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**PAKISTAN  
ECONOMIC  
DEVELOPMENT  
DATA**

based on  
information  
available  
**June 1975**

**USAID  
Islamabad,  
Pakistan**

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## FOREWORD

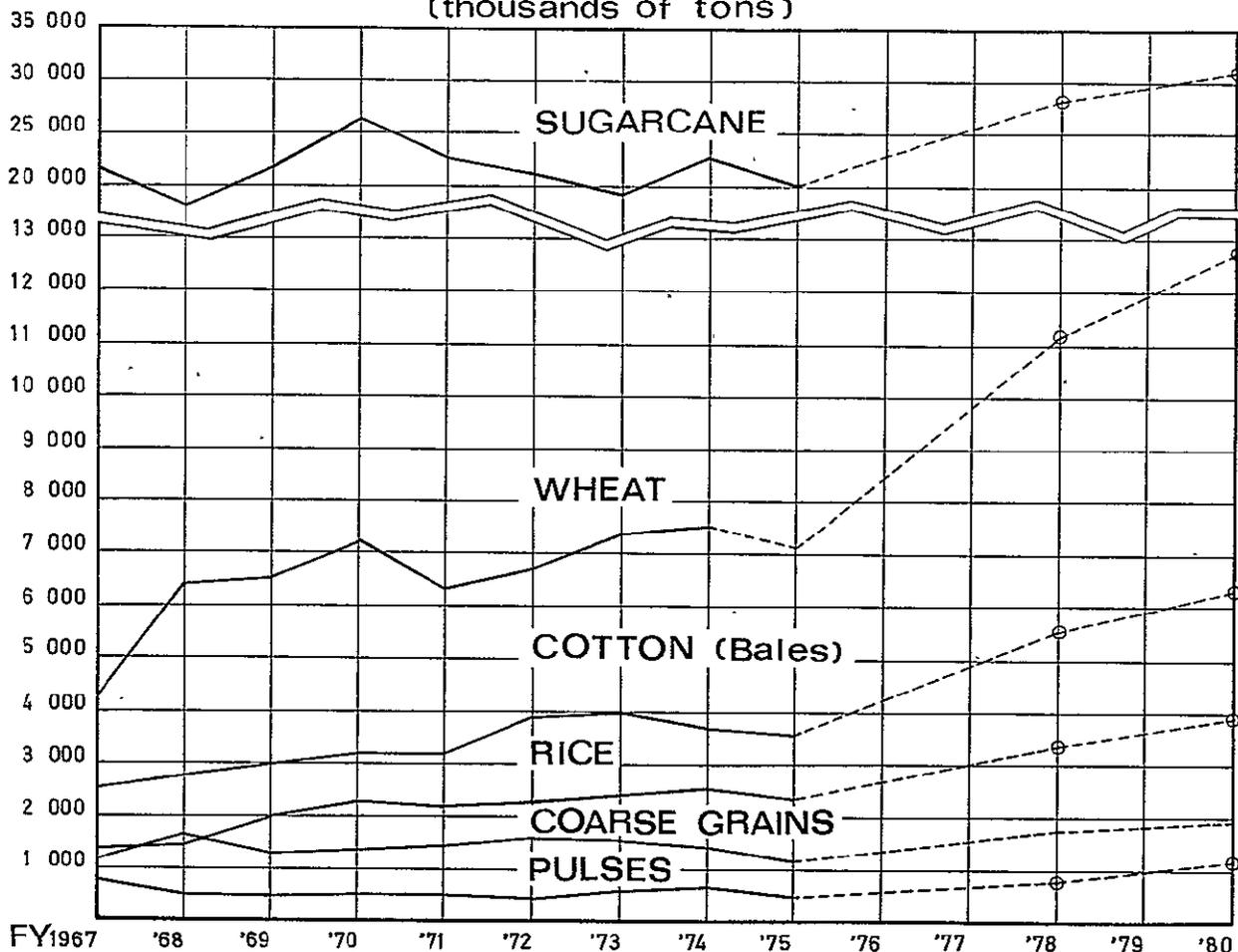
"I came to the Congress in 1949 as a result of an election where I... took the position that the Marshall Plan was good, not only for the United States, but for the world. And I have consistently supported a foreign aid program. As we moved away from the Marshall Plan and the early '50's, to a program aimed at helping underdeveloped countries, I continued my support. It's my judgment that a foreign aid program, properly run and adequately funded, is an important ingredient in the implementation of United States foreign policy. I have not always agreed with every dollar that every President has recommended, but I have basically supported that program because we really live in one world...."

"Our enemies are not other nations or groups of humanity different from ourselves. Our enemies are hunger, disease, poverty, ignorance, hopelessness, fear and hatred. Our great challenge is not military confrontation but in harnessing the natural resources and industrial genius of humanity to assure better lives for ... the entire family of man."

Gerald R. Ford  
President of the United States

# PRODUCTION OF MAJOR CROPS IN PAKISTAN

(thousands of tons)



Preliminary targets being discussed for next 5 years-----

Agriculture is Pakistan's most important industry. Over 37% of GNP comes from agriculture. 70% of the people live in the rural areas. 70% of farm income comes from crops and almost 30% from livestock.

Self-sufficiency in food grains, especially wheat, is a major goal of Pakistan. Today, Pakistan is a net importer of wheat. Yields can easily double in rainfed areas with more high yielding seed varieties and more fertilizer use. Several fold increases in output could be obtained in irrigated areas by better water management, more fertilizer and improved cultural practices. Wheat, rice, cotton and sugarcane production grew steadily during the past few years, whereas production of coarse-grains, pulses and oilseeds (except cottonseed) was almost stagnant. The tentative FY 1980 targets are: 12.7 million tons of wheat, 3.9 million tons of rice, 30.4 million tons of sugarcane, 6.2 million tons of cotton, 2.0 million tons of coarse-grains, and 1.02 million tons of pulses.

A severe drought has held wheat production to an estimated 7.1 million tons in FY 1975, but the Government is embarking on a bold and dynamic program to reach a target of 9 million tons in FY 1976 and 10 million tons in FY-1977.

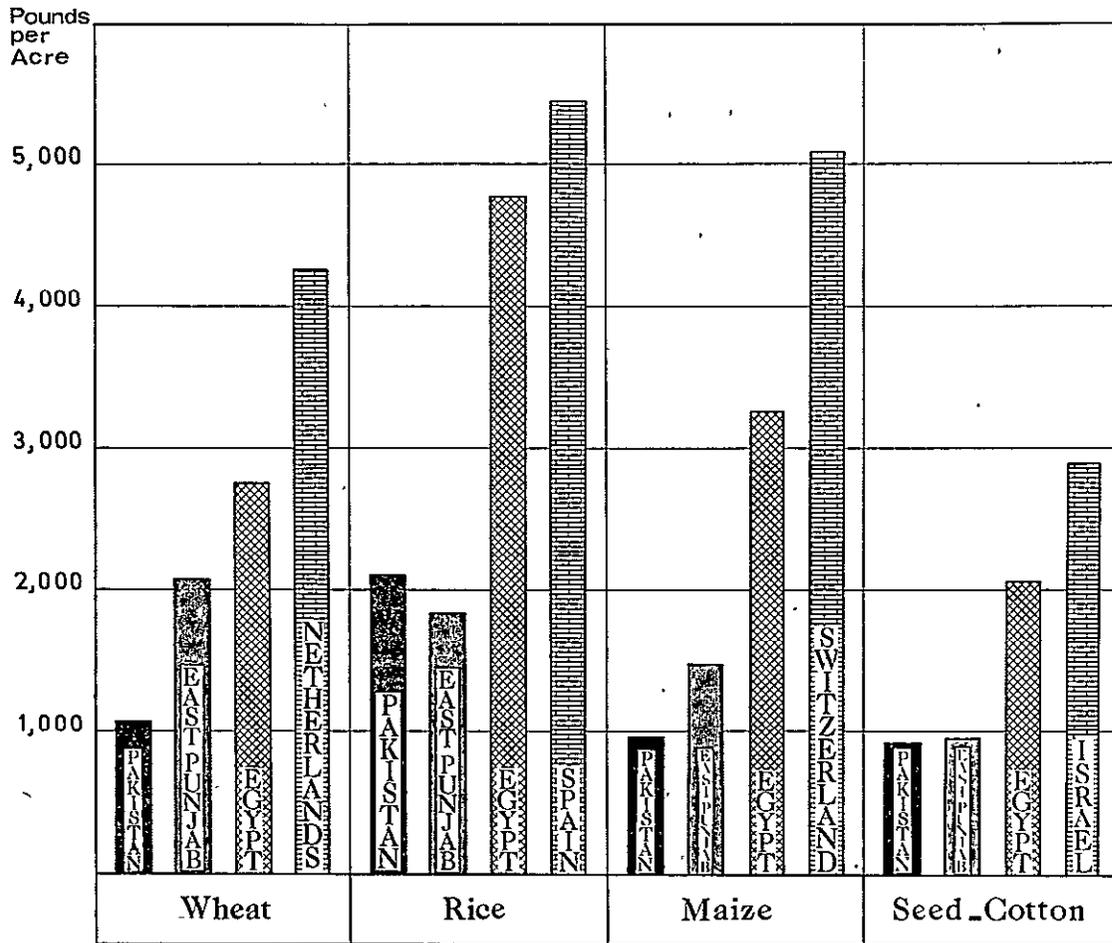
Cotton is the major cash crop and the most important source of foreign exchange. The export of raw cotton, yarn and cloth earned \$364 million in FY 1974. Estimates place the FY 1975 cotton crop at 4.3 million bales with estimated export earning of \$335 million.

Rice production has increased steadily from the use of high yielding seed varieties, more fertilizer, and increased acreage. The FY 1974 export of nearly 600,000 tons earned about \$210 million representing 20% of export earnings. FY 1975 export earnings are estimated at \$280 million.

Sugarcane production has fluctuated widely and supplies are being rationed. FY 1974 crop production was estimated at 22.7 million tons, a 16.8% increase over the FY 1973 crop. For FY 1975, estimates place sugarcane production at 22.0 million tons, slightly less than the previous year.

Production of the poor man's protein, pulses, for FY 1975 is estimated at 750,000 tons, almost the same level as FY 1967.

## COMPARATIVE CROP YIELDS



Average FY 1972 / FY 1973

In Pakistan, increases in yield per acre have been restricted to a few major crops and areas - mainly rice, wheat and cotton in irrigated areas.

- While rice and wheat yields have increased about 50% and cotton about 15% since 1965-67, the major increases in production have come from cultivation of additional land.

Given its climate, soil and water resources, Pakistan has a high potential for increasing yields.

- The chart shows the yields of wheat, rice, maize and cotton in Pakistan, East Punjab (India) and Egypt which all have comparable climate and irrigation infrastructure. (East Punjab yields are substantially higher than the Indian average.)
- For each crop, yields are shown also for the country with the highest average yields, where high yielding practices are widely used.
- Although Pakistan has made substantial gains, wheat yields are still only half the levels in East Punjab, two-fifths those in Egypt and only one-fourth the yields in the Netherlands.
- Pakistan's rice yields are increasing. They exceed the yields in East Punjab, but are less than half of those in Egypt and one-third those in Spain.
- Pakistan's maize yields are only about one-fifth of those in Switzerland.
- Cotton yields are only 40% of Egypt's despite the fact that in both countries cotton is grown under irrigated conditions and is a major export earner. In Israel where climatic conditions are similar to Pakistan's, a high state of irrigation technology has brought average yields to 3 times those of Pakistan.

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PN-AAM-012      Other USAID Supported Study/Document (54)  
Pakistan development data  
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Jan 1977, v.p. [28 p.]

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Population policy; Family planning; Rural development; Health; Women in  
development; Nutrition; Primary education; Agricultural development;  
Economic development  
Pakistan

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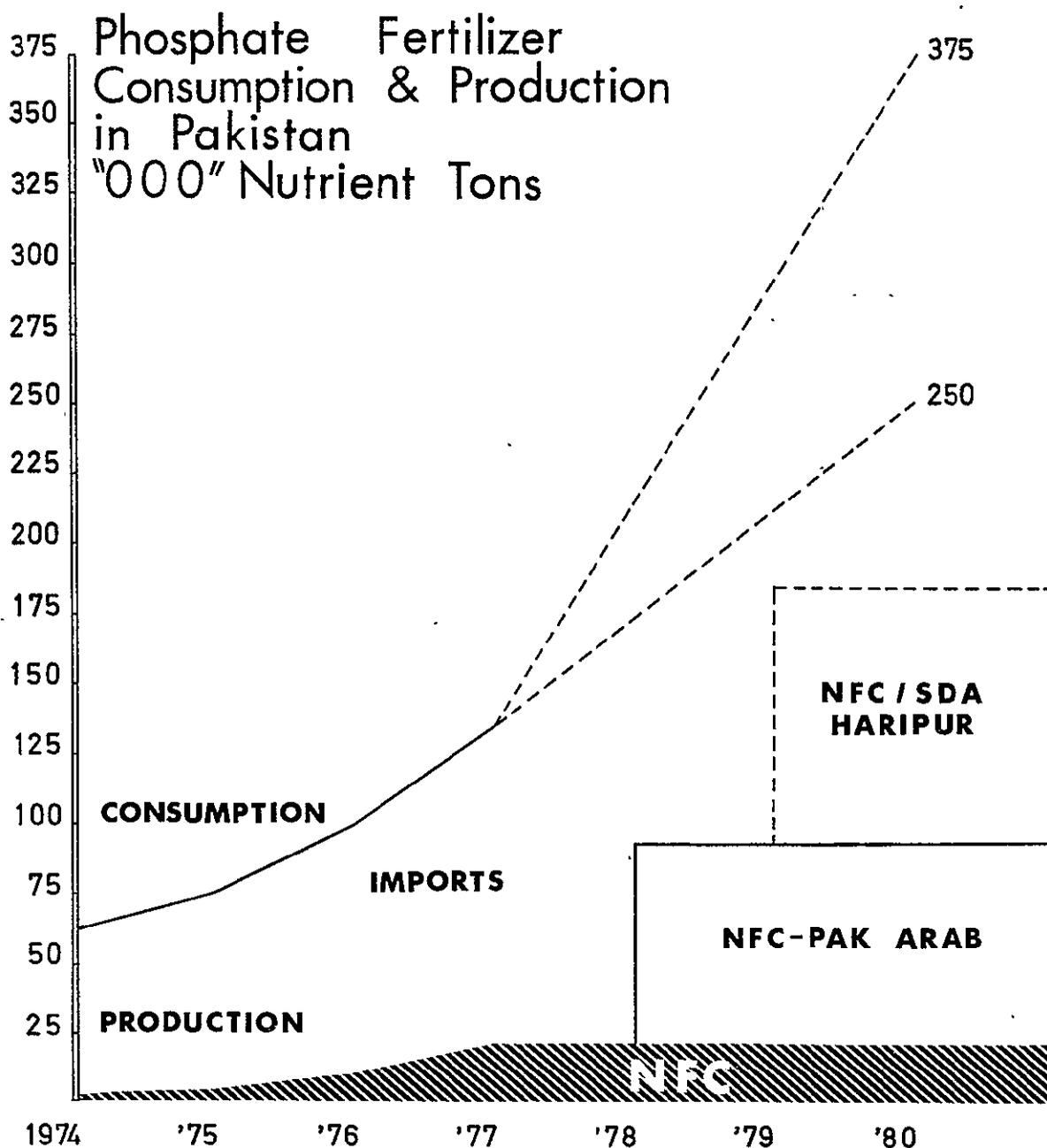
PN-AAF-724      Other USAID Supported Study/Document (54)  
PAKISTAN ECONOMIC DEVELOPMENT DATA  
USAID. Mission to Pakistan  
1974  
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Descriptors:

