

Chapter 14

Poverty Alleviation and
Millennium Development Goals

Poverty reduction is one of the main objectives of the Government's reform agenda. More importantly, the concept of poverty has taken broader connotations in recent years. Poverty has manifestations in lack of asset ownership, unsustainable livelihoods, voicelessness and powerlessness, lack of access to social services, and vulnerability to shocks. Poverty can only be brought down through a holistic approach i.e. by promoting pro-poor growth, creating opportunities for employment and income generation, providing access to basic social services, food and financial resources, improving governance, ensuring that fruits of devolution reach at the grass root and protecting vulnerable segments of the society.

14.1 Strategizing Growth for Poverty Reduction

The most compelling facts for formulation of Framework for Economic Growth (FEG) were preparing to reap the fruits of demographic transition, low and declining productivity and long standing search for macroeconomic stabilization. These three factors are impeding growth as well as breeding poverty. The pillars of FEG aim at skill development, employability and productivity of population especially youth, which in turn would result in poverty alleviation.

Economic growth in itself, is though necessary but not sufficient to achieve a sustained and substantial reduction in poverty. Past experience of Pakistan as well as in many other countries has repeatedly shown that periods of high growth that occurred at the expense of macroeconomic stability, do not tend to produce the desired outcomes with regards to poverty reduction in a sustainable manner. The challenge is, as always, how to make growth inclusive by spreading its benefits to large segments of population. The allocation of more resources for provision of basic services (education, health sanitation, and housing) particularly for those belonging to lower income groups, and targeted programs for the benefit of the poor in the broader framework of social protection, as is being done over the past two years, remain critical drivers of long run reductions in poverty.

Box 14.1: Inclusive Growth

Since the poor lack both human and financial capital, public policies that help poor to build their human capital; better manage their risks, and improve access to credit, are key for making growth more inclusive. Access to finance plays key role in this effort, as well as reducing the time it takes for business startups through removal of red-tape and artificial restrictions. The focus of FEG on productive youth and community development will help in poverty alleviation and generating inclusive growth.

The objective of high, sustainable and inclusive growth, as envisaged in the FEG, is primarily meant to accelerate a growth process which ensures broad based improvement in the quality of life of the people including equal opportunities for all. This broad vision of FEG includes several inter-related components: rapid growth that creates employment opportunities and thus leads to poverty reduction, better delivery

mechanisms to ensure access to essential services in health, education, water supply and sanitation especially for the poor, equality of opportunities, empowerment through education and skill development, empowering women and good governance. Community participation and learning process is to be encouraged so as to mobilize people for participatory solution of problems and meeting needs of the community. Efforts also needed to reform, restructure and manage land, natural resources and environment to the benefit of the poor. Skill development and employment are discussed in detail in Chapter 7; whereas other aspects of human resource development are separately presented in Chapters 15, 16, 17 and 18 respectively on youth, education, health and women empowerment.

Framework for Economic growth asserts, *inter alia*, creating space for the private sector, better urban management to create opportunities of entrepreneurship, generating economic activities through providing space for construction industry, creating Youth Development Fund and City Challenge Fund to offer employment opportunities for the youth. Poverty reduction strategy based on inclusive growth is given in Box 14.1.

14.2 Poverty Alleviation and MDGs: A Review

Adopting UN Development Agenda of MDGs is itself reflective of Government's strong commitment to the fight poverty. Pakistan, being a signatory to the declaration, has adopted the international agenda of social development. The Government is regularly tracking progress towards achieving the Millennium Development Goals and reporting it to international community.

Table 14.1: Achievements in Education, Health and Population Sectors

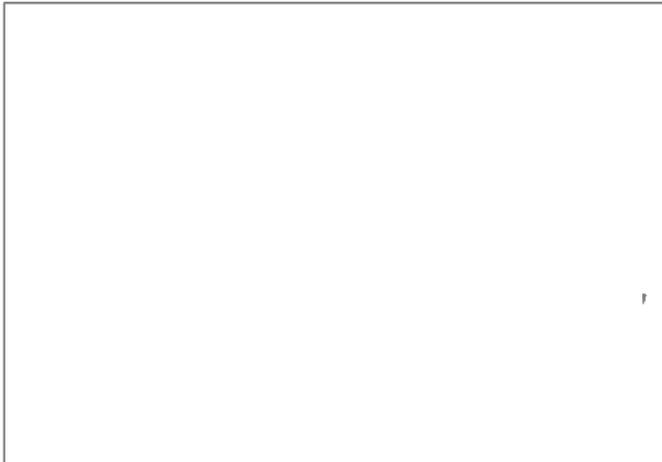
Indicator	PSLM 2006-07	PSLM 2008-09	PSLM 2010-11
Education			
Gross Enrolment Ratio (Age 5–9)	91	91	92
Net Enrolment Ratio (Age 5–9)	56	57	56
Literacy rate (Age 10+)	55	57	58
Literacy rate (Age 15+)	52	54	55
Health			
Immunization (Children 12-23 months) Based on Recall and Record	76	78	81
Water Supply & Sanitation			
Housing units having flush toilet			
Rural	41	47	51
Urban	92	95	96
Overall	58	63	66
Housing units having tap water			
Rural	22	21	19
Urban	62	62	58
Overall	36	35	32

Source: PSLM 2006-07, 2007-08 and 2010-11 Pakistan Bureau of Statistics and PMDGR 2010

According to latest results of Pakistan Social and Living Standards Measurement (PSLM) Survey 2010-11, literacy rate (for age 10+ years) improved from 57% in 2008-09 to 58% in 2010-11, gross enrolment (GER) at primary level rose from 91% in 2008-09 to 92% in 2010-11. Though literacy and primary school enrolment rates have shown improvement over the years, these are still low compared to other countries of the region. In Health sector, full immunization of children (aged 12-23 months) based on record and recall, increased from 78% in 2008-09 to 81% in 2010-11. Overall 64% of pregnant women visited health facilities for pre-natal consultations in 2010-11 compared to 58% in 2008-09 (see Table 14.1).

