

# **The Benazir Income Support Programme and the Zakat Programme**

## **A Political Economy Analysis of Gender**

November 2010

**Shanza N. Khan and Sara Qutub<sup>1</sup>**

---

\* Disclaimer: The views presented in this paper are those of the authors and do not necessarily represent the views of DFID

**Overseas Development Institute**  
111 Westminster Bridge Road  
London SE1 7JD  
UK

Tel: +44 (0)20 7922 0300 Fax: +44 (0)20 7922 0399  
**[www.odi.org.uk](http://www.odi.org.uk)**

---

<sup>1</sup> Strategic & Economic Policy Research Pvt. Ltd.

## Background and Acknowledgements

This report is part of a research project funded by the UK Department for International Development (DFID) (2008-2010) and the Australian Government, AusAID (under the Australian Development Research Awards 2008) (2008-2011), looking at gender and social protection effectiveness in Latin America, Sub Saharan Africa, South Asia and Southeast Asia. DFID funded the primary research in Bangladesh, Ethiopia, Ghana, India, Mexico and Peru, as well as secondary research in Brazil, Chile, Columbia and Pakistan (with a focus on cash and asset transfer and public works programmes). AusAID funded research in Indonesia and Viet Nam (with a focus on subsidies). The research was carried out by ODI in partnership with the Department of Economics, Addis Ababa University, Ethiopia; the Indian Institute of Dalit Studies; SMERU Research Institute in Indonesia; the Vietnamese Academy of Social Sciences, Institute of Family and Gender Studies; the Department of Women and Gender Studies, University of Dhaka; the International Policy Centre for Inclusive Growth (IPCIG) in Brazil; and independent consultants in Ghana, Mexico, and Peru. For more information see:

[www.odi.org.uk/work/projects/details.asp?id=1020&title=gender-vulnerability-social-protection](http://www.odi.org.uk/work/projects/details.asp?id=1020&title=gender-vulnerability-social-protection)

The following publications are available under this project series:

### Country case studies

Amuzu, C., Jones, N. and Perezniето, P. (2010) Gendered risks, poverty and vulnerability in Ghana: To what extent is the LEAP cash transfer programme making a difference?

Arif, S., Syukri, M., Holmes, R. And Febriany, V. (2010) Gendered risks, poverty and vulnerability: Case study of the *Raskin* food subsidy programme in Indonesia.

Holmes, R., Mannan, F., Dhali, H. and Parveen, S. (2010) Gendered risks, poverty and vulnerability in Bangladesh: Case study of Challenging the Frontiers of Poverty Reduction (CFPR) programme, Specially Targeted Ultra Poor II (STUP II).

Holmes, R., Sadana, N. and Rath, S. (2010) Gendered risks, poverty and vulnerability in India: Case study of the Indian Mahatma Gandhi National Rural Employment Guarantee Act (Madhya Pradesh).

Khan, S. and Qutub, S. (2010) The Benazir Income Support programme and the Zakat programme: A political economy analysis of gender in Pakistan.

Jones, N. and Tran Thi Van Anh (2010) Gendered risks, poverty and vulnerability in Viet Nam: A case study of the National Targeted Programme for Poverty Reduction.

Jones, N., Woldehanna, T. and Tafere, Y. (2010) Gendered risks, poverty and vulnerability in Ethiopia: To what extent is the Productive Safety Net Programme (PSNP) making a difference?

Perezniето, P. and Campos, M. (2010) Gendered risks, poverty and vulnerability in Mexico: Contributions of the Childcare for Working Mothers programme.

Vargas Valente, R. (2010) Gendered risk, poverty and vulnerability in Peru: A case study of the *Juntos* programme.

Veras Soares, F. and Silva, E. (2010) Conditional cash transfer programmes and gender vulnerabilities in Latin America: Case studies from Brazil, Chile and Colombia.