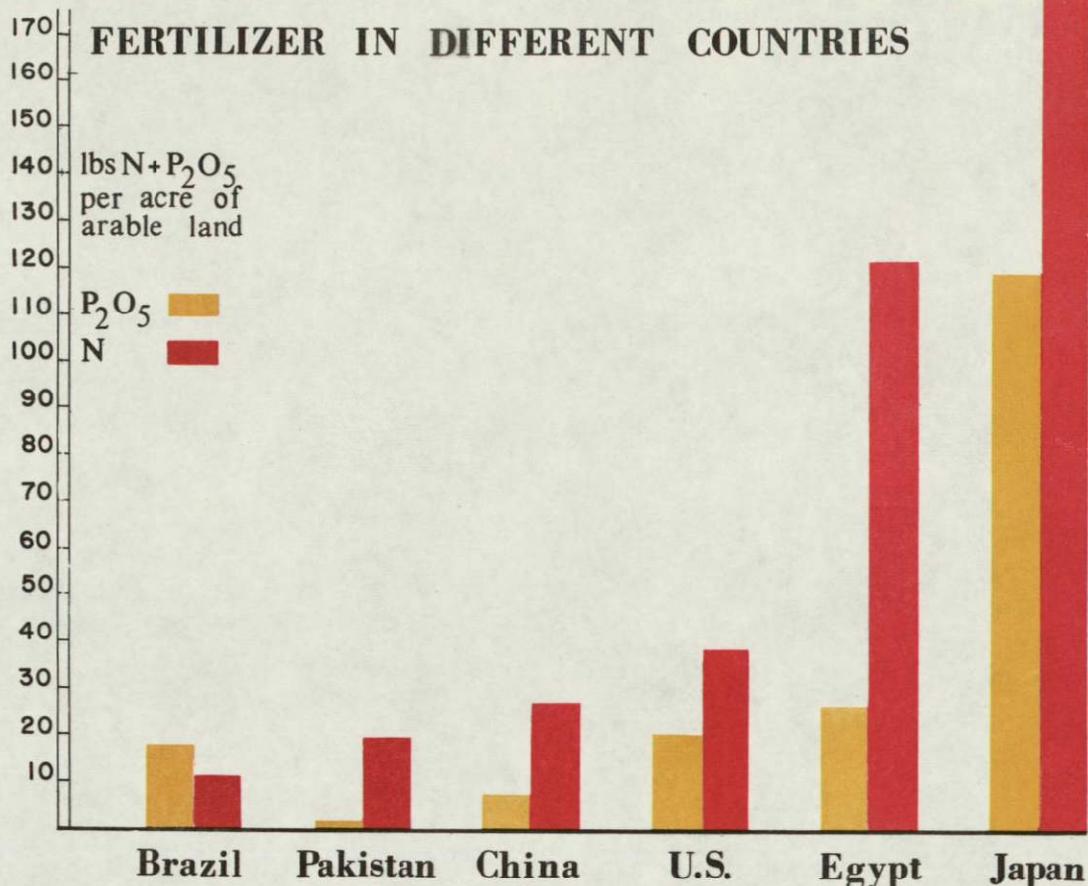
Agriculture; EDUCATION; ECONOMIC CONDITIONS; FINANCE; HEALTH  
Malaria; Vital statistics  
Pakistan



Pakistan is now producing 300,000 nutrient tons of nitrogen (55% of its requirements) and has plans which would make it essentially self-sufficient in nitrogen production by 1979-80.

In contrast, production of phosphatic fertilizer in Pakistan in 1973-74 was 4,000 nutrient tons (7% of its actual use). A plant expansion now underway would allow domestic production to reach 18,000 nutrient tons after 1975-76, and new plants already being planned in Pakistan could bring capacity to 185,000 nutrient tons in the 1978-80 period. Given the desired 1979-80 consumption of 250,000 to 375,000 tons, it is important for Pakistan to move ahead rapidly with plants already planned and to intensify exploration for economical phosphate deposits.

## USE PER ACRE OF NITROGENOUS AND PHOSPHATIC FERTILIZER IN DIFFERENT COUNTRIES



Achievement of high yields in modern agriculture depends on application of the right combination of various fertilizer nutrients and other inputs for the particular soil, crop and climate. The amount and balance of chemical fertilizer required depends on the supply of nitrogen from organic sources and rate of release of other nutrients by the soil.

In Brazil where soils are generally acid and deficient in phosphate, farmers have rapidly increased the rate of phosphate application and depend more on soybeans and forage legumes to provide needed nitrogen.

Japan's combination of soils and crops and continued very intensive cropping and high yields require very high applications of both phosphate and inorganic nitrogen.

Egypt, with climate and alluvial soil similar to Pakistan and with similar crops grown, achieves yields much higher than Pakistan by applying an average of 6 times as much nitrogen and 13 times as much phosphate per acre.

U. S. farmers apply almost as much phosphate as Egyptian farmers but much less inorganic nitrogen. Instead U. S. farmers obtain nitrogen from organic sources such as nitrogen fixing legumes (mainly soybeans and forages) which are widely grown.

In Pakistan use of nitrogen is very low but phosphate use is much lower yet. Pakistan has the possibility of obtaining more nitrogen from legumes, but much more phosphate will be needed if high yields are to be achieved and sustained.

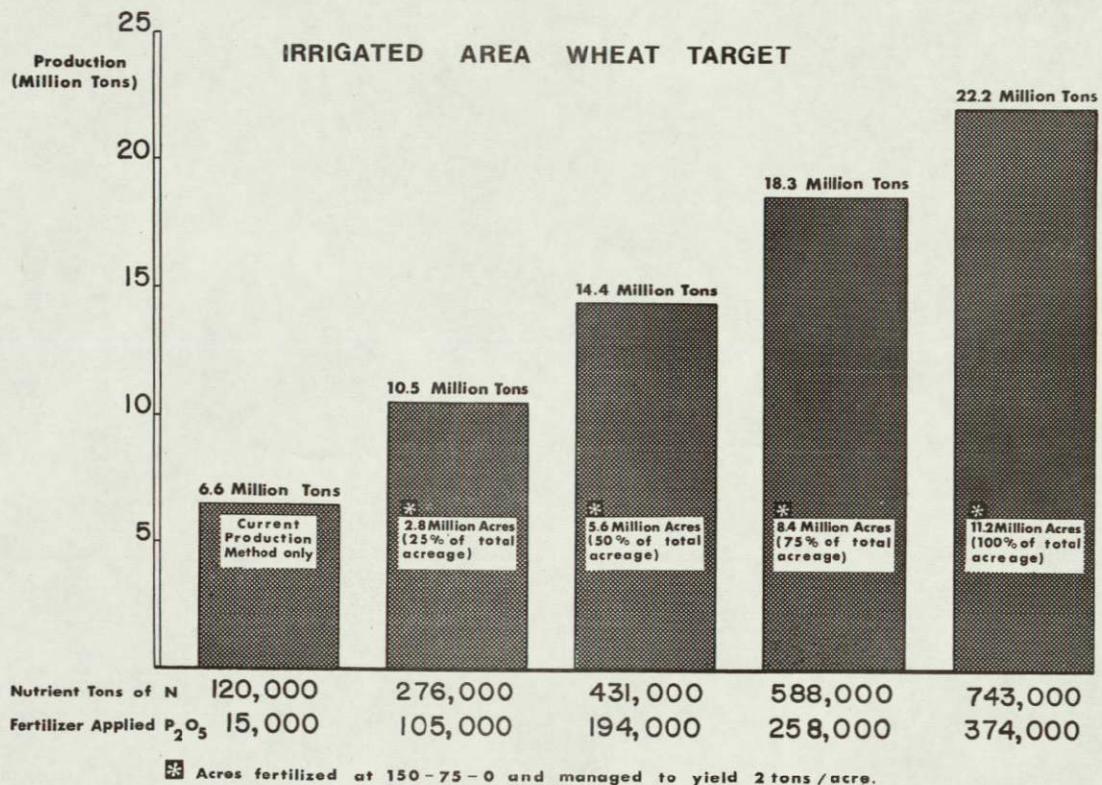
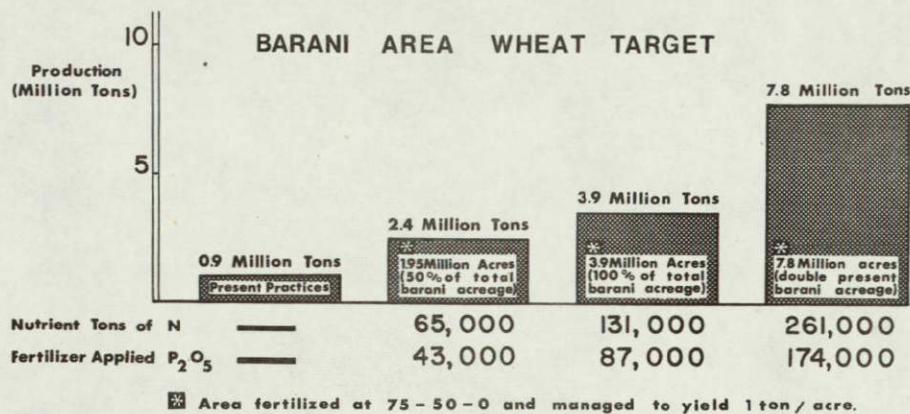
A program to achieve an efficient fertilizer balance and adequate total application in Pakistan will require:

- that phosphate and nitrogen fertilizers are both available at all distribution points in the country
- an increase in the number of fertilizer distribution outlets from 2,300 to 40,000 - 50,000 - at least one in every town and village
- a massive soil testing campaign, both by public and private fertilizer distributors and Government agencies, to insure that available phosphate goes on soils and crops which most need it
- favorable prices to farmers on both phosphate and nitrogen fertilizers
- rapid progress with new phosphate fertilizer plants

Beyond the above it will require:

- reduction of the present leaching of costly fertilizer by excessive irrigation
- quick identification of potash and micro-element deficiencies which frequently come with high yield cropping.

## Better Input Combinations Could Double or Triple Wheat Output.



At present 900,000 tons of wheat are being produced annually with essentially no fertilizer and largely desi varieties on 3.9 million barani acres.

Barani trials show that over 1 ton of wheat per acre can be achieved with high yielding varieties of wheat seed and about 75 lbs. of nitrogen and 50 lbs. of phosphate (P<sub>2</sub>O<sub>5</sub>) per acre.

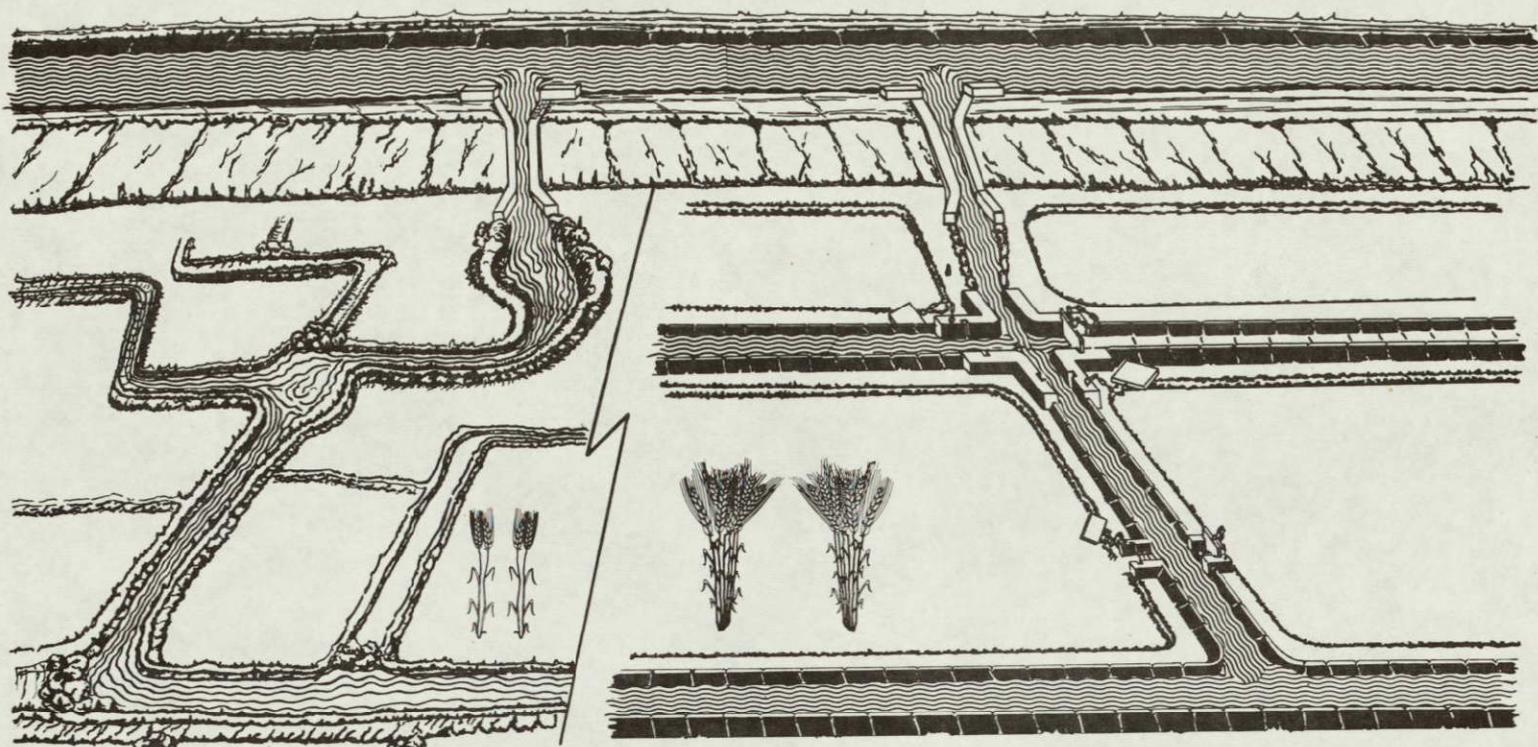
- These improvements applied on half the current barani area, would produce 2.4 million tons of wheat per year.
- Applied on all the present 3.9 million barani acres they would produce 3.9 million tons.
- On double the current barani acreage they would produce 7.8 million tons of wheat, more wheat than is currently produced in all of Pakistan each year.