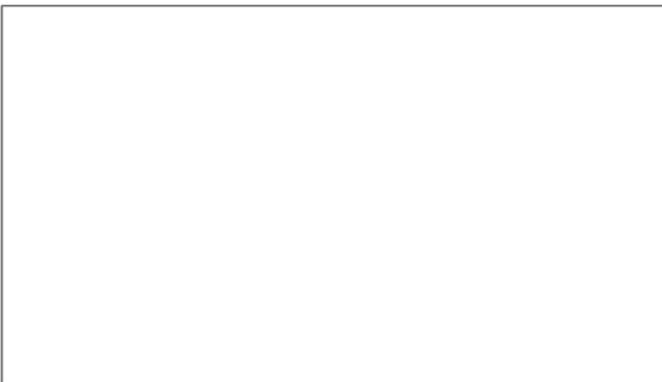
UNDP introduced Multidimensional Poverty Index (MPI) in 2010.¹ This Index (MPI) is based on 3 dimensions represented by 10 indicators.

The dimensions are: (i) education, with two indicators of possible deprivations, viz, years of schooling, and school attendance; (ii) health, with two indicators, viz, child mortality, and nutrition; and (iii) living standards, with six indicators, viz, electricity, drinking water, sanitation, flooring, cooking fuel, and assets. It does not however measure deprivations like political empowerment or



gender inequality. According to the UNDP's Human Development Report, in Pakistan 49.4% of the population suffer multiple deprivations while an additional 11% are vulnerable to multiple deprivations. As shown in Figure 14.1, the MPI, which is the share of the population that is multi-dimensionally poor, adjusted by the intensity of the deprivations, is 0.264 for Pakistan. India and Bangladesh have MPIs of 0.283 and 0.292 respectively.

The United Nations Development Program (UNDP)'s Human Development Report, 2011 ranks Pakistan at 145th out of 187 countries as compared to 125th in 169 nations previous year under the Human Development Index (HDI) based on health (life expectancy at birth), education (years of schooling) and gross national income (GNI) per capita. Pakistan's HDI value is 0.504 as against South Asia's



¹ The MPI has been included in the UNDP's Human Development Report since 2010, building on the previous Human Poverty Index.

average HDI value of 0.548 and World's average HDI value of 0.682. It can be seen from Figure 14.2 that in HDI ranking Pakistan is performing better in the SAARC region if compared with Bangladesh and Nepal, which are ranked 146 and 157 respectively.

Consumption Profiles: 2007-08 and 2010-11

Table 14.2 compares the consumption profile of the population divided into quintiles. Consumption quintiles are used to distinguish the population according to their welfare: poorest households are grouped together into the 1st quintile, those with higher consumption into the 2nd quintile, and so on. Five quintiles rank the population from the poorest 20% to the richest 20%. The purpose of quintile-wise analyses is to see how social and economic indicators change in relation to welfare of people falling in different segments of income level. Quintiles are calculated for the four provinces so that the first quintile contains in it households from all provinces with the same welfare. However, if one province is relatively richer than others its population will not be evenly distributed in each quintile, but mostly concentrated in the higher quintiles. As such, each quintile contains 20% of the population. However, since distribution of income in urban and rural areas is not balanced, upper urban quintiles contain larger share of population compared to rural quintiles.

Table 14.2 also shows the trends of percentage share of consumption expenditure by quintile for all four provinces of Pakistan as well as the rural and urban regions for the two time periods (2007-08 and 2010-11). Comparing 2007-08 with 2010-11, a significant increase in the percentage of population in bottom two consumption quintiles is observed in Balochistan. Moreover, in Punjab and KPK there is slight decline in the percentage of population in the bottom two consumption quintiles. In urban areas, there is slight increase in the lowest quintile which is offset by an improvement in rural areas.

Table 14.2: Consumption Shares by Quintile

Consumption share by Quintile (%)		Quintile1	Quintile2	Quintile3	Quintile4	Quintile5
PSLM 2007-08	Punjab	19.18	17.21	19.2	21.38	23.03
	Sindh	20.7	22.86	19.9	18.03	18.5
	KPK	16.88	24.09	23.58	20.41	15.04
	Balochistan	36.93	26.76	18.6	10.87	6.84
	Urban Pak.	10.2	15.23	18.12	23.12	33.34
	Rural Pak.	24.89	22.26	20.83	18.41	13.61
PSLM 2010-11	Punjab	20.47	18.39	18.85	20.05	22.24
	Sindh	19.98	19.99	20.6	19.59	19.84
	KPK	19.64	23.84	21.73	20.34	14.45
	Balochistan	15.91	27.46	25.35	20.41	10.88
	Urban Pak.	10.71	14.62	17.84	23.36	33.47
	Rural Pak.	24.64	22.67	21.08	18.33	13.28

Source: Pakistan Bureau of Statistics 2007-08 and 2010-11

PSLM data shows that the share of food in total monthly household consumption expenditure has been around 50% during 2000-01 to 2010-11 with the exception of 2007-08 when it was 43.5%. Though the share of transport in total household expenditure declined modestly between 2007-08 and 2010-11, the noteworthy decline is in health care. This share has been on the declined continuously from 4.5% in 2000-01 to 2.9% in 2010-11. Similarly, the share of house rent slipped down between 2007-08 and 2010-11. In 2010-11 the share of food in total household monthly expenditure was higher (55%) in rural areas compared to urban areas (42%).

It is noteworthy that growth in the share of food in household expenditure is the highest in the poorest quintile and the lowest in the richest group. Thus, the PSLM data reflects that the overall wellbeing of household in 2010-11 was better than in 2007-08. Relatively better situation of the poorest quintile may also have led to an improvement in inequality. Moreover, monthly consumption expenditures in 2010-11 are higher in urban areas than in rural areas. At the same time, it is also observed that the difference between urban and rural population in their consumption expenditure is larger among the richest group than in other quintiles.

