

Poor understanding of poverty

Zeenia Shaukat April 15, 2018

The News on Sunday <http://tns.thenews.com.pk/poor-understanding-poverty/>

In its 10 years, BISP has constantly evolved to help the poor both on programme design and the delivery front. Why then is there so much talk seeking to dismiss it?

The Benazir Income Support Programme (BISP) will complete 10 years of operations in 2008. Launched by the then newly-elected Pakistan People's Party (PPP) government in 2018, the flagship programme was an effort to support the lowest end of the economic strata.

The programme's political significance also drew from the fact that economic downturn was not entirely global — the 1999-2008 Musharraf regime's economic bubble, riding on the back of pro-consumption policies burst at the same time. This led to extreme stretch on the pockets of middle and lower income class that could not cope with the sudden price rise, especially of essential items. The programme sought to target the poorest of the poor – families that earn Rs6,000 a month – delivering cash of Rs1,000 to female heads of families.

Launched at a time marked by political turmoil and an economic crisis, BISP's launch and buy-in by the bureaucracy was supported by drawing up a National Social Protection Strategy (NSPS) in 2007. The NSPS was crafted by a task force on social protection. Although adopted, the policy was never implemented. However, the discourse led to a greater understanding of the need to support the expanding segment of the population that was excluded from the fruits of the economic bubble created by the military-led regime.

BISP is one of the many programmes, of social security or 'social protection', pursued by the federal government. For the purpose of perspective, it would be important to outline the definition of 'social protection', which is understood to be a set of public policy actions that address poverty, vulnerability and exclusion. The term broadly implies support to the poor and vulnerable through social assistance and social insurance programmes. The subsets of social protection include social security (range of programmes offering unemployment insurance, retirement income, disability income, access to healthcare, nutrition etc), and social safety nets featuring cash and in-kind transfers. BISP, in technical terms, can be regarded as a social safety net programme.

Social protection is recognised as a right by the Universal Declaration of Human Rights. Moreover, the Constitution of Pakistan outlines social protection as an obligation of the state – though it is outlined in Principles of Policy section that links delivery with availability of resources. The social security portfolio offered by the state of Pakistan comprises programmes that cover workers through pension schemes and welfare measures, in kind programmes such as food support and nutrition programmes, employment generation programmes (including micro-finance loans) that are targeted at the marginalised, and cash transfers through age-old programmes of Zakat and Baitul Maal. This is on top of the Poverty Reduction Strategy Paper that sought to introduce a range of 'pro-poor' measures counting

basic rights such as minimum wage, food subsidies and lifeline tariff on electricity as social protection, disputed much by experts.

There is a broad consensus that the social protection bouquet of the Pakistani state does not deliver on citizenship rights of the country's population, nor does it take into account the citizenship experience marked by poor access to resources, including low assets, poor human capital and an economic structure biased in favour of the elites and the politically and economically organised and mobilised. By way of their design and delivery, they fail to reach out to the wide majority engaged in the informal sector, especially the agricultural sector and the rural population where the Gini coefficient is as low as 0.37, outlining acute income inequality.

Pakistan's spending on social protection is the lowest in the world. At the second lowest ranking on Asian Development Bank's Social Protection Index at 0.07 the state has been observed to devote Rs10 as federal government expenditure per capita to social protection — as noted by Dr Aly Ercelan in a paper on social protection floors in 2012 — while debt retirement is allocated at Rs8,900 per capita and defence and public order expenditure receive Rs3,900 per capita.

BISP started out with a legislation and with a dedicated allocation of Rs34 billion by the PPP government in 2008, entrusting leading social sector expert Dr Kaiser Bengali to design the programme. It was launched later that year envisioning a cash transfer of Rs1,000 per month to the adult women possessing a valid CNIC in a household with an income of Rs6,000. Other eligibility criteria included possession of no or less than 3 acres of agricultural land or up to 3 marlas of residential property; no family member in government service; no enrollment in any other programme; and no foreign account or a passport.

