

Gallup Pakistan History Project - Weekend Read 15 ‘Poverty, Fate, and Equality’: by Murad Javed (Research Fellow, Gallup Pakistan History Project)

Material inequality is a discomfiting feature of human societies. Disparities in wealth, incomes, and resources have been a permanent fixture of civilizations throughout history. The poor of any society have served as a potent counterpoint to the rich, and highlight disparities in distribution of economic resources and access to them. Material inequality has driven philosophers to ruminate over the causes and consequences of inequality, prophets to prophesize eternal salvation for the materially deprived of this world, and potentates to struggle and grapple with handling material inequalities in the realm.

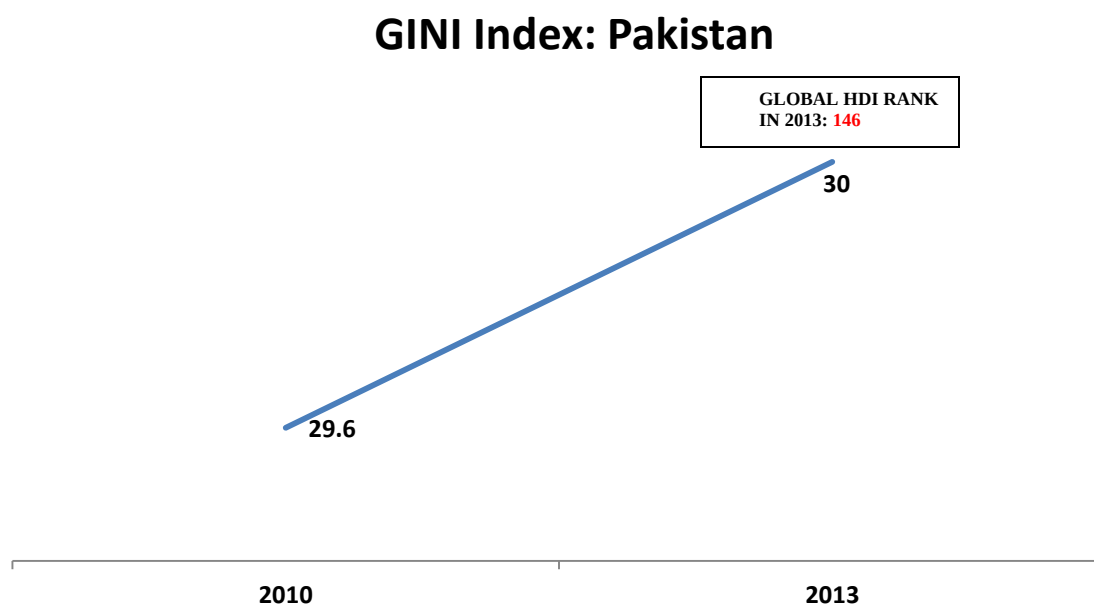
Economic inequalities have also powered the demand for the establishment of an egalitarian society. A society where all members have equal access to resources, and the collective state/society steps in to: mitigate consequences of material suffering for the poor; and redistribute resources on equal and fairer foundations. Material inequality and differences in wealth and resources has been conceptualized a “poverty” in modern economic language. Individuals and families suffering from material inadequacy are often the end beneficiaries of corrective socioeconomic policies and interventions introduced by different stakeholders. The capitalistic spirit and logic of modernity has played a significant structural role in unequal distribution of and access to resources and wellbeing.

Historically, the elimination of inequality and difference in material well-being that gave birth to a core function of many modern nation states: the use of economic and social policies to reduce inequalities in material incomes, wealth, and resources; and to increase access to equal individual and collective opportunities for economic, social, and political advancement. Welfare states often structure their economic and social policies under this banner. Development stakeholders around the world have taken up the rallying cry for eliminating poverty – particularly, as it is conceived in its multidimensional sense of social, political, and material deprivation. The elimination of material inequalities and vast gulfs in the distribution of economic resources is also the underlying thrust behind philanthropic initiatives undertaken by the materially well-off individuals, as well as corporations. Over the last few years, and in particular in the aftermath of the Great Recession, societies around the world have triggered often intense debates over the glaring and obscene material inequalities.