14.3 Poverty Reduction Programs

14.3.1 Small and Medium Enterprises (SMEs)

SMEs are considered an important tool for poverty alleviation, human resource development, accelerating economic growth and employment generation. In Pakistan, SMEs contribute over 30% to GDP, 25% to manufacturing export earnings, 35% to manufacturing value addition and employ around 78% of non-agriculture labour force. In order to enhance the productivity and exports of the SME sector, Government stresses upon strategic shift of government's assistance to infrastructural development and establishing CFCs. These projects not only provide technical support to SMEs but also play an important role in poverty alleviation by generating direct and indirect employment in their respective areas. Some major issues in SME financing are given in Box 14.2.

Under PSDP, SMEDA is implementing 28 projects with a total estimated cost of Rs 2.8 billion in major SME clusters. The impact of these projects on over-all development and prosperity would be tremendous and will result in enhancing the standard of living, poverty alleviation and human resource development. In addition to the implementation of a PSDP project portfolio, 'Early Recovery &

Box 14.2: Issues in SME Financing

Demand Side Issues & Constraints

- Absence of proper accounts management, business planning, missing formal management
- Lack of collaterals to meet banks' requirements
- Low level of awareness about different financing options
- Absence of reliable and credit worthy data

Supply Side Issues & Constraints

- Shortage of credit evaluation, product design, marketing skills and non- innovative products
- Perceived to be high risk projects by banks
- Absence of credit scoring, cash flow based lending, program based lending, downscaling
- Absence of SME R & D in Banks

Restoration of Flood Affected Communities in Pakistan' project of SMEDA in collaboration with UNDP (estimated to cost Rs 256 million) entails establishment and operation of Business Support Centers in 29 districts severely affected by the floods. The aim is to provide communities support for economic development through extending small grants.

14.3.2 Pakistan Poverty Alleviation Fund (PPAF)

The Pakistan Poverty Alleviation Fund (PPAF) is an important anti-poverty tool. It is sponsored by the Government with an endowment of Rs 1 billion and funded by multilateral and bilateral donors like World Bank, International Fund for Agricultural Development, KFW Financial Cooperation Germany, US Department for Agriculture, Italian Government etc. The funding provided to PPAF is dedicated for microcredit, enterprise development, community based infrastructure & energy projects, livelihood enhancement & protection, social mobilization and capacity building institutional assistance for the partner organizations of PPAF.

- **Performance of PPAF during 2011-12.** During July 2011-March 2012, PPAF disbursed funds in urban and rural areas of 129 districts of the country to about 297,000 community organizations through 112 partner organizations of which 12 were focusing exclusively or predominantly on women. Since its inception, PPAF has financed 5.4 million micro loans. These interventions have resulted in completion of 27,417 projects in infrastructure, health and education sector and training of more than 488 thousand community members. In earthquake affected areas, PPAF provided financing to 122 thousand households to build earthquake resistant homes and trained over 108 thousand individuals in seismic construction and related skills.
- **Program of PPAF for 2012-13.** During 2012-13, PPAF plans to extend 1 million micro loans; to implement 3,500 small scale water and infrastructure schemes; to strengthen over 25,000 new community organizations in order to building livelihood in the most deprived districts, transfer over 300 assets to the deserving families and provide trainings to around 150 thousand community members, establish 50 new community health clinics and 200 new schools, rehabilitate over 6 thousand persons with disabilities and train around 3000 staff of partner organizations and over 25,000 community members.

14.3.3 Microfinance

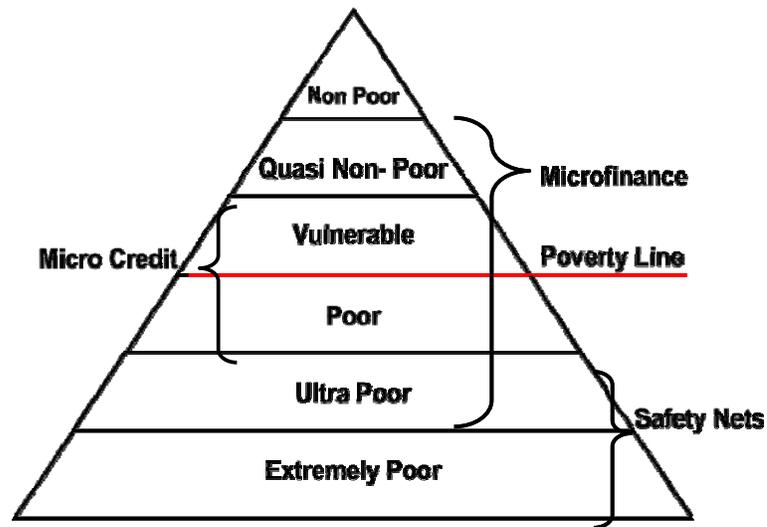
Microfinance has been recognized widely as a strategy to combat poverty by providing financial services to the excluded poor that enables them to become economically active. The credit programs offer a small loan to the beneficiaries for self-employment that enhance their income streams, and eventually make them self-reliant and move out of poverty. Although microcredit has been the main thrust in the past, today microfinance encompasses a wide range of financial services such as credit, savings, insurance and remittances. Strategic Framework for Sustainable Microfinance is given in Box 14.3.

Microfinance is a powerful instrument of anti poverty strategy as it is cost effective and sustainable, and also because donor money is recycled and reused to benefit many.

Access to microfinance to the poor segments in proximity of the poverty line can help the government create fiscal space and allow it to target its subsidies towards social safety net programs for the bottom poor (see Figure 14.3). These bottom poor can then be assisted to graduate to become microfinance credit clients and can be linked with service providers that offer services of savings, insurance and remittances.



