

Discussion Paper

Development Funds for South Punjab

*A Discussion Paper based on the statistics
of Development Funds allocated to South Punjab from 2003 to 2010*

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PILDAT
DISCUSSION PAPER
Development Funds for South Punjab

FOREWORD

The PILDAT Discussion Paper **Development Funds for South Punjab** has been prepared to discuss the perceived neglect of South Punjab in allocation of development funds in the light of facts, figures and hard data. The subject of 'impoverished status' or Governmental 'neglect' of the southern region of Punjab is generally discussed at an emotive plane without relevant facts that can lend substance to the issue to facilitate a fact-based discourse necessary to reach a conclusion and to offer recommendations for reasonable reforms. The PILDAT initiative is to provide a fact-based background to enable relevant policy makers to interact on the subject to reach a set of recommendations for reforms.

The paper in its present form is meant to initiate a serious discourse on the subject and to understand various view points on the subject. We hope that the paper will evolve with the review and input by a number of persons participating in the discourse on the development or under-development of South Punjab.

This paper may be treated as a work-in-progress. The data presented in the paper may require refinement after an initial phase of discussion and review.

Acknowledgments

PILDAT gratefully acknowledges the support of the Friedrich Ebert Stiftung (FES) Pakistan for printing this paper. The contents of this paper do not necessarily reflect the views of the FES.

The data used in the Discussion Paper has been obtained from public sources. We are grateful to the Punjab Planning and Development Board for making available to PILDAT data on district-wise allocation of Annual Development Programme (ADP) funds from 2003-04 to 2010-2011. The data about the actual release of funds has also been made available for the past 3 years. The paper is mainly based on this data.

Disclaimer

PILDAT Team has made every effort to ensure the accuracy of data and assessment in this paper and any error or omission is not deliberate.

Islamabad
November 2010

Background and Rationale

A section of political leaders and media have been complaining that South Punjab is being continuously neglected in the allocation and spending of development funds. This is despite the fact, they maintain, that South Punjab is already a relatively under-developed part of Punjab which deserves more development funds than it qualifies for on the basis of just population. This paper is primarily meant to ascertain the validity of these complaints on the basis of facts and figures.

Purpose of the Paper

The purpose of this paper is to analyze the pattern of development funds allocated to and spent in South Punjab. The analysis is carried out to ascertain the complaints about the inequitable allocation and spending of development funds in South Punjab.

