1616 Rhode Island Avenue NW Washington, DC 20036

Anthony H. Cordesman Phone: 1.202.775.3270

Email: acordesman@gmail.com

Web version: www.csis.org/burke/reports



# Pakistan and Afghanistan: International Indicators of Progress

**Anthony H. Cordesman** 



Burke Chair In Strategy

August 19, 2014

csis.org



# World Bank Governance Indicators

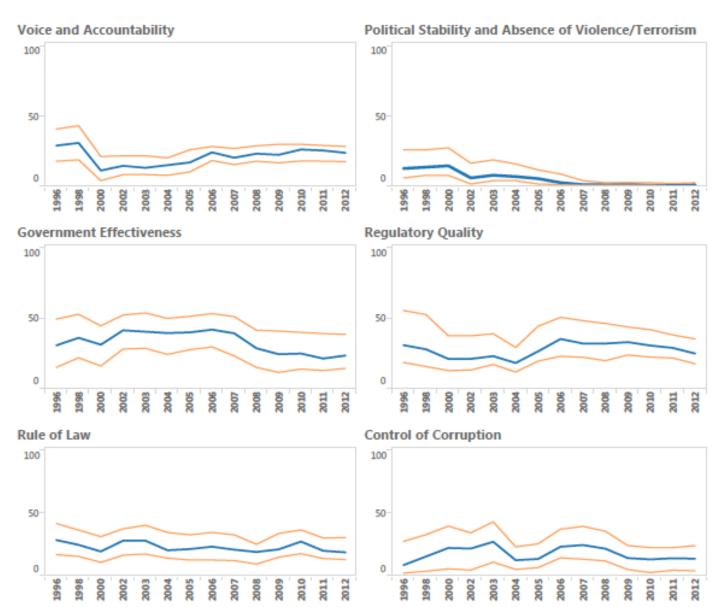


Income Group, Region, or Country: Afghanistan



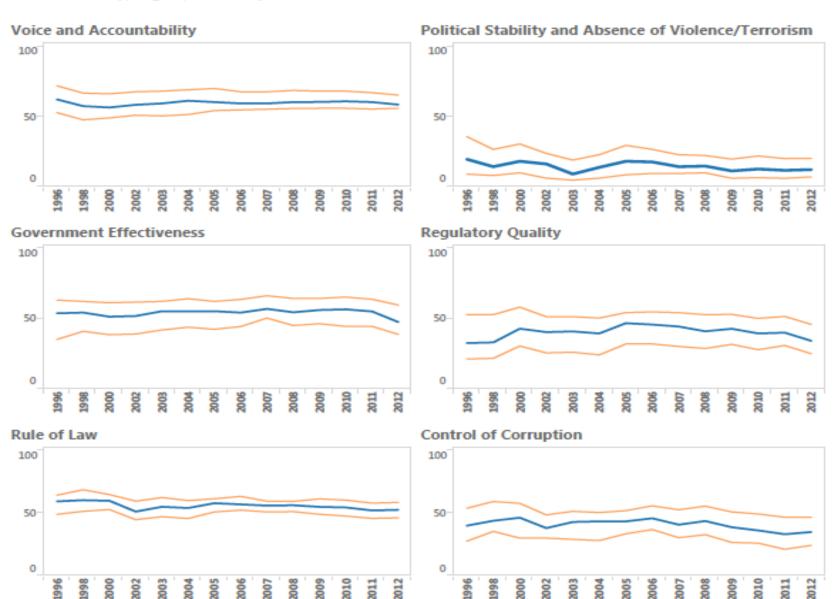


### Income Group, Region, or Country: Pakistan





#### Income Group, Region, or Country: India





# World Bank Ease of Doing Business Indicators



India.

Bhutan

Afghanistan

SUBNATIONAL

134

141

164

### **Economy Rankings**

Economies are ranked on their ease of doing business, from 1 – 189. A high ranking on the ease of doing business index means the regulatory environment is more conducive to the starting and operation of a local firm. This index averages the country's percentile rankings on 10 topics, made up of a variety of indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2013.