Poverty and material inequality is an evident feature of Pakistan’s economy and its society. Pakistan’s socioeconomic indicators suggest that the country experiences a substantial challenge in the form of poverty and income inequalities in the country. A convenient and widely-used measure for determining income is the GINI index. This index “measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution.”¹ A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality. Gini figures for each country are made available by the World Bank. These figures are used and juxtaposed

¹ <http://data.worldbank.org/indicator/SI.POV.GINI>

with the Human Development Index by the UNDP. Data from the two organizations is available for the years 2010 and 2013. The figure below displays this information:²³



The data here shows that income inequality in Pakistan is a problematic economic challenge, and that this challenge has exacerbated in the last few years. Material inequality is on the rise in Pakistan. Perhaps, a more harrowing assessment of the spread and penetration of material inadequacy are captured in the numbers provided by the World Bank Development Indicators 2014, and Economic Survey of Pakistan 2013-2014. Using the 2008 population estimates, the World Bank's Head Count Poverty Analysis (2014) shows the following results:⁴

2014 Assessment of Poverty	Percentage of population living below USD \$1.25 per day	Percentage population living below USD \$2 per day
Pakistan	21.04%	60.19%

The income threshold/line of USD \$1.25 is a globally applied standard to estimate the proportion of a country's population living on or below the poverty line i.e. meeting its basic material and physical needs. The most recent figures show that if the USD \$1.25 standard for low-income countries is applied to Pakistan, then a fifth of the country's population lives below the poverty line (21.04%) i.e. unable to meet its basic material and physical needs. If however, the poverty line is raised in accordance with the standards applied to middle-income countries to USD \$2 per day, a substantial proportion of the country's population lives an impoverished life (60.19%). Either of these measures shows that the vast majority of the country's population is lives a life of material impoverishment and destitution.

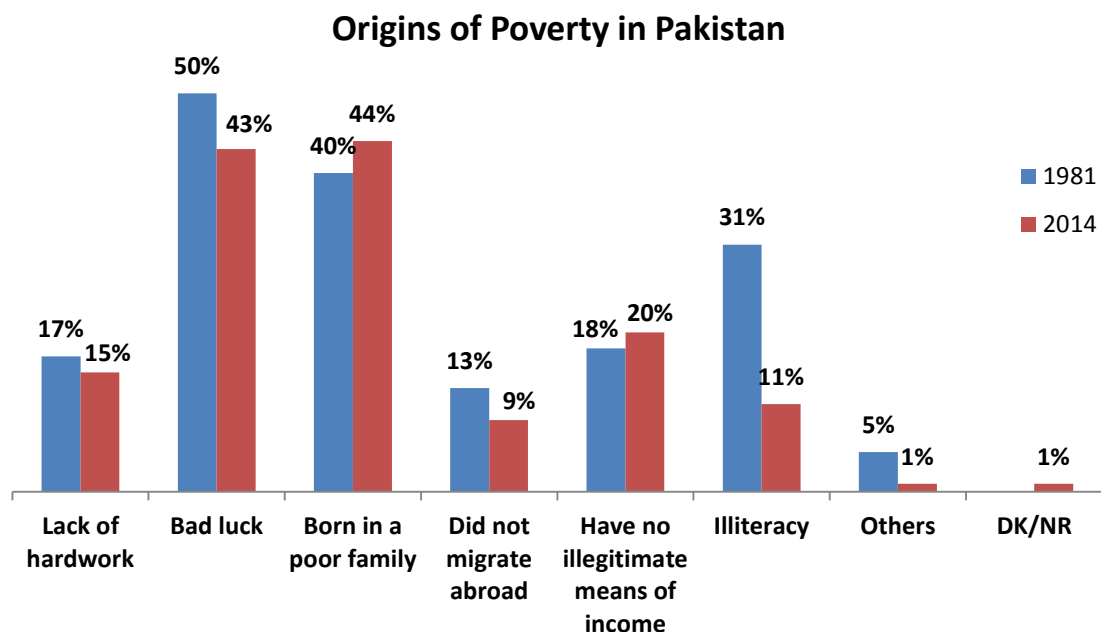
² Ibid.