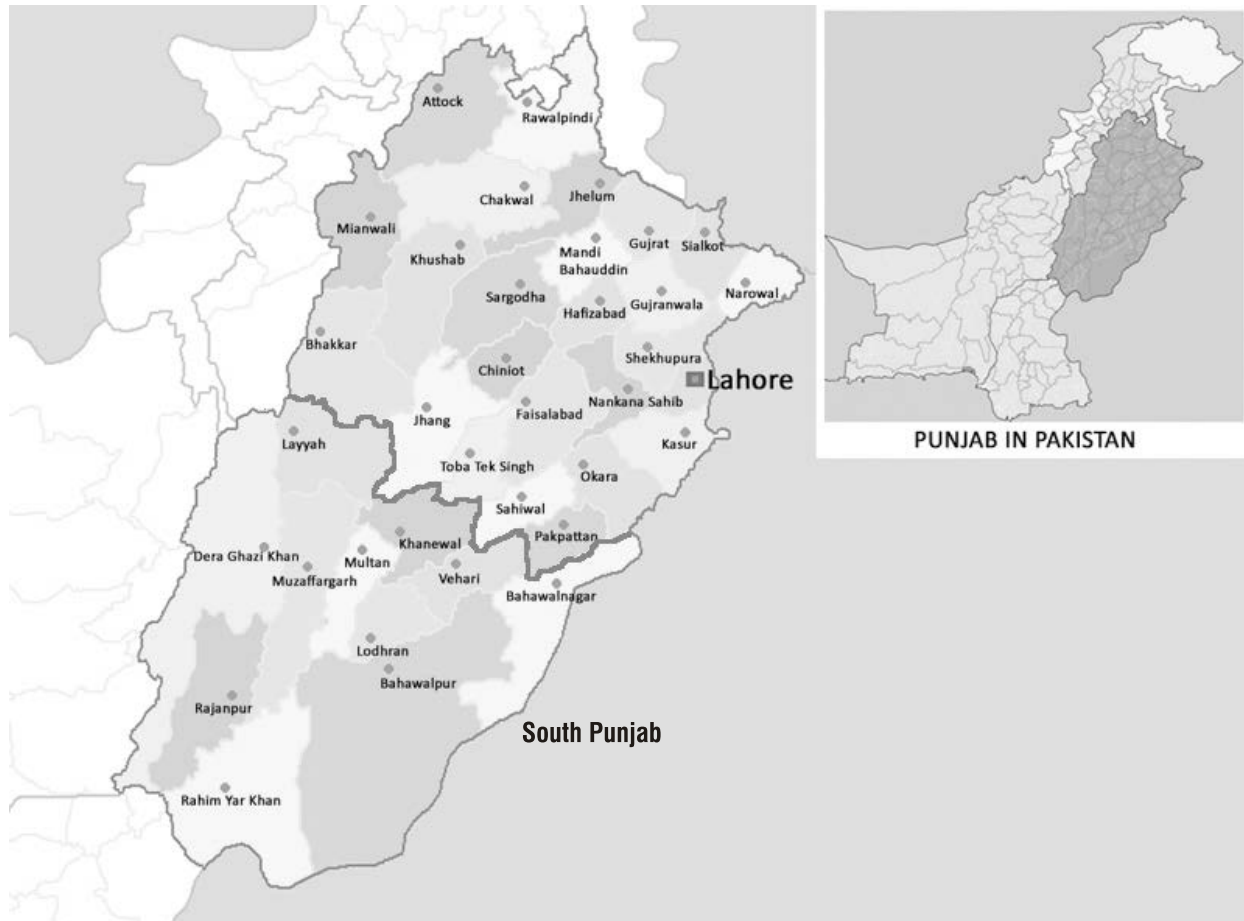
Geographic Boundaries of South Punjab

There is no definitive and formal definition or geographic boundary of the South Punjab as it is not a formal entity.

Map of South Punjab



Map of Punjab



However, it is generally accepted that the South Punjab consists of the following three (3) Divisions which are further sub-divided into eleven (11) districts of the Punjab province:

Divisions and Districts of South Punjab

1. **Bahawalpur Division**
 - i. Bahawalpur district
 - ii. Bahawalnagar district
 - iii. Rahim Yar Khan district

Figure 1: Ratio of South Punjab Area in Punjab

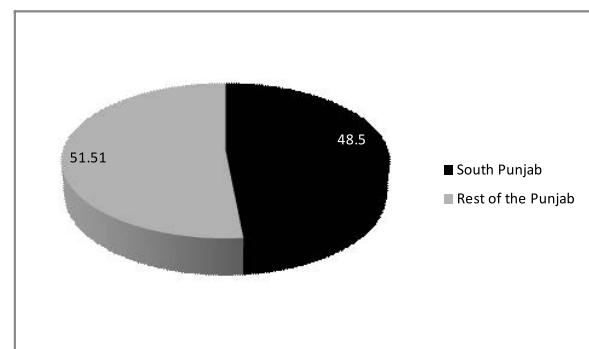


Table 1: Growth of Population in South Punjab: 1958-1998 ⁱⁱⁱ

Item	1951	1961	1972	1981	1998
Total Population of the Punjab province (Million)	20.541	25.464	37.607	47.292	73.621
Population of South Punjab (Million)	5.407	7.168	10.412	13.824	22.586
Population of South Punjab as percentage of Total	26.32%	28.15%	27.69%	29.23%	30.68%

2. Dera Ghazi Khan Division

- i. Dera Ghazi Khan district
- ii. Layyah district
- iii. Muzaffargarh district
- iv. Rajanpur district

3. Multan Division

- i. Multan district
- ii. Khanewal district
- iii. Lodhran district
- iv. Vehari district

Area of South Punjab

The three (3) divisions and eleven (11) districts of South Punjab have a total land mass of 99, 573 Square Kilometers which is 48.5 % of the area of the entire province of Punjab (205, 345 Square Kilometers).ⁱ