EXPLORE ECONOMY DATA

#### Ranking Methodology

8

Explanation of how the Ease of Doing Business Index (PDF) its sub-indices and the distance to frontier measures are calculated.

Subnational Doing Business ranking data available.

Rankings by region:				Rankings by income:				Rankings by population:				
South Asia	ı	or		Select inc	come	or		Select g	rouping	<u>+</u>		
	Ease of Doing			Dealing with						Trading	PRINT	EXCEL
Economy	Business Rank ▲	Filtered Rank	Starting a Business	Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Across Borders	Enforcing Contracts	Resolving Insolvency
Locationity		T HOLLING	Dudiiiooo		Loculony	rioporty	Cioun	III COLOI G	auxoo	Dordord	Constants	incorroncy
Sri Lanka	85	1	2	4	1	5	3	4	8	1	3	2
Maldives	95	2	3	1	6	6	6	5	4	5	2	1
Nepal	105	3	6	3	3	1	2	5	5	7	4	7
Pakistan SUBNATIONAL	110	4	7	5	7	4	3	2	7	2	5	3
Bangladesh	130	5	4	2	8	8	5	1	2	3	7	5

7

8

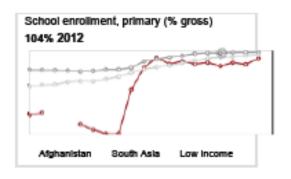
7

6

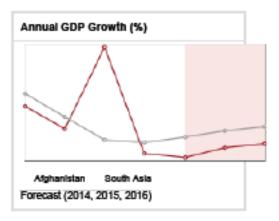


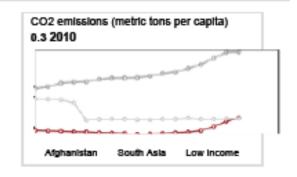
# World Bank Development Indicators

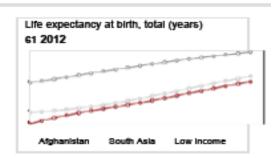




Improved water source, rural (% of rural population with access)							
56% 53%	2012 2011						
50%	2010						
47%	2009						
44%	2008						

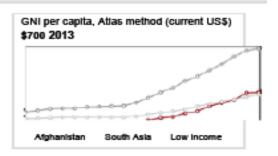




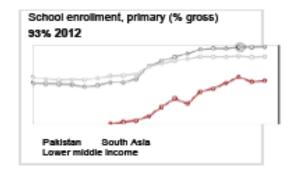


Poverty headcount ratio at national poverty line (% of population)

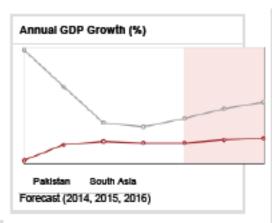
35.8%
2011
36.3%
2008

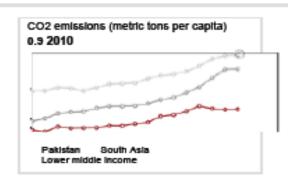


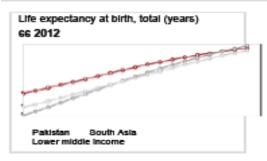


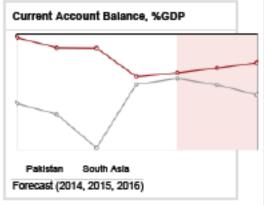


Improved water source, rural (% of rural population with access)							
89%	2012						
89%	2011						
89%	2010						
88%	2009						
88%	2008						

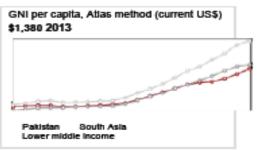








Poverty headcount ratio at national poverty line (% of population)						
12.4%	2011					
22.3%	2006					
23.9%	2005					
34.5%	2002					
30.6%	1999					





# UN Human Development Indicators



Table A: Pakistan's HDI trends based on consistent time series data, new component indicators

and new methodology

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	57.9	3.6	1.8	1,320	0.337
1985	59.4	4.2	2.1	1,543	0.367
1990	60.7	4.4	2.3	1,689	0.383
1995	62	4.4	2.8	1,795	0.403
2000	63.1	4.4	3.3	1,826	0.419
2005	64.1	6.5	4.5	2,190	0.485
2010	65.2	7.3	4.9	2,505	0.512
2011	65.4	7.3	4.9	2,526	0.513
2012	65.7	7.3	4.9	2,566	0.515

Figure 1 below shows the contribution of each component index to Pakistan's HDI since 1980.