The selection of the beneficiaries was tasked to parliamentarians that were to identify 8,000 deserving candidates. The programme was to be administered through the existing bureaucratic machinery, with Pakistan Post carrying out the job of cash delivery at the doorstep.

In its 10 years, the journey of BISP has constantly evolved, both on programme design and the delivery front, as well as on the side of the government's commitment — across party lines — to devote resources to enable the programme's expansion and capacity. Today it delivers to 5.15 million beneficiaries. According to its website, Rs337 billion were disbursed till last 2015. Complimentary programmes such as the Waseela-e-Taleem, have also been plugged in offering Rs250 per child per month for a BISP recipient mother for enrolment of children 5-12 years old.

The selection process of beneficiaries has also undergone a revision — partially because of political criticism but mostly because of the difficulty of identifying deserving candidates at such a wide scale without institutional support. It was replaced by a more agreeable system incorporating the Poverty Scorecard based on Proxy Means Test (PMT). This involved a door-to-door survey through a questionnaire designed by the World Bank seeking to capture the extent of deprivation based on the characteristics of household roster, age, education, employment and disability status of household members, nature of dwelling, moveable and fixed assets etc. A scorecard generating the cut off of 16.17 from a scale of 1 to 100 was considered as eligible for the cash transfer.

Another major change has been in service delivery. Earlier delivered through Pakistan Post, the system has now moved to ATM service with ATM cards issued to the beneficiaries.

The amount offered has also increased from Rs1,000 to Rs1,500 a month, now delivered on a quarterly basis through designated ATMs.

Critics of BISP, coming from the military as well as political class, outline it as a kind of khairat that is doled out for political purposes, without motivating the target population to 'earn' it. This reflects a perception among the elite that sees the poor as scavengers who made bad choices in life – or a product of God's decision to create them as one. This poor understanding of poverty is reinforced by a culture of sound-bites in the wake of the increased dominance of social media as a tool of expression and communication, and media in general encouraging sensational one-liners.

This criticism is supported by no evidence. BISP is one of the most comprehensively analysed programmes with researchers from the Pakistan Institute of Development Economic, Oxford Policy Management, as well as academic and professional experts studying its impact. There is an understanding of the positive impact of the programme on the segment of the population that constantly struggles with low income, poor human capital, inaccessibility to social and financial capital and marginalisation.

Drawn from the existing accounts of interviews and interactions with individual beneficiaries — interviews done for the purpose of this article — there is evidence of its usefulness in assisting households in dealing with economic instability and their status at the bottom of the economic architecture. In the wake of the rising cost of food and essential items basket, the amount received through BISP is usually spent on repaying borrowings, groceries and meeting household expenses. The amount is too small to motivate any savings or offer potential for increase in future prospects.

There is no evidence of increased support for the PPP or the current ruling party Pakistan Muslim League-Nawaz, leading to an election win on the basis of BISP.

As it completes its 10 years, the BISP should not be analysed on the basis of its outreach or impact alone. It needs to be seen from the perspective of the structural changes in the pro-poor policy order of the state brought about by the programme. The opportunity it affords to study poverty closely — the 2010 National Socio-Economic Registry (NSER), based on the BISP Poverty Score Survey stands as a poverty census covering over 27 million households — the motivation for excluded women to enrol with NADRA, a sense of empowerment among recipient women, and the accompanying programmes that seek to develop a better understanding of poverty among other sections of the society, are the Programme's key highlights.

The loose talk seeking to dismiss BISP stands in opposition to the backing enjoyed by the programme from parliament — a majority of the questions raised about it in the parliament concern issues with

delivery — involvement of institutional support by IFIs and a political support for pro-poor policies espoused by well-respected intellectuals and social and economic experts.

In its current shape, BISP is not what is threatening the national exchequer or the state. The incapacity of state institutions to deliver on human capital development through its constitutional obligation of providing social protection is what stands as a real issue. This is not helped much by a media — relied on in Pakistan for information as well as knowledge building — that has limited understanding of the nuances of poverty and deprivation.