³ <http://hdr.undp.org/en/content/income-gini-coefficient>

⁴ http://finance.gov.pk/survey/chapters_14/15_Poverty_Social_Safety_Nets.pdf

So what do Pakistanis make of poverty? What are Pakistanis' perceptions of poverty's causes? And what, in an average Pakistani's mind, is the path out of poverty? These are critical questions that provide a critical insight into the normative underpinnings of Pakistanis' approach towards and their understanding of poverty. Gallup Pakistan has kept a close on Pakistani public opinions on these subjects. This data has been collected since the 1980s and provides an intriguing picture of how Pakistan's people have conceived of poverty over the last 30 years. Subtle shifts in such beliefs have important implications for this country's approach to battling poverty, and establishing a more equitable social structures.

The first of two questions from Gallup's data relates to the origins of poverty. Specifically, Gallup Pakistan posed the following multiple-response question to Pakistani public 1981 and then again in 2014: What are the reasons for people being poor? The figure below depicts the results gathered in these two waves, more than 30 years apart:



These results paint a fascinating picture of the reasons Pakistanis think explain the origins of poverty in this society. Over the last thirty years, while most beliefs have remained static, some opinions have shifted markedly. In 1981, the top two reasons attributable to impoverishing an individual in Pakistan were largely associated with fate i.e. bad luck (50%) and the family that one is born into (40%). Both these factors imply that in early 1980s, most Pakistanis thought that poverty and destitution is best explained by an external locus. Either of bad luck in life or being born in an impoverished family explained why an individual would remain poor in Pakistan. This implies that most Pakistanis in the early 80s were of the opinion that external factors rather than internal, individual-specific context explained why some people were desperately poor in society. This opinion has remained remarkably stagnant over the last three decades. In 2014, being born in a poor family (44%) and plain bad luck (43%) are the primary reasons why Pakistanis think that an individual would be caught in impoverished circumstances.

This implies that for the Pakistani society, poverty is a structural, exogenously determined circumstance of life, rather than an outcome of individual-specific factors.

Pakistanis' opinions on this subject show consistency in other attributed reasons as well – albeit these reasons trace poverty to individual circumstances and contexts. In 1981, 17% Pakistanis believed that an individual would be poor because he/she did not toil hard to work their way out of poverty. By 2014, this proportion has only dropped slightly to 15%. This explanation shows that for a section of the society poverty is determined by the individual's actions and choices, rather than external or structural limitations and compulsions. Alternatively put, this section of our society believes that one could make his/her way out of poverty through working hard.

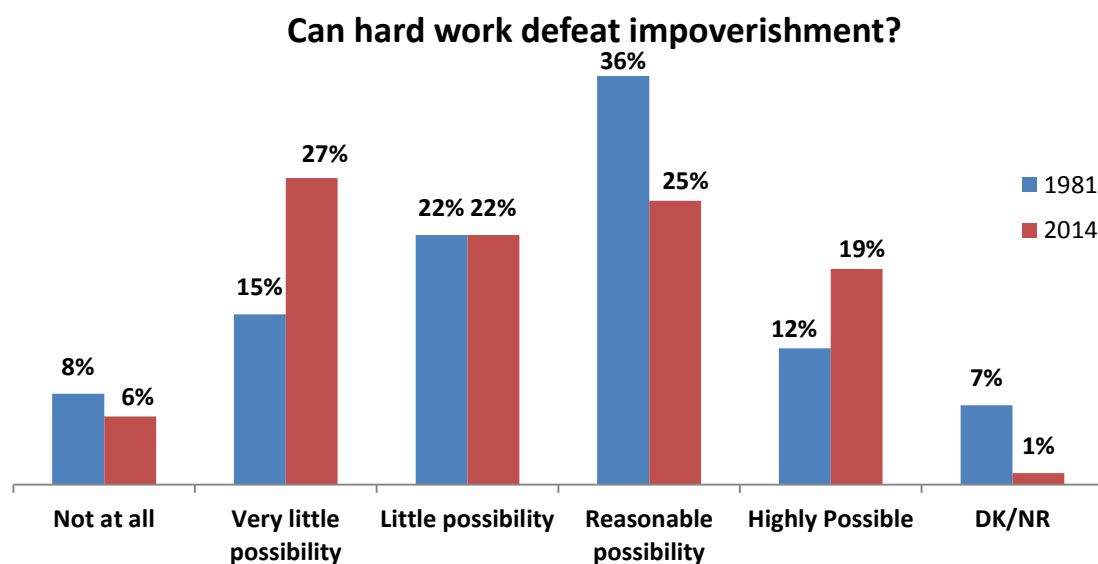
Two other explanations, getting significant traction in this polling data, need closer inspection. In 1981, 18% Pakistanis believed that an individual in Pakistani society would be poor because s/he does not have access to illegitimate means of income. In 2014, this proportion had increased to 20% of the public who believed that having no illegitimate means of income damns an individual into terminal impoverishment. This is significant in what it reveals of the public's opinion and analysis of the kind of society we live in. Specifically, these numbers indicate that nearly a fifth of all Pakistanis also believe that corrupt and illegitimate means of income are a way out of poverty and towards material abundance and wealth in Pakistan. This is a damning verdict on the state and society, in that Pakistanis believe that having access to corrupt and illicit means of income is a genuine recourse to wealth and material security in Pakistan. Those who do not or cannot access these means are bound to be poor and destitute in this country.