Water management research data indicates it is possible to produce 2 tons of wheat per acre on irrigated land with improved water management, including precision land leveling, a high yielding variety of wheat and approximately 150 lbs. of nitrogen and 75 lbs. of phosphate per acre. Less water is required than the average farmer currently uses in irrigated areas.

- These improvements could increase production on 11.2 million acres of irrigated wheat land from the present level of 6.6 million tons to as much as 22.2 million tons per year.

The two charts above show production levels on various percentages of barani and irrigated land, using these improved practices. The charts also show the total amount of fertilizer required for each alternative.

## Better Water Management Means More Cropland



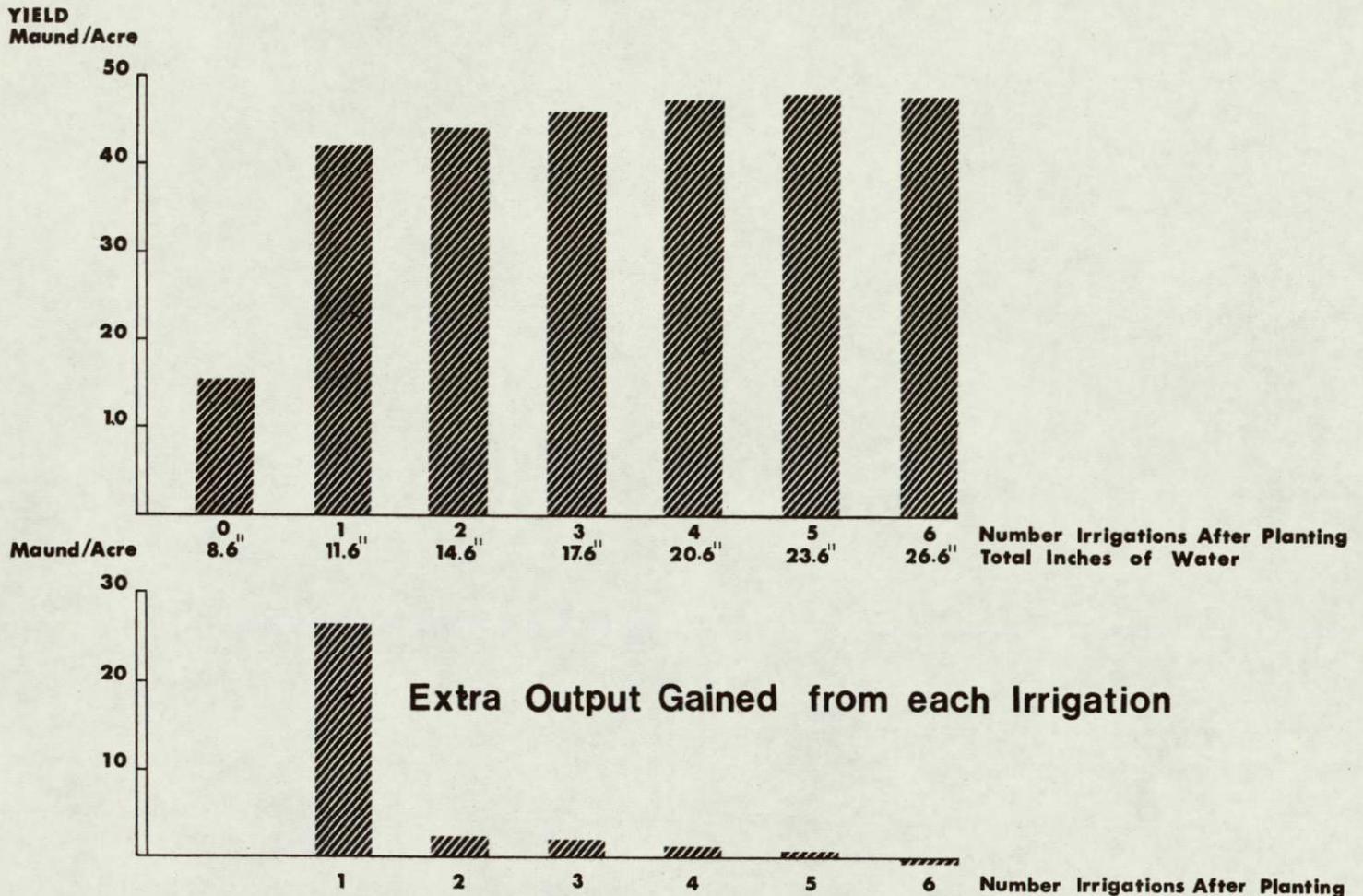
Nearly 100 million acre feet of water are diverted annually into Pakistan's canal system to irrigate approximately 25 million crop acres. About 50 million acre feet reaches the fields. The remainder is lost in transit. Additional losses occur within the fields due to unlevel land and over irrigation. Assuming a 50% field application efficiency, only about 1 foot of water is available for use by the plants each crop season.

Much of this waste can be avoided. Watercourse lining and rehabilitation can reduce seepage and other losses in the small canals and ditches which bring the water from the larger canals to the farmer's fields. Precision land leveling and better cultivation practices on the fields themselves can save more. Together these practices could much more than double the amount of water available for plant growth, increase yields, and reduce the wastage of costly fertilizer.

USAID is supporting applied water management research by Colorado State University and an initial effort in precision land leveling by the U. S. Soil Conservation Service. USAID is considering a large loan for on-farm water management which would, over a 5-year period, improve 1,500 watercourses serving 600,000 acres of land and train 2,600 water management specialists and extension personnel.

# 'MORE WHEAT FROM LESS WATER BY BETTER IRRIGATION'

## Irrigation Water Application And Wheat Yields Per Acre (with 100 lbs nitrogen and 100 lbs phosphorus per acre)



The chart above shows the actual yield under experimental conditions in Punjab with different applications of water. In each case the field received a preplanting irrigation sufficient to saturate the soil to 4-1/2 feet, a usual practice requiring between 2 and 6 inches of irrigation water. Irrigations were precisely timed to meet critical stages of crop growth.

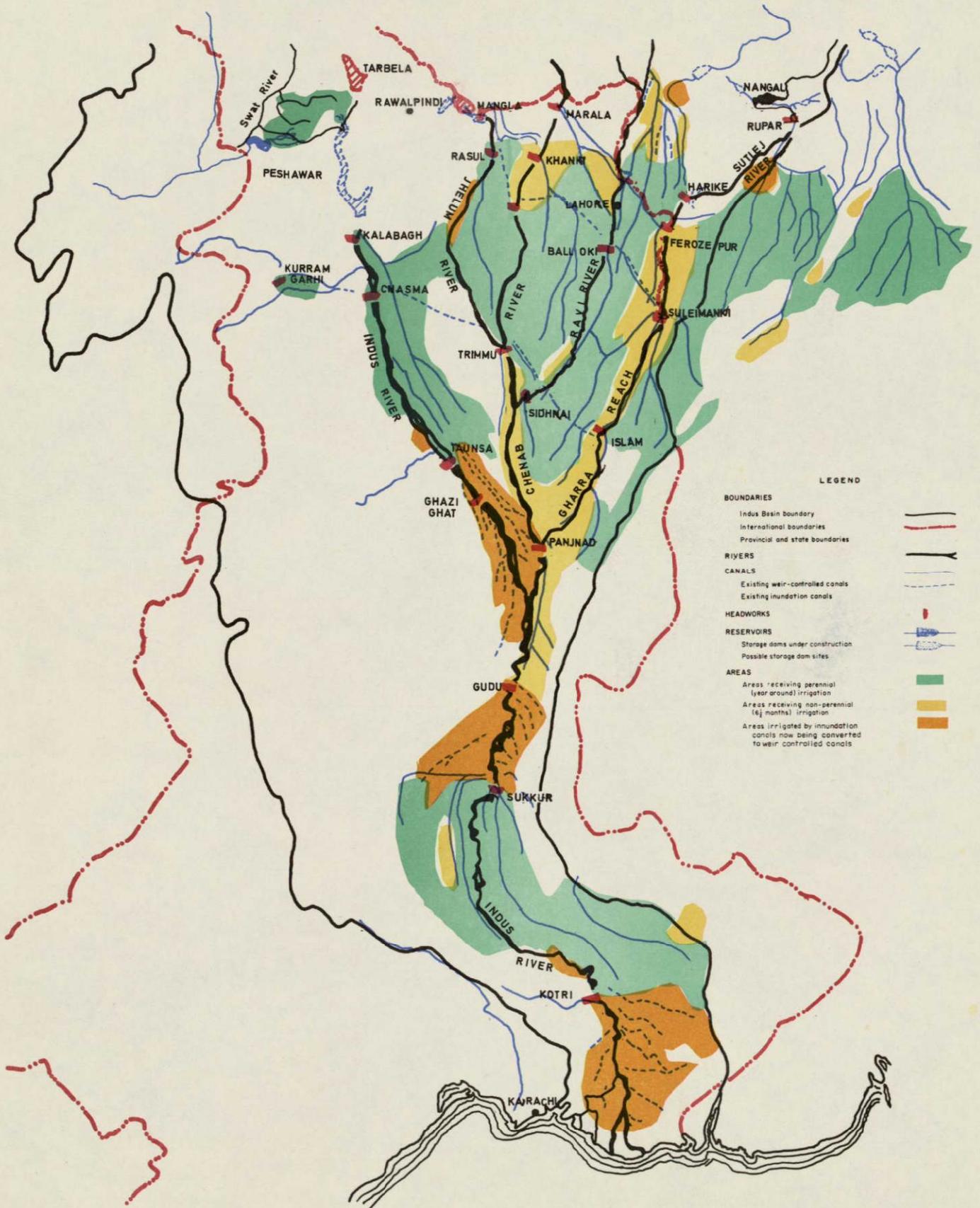
The highest return per unit of water applied was with only one uniform 3 inch application of irrigation water, approximately 3 weeks after planting.

The second highest return was with 2 irrigations at the most critical times after planting and the third highest return with 3 post planting irrigations. The fourth 3" post planting irrigation caused relatively little yield increase.

These data indicate that irrigations beyond the fourth or fifth may actually reduce total output. In part, the reduction in yield apparently results from higher incidence of disease and lodging.

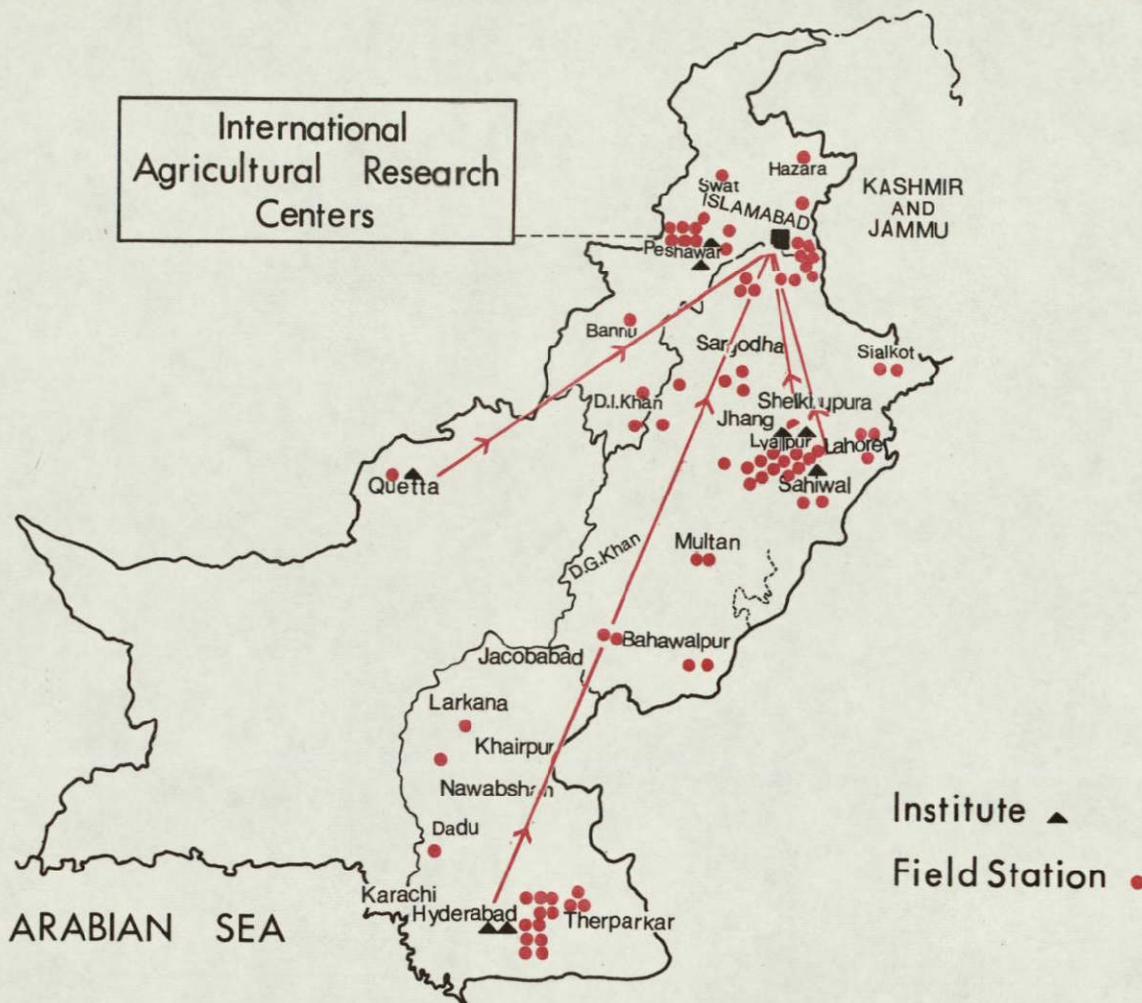
These data, borne out by other studies, indicate that a farmer with enough water for 6 irrigations (which with the preplanting irrigation, total about 24 inches) can practically double his output by applying that amount of water uniformly over twice as many acres at the proper irrigation intervals. Educating farmers to this fact and charging for water on the basis of the amount actually used, instead of acres irrigated, could greatly increase wheat output per acre and, more importantly the output per acre foot of water, in Pakistan.

