

INTRODUCTION

The Poverty Assessment provides an overview of the poverty situation in Pakistan as well as an analysis of its causes and measures to alleviate it. The Assessment forms the basis of the Country Strategy and Program for Pakistan.

The Asian Development Bank (ADB) has, in the past, funded projects on the basis that they contribute to one or more of the following objectives: economic growth, poverty reduction, improving the status of women, environmental protection, and supporting human development. Poverty reduction was always an important objective for ADB but in 1999 ADB rededicated itself to this goal. ADB's Poverty Reduction Strategy, approved in November 1999, articulated poverty reduction as ADB's overarching goal, and stressed the need to assess all ADB operations against this goal.

To implement ADB's Poverty Reduction Strategy it is necessary that the Country Strategy and Program (CSP) for each Developing Member Country must be oriented towards the overarching goal of poverty reduction. To ensure this, the preparation of the CSP must be

preceded and driven by the findings of a poverty assessment for the country. This study is a poverty assessment for Pakistan. The assessment provides an overview of the poverty situation prevailing in Pakistan, and analyzes the poverty impact of various policies and programs undertaken to reduce poverty. The draft assessment was discussed with representatives of the Government, private sector, civil society, and international funding agencies at a High Level Forum in April 2001. The draft assessment was then extensively revised, reviewed, and amended in light of these discussions and comments received from the stakeholders.

Chapter II of this assessment deals with the nature and trends of poverty in Pakistan. The discussion adopts a broad view of poverty in addition to the standard measures of income and consumption, and also considers human development. The

gender and regional dimensions of poverty are also discussed. Chapter III provides an analysis of causes of poverty, including the governance-related macroeconomic developments that have underpinned the evolution of poverty in Pakistan. Chapter IV deals with responses to poverty, including both public and private sector programs aimed at poverty reduction, for example, social security schemes for workers, microfinance, and Zakat. Finally, Chapter V highlights the key lessons that emerge from the preceding analysis.