Migration has previously been explored in this series through in-depth deconstruction of Pakistani public opinion on the subject. Here it appears as a reason for explaining the origins of poverty in our society. In 1981, 13% Pakistanis believed that an individual in this country would be poor because they could not migrate abroad to seek a better life and means of income and survival. While this proportion declined to 9% in 2014, it shows that an exit from Pakistan is seen as a meaningful and rewarding strategy for overcoming poverty. Those who are unable to take flight from the country are bound to be poor for this section of Pakistanis.

A critical difference in the past 30 years has occurred in the effect that education is perceived as enacting on inflicting poverty on individuals and families. In 1981, 31% Pakistanis believed that illiteracy was a significant reason that explains why an individual would find himself in impoverished circumstances in this country. By 2014, the proportion of Pakistanis who see illiteracy as a cause of poverty had declined significantly to 11%. While there is a long way to go before Pakistan achieves high standards of educational literacy, significant strides have been made in this realm in the last three decades. A greater proportion of Pakistanis are now literate. Despite these gains, poverty remains entrenched in Pakistan. However, data on this question, and in this context, suggests that education is not viewed as a viable strategy for climbing out of poverty in Pakistan. When juxtaposed with the aforementioned discussion on illegitimate means of income, these numbers could infer that Pakistanis view the structure of the state, economy, and society to be impervious to educational qualifications. Alternative individual and family factors play a role in determining whether an individual is relatively well-off or poor in

this country. This again, is a cause for concern, given that the acquisition of educational qualifications is viewed by the Pakistani public as an inadequate pathway out of poverty.

Gallup Pakistan's data on this theme also explored the potential of hard work and determination as a stand-alone recourse to overcoming impoverished circumstances. Specifically, Gallup Pakistan posed the following question to Pakistanis across the country in 1981 and 2014: In your view, can a child born in a poor family get rich by working hard? Longitudinal results on this query are shown in the figure below:



The data shows that Pakistanis are increasingly polarized and indecisive on the subject of whether hard work alone could help a child born in a poor family in Pakistan, overcome impoverishment. There has been a shift in the way that Pakistanis think on this issue. In 1981, the highest proportion of Pakistanis (31%) believed that there was a reasonable possibility that a child born in a poor family could work her way out of poverty if she worked hard. 12% of the public believed that there was a high possibility of hard work paying off for a child born to a poor family. However, the spread of the data back then shows how the country was split on the possibility of hard work paying dividends. Combined, 48% Pakistanis thought that hard work could pay off in the form of overcoming poverty. On the other hand, 22% Pakistanis believed that there was little possibility of such an eventuality materializing. However, combined with “very little possibility” (15%), and “not at all” (8%), a significant 45% believed that the possibility of hard work as a strategy to overcome poverty was slight to non-existent.

