	**20.56** {29.75}	**4.08** {33.06}	**1.25** {35.21}
Urban	**19.82** (34.34)	**4.32** (32.75)	**1.39** (31.59)	**19.65** (33.41	**4.24** (32.22)	**1.34** (31.31)	**12.27** (31.85)	**2.34** (30.71)	**0.68** (29.31)
Rural	**37.89** (65.66)	**8.87** (67.25)	**3.01** (68.41)	**39.16** (66.59)	**8.92** (67.78)	**2.94** (68.69)	**26.26** (68.15)	**5.28** (69.29)	**1.64** (70.69)
R A W A L P I N D I									
Overall	**12.72** {5.07}	**1.88** {3.23}	**0.41** {2.09}	**31.14** {26.04}	**2.59** {4.58}	**0.70** {3.76}	**20.56** {29.75}	**0.31** {0.90}	**0.04** {0.38}
Urban	**6.27** (26.98)	**1.08** (31.03)	**0.29** (37.18)	**19.65** (33.41)	**1.42** (29.52)	**0.34** (26.36)	**12.27** (31.85)	**0.41** (68.33)	**0.06** (85.71)
Rural	**16.97** (73.02)	**2.40** (68.97)	**0.49** (62.82)	**39.16** (66.59)	**3.39** (70.48)	**0.95** (73.64)	**26.26** (68.15)	**0.19** (31.67)	**0.01** (14.29)
S A R G O D H A									
Overall	**44.62** {17.77}	**10.61** {18.24}	**3.45** {17.59}	**26.21** {10.47}	**5.03** {8.89}	**1.46** {7.85}	**25.65** {15.01}	**4.85** {14.14}	**1.34** {12.85}
Urban	**35.42** (41.47)	**8.72** (42.66)	**2.69** (41.90)	**20.75** (41.51)	**4.50** (45.78)	**1.50** (51.02)	**21.66** (43.39)	**4.58** (47.71)	**1.32** (49.44)
Rural	**50** (58.53)	**11.72** (57.34)	**3.73** (58.10)	**29.24** (58.49)	**5.33** (54.22)	**1.44** (48.98)	**28.26** (56.61)	**5.02** (52.29)	**1.35** (50.56)
G U J R A N W A L A									
Overall	**20.38** {8.12}	**3.54** {6.09}	**0.94** {4.79}	**20.91** {8.35}	**4.24** {7.49}	**1.22** {6.56}	**11.57** {6.77}	**1.67** {4.87}	**0.36** {3.45}
Urban	**14.45** (37.44)	**2.45** (36.68)	**0.64** (36.16)	**16.17** (40.16)	**3.22** (39.51)	**0.98** (41.53)	**8.2** (37.26)	**1.18** (37.11)	**0.22** (32.84)
Rural	**24.15** (62.56)	**4.23** (63.32)	**1.13** (63.84)	**24.09** (59.84)	**4.93** (60.49)	**1.38** (58.47)	**13.81** (62.74)	**2.00** (62.89)	**0.45** (67.16)
F A I S A L A B A D									
Overall	**37.61** {14.98}	**9.33** {16.04}	**3.29** {16.78}	**36.08** {14.41}	**7.96** {14.06}	**2.59** {13.92}	**20.3** {11.88}	**4.19** {12.22}	**1.39** {13.33}
Urban	**23.39** (33.26)	**5.44** (31.43)	**1.88** (30.87)	**26.35** (37.72)	**5.37** (35.90)	**1.54** (31.36)	**14.71** (37.53)	**2.76** (34.41)	**0.87** (32.83)
Rural	**46.93** (66.74)	**11.87** (68.57)	**4.21** (69.13)	**43.51** (62.28)	**9.59** (64.10)	**3.37** (68.64)	**24.49** (62.47)	**5.26** (65.59)	**1.78** (67.17)
L A H O R E									
Overall	**23.49** {9.36}	**5.35** {9.20}	**1.81** {9.23}	**29.64** {11.84}	**6.47** {11.43}	**2.08** {11.18}	**15.68** {9.18}	**3.00** {8.75}	**0.94** {9.01}
Urban	**14.52** (31.60)	**2.84** (27.26)	**0.82** (23.43)	**13.69** (22.90)	**2.72** (20.81)	**0.79** (18.85)	**6.05** (18.86)	**0.97** (15.77)	**0.24** (12.44)
Rural	**31.43** (68.40)	**7.58** (72.74)	**2.68** (76.57)	**46.09** (77.10)	**10.35** (79.19)	**3.40** (81.15)	**26.03** (81.14)	**5.18** (84.23)	**1.69** (87.56)
M U L T A N									
Overall	**38.1** {15.18}	**8.37** {14.39}	**2.68** {13.67}	**41.1** {16.42}	**9.56** {16.89}	**3.14** {16.88}	**28.39** {16.61}	**6.00** {17.50}	**1.98** {18.98}
Urban	**31.77** (43.56)	**6.55** (41.43)	**2.00** (39.92)	**22.39** (30.48)	**4.66** (27.51)	**1.41** (25.59)	**18.56** (35.62)	**3.60** (33.18)	**1.16** (32.49)
Rural	**41.17** (56.44)	**9.26** (58.57)	**3.01** (60.08)	**51.08** (69.52)	**12.28** (72.49)	**4.10** (74.41)	**33.54** (64.38)	**7.25** (66.82)	**2.41** (67.51)
D.G. K H A N									
Overall	**32.39** {12.90}	**7.87** {13.53}	**2.66** {13.56}	**37.26** {14.89}	**9.68** {17.10}	**3.47** {18.66}	**32.12** {18.80}	**6.97** {20.33}	**2.18** {20.90}