Figure 1: Trends in Pakistan's HDI component indices 1980-2012

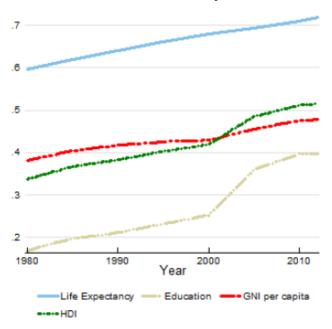
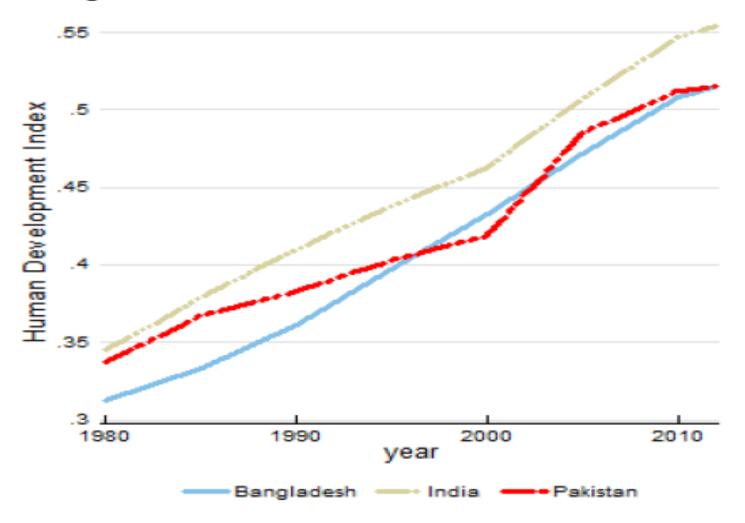




Figure 2: Trends in Pakistan's HDI 1980-2012





Pakistan's 2012 HDI of 0.515 is above the average of 0.466 for countries in the low human development group and below the average of 0.558 for countries in South Asia. From South Asia, countries which are close to Pakistan in 2012 HDI rank and population size are India and Bangladesh, which have HDIs ranked 136 and 146 respectively (see table B).

Table B: Pakistan's HDI indicators for 2012 relative to selected countries and groups

	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US\$)
Pakistan	0.515	146	65.7	7.3	4.9	2,566
India	0.554	136	65.8	10.7	4.4	3,285
Bangladesh	0.515	146	69.2	8.1	4.8	1,785
South Asia	0.558	_	66.2	10.2	4.7	3,343
Low HDI	0.466	_	59.1	8.5	4.2	1,633

Pakistan's HDI for 2012 is 0.515. However, when the value is discounted for inequality, the HDI falls to 0.356, a loss of 30.9 percent due to inequality in the distribution of the dimension indices. India and Bangladesh, show losses due to inequality of 29.3 percent and 27.4 percent respectively. The average loss due to inequality for low HDI countries is 33.5 percent and for South Asia it is 29.1 percent.

Table C: Pakistan's IHDI for 2012 relative to selected countries and groups

	IHDI value	Overall Loss (%)	Loss due to inequality in life expectancy at birth (%)	Loss due to inequality in education (%)	Loss due to inequality in income (%)
Pakistan	0.356	30.9	32.3	45.2	11
India	0.392	29.3	27.1	42.4	15.8
Bangladesh	0.374	27.4	23.2	39.4	17.7
South Asia	0.395	29.1	27	42	15.9
Low HDI	0.31	33.5	35.7	38.7	25.6



The most recent survey data available for estimating MPI figures for Pakistan were collected in 2006/2007. In Pakistan 49.4 percent of the population lived in multidimensional poverty (the MPI 'head count') while an additional 11 percent were vulnerable to multiple deprivations. The intensity of deprivation — that is, the average percentage of deprivation experienced by people living in multidimensional poverty — in Pakistan was 53.4 percent. The country's MPI value, which is the share of the population that is multi-dimensionally poor adjusted by the intensity of the deprivations, was 0.264. India and Bangladesh had MPI values of 0.283 and 0.292 respectively.