Population of South Punjab

Pakistan has officially conducted five population censuses since independence. The first census was carried out in 1951 and subsequent censuses were carried out in 1961, 1972, 1981 and 1998. The census due in 2008 was not been carried out. As per the 1951 census the total population of Punjab province was 20.54 Million. The population of South Punjab at that time was 5.41 Million or 26.32% of the population of the Punjab. In 1961, the population of South Punjab as a percentage of the total Punjab population increased from 26.32 % to 28.15 %. In 1972, there was a slight dip in the total share to 27.69 %. In 1981, the percentage share for South Punjab increased to 29.23 %. In 1998, the South Punjab population share increased to 30.68 % when the population mark was 22,586,000. It is evident that population of South Punjab has increased at a faster pace vis-à-vis population of rest of the province.ⁱⁱ

Table 2: Growth of Population in South Punjab: 2006-2010 ^{iv}

Entity	Population in Millions				
	2006	2007	2008	2009	2010
Entire Punjab province	86.812	88.289	89.79	91.36	92.869
South Punjab	27.209	27.723	28.245	28.779	29.32
Population of South Punjab as percentage of total population of Punjab	31.34%	31.40%	31.46%	31.52%	31.57%

Development Funds for South Punjab

Figure 2: Growth of Population in Punjab and South Punjab: 1958-1998

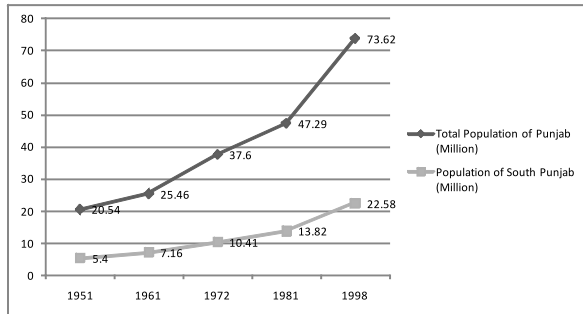
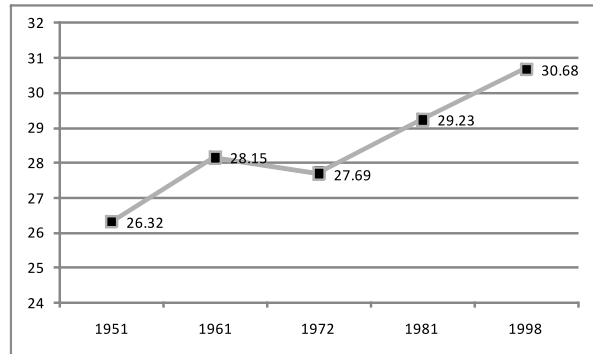


Figure 3: Population of South Punjab as percentage of Punjab population, 1951-1998



Population of the Punjab province and the South Punjab during the past five censuses and the changing share of the South Punjab in total population of the Punjab province are presented in Table 1 and Figure 2.

Figure 3 shows the changing percentage of Southern Punjab population in the overall population of the Punjab province from 1951-1998.