# THE INDUS RIVER BASIN IRRIGATION SYSTEM



- LEGEND**
- BOUNDARIES**
    - Indus Basin boundary
    - International boundaries
    - Provincial and state boundaries
  - RIVERS**
  - CANALS**
    - Existing weir-controlled canals
    - Existing inundation canals
  - HEADWORKS**
  - RESERVOIRS**
    - Storage dams under construction
    - Possible storage dam sites
  - AREAS**
    - Areas receiving perennial (year around) irrigation
    - Areas receiving non-perennial (6 months) irrigation
    - Areas irrigated by inundation canals now being converted to weir controlled canals

# RESEARCH IS VITAL TO IMPROVED AGRICULTURAL PRODUCTION



An agricultural research system to supply a continuous flow of improved technology is essential for advancing agriculture.

Pakistan's first priority thrust in agricultural research is to effectively use the technology developed in other countries. Occasionally imported technology can be applied without change, but in most cases the technology must be molded and polished to fit Pakistan's conditions. Pakistan's research system is already producing improved technology for wheat, maize, rice and other crops. New varieties of wheat and maize (developed in Pakistan), combined with modest amounts of fertilizer, are yielding 2 to 3 times the levels achieved with traditional practices and seeds in the rainfed areas of the Punjab and the Northwest Frontier.

While returns on agricultural research are very high (an estimated 40-50% in U.S.), Pakistan recognizes that these returns are highest when resources are focused on solving immediate, important problems. To help focus available resources, Pakistan is systematically examining each major crop and is developing integrated national research programs. These will clearly identify the main problems and determine the approach to be used in seeking solutions. The research programs will include a definite plan to test the new technology on the farmers' fields. This last step in the research process is the acid test that links research to the extension system and the farmer. New technology that is not used by the farmer has no pay off.

Under the leadership of the Agricultural Research Council, a new national Agricultural Research Center is being established near Islamabad. It will serve as a focal point for research, link the research efforts of the four provinces, link the Pakistan system with the international research community and execute research to complement programs in provincial stations. The U.S. is assisting the 5 year program with dollar loans and grants totalling over \$9 million and rupee grants of over Rs 10 crore.

## QUICK PRODUCTION GAINS CAN BE MADE IN THE BARANI

### Barani Demonstration Trials — 1973 — 74

Average Per acre Yields in Mds. (1 Maund = 82.5 lbs.)

	<u>Previous Average</u>	<u>Control</u>	<u>Demonstration Results*</u>	
			<u>Average Yields</u>	<u>Highest Yield</u>
Wheat	6	12.36	26.03	63.30
Maize	7.7	19.73	41.49	67.33

\*With locally available high yielding varieties and 110 pounds of Urea and 110 lbs. of DAP per acre (70-50-0)

The rainfed (barani) area, which has received little assistance from either the Government of Pakistan or from international donors, offers the possibility of rapid increases in output, rural employment and income. There are about 40 million acres of non-irrigated land with soil and slope suited to tillage. Only 8-10 million acres of this area are tilled, with about 4.0 million acres in wheat. Rainfall, from below 5 inches to over 50 inches, is a limiting factor. The higher rainfall barani area spreads fan-like from Islamabad to the south and west, with projections into the northern valleys and lower hills. The cultivators of these lands have mostly small holdings, produce very little (6-8 maunds of wheat per acre), and are among Pakistan's poorest people.

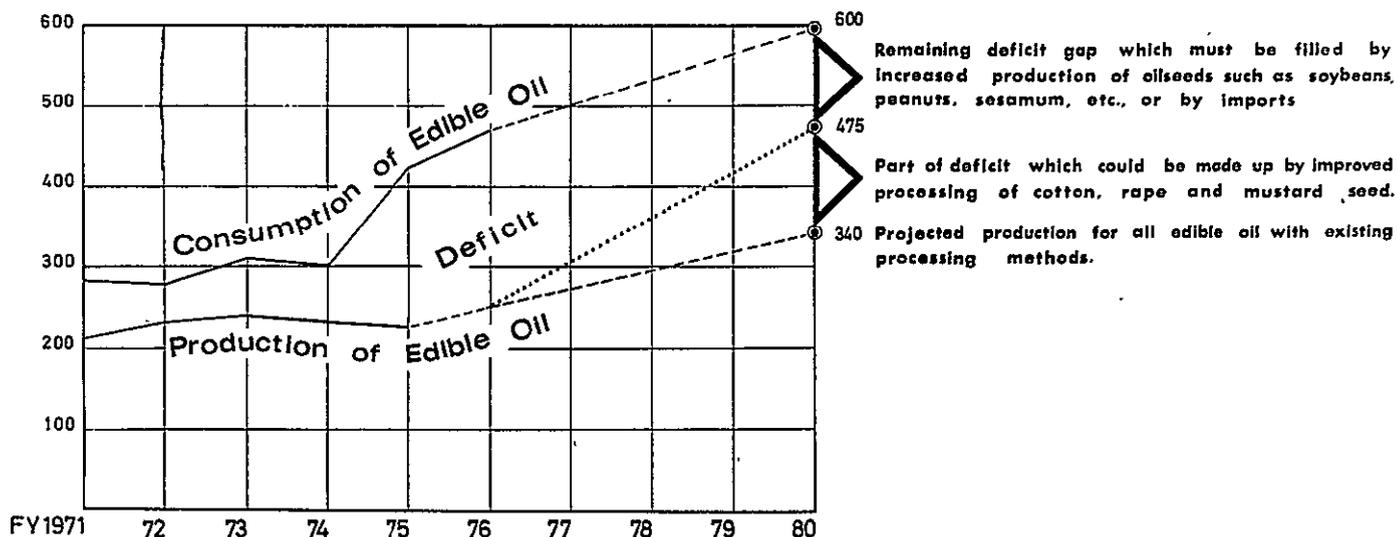
Results from AID funded wheat and maize demonstrations show that the production of wheat and maize can be doubled or tripled in the barani area by using an improved variety, and fertilizer, and in the case of maize, an insecticide to control stem borer. These results (shown in the above table) were obtained despite below normal rainfall in most areas in 1973-74.

Widespread improvement in barani agriculture will require:

- availability (in sufficient quantities) of improved seed, fertilizer, some small machinery, and credit;
- in some cases improved cultivation, including deep tillage and ridge and furrow planting;
- additional research on other high yielding varieties, (especially oilseeds and forage crops);
- training of farmers to use improved production practices;
- improved marketing and adequate price incentives.

The Government of Pakistan and USAID are developing details of a substantially expanded effect to increase barani production, beginning in 1975 and leading to a major barani loan project in 1977.

# THE GAP BETWEEN VEGETABLE OIL CONSUMPTION AND PRODUCTION IS WIDENING



The two major types of domestically produced vegetable oil in Pakistan are cottonseed, which is a by-product of fiber production, and brassica (rape and mustard) seed. After allowing for seed, feed and waste, approximately 1.05 million tons of cottonseed was available for oil processing in 1974, and the oil actually obtained was about 100,000 M. T. Had all the cottonseed not needed for seed been properly handled and processed through solvent plants to 1/2% residual oil, an additional 100,000 tons of oil would have been available, for an import saving of about \$50 million. By 1979-80, modernization of cottonseed handling and processing will mean a difference of about 150,000 M. T. of edible oil per year.

Wastage, spoilage and buildup of fatty acids, due to poor handling from the farm through the ginning mill to the oilseed expeller undoubtedly contributes to low extraction. Much of the oil loss is also attributed to inadequate facilities and poor operation of extraction plants. Only about 15% of the total cottonseed processed is processed in modern solvent extraction plants where residual oil can be reduced to 1/2% or less. The remainder is split evenly between high pressure expellers which leave 4-5% residual oil and "Lahore type" expellers likely to leave 8-10%, or more.

The Government of Pakistan and USAID are collaborating on a cottonseed processing feasibility study aimed at identifying and defining operational changes and investments required to substantially increase cottonseed oil extraction rates and reduce vegetable oil imports. In the long run, self sufficiency in vegetable oil will also require substantial production of specialized oil-seeds, such as groundnuts and soybeans.

## Rape and Mustard

In terms of crop acreage and oil produced, brassica (rape and mustard) seed provide the second largest national source of vegetable oil. The oil content of these seeds (about 38%) is double the oil content of cottonseed.

Presently Pakistan produces about 290,000 tons of rape and mustard seed annually. However, a major portion of the seed is handled through conventional Kohlus and low pressure expellers. Only about 50% of the oil content is extracted in Kohlus, leaving a residual oil content in the meal of nearly 20%. Low pressure expellers probably leave about 10% residual oil.

A joint project will seek to identify and introduce more efficient rape and mustard seed processing at the village level. The project's goal is to add 30,000 tons, or more, of rape and mustard seed oil to villagers' diets by improved village technology.

**"THE SHADOW OF OVERPOPULATION LOOMS LARGE OVER OUR COUNTRY,** indeed over this part of the world. It darkens the prospects of our economic advance. It nullifies our efforts towards social progress. No objective is, therefore, more vital than that of population planning. "

Zulfiqar Ali Bhutto  
Prime Minister of Pakistan  
September 1973

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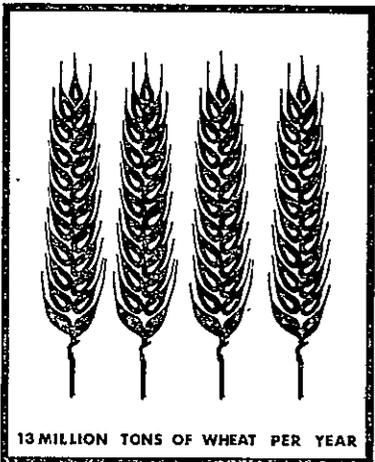
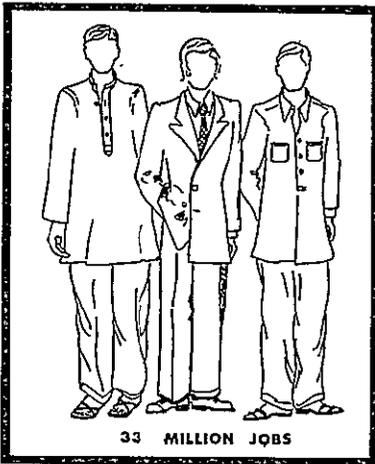
The Government of Pakistan is pursuing with increasing vigor its efforts to slow population growth, as shown by a dramatic increase in program expenditures and by:

- An increase in frontline motivational staff from 2,000 workers in November 1973 to the full needed complement of 8,400 today
- A bold move to make oral contraceptives and condoms available through 30,000 shops and other outlets at a price even the poorest can afford
- Decisive steps to strengthen publicity, worker training, field reporting and vehicle maintenance, and to introduce simple medicine and other quality of life services into the program

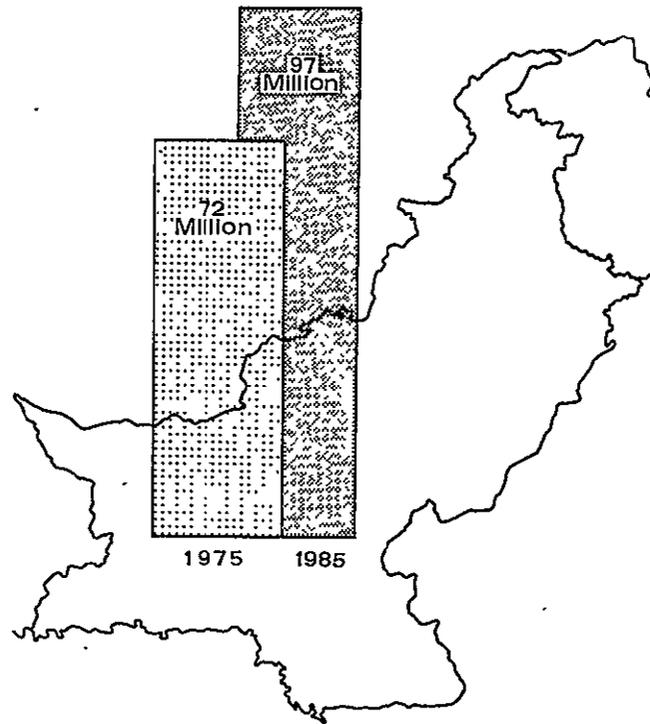
Since the Government's decision three years ago to revive and extend the population planning effort, USAID has provided \$17 million to the program, mainly for contraceptives, and Rs 8.5 crore for local costs. Other donors who have joined the renewed effort are UNFPA, the Federal Republic of Germany, the United Kingdom, Norway, Australia and the Ford Foundation. Prospects are good that additional nations will join in supporting the program in the year ahead.

At the same time, Pakistan's population growth rate, estimated at 3% remains among the highest in Asia. Expressing strong dissatisfaction with results to date, Prime Minister Bhutto said on television, Feb. 2, 1975, **"MUCH MORE NEEDS TO BE DONE."**

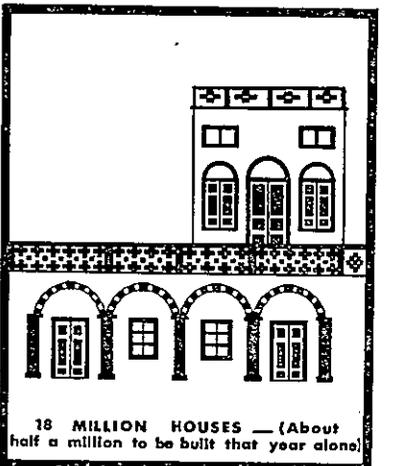
IN 1985 PAKISTAN WILL NEED



## Rapid Population Growth Threatens Pakistan's Development Program



IN 1985 PAKISTAN WILL NEED



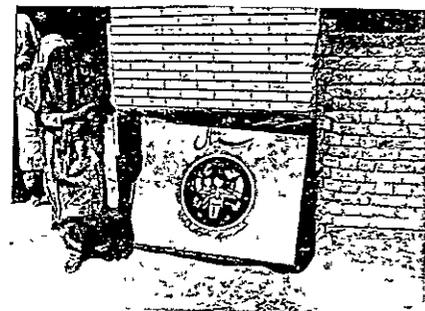
If Pakistan's population continues to grow at 3% a year, there will be 97 million people by 1985. Economic growth that should go to improve the quality of life will be used instead for the food, jobs, schools, housing, teachers, medical care and other things needed to provide the present low standard of living to an additional 25 million people.