Table E compares income poverty, measured by the percentage of the population living below PPP US\$1.25 per day, and multidimensional deprivations in Pakistan. It shows that income poverty only tells part of the story. The multidimensional poverty headcount is 28.4 percentage points higher than income poverty. This implies that individuals living above the income poverty line may still suffer deprivations in education, health and other living conditions. Table E also shows the percentage of Pakistan's population that live in severe poverty (deprivation score is 50 percent or more) and that are vulnerable to poverty (deprivation score between 20 and 30 percent). The contributions of deprivations in each dimension to overall poverty complete a comprehensive picture of people living in poverty in Pakistan. Figures for India and Bangladesh are also shown in the table for comparison.

Table E: The most recent MPI figures for Pakistan relative to selected countries

	Survey	MPI	MPI	Headcou	Intensity of		Population			ion to overall deprivations i	
	year value	value		deprivati on (%)	Vulnera ble to poverty (%)	In severe poverty (%)	Below income poverty line (%)	Health	Education	Living Standards	
Pakistan	2006/2007	0.264	49.4	53.4	11	27.4	21	37.9	30.8	31.2	
India	2005/2006	0.283	53.7	52.7	16.4	28.6	32.7	35.7	21.8	42.5	
Bangladesh	2007	0.292	57.8	50.4	21.2	26.2	43.3	34.5	18.7	46.8	



Table A: Afghanistan's HDI trends based on consistent time series data, new component indicators and new methodology

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	39.2	2.3	0.8	1,002	0.209
1985	40.8	1.7	1.2	1,271	0.225
1990	42.3	2.5	1.5	0,948	0.246
1995	43.8	2.5	1.8	0,589	0.241
2000	45.3	2.5	2.1	0,435	0.236
2005	46.6	6.6	2.5	0,750	0.322
2010	48.3	8.1	3.1	0,953	0.368
2011	48.7	8.1	3.1	0,979	0.371
2012	49.1	8.1	3.1	1,000	0.374

Figure 1 below shows the contribution of each component index to Afghanistan's HDI since 1980.

Figure 1: Trends in Afghanistan's HDI component indices 1980-2012

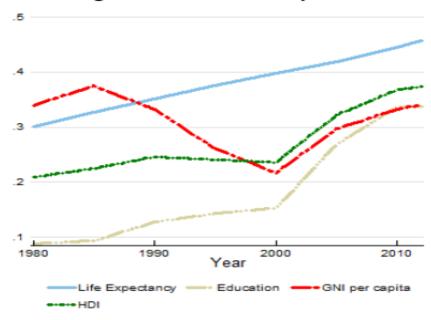
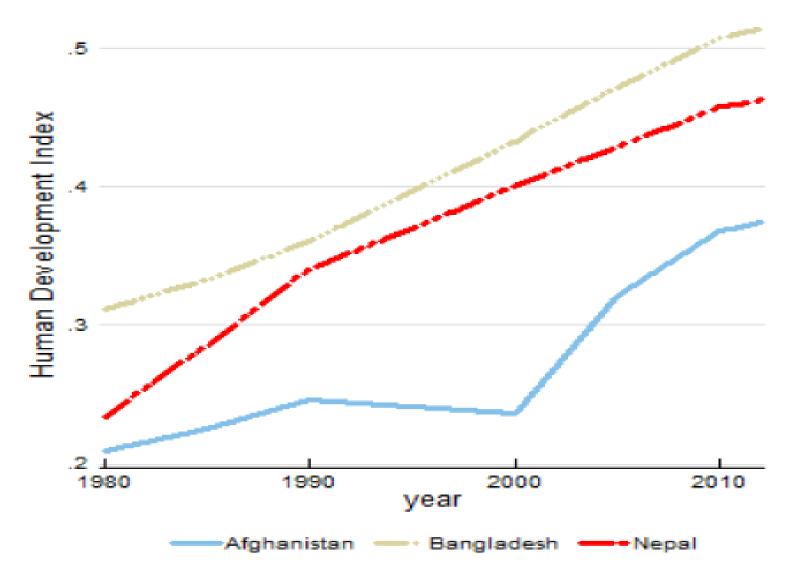