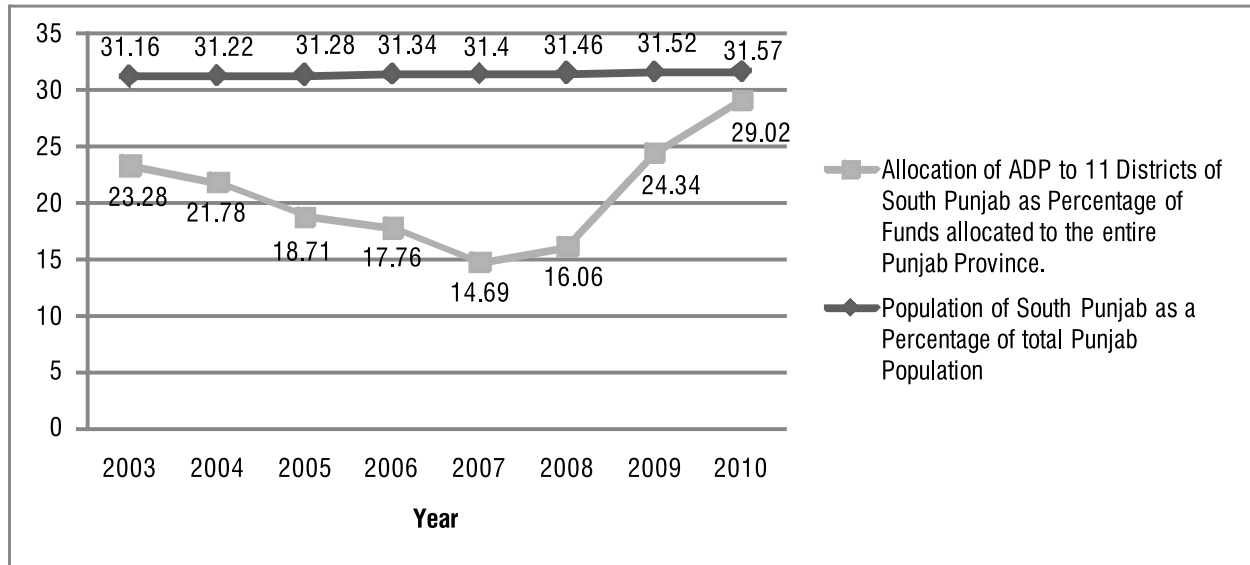
Recent Estimated Population Trends

Since no census has taken place since 1998, various estimates have been employed to ascertain the current population. As per estimates of 2006, the population of Punjab was 86.812 Million whereas the population of South Punjab was 27.209 Million or 31.34 % of the total

Table 3: Allocation of ADP Funds to South Punjab: 2003-2010 ^v

No.	Financial Year	Total Volume of ADP (Million Rs.)	Allocation to 11 Districts of South Punjab (Million Rs.)	Allocation to 11 Districts of South Punjab %
1.	2003-2004	30.500	7.100	23.279
2.	2004-2005	43.440	9.460	21.777
3.	2005-2006	63.000	11.790	18.714
4.	2006-2007	100.000	17.760	17.760
5.	2007-2008	150.000	22.040	14.693
6.	2008-2009	160.000	25.700	16.063
7.	2009-2010	172.000	41.880	24.349
8.	2010-2011	182.000	52.819	29.021

Figure 4: Population and ADP Allocation as a percentage of Total for Punjab



population of Punjab.

The estimated population of the Punjab province and the South Punjab for the years 2006 to 2010 is presented in Table 2.

Development Funds Allocation

The funds allocated to South Punjab through the Annual Development Programme (ADP) from 2003-2010 are presented in Table 3 and graphically shown in Figure 4.

Table 4: Population and ADP Allocation as a Percentage of Total for Punjab: 2006-2010 ^{vi}

Year	Allocation of Development Funds to South Punjab (% of allocation for entire Punjab)	Population of South Punjab as a Percentage of the entire Punjab Province (%)
2006	17.76	31.34
2007	14.69	31.40
2008	16.06	31.46
2009	24.34	31.52
2010	29.02	31.57

Table 5: Primary Schools in Punjab ^{vii}

	Number	Percentage
South Punjab	15,455	34.37%
Rest of Punjab	29,515	65.63%
Total	44,970	100.00%

Table 3 shows that the allocation of funds to the 11 districts of South Punjab as percentage of the total ADP declined continuously from 2003-04 to 2007-08.

In fiscal year 2008-09, the share of South Punjab in the ADP saw an upward trend. The budgeted allocation in the ADP for South Punjab for the fiscal year 2010-2011 is 29.02 %. The above trend indicates that in the past decade the allocation of funds to South Punjab was far below the level warranted as per demographic indicators. Whereas the share of funds allocated to South Punjab has improved in recent years, it is still not in sync even with the population of the region which is 31% of the total population of the province of Punjab.

Trend of Percentage Share of the ADP and Population of South Punjab

Table 4 shows that the population of South Punjab as a percentage of total population of the province has remained more or less constant during the period from 2006 to 2010 but the allocation of development funds has actually decreased over the years.

Comparison of Social Indicators of Southern Punjab

For the purpose of this paper three (3) indicators were analysed:

1. **Primary Education**
2. **Hospitals**
3. **Labour Force & Employment**

Primary Education

Latest available data for year 2008-2009 shows that there are 15,455 primary schools in South Punjab region which is 34.36% of the total 44,970 primary schools in Punjab. The enrolment in South Punjab primary schools is 1,805,151 which is 35.83 % of the total provincial enrolment. The teaching staff in Southern Punjab is 39766 or 33% of the provincial teaching staff. The student to teaching staff ratio however is poor in South Punjab compared to the rest of the province which is an indicator of quality of education in the region. School enrolment and teaching staff details are presented in Table 6.