# INUNDATION WILL MAKE CONTRACEPTIVES READILY AVAILABLE TO ALL

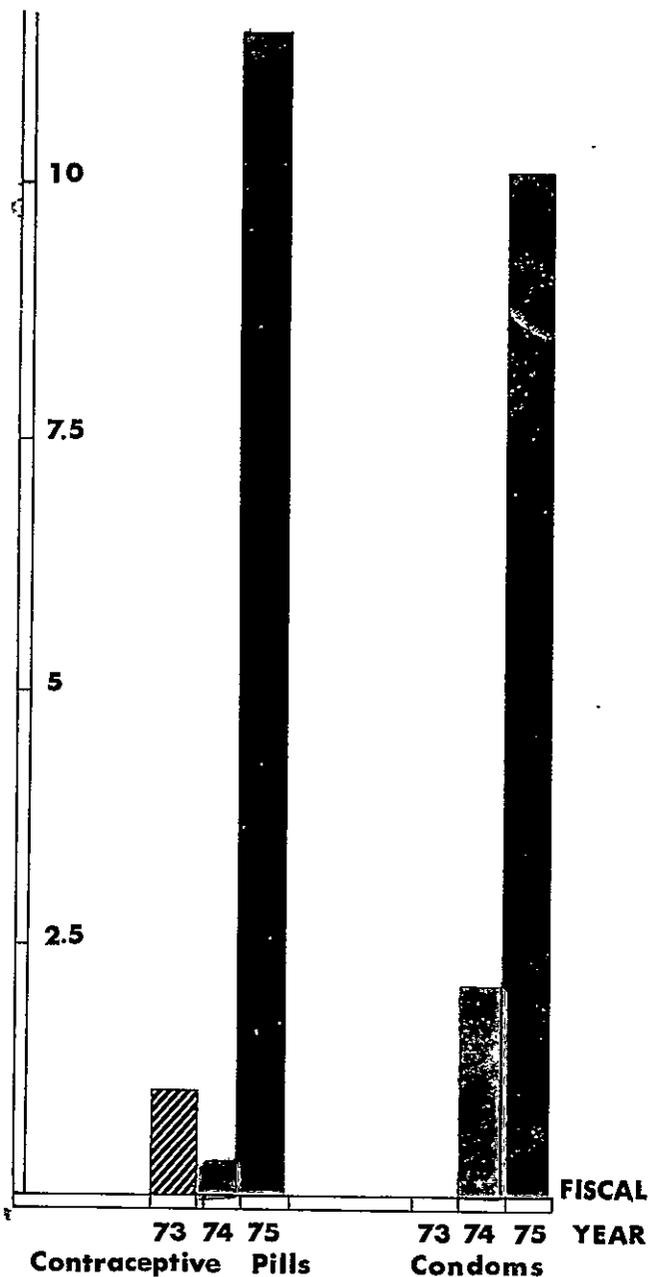


The Government of Pakistan has mounted a major effort to make contraceptive pills and condoms readily accessible at a price the poorest can afford through shops and health outlets in every town and village of the country. This inundation program has been made possible by the Government's decision to distribute contraceptive pills without medical prescription and by major initial contributions of contraceptives from USAID and other donors. Over the past two years, in a situation where demand for contraceptives has been growing rapidly, Pakistan has had a shortage. This has now been overcome by the large-scale arrival of supplies. To help the program succeed over time, the Government of Pakistan is studying ways to:

- Develop imaginative marketing arrangements needed to assure widespread and regular use of these contraceptives;
- Take steps to assure continued large supplies in the future by lining up sustained commitments from donor countries and by establishing its own production capability for condoms and expanding local production of contraceptive pills.



## SUPPLY OF CONTRACEPTIVES IN COUNTRY

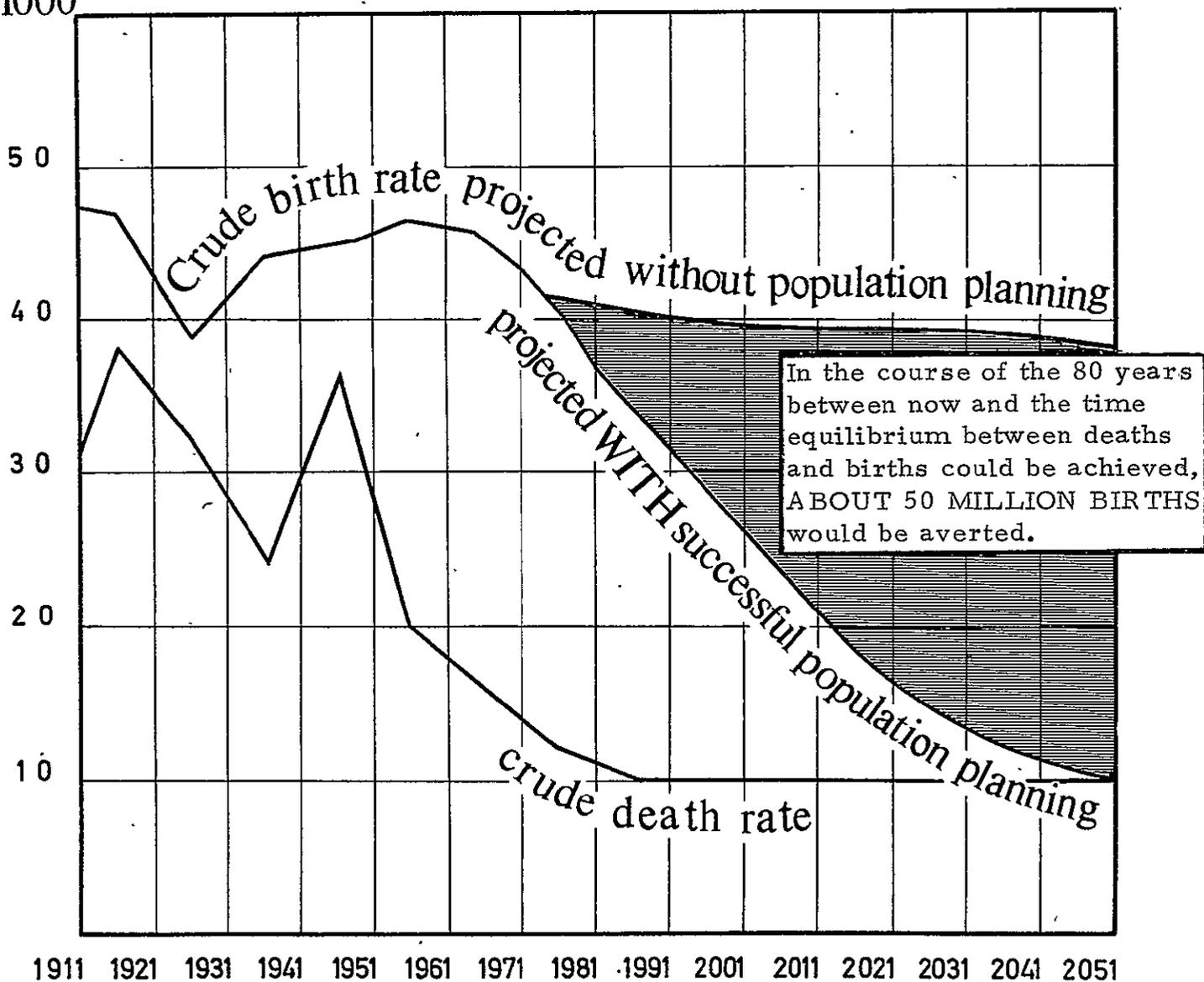


PILLS (Million Monthly Cycles)  
 CONDOMS (Million Dozens)

# Moving Toward Population Stabilization

With more couples spacing their families, the birth rate is slowly beginning to drop. Now that the country has abundant contraceptive supplies, the Government of Pakistan is considering what more might be done to achieve greater impact on population growth. An insurance scheme for sterilization acceptors is about to be launched with more such experiments to follow.

Births/  
Deaths  
Per  
1000



# Expanding Population Planning

**Control of demographic growth is above all a question of human attitudes, and not of contraceptive technique,**

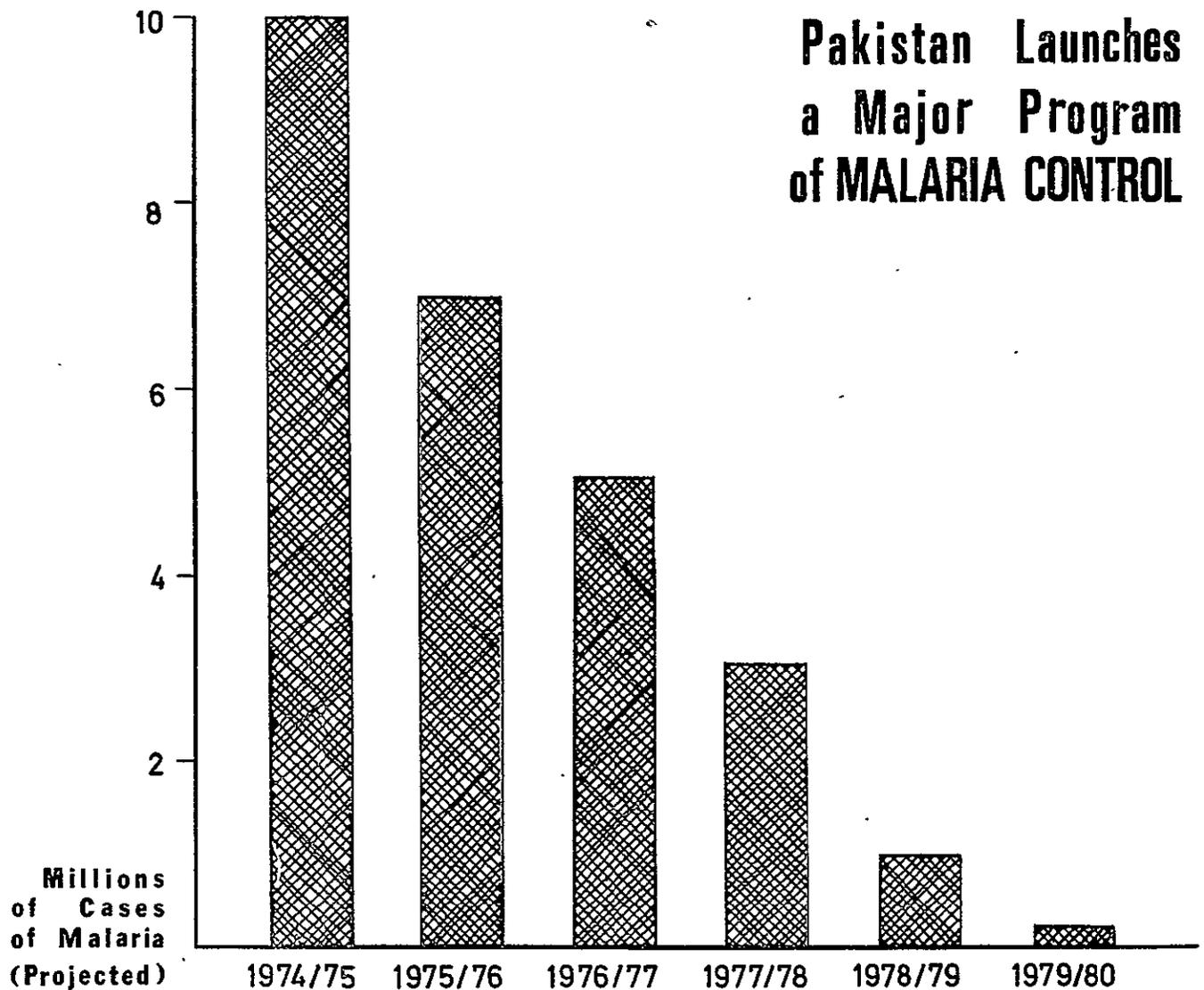
**Paul R. Ehrlich  
Stanford University**

Thoughtful Pakistanis in and out of Government are beginning to talk increasingly about the need to augment the existing population planning program with additional steps aimed directly or indirectly at lowering the birth rate. Out of this dialogue has come support for the need to:

- Increase dramatically the base of support for the program by mobilizing the active participation of major employers, village leaders, Deputy Commissioners and other local functionaries;
- Build family planning awareness and services into government programs of agriculture, education, industry, labor, health and rural development;
- Initiate field experiments providing incentives to parents and communities to produce fewer children;
- Examine existing laws and regulations with a view to encouraging couples to have smaller families;
- Mount substantially more research into what motivates couples to have smaller families, including the impact of female employment, lowered infant mortality, and primary education for girls.

USAID is already helping in social science research through a project to strengthen the Population Section of the Pakistan Institute of Development Economics. USAID would be prepared to consider support for a wide range of "beyond family planning" activities if requested by the Government of Pakistan.

## Pakistan Launches a Major Program of MALARIA CONTROL

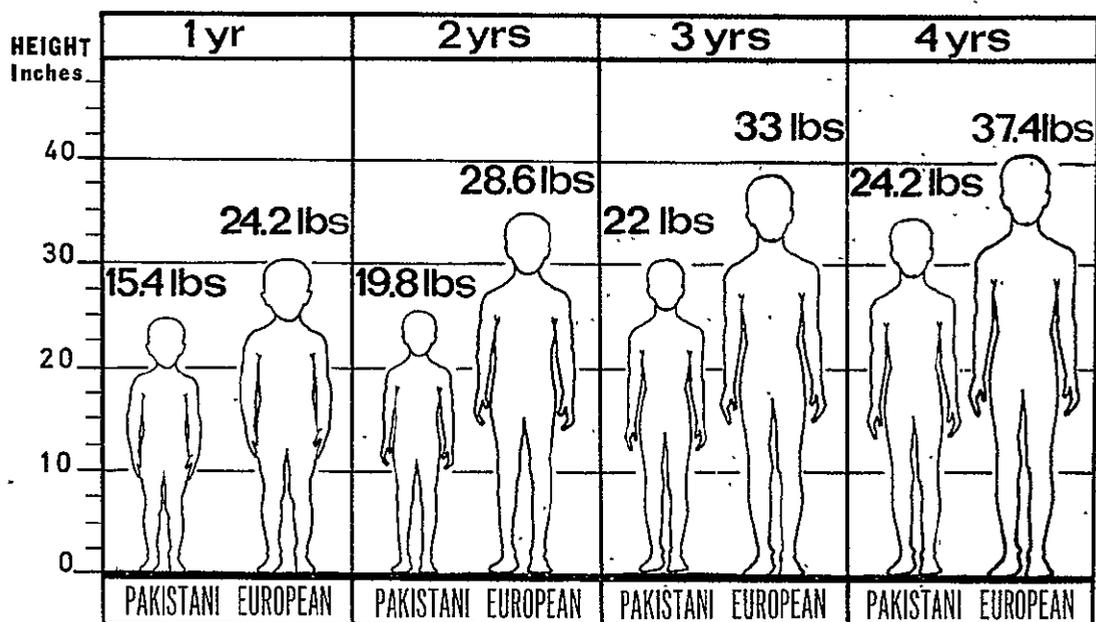


The Government of Pakistan has embarked on a renewed program to bring malaria under control. If the effort succeeds, the number of malaria sufferers could decline from 10 million today to a few thousand by 1980. If unchecked, malaria could spread to 25 million people in the same five year period.