Figure 14.3: Target Market for Microfinance



The microfinance industry broadly provides services in three categories viz. micro-credit, micro-savings and micro-insurance. The number of borrowers during Jul-Dec 2011 was 2.1 million. Outreach growth was limited to 0.7% in 2011 compared to 13% growth during 2010, primarily due to limited availability of funding due to 2010 and 2011 floods. However, the industry has seen a 13% growth rate for gross loan portfolio (GLP) in 2011 as loan sizes increased given the fall in value of money balances. Micro-savings have recorded a remarkable increment with active savers growing at 19.4% in 2011, and value of savings growing at 30.7%. Table 14.3 delineates an institution wise breakdown of the microfinance provider's (MFPs), number and size of disbursements as on December, 2011.

**Table 14.3: Number of Microcredit Beneficiaries and Disbursements
(July-March 2011-12)**

Microfinance Providers	Number of Loans (’000)	Disbursements (Rs Million)
First Microfinance Bank Limited	153	3,602
Khushhali Bank	375	5,280
Kashf Microfinance Bank	21	626
Pak Oman Microfinance Bank	7	150
Tameer Bank	151	6,881
Total for Microfinance Banks (MFBs)	706	16,539
AKHUWAT	43	569
ASA – Pakistan	149	2,810
ASASAH	10	185
Community Support Concern	13	315
Centre for Women's Cooperative Development	4	214
DAMEN	25	605
Kashf Foundation	151	3,306
Orangi Charitable Trust	26	440
SAFWCO	28	467
Total for Microfinance Institutions (MFIs)	449	8,912
National Rural Support Program	327	5,675
Punjab Rural Support Program	54	916
Sindh Rural Support Organization	62	979
Sarhad Rural Support Program	3	44
Thardeep Rural Support Program	47	670
Total for Rural Support Programs (RSPs)	493	8,283
Grand Total	1,648	33,734

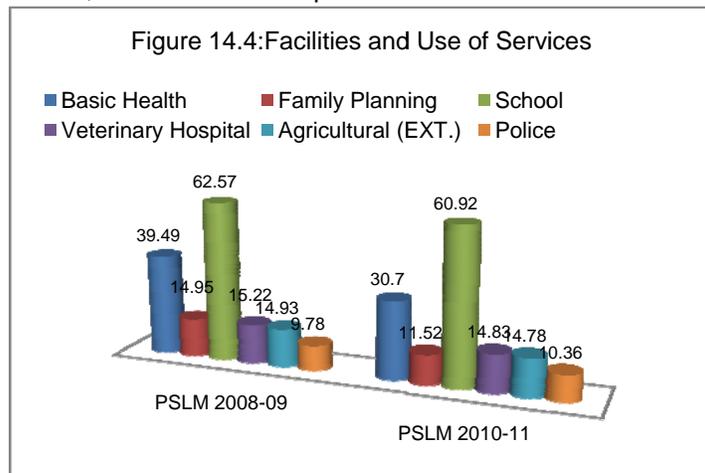
Source: Pakistan Microfinance Network

14.3.4 Governance-Poverty Nexus in Pakistan

Good governance is increasingly seen as a means towards achievement of a number of development outcomes. It facilitates in bringing about the necessary framework within which poverty alleviation and broad based economic growth can be effectively realized. Good governance is predicated on a range of interrelated factors including equity in the exercise of authority, accountability, inclusive policy frameworks, efficient and effective management of resources, meritocracy, protection of individual rights as well as access to information, services and employment opportunities for all segments

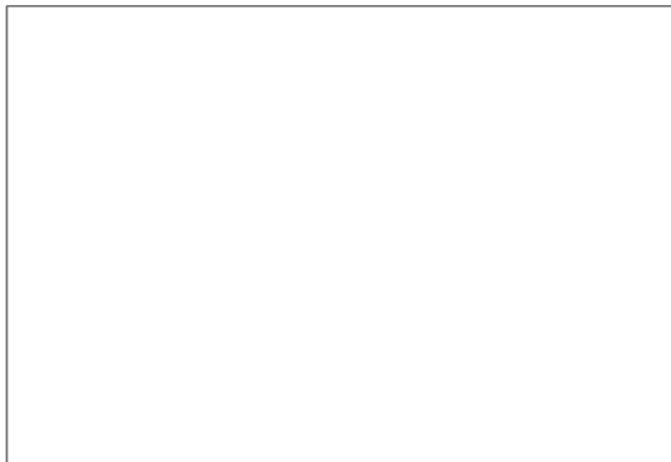
of the society irrespective of wealth, social status and position.

Good governance has different connotations for different people, however, irrespective of its formulations; it is inextricably linked to development outcomes. Now, good governance is seen as intrinsic to achievement of sustainable development and poverty reduction: The concept has thus assumed central importance in both donor driven and indigenous programs for poverty alleviation and development.



Good Governance ensures that benefits of growth, even at low growth, are more equitably distributed, and hence benefits poor. Accordingly effective implementation of pro-poor policies can only be pursued in an environment of good governance. To remove alienation and apathy and to ensure participation, poverty eradication programs needs to be initiated at the ground level so that general masses can see and benefit from basic facilities. Government is presently spending a considerable amount to improve the economic condition of people by providing different types of facilities and services. It is necessary to have an overview of how the people perceive their wellbeing against the government policies. Perception of the households about their satisfaction of the facilities and services provided by the government captured by the latest Pakistan Social and Living Standards Measurement Surveys (PSLM) 2010-11 and 2007-08 are compared in Figure 14.4.

Pakistan Social and Living Standard Measurement Survey (PSLM 2010-11) reports that 31% of population was satisfied in 2010-11 on government Basic Health Facilities compared to 40% in 2008-09, 61% were satisfied with Schools in 2010-11 compared to 63% in 2008-09, 15% with Veterinary Services pre-dominantly rural compared to 15% in 2008-09, 15% with



Agriculture Extension all rural compared to 15% in 2008-09 and 10% was satisfied with police in 2010-11 compared to 10% in 2008-09 (Figure 14.4). Overall, around 40% of household in 2010-11 reported no change in their economic situation as compared to

44% in 2008-09, 43 % reported that they were in worse or much worse condition in 2010-11 compared to 33% in 2008-09). On the other hand, some 16% households reported to be in a better or much better position in 2010-11 while 22% households reported this in 2008-09 (Figure 14.5).

