

**Latest Issue**

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**ABSTRACTS**

**The Politics of Service Delivery in Pakistan:  
Political Parties and the Incentives for  
Patronage, 1988-1999**

ZAHID HASNAIN

This paper examines the impact of the political party structure on the incentives for politicians to focus on patronage versus service delivery improvements in Pakistan. By analysing inter-provincial variations in the quality of service delivery in Pakistan, the paper argues that the more fragmented, factionalised, and polarised the party systems, the greater are the incentives for patronage, weakening service delivery improvements. Fragmentation and factionalism both exacerbate the information problems that voters have in assigning credit (blame) for service delivery improvements (deterioration), thereby creating the incentives for politicians to focus on targeted benefits. Polarisation, particularly ethnic polarisation, reduces the ability of groups to agree on the provision of public goods, again causing politicians to favour the delivery of targeted benefits.

**Trends in Polarisation in Pakistan**

HAADIA ARSHAD and MUHAMMAD IDREES

This study analyses the trends in polarisation in Pakistan, in its rural and urban segments and its provinces, at the micro level during the period 1992-93 to 2001-02. Estimations are made by using the Bossert-Schworm measure (2006). The study finds fluctuating trends. In general, polarisation declined in all regions of Pakistan during 1996-97 and 2001-02, while 1998-99 is the period of maximum polarisation. Incorporating the household size reduces the extent of polarisation, implying that ignoring the household size overestimates polarisation. The comparison of trends in polarisation and income inequality shows that generally the trends in inequality and polarisation are similar.

# **Gender Analysis of Children's Activities in Pakistan**

RANA EJAZ ALI KHAN

This paper estimates gender differences in children's time allocation among four ordered options. It analyses the sample of boys and girls separately through a series of probit models using primary data. We compare the socio-economic determinants of boys' and girls' activities. The results suggest that boys are more likely to go to school as compared to girls with the increase in their age. The provision of schooling as an instrument to decrease child labour and home-care would affect boys more than girls. To make the adults literate (five years of education) only is not enough to eliminate the gender gap in schooling; a greater number of years of adult education is necessary. The female adult education may be devised to eliminate gender discrimination in child schooling. In the larger households, girls drop out of school and are absorbed in the labour market earlier than boys. The results further suggested that the use of resources is significantly different for boys' and girls' welfare. Thus, we conclude that girls can be a better target for increase in the welfare of all children in Pakistan.

## **Occupational Status and Earnings Inequality: Evidence from PIHS 2001-02 and PSLM 2004-05**

SAJJAD AKHTAR and MAQSOOD SADIQ

Wage/earnings inequalities are one source of overall inequality in a country. The former inequalities in turn are closely linked with differential occupational status either defined in a contractual or productive/skill sense. Using the Pakistan Standard Classification of Occupations [PSCO (1994)], this paper estimates Gini coefficients for three types (all types, employee, self-employed) of individuals/earners by occupational status from the Pakistan Integrated Household Survey (PIHS) 2001-02 and Pakistan Social and Living Standards Measurement Survey (PSLM) 2004-05. Long-term trends in earnings inequality from 1992-93 to 2004-05 are documented with the benchmark estimates in the Ahmad (2002) study, while the short-term trends are measured from 2001-02 to 2004-05 for self-employed and paid employee. The long- as well as the short-term trends indicate rising earnings disparities within each occupational category. Over the longer period, these disparities have risen in the range of 50 to 100 percent. Shifts across occupation and across employment status indicate doubling of the share of Shop and Market Sales and Services Workers and the transition towards becoming self-employed. A few tentative explanations for the observed increasing occupational inequalities at the individual level are: (a) Availability of credit and improved efficiency of capital market may have relaxed capital constraints of former employees and enabled them to transit as self-employed. Right-sizing and down-sizing in public organisations may also have pushed the

previous employees into utilising the 'golden handshake' packages towards self-employment. Assuming that returns on capital (internal or borrowed) are higher and financial contracts are more lucrative than wage contracts, the situation can lead to wider disparities. (b) At the paid employee level, the fall in the share of workers in elementary occupations improved the wage contracts of those still remaining in this occupation, and thereby increased the income/earnings inequality within this category. (c) Premium on skills, education, experience, and talent, in spite of the entry of a large number of individuals in the Service, Shop and Market Sales Workers category, has widened the inequalities within this category.