The project will cost at least Rs 90 crore. The United States is planning to contribute loans totaling \$35 million, mainly for insecticides, as well as a grant of Rs 25 crore in U.S.-owned rupees. The World Health Organization will provide continuous technical assistance. Pakistan will contribute both foreign exchange and rupees and will have full responsibility for managing this massive and complex project.

If the project is to succeed, adequate financing must be maintained and supplies and equipment must be procured on a timely basis. Integration of malaria workers into the general health services must be phased in such a way that malaria workers have adequate time for malaria control activities as the Provinces move to consolidate and strengthen health services.

# PAKISTAN FOCUSES ON ITS NUTRITION PROBLEM



Over 60% of all Pakistanis are malnourished.

One out of every four Pakistani babies dies before the age of five.

Four million children and mothers are affected by deficiency diseases caused by lack of calories, proteins, vitamins and minerals, and by harmful food habits.

Malnutrition leads to ----

- intellectual impairment, apathy, listlessness
- retarded physical growth
- susceptibility to diseases
- reduced life span and productivity
- higher death rates

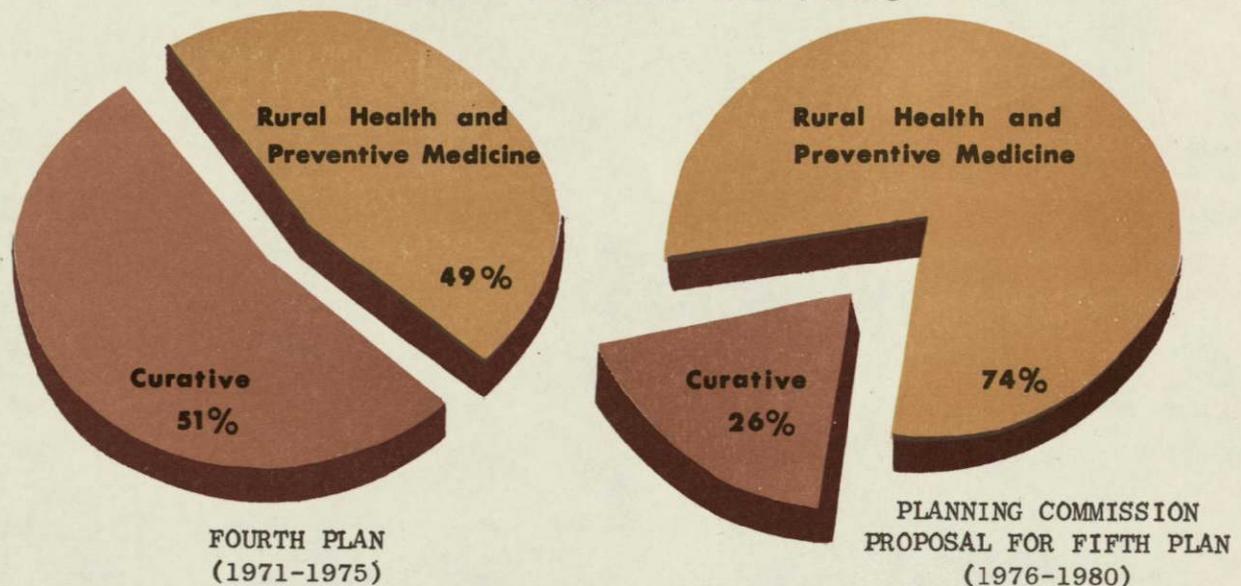
USAID is committed to work with the Government of Pakistan as it seeks to bring more and better food to the people and to give specific attention to those who usually benefit last and least from general increases in food availability -- pregnant and nursing mothers and children under the age of five.

A USAID-supported nutrition planning project will help the Planning Commission appraise action alternatives and select those which appear to offer greatest promise. A first step will be a new National Nutrition Survey that will yield up-to-date information on nutritional problems by age, income, sex and region.

USAID is supporting efforts to increase production of major crops on both irrigated and barani land - a prerequisite for improved nutrition.

USAID is planning to assist projects to fortify tea with vitamin A and atta with iron and B vitamins and is providing food to CARE for maternal and child feeding in Sind and Baluchistan.

# Pakistan Plans Dramatic Improvement In Rural Health Services



The Government of Pakistan is moving toward a major expansion of basic health services and a substantial increase in the health budget. The Planning Commission's working paper for 1975-80 calls for a total development outlay for health, excluding population, of Rs 500 crore -- an amount seven times greater than actual expenditures in the 1970-75 period.

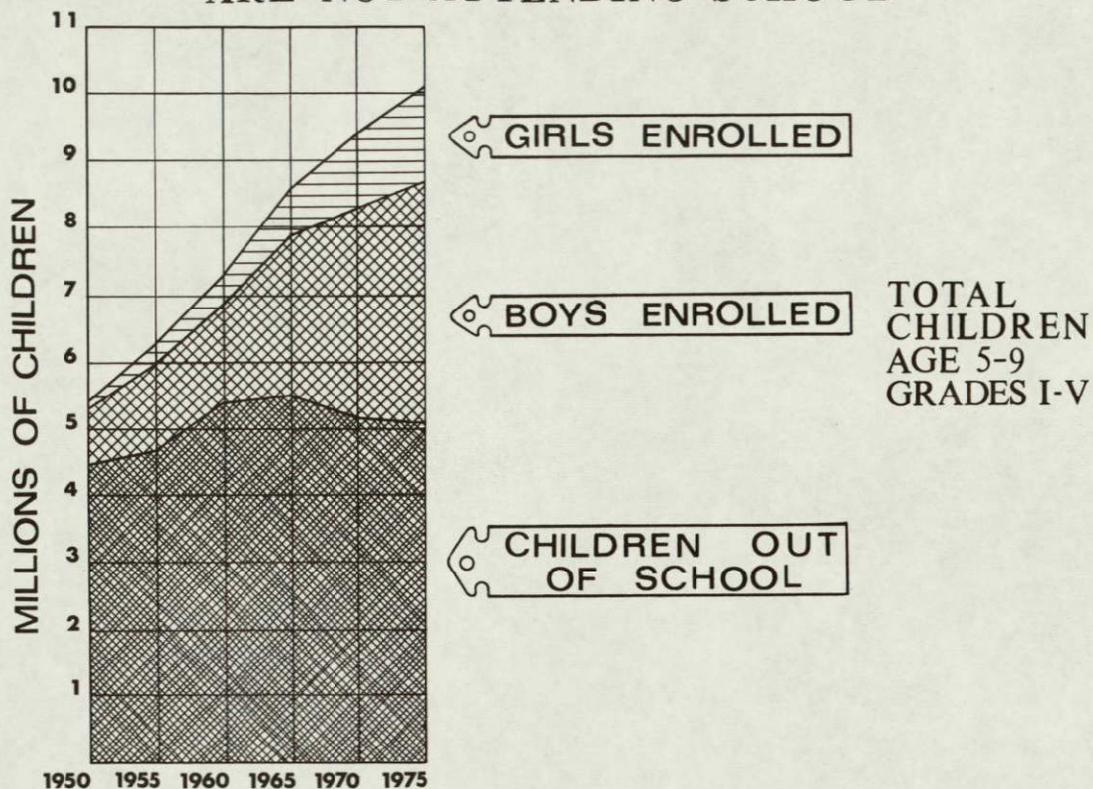
A Country Health Programming analysis, recently carried out by teams from the four Provinces with assistance from WHO, identified eleven major health problems confronting the country and proposed four major health projects.

While different in form, the Planning Commission paper and the WHO-assisted analysis are remarkably similar in substance. Both call for:

- highest priority to rural coverage;
- emphasis on preventive health instead of curative health, e.g., immunization, health education, clean water, improved hygiene, better nutrition;
- massive training of health auxiliaries and paramedicals, willing to work in rural areas;
- gradual integration of existing separate programs, such as malaria control, into the basic health services.

USAID is already committed to assist in malaria control and would be prepared to work with WHO and other donors in support of a major Government program to deliver basic health care to the rural poor through well-trained auxiliaries.

## 5.1 MILLION PRIMARY SCHOOL-AGE CHILDREN ARE NOT ATTENDING SCHOOL



The Government of Pakistan's Education Policy which calls for important education reforms was announced in March 1972. A major provision was the achievement of universal primary education by 1979 for boys and by 1984 for girls.

The chart shows the progress Pakistan has made over the past 25 years. Primary school enrollment of boys more than tripled. Girls' enrollment increased 13-fold.

Unfortunately, in spite of this progress in enrollment, the school age population increased even faster. In 1975 there were more primary school age children out of school than in 1950.

The present system of formal education faces major problems:

- 80% of the population is still illiterate - about 56 million people
- 50% of the eligible children are not in school
- 50% of the children who enter grade I drop out by Grade V

The proportion of Pakistan's budget going to education has remained fairly constant for several years. It is running at less than 2% of GNP - one of the lowest rates in the world. Only about 30% of the education budget is allocated to primary education. In order to achieve universal primary enrollments the Government is considering the feasibility of the following measures:

- a shift in priorities to allocate substantially more funds to primary education
- an increase in physical facilities, particularly in rural areas
- supplementary means to reach the target population in rural areas through mass media delivery systems
- a study to identify the causes of the 50% dropout rate in primary schools and needed remedial actions
- ways to better relate curriculum to the learning needs of the rural people
- means to upgrade teaching competence, and a substantial increase in the numbers of teachers, with particular emphasis on women
- programs of training and research in educational planning and management

When planning is further advanced the United States will consider a loan to accelerate rural primary education.

# THE CHANGING ROLE OF WOMEN



"The dream of an equalitarian social order based on a just and democratic economic system will never come true if the female half of the population continues to be the subservient sex."

Begum Nusrat BHUTTO

March 1, 1975



Nations throughout the world are engaged in projects to upgrade the role of women and their contributions to the national economy.

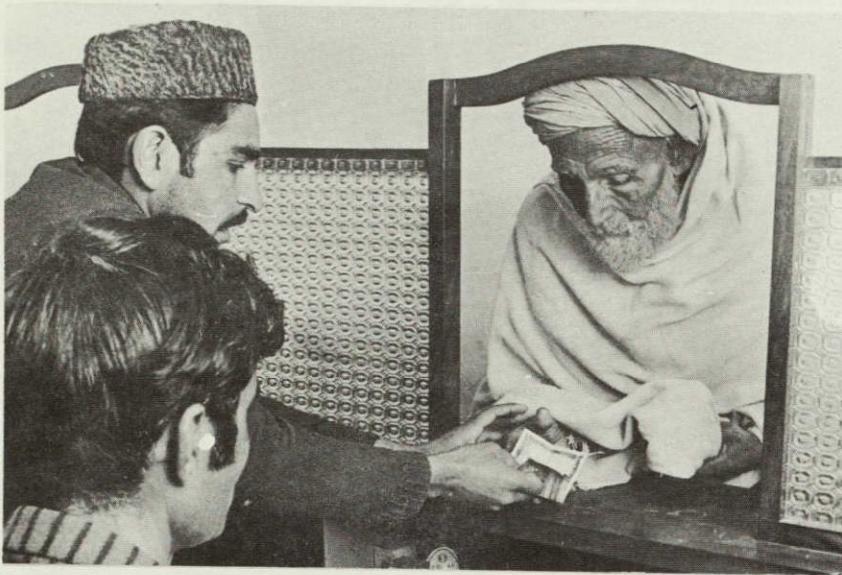
In developing countries today, women are directly responsible for up to 50 percent of agricultural production. In Pakistan, while the number of women in the labor force is probably seriously undercounted, almost 70% of the women in the labor force are engaged in agricultural activities.

Participation of Pakistani women in other aspects of national life and the economy is also increasing:

- There has been an annual compound increase of over 19% in the enrollment of girls in the primary grades during the last 15 years.
- Female graduates at Bachelor's Degree level in all subjects increased from 1369 in 1961 to 9,225 in 1971.
- Female enrollment in medical schools increased from 1037 in 1961 to 1697 in 1973.
- The opening up of the foreign service to women is an example of the increasing number of women participating in important governmental jobs.
- Estimates indicate that, of a total urban population of 14 million, there are 180,274 professional women employed.

These changes are significant and heartening but they are only the beginning if women in Pakistan are to become partners in progress rather than the "subservient sex".





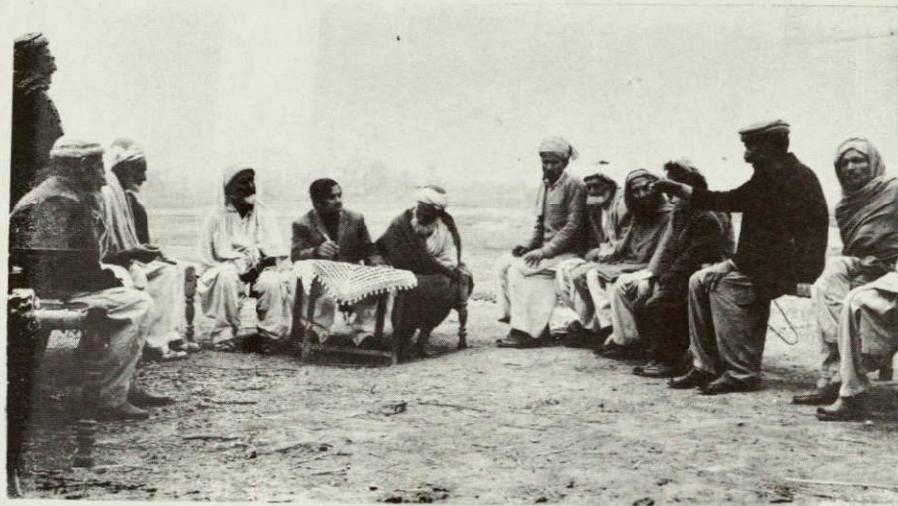
## RURAL DEVELOPMENT REQUIRES PARTICIPATION BY THE PEOPLE

The purpose of Integrated Rural Development is to provide comprehensive rural development services and to organize people at the local level.

Each province is developing its own approach.