While the recent developments on governance in Pakistan have raised concerns in the masses, the situation is not very encouraging in other parts of South Asia either. Most of other South Asian countries have had democratic governments however, the state of governance has also been a matter of concern in respective countries. World Bank's Worldwide Governance Indicators on voice and accountability, political stability, governance effectiveness, regulatory quality, rule of law, and control of corruption, show that in all benchmarks, South Asia's governance quality has deteriorated. In Pakistan governance is constraining government's ability to cope with core social and development issues viz. sustainable economic growth, poverty reduction, education, health, water, energy shortages and radicalization of the society.

14.4 Social Protection and Social Safety Nets

Social protection and social safety net programs through Benazir Income Support Program (BISP), Pakistan Bait-ul-Mal (PBM), Zakat, Employees' Old Age Benefit Institution (EOBI), Workers Welfare Fund (WWF) and Social Welfare activities are deep rooted in Pakistan's Poverty Alleviation Strategy.

14.4.1 Benazir Income Support Program (BISP)

BISP was established by the Government in July 2008 with the primary objective of providing immediate relief to the poor enabling them to absorb the shock of rising prices of food and fuel. BISP has evolved over the past few years into the country's largest social

Box 14.4: Components of Benazir Income Support Program

Waseela-e-Haq

Under this program, microfinance in the form of returnable interest-free loans up to Rs. 300,000 are provided to recipients, selected through a monthly computerized random draw, for setting up of small businesses. To date 29 draws have been held and a total of 34,807 recipients have been pre-qualified. An amount of Rs. 943 million was disbursed to 6,281 recipients while 2,680 recipients started their own businesses.

Waseela-e-Rozgar

This initiative has been piloted in Karak, Battagram and Bannu districts. Training has commenced in the first quarter of 2012 and so far 964 persons have been trained while 4,044 persons are currently enrolled. It is expected that by June 30, 2012 the total number of trained persons would be approximately 20,000.

Waseela-e-Sehat

Life insurance cover of Rs. 100,000 for the bread winners of recipient families was launched effective January 1, 2011. During 2011-12, additional 2.07 million families were provided life insurance cover bringing the total number of families with life cover to 4.1 million.

Waseela-e-Taleem

Under "Waseela-e-Taleem" for the primary education of the children, 3 million children will be imparted education during 2012-2016. BISP has successfully negotiated additional financing of US\$ 150 million from the World Bank and signed Project Agreement with the World Bank. The programme is scheduled to be launched in 5 districts during the current fiscal year and will thereafter expanded to the rest of the country.

safety net. BISP is committed to poverty alleviation and women empowerment. Within a short span, BISP has made remarkable progress by providing much needed relief to over 4 million recipients including IDPs, flood affectees and bomb blast victims all across Pakistan. BISP has disbursed an amount of Rs 108 billion to its recipients till March 2012. The number of recipients is expected to increase to 7 million once the ongoing processing of data collected during the nation-wide poverty scorecard targeting survey is completed. Details of targeted programs of BISP are in Box 14.4. Basic characteristics of a successful program of poverty reduction in Mexico, namely “Oportunidades” are given in Box 14.5.

Performance during 2011-12

Nation-wide Poverty Scorecard Targeting Survey

The first ever nation-wide poverty scorecard targeting survey was launched from October 2010 in all districts of the country, including AJK and Gilgit-Baltistan, with an initial target to cover almost 25 million households. This new system of targeting aimed at a much higher degree of objectivity, using international best practices, to minimize inclusion and exclusion errors. The use of global positioning system (GPS) devices was also made mandatory in this phase to uphold the dignity of households by conducting the survey at their doorsteps. It also ensures that no house is left unaccounted for. 100% of the survey will be completed by June 30, 2012 and over 27 million households will be covered nationwide. The task for data entry was entrusted to NADRA. To date, 6.64 million beneficiaries have been identified and it is expected that this figure would reach almost 7 million families by June 2012, once all data processing is completed.

During 2011-12, Rs 33.5 billion has been distributed among 3.5 million recipients. This include over Rs 1.49 billion paid through Smart Cards to 162,789 recipients and Rs 826.4 million paid to about 120,000 million recipients through mobile phone banking. Rest of the cash transfers were made through Pakistan Post money orders.

In order to further improve the efficiency of the payment delivery mechanisms, BISP has signed agreements with several commercial banks during the current fiscal year to launch Benazir Debit Cards in over 100 districts of Pakistan by June 2012. Up to March 2012, 392,000 Debit Cards have been distributed and Rs 1.02 billion has been disbursed to the beneficiaries through these debit cards.

Programs for 2012-13

- Identification of new recipient families, bringing the total to 7 million recipients
- Payments to all beneficiaries through Benazir Debit Cards in 100+ districts
- Launching of Waseela-e-Taleem in 20 districts
- Provision of life insurance cover to the bread-winners of additional 1 million recipient families bringing the number of families with life insurance cover to 5 million
- Provision of demand driven vocational and technical training, in over 60 fields, to one person each from 150,000 recipient families
- Launch of Health Insurance in 4 districts (one in each province), and
- Provision of micro-finance to 10,000 recipients

Box 14.5: Oportunidades-A success story from Mexico

The Mexican Government launched a program of human development on the concept of co-responsibilities namely Oportunidades in 1997 to support the people in extreme poverty with special focus on improving education and health conditions and to stop transition of poverty cycle to next generation. The extreme poverty conditions engulfed 47 million Mexicans whose income was too meager to suffice their basic needs, and they faced greater incidence of drop-outs of their children from schools, diseases and malnutrition and little opportunities of finding productive jobs.