Urban	**12.5** (18.08)	**2.71** (16.14)	**0.81** (14.16)	**22.26** (30.74)	**6.11** (32.40)	**2.29** (33.78)	**31.25** (49.11)	**7.27** (51.38)	**2.31** (51.91)
Rural	**56.64** (81.92)	**14.08** (83.86)	**4.91** (85.84)	**50.15** (69.26)	**12.75** (67.60)	**4.49** (66.22)	**32.38** (50.89)	**6.88** (48.62)	**2.14** (48.09)
B A H A W A L P U R									
Overall	**41.72** {16.62}	**11.22** {19.29}	**4.37** {22.28}	**43.41** {17.34}	**11.07** {19.56}	**3.94** {21.18}	**33.04** {19.34}	**7.30** {21.29}	**2.20** {21.09}
Urban	**31.64** (39.51)	**7.62** (35.88)	**2.81** (34.18)	**36.81** (44.27)	**8.80** (42.15)	**3.01** (40.84)	**14.21** (25.07)	**3.16** (25.22)	**0.92** (24.47)
Rural	**48.45** (60.49)	**13.62** (64.12)	**5.41** (65.82)	**46.34** (55.73)	**12.08** (57.85)	**4.36** (59.16)	**42.48** (74.93)	**9.37** (74.78)	**2.84** (75.53)

Table 2. Intra-provincial dynamics of poverty indices in Punjab

	1998-99	**2001-02**	**2004-05**						
	Poverty Headcount (P_0)	Poverty Depth (P_1)	Poverty Severity (P_2)	Poverty Headcount (P_0)	Poverty Depth (P_1)	Poverty Severity (P_2)	Poverty Headcount (P_0)	Poverty Depth (P_1)	Poverty Severity (P_2)
P U N J A B									
Overall	2.30	0.14	-2.56	-33.98	-41.63	-45.18	-31.68	-41.49	-47.74
Urban	-0.86	-1.85	-3.60	-37.56	-44.81	-49.25	-38.41	-46.66	-52.85
Rural	3.35	0.56	-2.33	-32.94	-40.81	-44.22	-29.59	-40.24	-46.54
R A W A L P I N D I									
Overall	23.43	37.77	70.73	-73.69	-88.03	-94.29	-50.27	-50.26	-23.55
Urban	40.99	31.48	17.24	-59.50	-71.13	-82.35	-18.51	-39.65	-65.11
Rural	19.98	41.25	93.88	-76.72	-94.40	-98.95	-56.74	-53.15	-5.07
S A R G O D H A									
Overall	-41.26	-52.59	-57.68	-2.14	-3.58	-8.22	-43.40	-56.17	-65.90
Urban	-41.42	-48.39	-44.24	4.39	1.78	-12.00	-37.03	-46.62	-56.24
Rural	-41.52	-54.52	-61.39	-3.35	-5.82	-6.25	-44.87	-60.34	-67.64
G U J R A N W A L A									
Overall	2.60	19.77	29.79	-44.67	-60.61	-70.49	-42.07	-40.84	-40.70
Urban	11.90	31.43	53.13	-49.29	-63.35	-77.55	-37.39	-31.93	-24.43
Rural	-0.25	16.55	22.12	-42.67	-59.43	-67.39	-42.92	-42.88	-45.27
F A I S A L A B A D									
Overall	-4.07	-14.68	-21.28	-43.74	-47.36	-46.33	-47.80	-62.05	-67.61
Urban	12.65	-1.29	-18.09	-44.17	-48.60	-43.51	-31.52	-49.89	-61.59
Rural	-7.29	-19.21	-19.95	-43.71	-45.15	-47.18	-51.00	-64.36	-67.13
L A H O R E									
Overall	26.18	20.93	14.92	-47.10	-53.63	-54.81	-20.92	-32.70	-39.89
Urban	-5.72	-4.23	-3.66	-55.81	-64.34	-69.62	-61.52	-68.56	-73.28
Rural	46.64	36.54	26.87	-43.52	-49.95	-50.29	3.12	-13.41	-23.43
M U L T A N									
Overall	7.87	14.22	17.16	-30.92	-37.24	-36.94	-23.05	-23.02	-19.78
Urban	-29.52	-28.85	-29.50	-17.11	-22.75	-17.73	-46.63	-51.60	-47.23
Rural	24.07	32.61	36.21	-34.34	-40.96	-41.22	-10.27	-8.35	-5.01
D.G. K H A N									
Overall	15.04	23.00	30.45	-13.79	-28.00	-37.18	1.24	-5.00	-6.72
Urban	78.08	125.46	182.72	40.39	18.99	0.87	118.47	144.45	183.59
Rural	-11.46	-9.45	-8.55	-35.43	-46.04	-52.34	-46.89	-55.49	-60.89
B A H A W A L P U R									
Overall	4.05	-1.34	-9.84	-23.89	-34.06	-44.16	-19.84	-35.39	-54.00
Urban	16.34	15.49	7.12	-61.40	-64.09	-69.44	-45.06	-48.61	-62.32
Rural	-4.36	-11.31	-19.41	-8.33	-22.43	-34.86	-12.68	-33.74	-54.27

