

A poor man's woes

Dr. Sania Nishtar

The poor man is under tremendous stress as a result of numerous economic hardships including high unemployment, inflation, scarcity of essential commodities, and limited ability of the state to target welfare services. These hardships often prompt those who hold welfare of a common man close to their heart to question the relevance of issues that dominate current national debates — for example, constitutional amendments, the Supreme Court's judgment on the NRO, power relationships between the pillars of the state, the accountability bill and issues of internal sovereignty — in relation to alleviating the sufferings of a common man. One particular email received subsequent to the publication of my January 5 article in these columns raises the same point. The sender raised a question and I quote: "Do you think Fazal Chacha who, along with his wife and three children is dying of water-borne diseases, is really worried about or concerned about sovereignty or the Constitution?" It is in response to such notions that I want to elaborate on the implications of restructuring state functioning at the broader strategic level for the life of a poor man.

We often think of alleviating poverty by meeting individual needs. The importance of this approach should not be underestimated. Food, clean water, security and shelter are the literal requirements for human survival and must be provided, where needed. However, it must be appreciated that the levers that determine their delivery are oiled by the effectiveness of overall governance, which is where broader strategic measures assume importance.

The compassionate approach to poverty alleviation, which focuses on the basis of giving — money more than time and skill — and which gets organised as philanthropy and Zakat is important in its own right. But compassion alone doesn't help the poor man in the long run. Beyond giving, structural approaches to poverty alleviation are also important. These include sustainable government subsidies, income support programmes, safety nets, service delivery solutions by localised NGOs, vocational training, skill enhancement, labour market interventions, gender empowerment programmes, microfinance, other forms of access to financial services to support local entrepreneurship and augmenting domestic development resources with aid. These form part of the sustainable development approach and can be helpful in alleviating poverty by equipping and empowering individuals and communities to meet their own needs. However, even these do not reduce poverty. Beyond these, there is the need for sustained robust growth and for an honest redistributive hand of the government to ensure that the benefits of growth and development accrue to populations equitably.

Lessons from around the developing world show that massive poverty reduction and quantum changes in the lives

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Governance

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Lessons from around the developing world show that massive poverty reduction and quantum changes in the lives of the poor is the result of overall robust and sustained economic growth through increases in capital — physical, human, and technological. Such a transformation is dependent on sound, consistent and effective policies, good governance, availability of financial services and an overall environment where peace, security, law and order and justice attract investments.

In such settings, the trickle-down of economic development becomes possible and benefits start accruing to the poor when economic freedoms, such as land rights and access to financial services are extended to the poor and when an honest hand of the government, fosters competitiveness and impartial oversight as a counter against organised vested interests at various levels.

The remedy to the poor man's woes therefore does not lie just in compassionate solutions or isolated measures aimed at sustainable development and poverty eradication but in deploying these solutions in an overall context, where growth can be sustained. It is in setting this context that the construct of many parameters, which dominate national debates today assume importance.

Elaborating on the values of our Constitution as part of the post-NRO debates and structuring mechanisms to separate powers and ingrain constitutional checks and balances at the institutional level — an attempt at which is being made in deliberating on the construct of the 18th Amendment to the Constitution — assume great importance in this respect. If constitutional stipulations could ensure appropriate power relationship between key decision makers in the past, if institutional checks and balances had been functioning, if there had been adherence to democratic principles of consensus-building, openness and transparency in decision-making, the complex geo-political conundrum with ethnic strife, multi-dimensional terrorism, organised crime and cult and mafia activity, as its key features would not be a threat to internal sovereignty today and we would not be paying the price of foreign policy decisions, made over successive decades. These threats to internal sovereignty, the uniqueness of law and order breakdown in the country, erosion of the institutional fabric with inefficient institutions as an outcome, and political instability are discouraging investments with dire consequences for the economy, as a result of which the poor man faces economic hardships.

Debates around the accountability law are critical. Lack of an institutional framework to compel accountability in the sphere of governance means that successive governments cannot be held responsible for failing to ensure economic security, for the inattention to ensuring water and energy security and for lack of investments in infrastructure critical for national development. In terms of economic progress, therefore, Pakistan lags behind its Asian peers as a result of which there are limited economic opportunities for the poor man.

The country's mammoth debt burden has crowded out the space for development and the energy crisis is and will continue to impact the life of the poor man in many ways. A range of decision makers and public functionaries are responsible for this but since there are no mechanisms to compel accountability, no one can be held responsible. Worst still, there are no guarantees that such behaviours and decision-making patterns will not continue to prevail — the present accountability law, even if its current weaknesses are addressed, has a strictly anti-corruption remit and does not cater to accountability at the broader governance level. Similarly, governance constraints, which have emerged over time cannot check collusive behavior and have contributed to furthering state capture by the elite. The dire consequences of this vicious cycle affect the life of a common man in many ways. Elite capture, which can manifest as nepotism in hiring bursts a poor man when he gets sidelined from the job he may have otherwise qualified for, on merit. Elite capture of parliament affects the pattern of taxation, so whilst the agriculture sector and stock market remain outside the tax net, the common man bears the brunt by paying regressive indirect taxes. Similarly, cartelisation has recently exacerbated the sugar and wheat crises so the poor man suffers and spends hours in a queue with his daily wages being the opportunity cost. The opportunities for exploitation will not remain restricted to any specific sector if the current trends in governance and accountability prevail, but will, unfortunately, become pervasive across all segments of the economy. These are dangerous symptoms that will raise fundamental questions about the relevance of the state for a common man and can lead to widespread discontent, chaos and anarchy, which can be beyond the control of any government or political party to mitigate.

In sum, therefore, the life of a poor man will not improve and we will not be able to lift our masses from pervasive poverty until the broader structural state rubric, constitutional checks and balances, and a robust accountability framework are firmly put into place. These are founding blocks for a sound system of governance which is critical for growth, development, and welfare, all of which directly affect the life of a common man.

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