Table 6: Primary Education in Punjab ^{viii}

Entity	Enrollment	Teaching Staff	Student Teaching Ratio
South Punjab	1,805,151	39,766	45.39
Rest of Punjab	3,231,651	80,734	40.03
Total	5,036,801	120,500	41.80

Table 7: Health Facilities in Punjab ^{ix}

	Number	Percentage
South Punjab	86	26.38%
Rest of Punjab	240	73.62%
Total	326	100.00%

Hospitals

Pakistan overall has poor health indicators and the same reflects at the provincial level. As of January 1, 2009 there were 326 hospitals in Punjab out of which 86 hospitals are located in South Punjab which is 26.38% of the total.

Labour Force and Employment

Skilled labour force and a robust industrial base are asset and key success factors for the economic growth of any region.

From the available data it can be seen that from 2004 to 2008 there has been 31% industrial growth in Punjab. In 2004, Punjab had 6,521 factories and 594,909 labour force. Out of 6,521 factories, 1,407 were in South Punjab and 106,985 was the number of labour force in Punjab.

Table 8: Industrial Infrastructure in Punjab ^x

Entity	Year 2004	Year 2008	% Growth
South Punjab	1,407	1,837	30.56%
Rest of Punjab	5,114	6,712	31.25%
Total	6,521	8,549	31.10%

Table 9: Population below Poverty Line in Punjab ^{xi}

Entity	Percentage
South Punjab	43.1%
Rest of Punjab	27.7%

In 2008, Punjab industrial base grew to 8,549 factories out of which 1,837 were based in South Punjab with a labour force of 128,994.

Poverty

As per the available estimates on poverty 43% of the population of South Punjab is living below poverty line compared to 27.7% of population of Punjab which is below poverty line.

The analysis shows that overall provincial poverty indicators are high due to poverty figures of South Punjab. In particular three districts of South Punjab have almost half of the population living below poverty line with poor health, education and clean drinking water facilities.

Table 10: Population below Poverty Line in South Punjab ^{xii}

Division	Percentage
D. G. Khan	50.58%
Bahawalpur	39.86%
Multan	38.91%

Conclusion

South Punjab is a relatively under-developed and poorer part of the Punjab province. It has a lower population density compared to rest of the Punjab. The statistics show that South Punjab has not received sufficient funds from the ADP as per its share even when one considers population as the sole criteria for allocation of provincial development funds.

South Punjab has relatively a higher inverse population ratio compared to the rest of the Punjab. This means that the development work in South Punjab in terms of per capita would be more expensive and therefore this factor calls for some extra allocation of development funds for the region. The principle of inverse density has been accepted in the 7th National Finance Commission (NFC) Award while allocating resources to various provinces. As Baluchistan province has a much lower population density than other provinces, it has been given an allowance for this factor while allocating funds from the Divisible Pool. South Punjab is less developed and has poor social indicators compared to rest of the Punjab as demonstrated in the Tables 4. In the 7th NFC Award the relative backwardness has been accepted as a factor for allocating extra funds to provinces. In line with the spirit of the above criteria, South Punjab should also be allocated extra development funds.

The incidence of poverty in South Punjab is significantly higher than the rest of the province. According to statistics, 43.11 % population of South Punjab lives below poverty line compared to 27.69 % for the entire Punjab province. Again, in line with the criteria for allocation of funds among the provinces, South Punjab should be given extra funds for development so that this relatively under-developed region should catch up with the rest of the province.

The Government of Punjab seems to have realised these factors lately and a greater percentage of development funds are being allocated to South Punjab in the recent years. One may justifiably argue for even greater allocation of development funds for South Punjab but the gap between the percentage share of population and development funds has narrowed in the past 3 years.

Although allocation of funds to South Punjab has increased lately, the factual data about the funds released and actually spent is not yet available. Sometime actual spending may be significantly lower than the allocated amount. It will be useful to study the scenario emerging out of actual

spending of development funds.

Prime Minister of Pakistan had announced a special development package for South Punjab amounting to Rs. 35 billion. Although the package is named after South Punjab, it effectively is entirely focused on Multan area. This paper has not taken the amount allocated in this package into consideration.

The discourse on the relative under-development of South Punjab and the possible remedies should continue in the light of facts and figures. The discussion paper may be expanded with more data especially relating to actual spending.

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