The program started with benefitting 0.3 million poor in limited locations. The program has now been expanded in states of Mexico, in more than 100,000 localities and covers more than 6 million people. Oportunidades benefits through conditioned cash transfer to fulfill their basic needs such as nutrition, health and education.

To estimate incidence of poverty, Mexican Government carried out an evaluation study based on: i) average education gaps; ii) access to health services; iii) access to social security; iv) household size and overall housing quality; v) access to basic household services; vi) access to nutrition; vii) current per capita income; and viii) social cohesion. The Study revealed that in 2008, proportion of people living in multidimensional poverty conditions was 44.2% of population (47.2 million people) suffering social insufficiencies; 33.7% of population (36 million people) had a moderate level of multidimensional poverty and; 10.5% of population (11.2 million people) were suffering extreme poverty.

Oportunidades precisely identifies beneficiaries through a socioeconomic and demographic survey. Only those families facing extreme poverty are included in the program, and they continue to benefit from the program by fulfilling their co-responsibilities i.e. regular attendance of their children to school and medical appointments for young. In short term, these incentives help families improve their socioeconomic conditions, while in medium term, it enhances the capabilities by promoting school attendance and medical checkups.

Benefits

- Mothers receive cash every two months for better nutrition, and nutritional supplements for all 6-23 months infants, undernourished children between the ages of 2-5 years and pregnant or breastfeeding women
 - Food Aid for better living, and additional transfer to help overcome effects of hike in global food prices
 - Child Benefit for a better living, a direct cash transfer for every child 0-9 years old in order to support their proper nutrition and development
 - Basic health care and community based education workshops for the promotion of health, created mainly for teen beneficiaries
 - Special cash transfers for senior citizens (70 years and older) who is a member of a beneficiary family
 - Cash transfers to compensate energy consumption expenses
- Oportunidades has been extensively evaluated by external experts from diverse national and international institutions. External evaluation studies show that the Program has positively affected by increasing school attendance, sensitizing people regarding reproductive health, family planning, hygienic practices, reducing gender and ethnical inequity.

Program Characteristics

- Fully decentralized and devolved apolitical program, payments to beneficiaries are stopped for 30 days before elections
- Team work, existing Local Government, Local Health & Education departments fully involved in the program
- Social mobilization, beneficiaries are organized and own the program, contribute in implementation and monitoring
- All processes are transparent, every effort is made to satisfy the beneficiaries and keep them informed.

Source: National Coordinator for Oportunidades Program, Mexico
(<http://www.oportunidades.gob.mx>)

14.4.2 Pakistan Bait-ul-Mal (PBM)

PBM is making a significant contribution towards poverty reduction through its interventions aimed at poorest-of-the-poor. PBM focuses on providing assistance to destitute, widow, orphan, invalid, infirm and other needy persons. PBM Individual Financial Assistance (IFA) helps the poor, widows, destitute women and orphans in getting medical treatment, education, rehabilitation and general assistance. An amount of Rs 674.4 million has been disbursed for benefiting 11,988 individuals countrywide during 20011-12. As pilot project, 28 Pakistan Sweet Homes (Orphanages) have been established, where 2800 Children have been enrolled (upto March 2012) where they are being provided free food, nutrition, medical treatment, lodging & boarding, as well as free education through well reputed educational institutes. An amount of Rs 261 million have been spent during the first three quarters of 2011-12.

PBM successfully piloted pioneer conditional cash transfers (CCT) program called Child Support Program (CSP) with the technical assistance of World Bank in selected districts viz. Bakhar, Tharparker, and Kohistan. The pilot has resulted in an increase of 12% in enrolment rate as evaluated by third party in above mentioned districts. From 2011-12, the CSP is planned to be piloted in conflict area of Swat with the assistance of UNICEF. PBM has also established vocational training centers for women for providing free training to widows, orphan and poor girls in different skills. So far, 157 centers have trained some 6,453 trainees. Since inception, an amount of Rs 478.5 million has been spent on these centers whereas cumulatively, some 59,897 female students have been trained from these centers.

14.4.3 Zakat

Zakat plays an important role in poverty alleviation. Zakat funds are utilized for assistance to the needy, indigent, poor, orphans, widows, handicapped and disabled for their subsistence or rehabilitation. These poor segments of society were provided Zakat funds either directly through respective local Zakat Committee or indirectly through institutions and hospitals. As a consequence of 18th constitutional amendment, the subject of Zakat has been devolved to the Provinces/Federal Areas. A total amount of Rs 3,669 million was distributed in bulk amongst the federating units as per the details given in Table 14.4:

Table 14.4: Zakat Distribution

Province/Area	Rs Million	% Share
Punjab	1,954	53.3
Sind	848	23.1
Khyber Pakhtunkhwa	483	13.2
Baluchistan	196	5.3
FATA	74	2.0
ICT	74	2.0
Gilgit/Baltistan	40	1.1
Total	3,669	100

In addition to above, an amount of Rs. 4, 131.474 million has also been released on March 2012 as reserve fund available in central Zakat Fund to Provincial/Federal Areas to provide financial assistance to *mustaheqeen* (the needy).

14.4.4 Employees' Old-Age Benefits Institution (EOBI)

Employees' Old-Age Benefits Scheme has been established primarily to provide subsistence pension and other benefits. Over the years, it has proved to be a salient factor in combating poverty in Pakistan. Since the scheme is financed through contributions by eligible employers and employees who pay a monthly contribution @ 6% and 1% of the minimum wages, therefore, its impact is limited. The scheme can be used as an important poverty alleviation vehicle provided its coverage is enhanced and total population is brought under the scheme through legislation. Since the actuarial valuation suggest that at present level of benefits and contribution, the funds would start depleting in the year 2022 and totally exhaust in the year 2029, therefore, any further increase would put extra strain on its viability. However, in the light of Labour Policy-2010 announced by the Federal Government, further increase in pension and other benefits is under active consideration. During 2011-12, EOBI has disbursed Rs 11.7 billion to some 358,800 beneficiaries while, next year disbursement is expected to be Rs 14.9 billion.