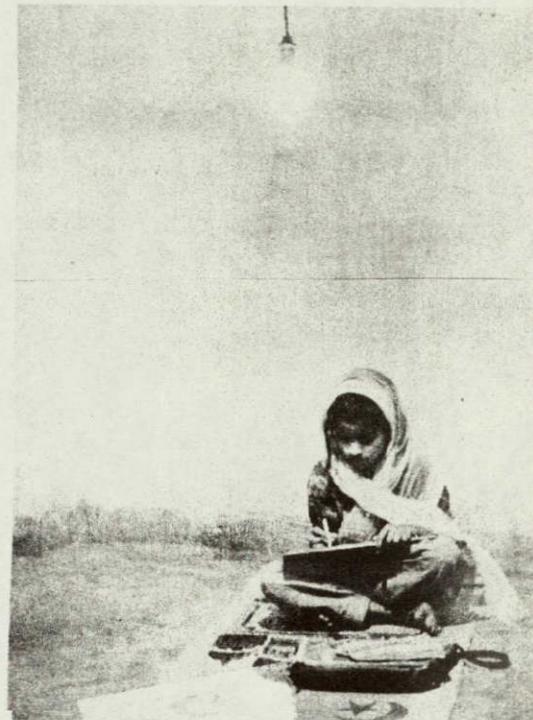
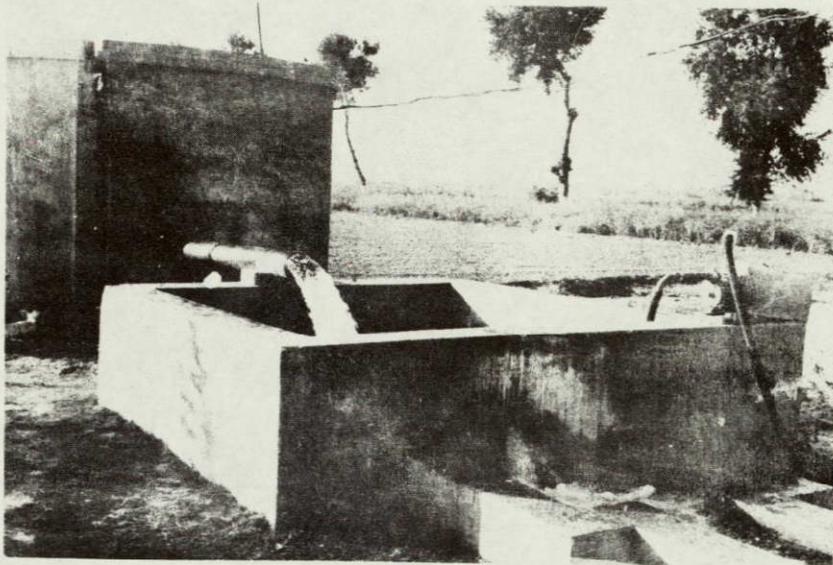
Much attention is being paid to the scheme developing in the Northwest Frontier Province with the help of the Pakistan Academy for Rural Development. Their approach is characterized by:

- involvement of the local people in planning and program implementation
- development of multi-purpose cooperatives
- concentration on rural works projects which increase productivity
- involvement and expansion of the activities of the nation-building ministries through markaz centers.



The Northwest Frontier has decided to extend the model developed by the Academy at Daudzai to 110 locations by 1978. The Federal Republic of Germany is helping the Academy to extend its pilot areas to all Peshawar Tehsil. UNDP and the World Bank are considering assistance to all the Provinces. USAID is discussing help in the improvement of training in the other Provinces.

# ELECTRICITY IMPROVES RURAL LIFE



Rural Electrification can directly improve the life of the rural poor living in Pakistan's villages. Potential benefits include:

- lower energy costs (substitution of electricity for diesel oil, kerosene, and wood);
- new energy sources of high quality (electricity for lighting, small appliances, welding, etc.);
- better, more competitive technology for small village enterprises, (electricity for power looms, small motors, refrigeration, etc.);

To capture the full socio-economic benefits of electrification,

- programs must be part of a broad, well developed strategy for rural development;
- all members of each village in the project area should be able to participate;
- projects must be efficiently operated to maximize revenue which can in turn be used for extending the program.

USAID is discussing a possible rural electrification development loan with the Pakistan Government. Both the National Electrification Administration/Cooperative approach of the Philippines and the USAID supported National Electrification Corporation of India are being studied in terms of their relevance to the Pakistan program.

# RURAL ROADS



A balanced transport strategy must include not only an adequate highway system linking major areas and cities but also a large rural roads program linking village to village, village to markaz, and markaz to highway.

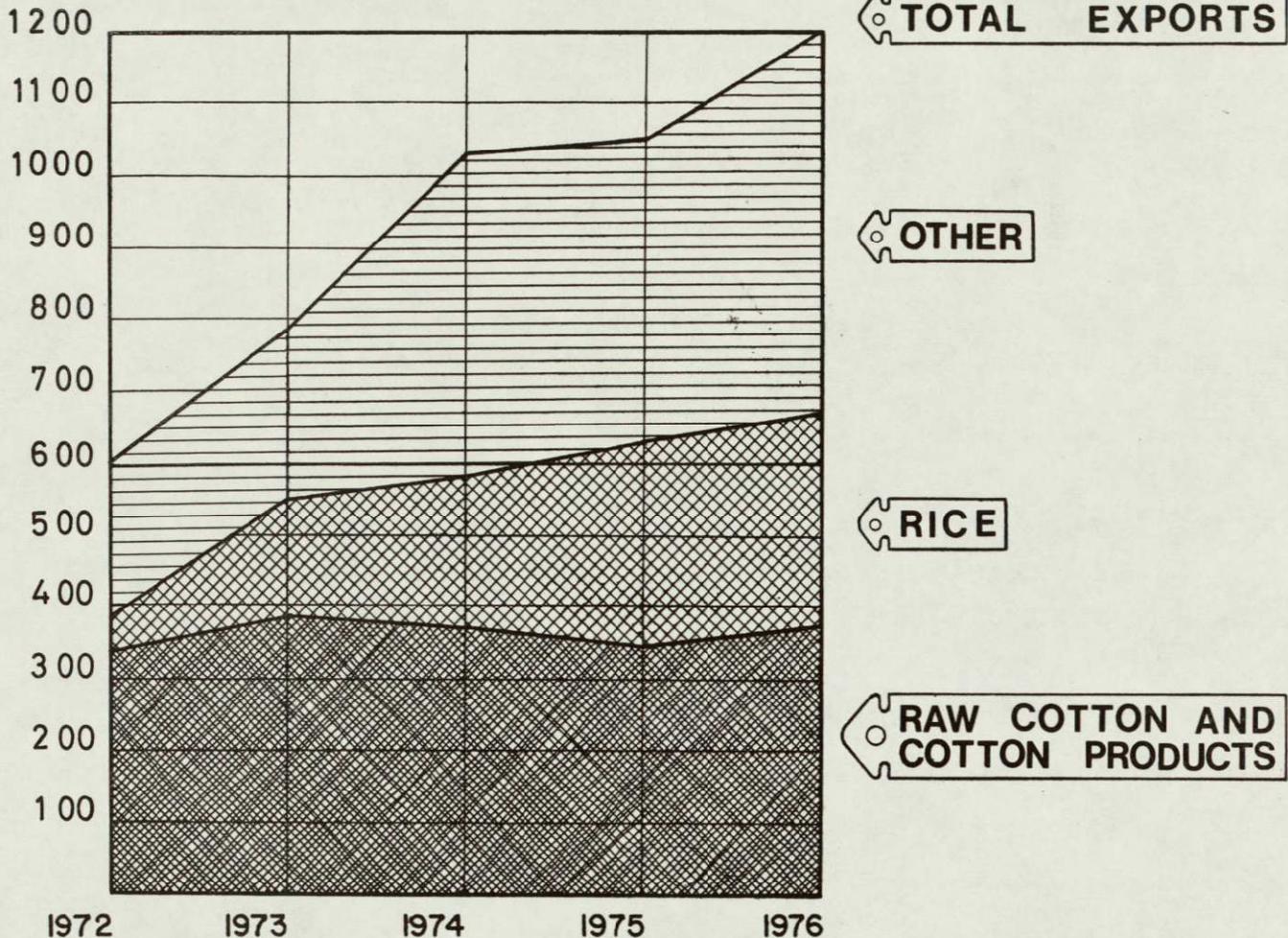
In Pakistan nearly half of the people live three or more miles from a serviceable, all weather road. They are almost totally isolated during the rainy season. Even in good weather villagers have difficulty obtaining agricultural inputs and disposing of their excess produce. They lack ready access to the world outside their village, to medical care and supplies, to schools and to job opportunities.

An estimated 240,000 miles of roads are needed in Pakistan with 123,000 miles being rural roads. Of this total there are only 5,000 miles of all weather rural roads. Approximately 30,000 miles of kutchra or dirt roads need improvement and strengthening, and 88,000 miles remain to be built. The Government's tentative goal for rural roads during the coming five-year period is 3,000 miles, utilizing 10% of the total road construction budget.

USAID is considering a loan which might help the Government to expand its rural roads program more rapidly.

# PAKISTAN'S EXPORTS

U.S. \$  
Millions



After 1971, the value of Pakistan's exports grew to new high levels, in part because of higher world prices for rice and cotton.

In FY 1974 Pakistan suffered a sharp drop in the quantity of its raw cotton exports, and the volume of its yarn and textile exports did not grow. Luckily, the sharp increase in world prices enabled the economy to reach its export value targets. But the world price increases also increased the country's import bill, leaving a substantial trade deficit.

Pakistan's exports remain heavily concentrated in rice and cotton, including cotton products. When world prices and demand for these goods decline sharply, as they did in recent months, the economy can be badly hurt.

Pakistan is redoubling its efforts to aggressively search out new export markets. It is working hard to improve the quality and variety of its exports.

Export production can lead the growth of Pakistan's economy. New social measures, higher government revenues, and higher incomes for all Pakistan's people can be made possible by the resulting increased income.

# PAKISTAN'S BALANCE OF PAYMENTS

Millions of U.S. \$

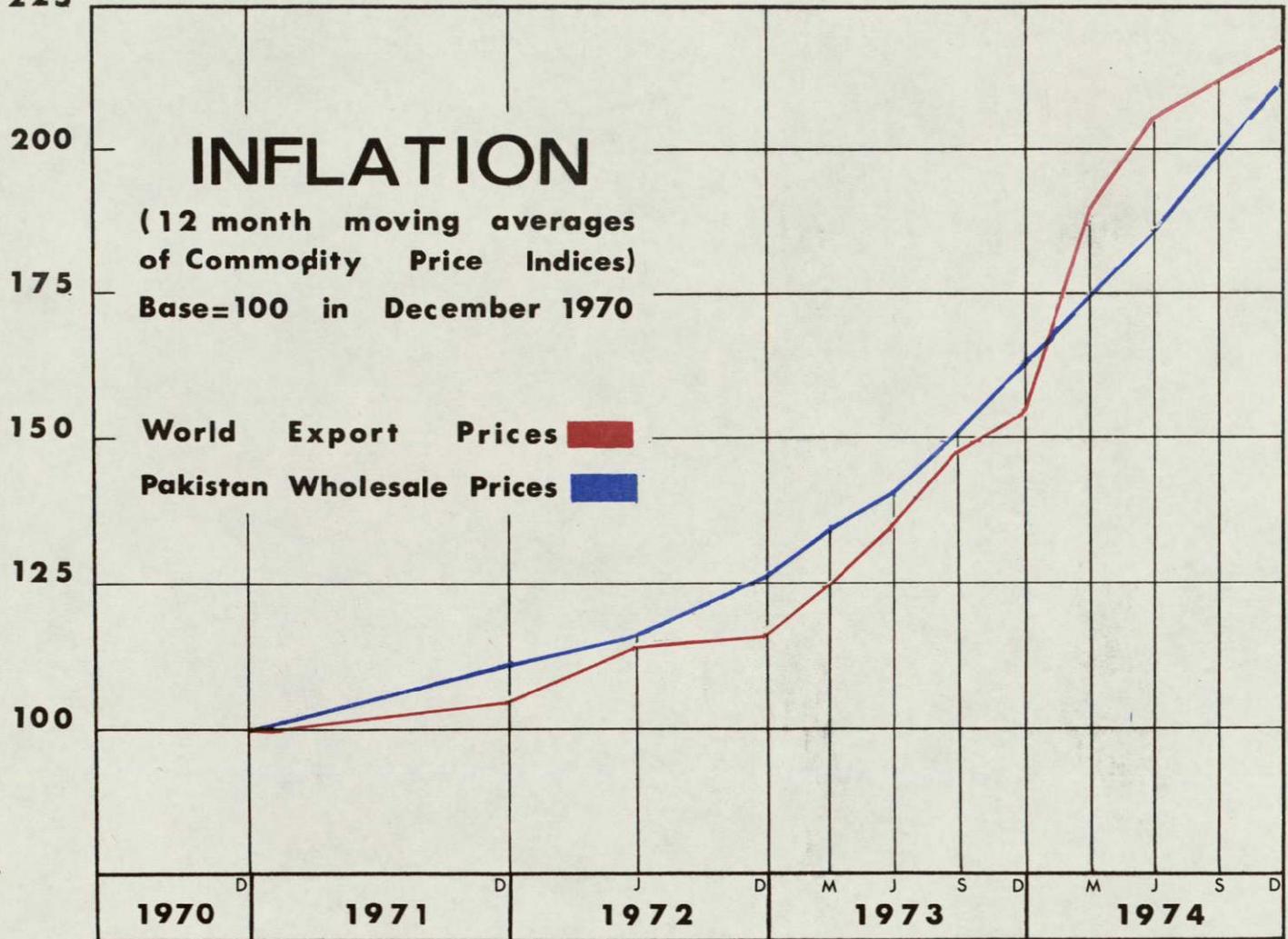


Pakistan's export earnings rose after the war as world prices for rice and cotton went up. Imports dropped sharply as a result of reduced industrial activity. The value of remittances from Pakistanis working abroad also began to increase.

In 1973, import liberalization and some revival of industrial production pushed imports up. The 1974 floods, rising world prices and inadequate production of food further increased Pakistan's import bill. At the same time, the world-wide recession led to a leveling off of export earnings. Foreign aid was not enough. Pakistan had to borrow to meet its import bill.

Pakistan's import requirements will continue to climb with the heavy investment needs essential to economic growth. In FY 1976, there will also be large wheat imports. Credit repayments will also push up Pakistan's payments. During the next five years there will be a continued need for foreign financing of the imports needed for development.

The gap between exports and imports should narrow toward the end of the decade. Energy based imports will decline as Pakistan develops its resource potential. Accelerated agricultural production will reduce imports of basic foodstuffs. Improvement will be especially fast if Pakistan can increase and diversify industrial exports.