Table 3. Intra-provincial trends and ranking of poverty indices in Punjab

Region	1998-1999			2001-2002			2004-2005		
	P_o	P_1	P_2	P_o	P_1	P_2	P_o	P_1	P_2
Rawalpindi	8	8	8	8 ↑	8 ↑	8 ↑	8 ↓	8 ↓	8 ↓
Urban	8	8	8	8 ↑	8 ↑	8 ↑	8 ↓	8 ↓	8 ↓
Rural	8	8	8	8 ↑	8 ↑	8 ↑	8 ↓	8 ↓	8 ↓
Sargodha	1	2	2	6 ↓	6 ↓	6 ↓	4 ↓	4 ↓	5 ↓
Urban	1	1	2	5 ↓	5 ↓	4 ↓	2 ↑	2 ↑	2 ↓
Rural	2	4	4	6 ↓	6 ↓	6 ↓	4 ↓	6 ↓	6 ↓
Gujranwala	7	7	7	7 ↑	7 ↑	7 ↑	7 ↓	7 ↓	7 ↓
Urban	6	7	7	6 ↑	6 ↑	6 ↑	6 ↓	6 ↓	7 ↓
Rural	7	7	7	7 ↓	7 ↑	7 ↑	7 ↓	7 ↓	7 ↓
Faisalabad	4	3	3	4 ↓	4 ↓	4 ↓	5 ↓	7 ↓	4 ↓
Urban	4	4	4	2 ↑	3 ↓	3 ↓	4 ↓	6 ↓	5 ↓
Rural	4	3	3	5 ↓	5 ↓	5 ↓	6 ↓	7 ↓	4 ↓
Lahore	6	6	6	5 ↑	5 ↑	5 ↑	6 ↓	6 ↓	6 ↓
Urban	5	5	5	7 ↓	7 ↓	7 ↓	7 ↓	7 ↓	6 ↓
Rural	6	6	6	4 ↑	4 ↑	4 ↑	5 ↓	5 ↓	5 ↓
Multan	3	4	4	2 ↑	3 ↑	3 ↑	3 ↓	3 ↓	3 ↓
Urban	2	3	3	3 ↓	4 ↓	5 ↓	3 ↓	3 ↓	3 ↓
Rural	5	5	5	1 ↑	2 ↑	3 ↑	2 ↓	2 ↓	2 ↓
DG Khan	5	5	5	3 ↑	2 ↑	2 ↑	2 ↓	2 ↓	2 ↓
Urban	7	6	6	4 ↑	2 ↑	2 ↑	5 ↑	1 ↑	1 ↑
Rural	1	1	2	2 ↓	1 ↓	1 ↓	1 ↓	3 ↓	3 ↓
Bahawalpur	2	1	1	1 ↑	1 ↓	1 ↓	1 ↓	1 ↓	1 ↓

Conclusion

The hidden dynamics of this study clearly reflects the fact that poverty stays a rural phenomenon in Punjab because in almost all the divisions, proportionate contribution of rural poverty statistics towards overall incidence of poverty remained substantially high during whole studied period. Though, rural poverty declined over period of time but at lesser pace in comparison to urban counterparts and its

proportionate contribution to overall provincial poverty increased marginally. It is further revealed that low poverty areas are largely clustered in northern and central Punjab, while poverty is relatively higher in western and southern Punjab. Such findings clearly calls for separate and specific policy packages initially for the identified rural divisions of Punjab in general and then for the southern wing of the province in particular if we really want to mitigate poverty in the province and ultimately in the country. Poverty reduction policies should be target specific and simultaneously address the poverty depth and it severity issues along with headcount ratio to attain tangible goals.

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