14.4.5 Workers Welfare Fund (WWF)

Workers Welfare Fund was established under the Workers Welfare Fund Ordinance, 1971 with one time initial contribution of Rs 100 million by the Government. The WWF is financing projects for establishment of housing estates or construction of houses for the Industrial workers, education of workers children, health, technical education and other welfare measures like, marriage grant @ Rs 70,000 per daughter per workers, death grant @ Rs 500,000 and scholarships for students (Table 14.5).

Table 14.5: Disbursement of Workers Welfare fund (2011-12)

Description	Cases (in Nos)	Rs Million
Marriage Grant	9,138	637
Death Grant	1,079	341
Post Secondary Scholarships	1,456	77

Source: Workers Welfare Fund

In the post 18th Amendment in the Constitution, Planning Commission has initiated policy dialogue with the Provincial Governments with regard to developing respective social protection policies. Planning Commission will coordinate with all four provinces to develop consensus on a framework for social protection, including the process, institutional arrangements, coverage of policy, compliance monitoring arrangements, legal and regulatory arrangements. The purpose of this exercise is to align Social Protection Policies with international commitments and achieving national goals. The policies will ensure that periodic national reports are prepared on various international and bilateral instruments/protocols on protection of the rights of the persons with disabilities.

14.4.6 Social Welfare Activities

Social Welfare initiatives are to empower poor, vulnerable and excluded population including children, women, and persons with disabilities, special children, elderly, and staff welfare services. The implementation of National Policy of Social Welfare, National Policy for Persons with Disabilities 2002 and National Social Protection Strategy 2007 and Plans of Action on Children was entrusted with the devolved Ministry of Social Welfare & Special Education and Provincial Social Welfare and Special Education Departments.

After devolution, however at federal level, some functions and coordination of key actions of social welfare have been entrusted to six national organizations: Directorate General of Social Welfare and Special Education (CADD), National Commission for Child Welfare and Development (Ministry of Human Rights), National Council of Social Welfare (CADD), Pakistan Bait-ul-Mal (Prime Minister's Secretariat), National Council for Rehabilitation of Disabled Persons (CADD) and Staff Welfare Organization (Establishment Division).

Some Social welfare activities and initiatives are discussed as under:

- Capacitating the deprived, vulnerable and marginalized segments of population
 - Mainstream vulnerable and marginalized sections of the population including for women, children, youth, elderly, patients and Persons with Disabilities (PWDs) through establishing quality social welfare institutions for the target groups
- Mainstreaming Persons with Disabilities
 - Increase livelihood opportunities for the PWDs
 - Increase employability for the PWDs through skill training/development
- Inclusive Education System
 - Provision of basic right of education to the disabled children
 - Mainstream disabled children in regular academic system
 - Increased enrollment and accessibility to regular schools
 - Focused emphasis on gender parity
- Social Safety Network
 - Improved quality of life for the disadvantaged
 - Reduction in poverty through broad based social protection system in the country
 - Capacity building of social protection and social welfare institutions for effective services delivery
 - Address systematic failure in delivery of basic health care services and
 - Sustainable rehabilitation of post natural calamities
- Achieving Sustainable Community Engagement
 - Empowered communities fostering socio-economic development addressing the provision of amenities at grass root level through:
 - Public-private partnership for community mobilization in the areas of basic health, education and skill development
 - Community action with NGOs technical support and small grants
- Child Protection and Rights
 - National & Provincial Plans of Action for Children for their survival, development, protection, and participation.

- Eliminate child labour including worst and hazardous forms of child labour
- Address the issues of child abuse, trafficking and any form of violence against children
- Compulsory birth registration and registration for all children without birth documents.

Issues and challenges

After devolution at national level, a well coordinated national planning is an issue to be addressed. The review and revision of existing social welfare policies, strategies and federal/provincial action plans are immediate concerns for effective services delivery of some welfare programs. Important issues and challenges are outlined as under:

- Qualitative and quantitative data/information on:
 - Target population of poor, vulnerable, marginalized and excluded children, women, youth & elderly and available services of each target group
 - Registered NGOs and their interventions
 - Mapping of community services to address the emerging social issues of disability, inclusive education; child welfare and protection; vocational training and skill development
- Existing programs of social welfare and protection are inadequate in coverage and funding.
- Community Development initiatives have been launched in thinly spread urban / rural areas to provide need-oriented services to underprivileged strata of population by promoting voluntary work, mobilizing local resources and effective community participation to capacitate the poor, marginalized and socially excluded population.
- Vertical approach of special education is not addressing the potential needs of special children and persons with disabilities. Out of approximately 4.5 million persons with disabilities, more than 1.5 million are children falling between the ages of 0-15. This indicates imminent demand of education for these children which is to be catered through the already existing network of regular schools. The total enrollment of special children of all categories and age is only 24,114 (1.5%). The province wise enrollment detail is given in Table 14.6.

Table 14.6: Enrollment of Special Children

(Nos.)

Federal/Provinces	Special Education Institutions	Enrolment
Federally Administered	75	5,650
Punjab	168	15,515
Sindh	28	1,070
Khyber Pakhtunkhwa	23	1,351
Balochistan	4	528
Total	298	24,114

Review of 2011-12

Before devolution during 2010-11, 25 PSDP funded projects were initiated across the country to achieve the targets envisioned in the social welfare policies and strategies. Of these, 10 projects have been transferred to provinces for implementation while 10 projects have been completed during 2011-12. The rest of 5 projects were handed over to CADD and Staff Welfare organization at federal level. The progress of the devolved projects is under review with the stakeholders including provincial social welfare and special education departments.