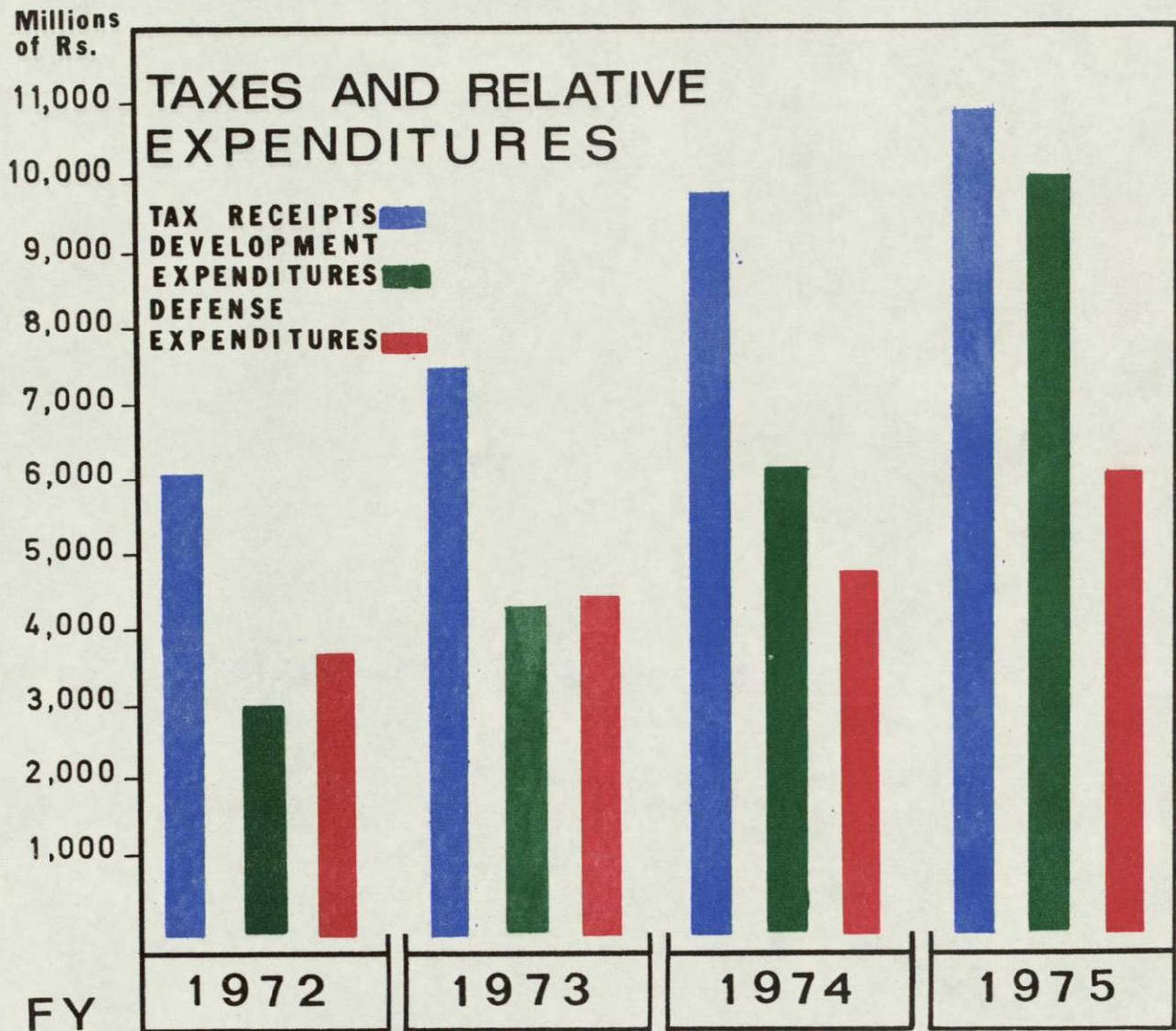


Inflation is a major worldwide economic problem, and Pakistan is also being hit very hard by rising prices. Since 1971 the Government of Pakistan has taken a series of actions, ranging from devaluation to restrictions on the volume of credit, in an effort to limit inflation. But it has also been especially concerned about keeping the prices of food and basic commodities down.

Many higher prices in Pakistan, notably energy prices are the result of shortages, increased costs, and higher prices elsewhere in the world. Others are the result of shortages in Pakistan. Flood and drought have contributed to these shortages, and monetary expansion has also pushed prices up. Subsidies for the needs of the common man have been an important cause of monetary expansion and so have contributed to inflation.

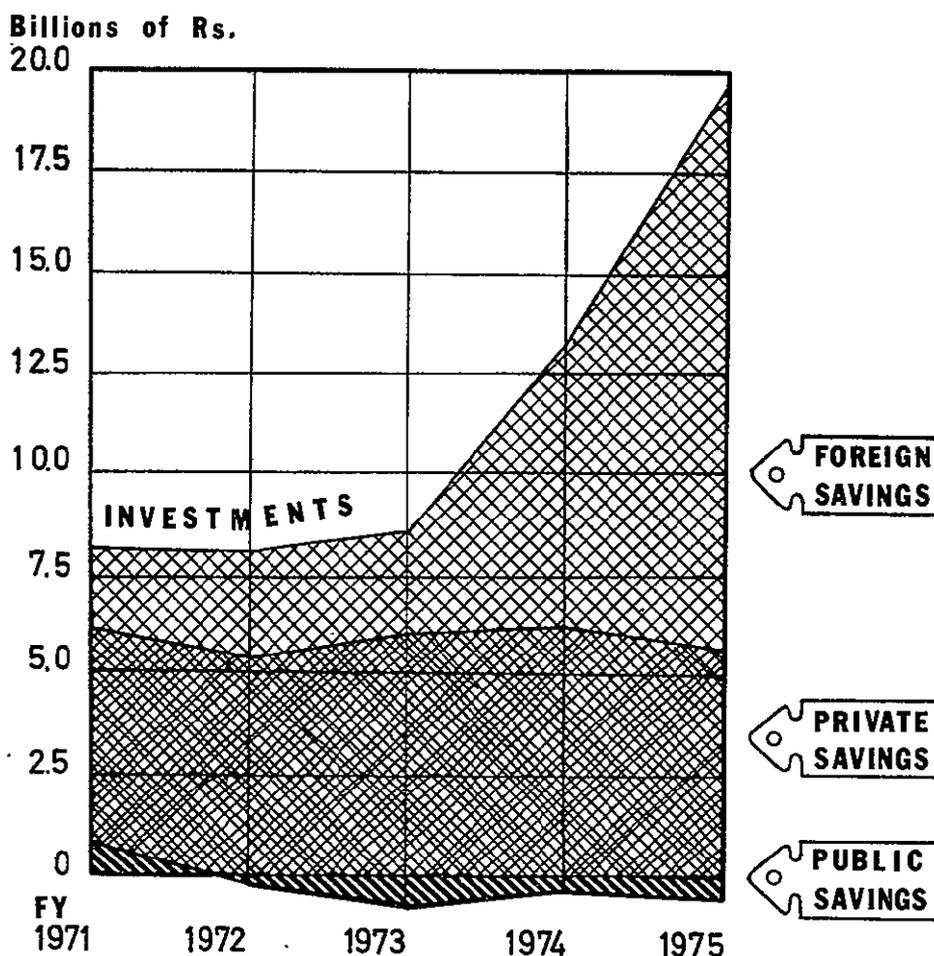
The Government will continue its efforts to keep the increase in Pakistan's prices low. It recently took measures to halt the long-term price spiral through selective price increases aimed at reducing subsidies and the resulting monetary expansion. Recognizing that the best answer to rising prices is greater supplies, the Government is moving more resources into agricultural production. Similarly, it is continuing its liberal import policy to assure that needed production inputs, such as fertilizer, pesticides and industrial raw materials, are available.

# PAKISTAN WRESTLES WITH A GROWING BUDGET PROBLEM



The Government of Pakistan has many competing requirements for budget financing. Development and defense, shown in the above chart, together cost more than annual tax collections; and they do not include civilian non-development expenditures for recurring costs. Thus there is a large financing gap, which to some extent is made up by foreign aid. Even more resources are needed to finance the proposed expansion of development programs in health, education and housing. The Government is determined to increase its revenues, particularly by more efficient operation of government enterprises and by mobilizing a larger share of rising farm income.

## DOMESTIC SAVINGS ARE LOW



Pakistan's domestic savings, which have been stagnant since 1971, are only about 9 percent of GNP. This compares with an average of 15 percent for developing countries. As a result, particularly in recent years, savings have fallen far short of the amount required to finance Pakistan's investments. The difference has been made up by savings from abroad, including foreign aid, foreign private investment and foreign lending.

Pakistan is determined to increase its savings sharply to reach the investment targets of the new five year plan now being written. To encourage people to mobilize greater private savings (earnings not used for consumption) the Government has been letting interest rates rise. Many economists believe they should be increased further to compensate for inflation in Pakistan.

In recent years public (government) savings have been negative. The Government plans to increase public savings:

- by making Government enterprises add to savings by improving efficiency and covering their costs;
- by holding down defense and other consumption expenditures; and
- by continuing to cut government spending that does not increase the country's ability to produce or to add to the welfare of the people.

PAKISTAN-IMPORTANT GEOGRAPHIC AND PHYSICAL DATA\*

	<u>PAKISTAN</u>	<u>Punjab</u>	<u>Sind</u>	<u>NWFP</u>	<u>Baluchistan</u>
1. Number of Divisions	12	5	2	3	2
2. Number of Districts	51	19	12	10	10
3. Number of Tehsils/Talukas	233	74	66	26	67
4. Number of Patwar Circles/Tapas	8,007	5,472	1,364	890	181
5. Number of Mouzas/Villages (July 1, 1973)	42,736	24,996	5,907	6,768	5,065
6. Mouzas/Villages situated on metaled road (July 1, 1970)					
Number	5,927	3,894	1,087	669	277
Percent	16	16	18	20	15
7. Total Mileage in metaled roads (July 1, 1975)	14,222	NA	NA	NA	NA
a. Metaled roads built in 1974-75	856	125	116	125	237
8. Mauzas/Villages Electrified (March 1, 1975)					
Number	3,710	NA	NA	NA	NA
Percent	9				
9. Population (000's) (July 1, 1975)	71,900	40,607	16,889	11,140	3,234
a. Under 15 years	33,779	19,085	7,938	5,236	1,520
b. 15 - 39 years	25,154	14,212	5,911	3,899	1,132
c. 40 - 64 years	10,781	6,092	2,533	1,671	485
d. 65 years and over	2,156	1,218	507	334	97
10. Children in School					
a. Grades 1 - 5					
Number enrolled (000's)	4,999	3,007	1,110	635	126
Percentage of age group enrolled	47	53	48	41	20
b. Grades 6 - 10					
Number enrolled (000's)	1,701	1,087	337	221	29
Percentage of age group enrolled	19	22	16	17	
c. Grades 11 - 12 (000's)					
Intermediate enrollment	187				
Vocational and Technical	26				
d. Degree Enrollment (000's)	144				
11. Land Area (in 000,000 acres)					
a. Total	197	51	35	25	86
b. Cultivated	48	27	13	4	3
Irrigated	33	23	7	2	1
Barani (rainfed)	15	5	6	2	2
12. Median Farm Size (in acres)	5	5	9	3	9
a. % of farms less than 5 acres	50	52	28	67	33
13. GNP FY 1975 (in Rs.000,000)					
current prices	97,280				
a. Per Capita (in Rs.)	1,360				
b. Per Household, per year	7,888				
per month	657				
14. Development Budget for FY 1975 (Revised) (in Rs.000,000)	10,000				
a. Projections for 1976 (Tentative)	14,000				

\*These figures do not include Centrally Administered Areas

UNITED STATES BILATERAL ECONOMIC ASSISTANCE TO PAKISTAN

Between FY 1952 and FY 1974, the United States provided a total of \$4.6 billion in economic assistance to Pakistan.

Of the \$4.6 billion:

- \$2.6 billion was in grants and grant-like transactions and \$2.0 billion was in dollar loans on very soft terms (currently 40 years, including a 10 year grace period, and 2-3% interest).
- \$2.0 billion was under PL-480 (mostly food) and \$2.6 billion was for non-food items.

The \$4.6 billion excludes additional amounts made available under medium-terms through the Export-Import Bank and the Commodity Credit Corporation. It also excludes funds contributed to international organizations such as the World Bank, the Asian Development Bank, and UNDP which in turn have made available large amounts of assistance to Pakistan.

Major projects supported include:

Indus Basin Projects (Mangla and Tarbela Dams, link canals, etc.)  
 SCARP Program (salinity control)  
 Power and Grid Stations (Quetta, Lyallpur, Karachi)  
 Pakistan Western Railway (rolling stock, tracks, structures)  
 Mangla Transmission Lines  
 Karachi Jet Runway  
 Sui Gas Compressors  
 Malaria Eradication

Principal commodities financed include:

Wheat	Tallow
Iron and Steel	Pesticides
Fertilizer	Edible Oils
Machinery for heavy and light industry	Pharmaceuticals
	Lubricants and Greases

Assistance Provided - July 1, 1974 through June 30, 1975 <sup>1/</sup>

PL 480, Title I, Wheat (465,000 MT)	\$ 73,300,000
Vegetable Oil (34,816 MT)	25,600,000
PL 480, Title II, Food Grants through CARE	122,600
Flood Rehabilitation Grant	27,500,000
Indus Basin (Grant)	9,000,000
Indus Basin (Loan)	199,429
Fauji-Agrico Fertilizer Plant	40,000,000
Malaria (First tranche of \$35 million total)	20,000,000
Water Management Research (Colorado State)	520,000
Precision Land Leveling	131,000
Agriculture Research	237,000
Barani Agriculture	257,000
Nutrition Planning & Research	140,000
Expanded Population Planning	5,657,000
Population Planning (FIDE)	140,000
Government Administrative Staff Improvement	206,000
Project Design and Evaluation	106,000
Institutional Grants (Sister universities)	140,000
Project Development Costs	43,000
Operating Expenses	591,400
Grand Total:	203,890,429

Projects Under Consideration

Barani Agriculture Expansion	Agriculture Inputs Loan
On-Farm Water Management	Oilseed Processing
Rural Development Training	Rural Electrification
Improved Health Services	Rural Primary Education
Rural Potable Water Supply	Technical Services Loan
Population Grants Commission	Rural Roads
Village Food Processing	Atta Fortification
Tea Fortification	

<sup>1/</sup> Includes loans authorized but not signed in FY 1975 (\$60,000,000). Excludes \$25,000,000 commodity loan authorized in FY 1974 and signed in FY 1975.