

Coordinating and Intensifying Poverty Alleviation Efforts across SAARC Region, with Special Emphasis on Women and Youth.

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Excellencies

Ladies and Gentlemen,

Let me state at the onset as how much pleased I am to be representing Pakistan at the first meeting of the South Asia Forum. I am hopeful that the thought provoking deliberations and exchange of ideas by this august gathering would prove productive and we would be able to come up with concrete suggestions for taking SAARC region to new frontiers of human development.

The theme of my talk today is very close to my heart as well as a cornerstone of the social protection policies of the People's Government in Pakistan. For example, Pakistan is one of the countries of SAARC region, which has developed its first Poverty Reduction Strategy Programme (PRSP). It aims, among others, to protect the poor and the vulnerable and develop human capital for the 21st century. In addition, it promotes Gender Responsive Budgeting at the Federal and Provincial levels whereby Gender Budget Statements, covering Education, Health and Population Welfare sectors, have been developed and disseminated.

Besides launching the PRSP, the People's Government for the first time launched a major social safety programme in the country in 2008. I am sure most of you would have heard of the Benazir Income Support Programme which is the largest ever social safety initiative of Pakistan and considered by many to be one of the most transparent safety nets across the globe. In today's Pakistan, BISP, through its innovative approaches and products, has contributed to women's social and economic empowerment in an exceptional manner by making women as the primary focus of BISP's monthly cash transfers as well as other benefits such as life and health insurance and micro-finance.

BISP is currently providing monthly cash transfers to almost 4 million families but this figure is expected to rise to 7 million families based on the results of the first ever nation-wide poverty scorecard survey whereby each and every of 27 million households in Pakistan are being surveyed to determine their welfare status. This is despite the fact that many parts of the country suffer from terrorist acts. Provision of cash transfers to 7 million families will cover 25% population of the country.

BISP's plans for 2011 and 12 include large scale replication of innovative payment mechanisms for the vulnerable lives that is Smart Cards, Phone Banking and other creative products etc. Launch of a conditional cash transfer programme to support co-responsibility for education of children of beneficiary families, provision of life insurance cover to the bread-winners of families, provision of demand driven vocational and technical training, provision of health insurance and micro-finance.

Ladies and gentlemen, you would agree with me that the most

1) important priority for countries of the region is development, which is only possible through peace and stability both in our respective countries as well as in the region.

- 2) However, fighting poverty – particularly chronic poverty and its associated evils such as increased violence and terrorism - is the biggest challenge to development. Among other things, 3) empowering the already marginalized and under-privileged sections of society is essential for arresting the surge of extremism prevalent in our societies.

Poverty is a curse which leads to many other evils like extremism and terrorism. It is unfortunate that poverty is rampant in the entire SAARC region though in varying degrees. As you must be aware, 4) the root cause of poverty in the region is not only the absence of economic activity but the low productivity level of economic activities as well. This, in turn, is due to low quality of human capital, inferior infrastructure and lack of access to capital – particularly for the marginalized people. 5) The presence of conflict among SAARC countries – such as trans-boundary water issues, territorial disputes, insurgency by non-state actors and militants. It also diverts resources and focus of the governments away from the welfare of the people, thus further increasing poverty. Here I am very happy to remind this august gathering that the Additional Protocol to the SAARC Regional Convention on Suppression of Terrorism was signed in January 2004 by the Council of Ministers in Islamabad.

Excellencies, now let me talk about the bright side of the story too. Countries of SAARC region have made significant progress towards reducing income-consumption and poverty during the 1980s and 1990s. The percentage of population living in extreme poverty declined from 51.3 percent in 1981 to 41.3 percent in 1990. It further decreased to 31.3 percent in 2001. Poverty decreased at the rate of 2.42 percent per annum during 1981-90, and by 2.49 percent per annum during 1990-2001. With the present rate of poverty decline,

SAARC is likely to achieve the Millennium Development Goal of reducing extreme poverty by half by the year 2015 which should be source of joy for all of us gathered here.

Both India and Pakistan have made commendable progress through initiatives like National Rural Employment Guarantee Act (NREGA) in India and Benazir Income Support Programme (BISP) in Pakistan. In Bangladesh one must admire the work done by Bangladesh Rural Advancement Committee (BRAC) to address the menace of chronic poverty. Sri Lanka has made exceptional progress through an accelerated literacy drive and rural development projects. Nepal and Bhutan are making efforts but what SAARC region lacks is a synergetic approach to first dissolve poverty and later invest in human capital development – particularly of women and youth - to make our region the most vibrant and productive among the global community.

Although SAARC countries have succeeded in reducing poverty to some extent, the challenges remain huge. This is because of the sheer number of vulnerable people, unequal distribution of wealth and assets within the countries and social injustice. These inequalities are known to lead to increased incidents of violence and even terrorist activities. 6) In addition, the status of women in SAARC countries is still very low as is evident from the absence of sufficient number of women at decision making levels in government, business and academia.

