

Rural Poverty Analysis in the Punjab province, Pakistan: A Household Survey



By

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ABSTRACT

Rural poverty is a complex and multi-dimensional phenomenon. It has many faces changing from place to place. The issues of rural poverty are difficult to comprehend without thorough examination of various aspects of poverty. The study in hand is undertaken to find out poverty status both in relative and absolute terms and to assess the impact of various factors on poverty status of household in rural areas. Population was also decomposed into vulnerable, transient and chronic poor as against non-poor. This study used the basic needs approach. Under the absolute poverty scenario, in the light of axiomatic framework, five poverty indices were estimated to check the probability of households being poor under the distribution of income and expenditures. It reveals that district Muzaffar Garh presents a high risk of poverty of about 26 percent in income approach; while on the other hand, Faisalabad and Chakwal district shows higher chances of poverty under the distribution of expenditures. It was also revealed that there is greater likelihood of high incidence of relative poverty in Muzaffar Garh district. Sensitivity analysis also reveals that chronic, transient and vulnerable poverty is more in Muzaffar Garh district. Logit regression model provides the probability of occurrence of low and high extent of poverty in rural areas of Pakistan. The findings revealed that there was great likelihood of low incidence of poverty with the increase in Agricultural growth, value of livestock, earning hands and good level of education in a family. On the other hand, with the rise in family size, basic education of household members, income inequality and unemployment, there was a high probability of occurrence of rural poverty. The findings suggest that there is a need to target public sector development expenditures to particular regions having high incidence of poverty. Thus a high proportion of the population close to the poverty line calls for policy recommendations.