In 2014, things have shifted slightly, and reveal the divisive public assessment on this issue. In 2014, the highest proportion of Pakistanis (27%) believed that there was very little possibility of a child overcoming destitution through hard work alone. 22% Pakistanis believed that there was little possibility of such an eventuality, while 6% completely disagreed and asserted that hard work cannot help a child overcome poverty. This negative-to-bleak assessment was turned by a total of 55% of all Pakistanis. 25% Pakistanis believed that there is a reasonable possibility of a

child overcoming poverty through hard work, while 19% believed that there was a high degree of possibility of hard work enabling a child to overcome material impoverishments.

In a society that distributes access to opportunities for personal development and material growth to all members, hard work is often the tested strategy for upward social and economic mobility. However, in Pakistan, the people appear to be skeptical regarding the effect that pure hard work can have on empowering an individual to move out of impoverishment.

PHILANTHROPY:

This data is revealing in that it shows that Pakistanis hold three kinds of assumptions regarding poverty:

- a. Poverty is mostly traced to an external source i.e. fate. Fate determines whether one is born in a rich or poor family, and that becomes one's material fate for life; and, fate can intervene in the form of pure bad luck and inflict impoverishment on individuals and families
- b. Poverty is structurally-determined by the institutions and norms in the society. Education is now viewed as having a minimal impact on overcoming poverty, while access to illegitimate means of income or economic out-migration are seen as more viable alternatives to reducing poverty for individuals;
- c. Hard work is seen as an ineffective strategy for defeating poverty in personalized circumstances in Pakistan.

With these intriguing positions becoming clear through the data captured by Gallup Pakistan, one is bound to ask: if poverty is mostly an exogenously determined factor in Pakistan, is the society more likely, or less likely to indulge in philanthropy to help individuals and families escape the web of impoverishment? The state and institutional structure in Pakistan, as viewed exclusively through the landscape emerging in public opinion data, are skewed in that they seem to offer little to individuals in the form of access to resources and opportunities to overcome poverty. For example, if education is seen as an ineffective poverty eradication strategy, it signals that the division and distribution of opportunities and resources in the state are unequal i.e. education cannot give one access to a meaningful pathway out of destitution.

Do Pakistanis give away more in charity in philanthropy to mitigate the curse of poverty for a large segment of their society? Data on this subject is limited. There is no multi-year, comprehensive assessment and estimation of the value of charitable donations and philanthropic efforts Pakistanis undertake to step in where the state and its institutions are unable to help reduce poverty in Pakistan, which is seen as largely exogenously-determined.

The Pakistan Center for Philanthropy (PCP) is one such organization that compiles, analyzes, and disseminates data on this subject. The organization concentrates specifically on the amount of charitable donations made by corporations and other important philanthropic organizations in the country. In one of its publications, PCP reports that in the year 1998, AKDN estimated

that Pakistanis gave away a significant USD \$1.5 billion in philanthropic efforts and initiatives.⁵ 42% of this amount was given away in monetary donations, 16% through in-kind donations, and 43% through the value of time donated and committed by Pakistanis.⁶

In the year 2012, PCP provided an update on the change in value of corporate donations between the years 2000 and 2012. In the year 2000, the total value of corporate donations towards charitable causes in the country was PKR 4.1 billion.⁷ By the year 2012, this amount had increased to a substantial PKR 228 billion. A different estimation provided by the organization showed that charitable monetary donations in the country had risen from PKR 70 billion in the year 2000 to PKR 140 billion in 2010.⁸

Authentic and reliable data on the value of charity and philanthropic efforts in Pakistan is in short supply. However, the above-mentioned numbers, along with anecdotal evidence of philanthropic organizations, NGOS, international donors, and Government Programs (e.g. BISP) indicates that every year, Pakistanis donate in substantial quantities to charitable causes and initiatives.

⁵ <https://docs.google.com/file/d/0B67B7u-xqLazTkFnSXhRZXk2cjQ/edit>

⁶ Ibid.

⁷ <https://docs.google.com/file/d/0B67B7u-xqLazUWlFU3dzVGNtMFE/edit>

⁸ <http://tribune.com.pk/story/18318/philanthropy-doubles-to-rs140b/>