- 5) Women, youth, children and those from socially excluded groups continue to bear the brunt of the growing income inequalities. Almost 300 million people are under-nourished in South Asia, and 73 million children in India, Bangladesh and Pakistan alone account for half of the world's underweight children. Maternal mortality in the region is at an all time high.

- 6) Given that chronic poverty in South Asia is intimately linked to social exclusion and discrimination along the lines of caste, tribe, gender, religion and language, it is easy to identify those who are systematically denied decent livelihoods and social services. At the same time, it is very difficult to penetrate social power structures that have been constructed through thousands of years of privileges, often legitimized by states themselves through the adoption of discriminatory policies and laws.
- 7) Nevertheless, it is also a time of great opportunity. There is now a broader consensus about the way forward. More and more countries are implementing policies aimed at ensuring macroeconomic stability; and many of them have already started realizing the outcomes. The up-turn in the world economy, which now appears to be gathering pace, offers a chance for South Asia to focus on exploiting the benefits that economic stability can bring: i.e. sustained growth and rising living standards along with poverty reduction. The more rapid the growth an economy enjoys, the more resources it can devote for poverty reduction.
- 8) Unfortunately, the fruits of economic growth have not benefited everyone uniformly. Some are left behind and some others are not even touched by the benefits of economic growth. It has been proved globally that the so-called “trickle-down effect” does not work in all the societies. There are various reasons for this uneven development in a society. Modern economy is technology driven and not labor-intensive. High volume of high quality goods and services are produced with fewer hands. In short, the modern economy is not generating much employment and sometimes it displaces and replaces labor with machines and tools.
- 9) **Ladies and gentlemen,** We must be cognizant of these vulnerable groups who would be left behind while the rest of the society reaps the benefits of economic

growth. They need to be provided decent and dignified “safety nets” to help them maintain at least their present quality of life. Given our respective horrifying experiences with the rise of terrorism in the region, it is all the more critical that we provide necessary social support to these vulnerable segments of society lest they fall in the trap of terrorists.

10) At this juncture, I would further like to suggest the following measures for intensifying poverty alleviation efforts, which would in the long run enable the member states of the SAARC region to move towards a South Asia Economic Union:

- a. The intra-regional trade under the South Asia Free Trade Agreement stands at 5% only. Efforts may be made to increase this figure to boost economic activity which would generate resources and employment opportunities for the neglected segments of society;
- b. The SAARC Development Fund is a laudable initiative and it may be used to further enhance coordination between national and regional plans for reducing socio-economic disparities within the region;
- c. The increasing number of SAARC Observers and other states may be encouraged to interact more substantially with SAARC states;
- d. A permanent SAARC Commission may be set up to foster Poverty Alleviation efforts in the region through safety nets. Pakistan would be more than happy to provide hosting facility for the first two years in BISP Secretariat in Islamabad;
- e. Series of high profile seminars may be organized in each SAARC country to highlight the efforts made by various countries of the region to alleviate poverty through the setting up of vibrant safety nets. These seminars would suggest policy options to enhance such efforts at a larger scale;

- f. People to people contact may be increased through exchange of eminent scholars, government officials, civil society representatives, academia, etc. who have made their mark in the fields of poverty alleviation through social protection – more specifically through and safety nets;
- g. Publishing of case studies on replicable models of safety nets from across the region may be encouraged;
- h. SAARC Awards may be established and given every two years to such individuals and organizations who have contributed the most to help promote and implement social safety nets.
- i. Learning from mutual experiences may be fostered by exchange of officials and experts among all member countries.
- j. A research project on “Safety Nets in South Asia” may be launched among select universities of the region.
- k. The idea of nominating Goodwill Ambassadors may also be explored to encourage and promote social safety nets in the member countries.
- l. A fund may be set up to help identify non-government organizations which are working at the grass root level. The organizations will be encouraged to promote establishing association of the poorest of the poor in order to give voice to this neglected community.
- m. Human resource is the greatest asset our region has. Its full potential needs to be tapped and that may require extensive skills and capability development for which integrated efforts by all countries of the region are needed.
- n. Democratic forces of all SAARC countries should get united and further persuade the “democratic globe” to act as a “universal family” of equality, instead of a global village of inequality.

- o. As a top priority SAARC mutual and multilateral trade, Commerce, joint Industry and sources and resources are to be geared in a manner where economic growth should evolve to resolve the poverty factor to promote equality of life and to enhance the quality of life for all SAARC countries.

11) **Ladies and gentlemen**, in conclusion I would like to thank the organizers for inviting me to this great Forum and allowing me to share my thoughts with colleagues from SAARC countries. On my part, I assure you of the fullest support from the Government of Pakistan and BISP to help achieve our collective goal of poverty alleviation in the region. I wish and pray for SAARC to succeed in all its goals and endeavors. God bless you all----- Thank you very much!