Figure 2: Trends in Afghanistan's HDI 1980-2012





Afghanistan's 2012 HDI of 0.374 is below the average of 0.466 for countries in the low human development group and below the average of 0.558 for countries in South Asia. From South Asia, countries which are close to Afghanistan in 2012 HDI rank and population size are Nepal and Pakistan, which have HDIs ranked 157 and 146 respectively (see table B).

Table B: Afghanistan's HDI indicators for 2012 relative to selected countries and groups

	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US\$)
Afghanistan	0.374	175	49.1	8.1	3.1	1,000
Nepal	0.463	157	69.1	8.9	3.2	1,137
Pakistan	0.515	146	65.7	7.3	4.9	2,566
South Asia	0.558	_	66.2	10.2	4.7	3,343
Low HDI	0.466	_	59.1	8.5	4.2	1,633

#### Gender Inequality Index (GII)

The Gender Inequality Index (GII) reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Reproductive health is measured by maternal mortality and adolescent fertility rates; empowerment is measured by the share of parliamentary seats held by each gender and attainment at secondary and higher education by each gender; and economic activity is measured by the labour market participation rate for each gender. The GII replaced the previous Gender-related Development Index and Gender Empowerment Index. The GII shows the loss in human development due to inequality between female and male achievements in the three GII dimensions. (For more details on GII please see Technical note 3 in the Statistics Annex).

Afghanistan has a GII value of 0.712, ranking it 147 out of 148 countries in the 2012 index. In Afghanistan, 27.6 percent of parliamentary seats are held by women, and 5.8 percent of adult women have reached a secondary or higher level of education compared to 34 percent of their male counterparts. For every 100,000 live births, 460 women die from pregnancy related causes; and the adolescent fertility rate is 99.6 births per 1000 live births. Female participation in the labour market is 15.7 percent compared to 80.3 for men.

In comparison Nepal and Pakistan are ranked at 102 and 123 respectively on this index.

Table D: Afghanistan's GII for 2012 relative to selected countries and groups

	GII value	GII Rank	Maternal mortality ratio	Adolescent fertility rate	Female seats in parliament (%)	Population with at least secondary education (%)		Labou participa (%	tion rate
						Female	Male	Female	Male
Afghanistan	0.712	147	460	99.6	27.6	5.8	34	15.7	80.3
Nepal	0.485	102	170	86.2	33.2	17.9	39.9	80.4	87.6
Pakistan	0.567	123	260	28.1	21.1	18.3	43.1	22.7	83.3
South Asia	0.568	_	203	66.9	18.5	28.3	49.7	31.3	81
Low HDI	0.578	_	405	86	19.2	18	32	56.4	79.9

#### Multidimensional Poverty Index (MPI)

The 2010 HDR introduced the Multidimensional Poverty Index (MPI), which identifies multiple deprivations in the same households in education, health and standard of living. The education and health dimensions are based on two indicators each while the standard of living dimension is based on six indicators. All of the indicators needed to construct the MPI for a household are taken from the same household survey. The indicators are weighted, and the deprivation scores are computed for each household in the survey. A cut-off of 33.3 percent, which is the equivalent of one-third of the weighted indicators, is used to distinguish between the poor and nonpoor. If the household deprivation score is 33.3 percent or greater, that household (and everyone in it) is multidimensionally poor. Households with a deprivation score greater than or equal to 20 percent but less than 33.3 percent are *vulnerable* to or at risk of becoming multidimensionally poor. Due to a lack of relevant data, the MPI has not been calculated for this country.