Financial and Physical Progress

During the year 2011-12, for 5 schemes PSDP allocation of Rs 54 million were prepared for social welfare activities, against which Rs 50 million have been spent. A category-wise detail of funds in relation to provision of services is summarized in Table 14.7. The main focus of these schemes was on the following services:

- Establishment of Braille press for printing of Braille books/reading material for 170 institutions of visually impaired children across the country.
- Establishment of child welfare and development complex at Humak, Islamabad.
- Residential facilities to employees of Directorate General of Social Welfare and Special Education at Islamabad.
- Vocational training/skill development facilities for more than 150 female dependents of federal government employees annually.
- Up-gradation of recreational holidays homes for federal government employees and their dependents at Ziarat.

Table 14.7: Social Welfare Activities, Allocation and Utilization 2011-12

Rs million

Category	Projects	Total cost	2011-12 Allocation	2011-12 Utilization
Special Education	2	136	42	42
Social Welfare	1	40	5	5
Staff Welfare	2	23	7	3
Total	5	199	54	50

Provincial initiatives

During 2011-12, the provincial social welfare and special education departments have undertaken the following programmatic interventions with estimated cost of Rs. 2,164 million:

- Under social protection program in **Punjab**, various development activities for social welfare, special education and vocational training were under progress including Model Children Homes for poor and marginalized children, upgradation and establishment of Old Age homes, rehabilitation of drug addicts, beggars' Home, hostel for working women. Upgradation and

establishment of new special education centers in various districts and tehsils remained under progress during the year to cater the educational needs of special children.

- In **Sindh**, welfare services in various districts/locations were provided to women through establishing Darul-Aman, rehabilitation center for destitute and underprivileged women, community development centers to mobilize small scale NGOs and to address the issues of she males, strengthening of Darul-Atfal, and rehabilitation of street children through civil society Organizations.
- In **Khyber Pakhtunkhwa**, under social protection strategy, many social welfare projects for vulnerable and excluded were initiated. A separate social protection strategy of KPK was prepared in 2007 to mitigate social issues of the poor and vulnerable population. These initiatives included establishment of social welfare complex, health insurance/voucher scheme, stipends for postgraduate and senior citizen, micro finance for income generation, grants for vulnerable women, child support program and establishment of women development centers at district level. Under 'Communication for Effective Social Services Delivery Project' (CESSD), upgradation and strengthening of basic health, education, water and sanitation facilities in 11 districts of KP have been under progress. The project is being implemented with total cost of Rs 86 million funded by CIDA and AusAID.
- Coverage of social welfare programs in **Baluchistan** have remained low. The Child Protection Center Turbat, Inclusive Education Center Turbat and Special Education Centers established by the then M/O Social Welfare in Quetta, Khuzdar, and Sibbi are providing special education, training and rehabilitation facilities to the special children and disabled.

Outlook for 2012-13

New Policy Initiative / Reforms

The policies, strategies and programs of the social welfare sector are to be revisited in post devolution scenario and for implementation of Framework for Economic Growth. The national responsibilities and international commitments are to be fulfilled by galvanizing newly emerged federal and provincial institutional setup for implementation. In this regard, it is pertinent to point out that Pakistan is committed to report progress on UN Convention of the Rights of the Children, and UN Convention on the Rights of Persons with Disabilities, Education for All and part of the MDGs. The following actions would therefore be undertaken for effective improvements of social welfare services delivery:

- Establishment of national central repository of up-to-date reliable qualitative and quantitative information/data on nature and extent of various social welfare needs i.e. mapping of public and private sector services, institutions for women, children, youth, elderly, patients, community development, disability and activities of NGOs/corporate sector organizations, funding agencies, small grant programs, etc.
- The existing Social Welfare Policy was formulated during 1994. The review and revision of Social Welfare Policy in accordance with current scenario; FEG and MDGs and National Plans of Action for children and Persons with Disabilities would be a key element of this sector in the light of 18th amendment.

- New initiatives evolving new social welfare policy and approach towards inclusive education, training and rehabilitation of special children and persons with disabilities. Planning commission as a national apex body needs to take lead and coordinate for effective services delivery to the target population.
- Achieving sustainable community development initiative to support and promote grass root initiatives.

Financial and Physical

At the federal level, 4 schemes at a cost of Rs 199 million are underway. The specific targets during the year would be providing services of Braille books/reading material for VIC, child welfare, activities for poor and marginalized people and vocational training for federal government employees/dependents. The total federal financial development outlay for social welfare services comes as Rs 20 million for the year 2012-13. The two new projects for staff welfare at a cost of Rs 101 million with an allocation of Rs 6 million during 2012-13 will be implemented.

The initiatives of provincial social welfare developments during 2010-11 will continue in 2012-13 in addition to the new programs for which an allocation of Rs. 1,408 million has been made for establishment of new and up gradation of existing vocational training centers for poor and marginalized, child protection centers, inclusive education initiatives and Tehsils level special education centers in **Punjab**; community development centers to activate NGOs at district level, rehabilitation centers for street children through CSOs and for physically disabled persons in **Sindh**; establishment of social welfare complex, stipend for poor students and senior citizen, micro financing for self employment and shelter homes for vulnerable women under social protection strategy in **Khyber Pakhtunkhwa**; child protection center Turbat, and special education, training and rehabilitation centers for hearing impaired children, visually impaired children, physically and mentally retarded children in Quetta, Khuzdar and Sibbi in the province Balochistan.

14.5 Pro-Poor Budgetary Expenditure

The pro-poor budgetary expenditures during 2011-12 (by Federal and Provincial Governments) stood at Rs 920 billion (Jul-Dec 2011-12). In the next year 2012-13, it is projected to rise at Rs 1,615 billion, 8.1% of GDP in 2012-13 (Table 14.8).

**Table 14.8: Pro-Poor Budgetary Expenditures
(2011-12 and 2012-13)**

Sectors	(Rs Billion)	
	2011-12 (Jul-Dec)	2012-13 (Projection)
Market Access and Community Services	42	146
Human Development	206	829
Rural Development	162	291
Safety Nets	516	300
Governance	94	48
Grand Total	920	1,615
As % of GDP		8.1

Source: Ministry of Finance