### **ODI Briefing Papers and Project Briefings**

Holmes, R. and Jones, N. (2010) Social protection programming: the need for a gender lens. ODI Briefing Paper 63, London, UK

Jones, N. and Holmes, R. (2010) Gender, politics and social protection. ODI Briefing Paper, London 62, UK

Holmes, R. and Jones, N. (2010). 'Gender-sensitive social protection and the MDGs'. ODI Briefing Paper 61. ODI: London.

Jones, N. and Thi Van Anh, T. (2010) A gender lens for Viet Nam's flagship poverty reduction programme. ODI Project Briefing 50, London, UK

Arif, S., Holmes, R., Syukri, M. and Febriany, V. (2010) Gender and social protection in Indonesia: Raskin food subsidy programme. ODI Project Briefing 49, London, UK

### **ODI Working Papers and Background Notes**

Holmes, R. And Jones, N. (2010) Rethinking social protection using a gender lens. ODI Working Paper 320, London, UK

Holmes, R., Jones, N., Vargas, R. and Veras, F. (2010) Cash transfers and gendered risks and vulnerabilities: lessons from Latin America. ODI Background Note, ODI London

Holmes, R. and Jones, N. (2009) 'Putting the social back into social protection: a framework for understanding the linkages between economic and social risks for poverty reduction'. ODI Background Note, ODI London

Holmes, R., Jones, N., and Marsden, H. (2009) 'Gender vulnerabilities, food price shocks and social protection responses'. ODI Background Note, ODI, London

### **Toolkit**

Holmes, R. and Jones, N. (2010) How to design and implement gender-sensitive social protection programmes. A toolkit. ODI, London UK

## Contents

<b>List of figures and tables.....</b>	<b>v</b>
<b>List of acronyms .....</b>	<b>vi</b>
<b>1. Introduction .....</b>	<b>1</b>
<b>2. Background .....</b>	<b>3</b>
<b>3. The Benazir Income Support Programme .....</b>	<b>6</b>
3.1 Overview.....	6
3.2 Programme design .....	7
3.3 Programme implementation .....	11
<b>4. The <i>Zakat</i> Programme.....</b>	<b>18</b>
4.1 Overview.....	18
4.2 Programme design .....	19
4.3 Programme implementation .....	21
<b>5. Challenges and opportunities in enhancing the integration of gender in social protection in Pakistan.....</b>	<b>23</b>
5.1 The Benazir Income Support Programme .....	23
5.2 The <i>Zakat</i> Programme .....	24
<b>References .....</b>	<b>26</b>
<b>Annex 1: List of interviewees.....</b>	<b>28</b>
<b>Annex 2: Gender inequality in Pakistan .....</b>	<b>29</b>
<b>Annex 3: BISP poverty scorecard and proxy means testing .....</b>	<b>36</b>
<b>Annex 4: Details of the BISP process evaluation .....</b>	<b>40</b>
<b>Annex 5: BISP MIS .....</b>	<b>41</b>
<b>Annex 6: BISP form and money order .....</b>	<b>42</b>

---

## List of figures and tables

Figure 1: Stages of BISP development .....	7
Figure 2: BISP programme cycle under Design Phase I.....	8
Figure 3: The BISP programme cycle .....	17
Table 1: BISP money orders – sent for delivery, paid and unpaid, 2008/09.....	13
Table 2: BISP Money Orders – sent for delivery, paid and unpaid, 2009/10.....	13
Table 3: Money orders by province, 2008/09 .....	14
Table 4: Distribution of Pakistan Social Safety Net Survey Phase 1 sample by programme status and quintile (%).....	19
Table 5: Distribution of households by programme, income level and share of total programme receipts .....	20

## List of acronyms

ADB	Asian Development Bank
AJK	Azad Jammu & Kashmir
BISP	Benazir Income Support Programme
CNIC	Computerised National Identity Card
CPRSPD	Center for Poverty Reduction & Social Policy Development
DFID	UK Department for International Development
FATA	Federally Administered Tribal Areas
GB	Gilgit-Baltistan
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GoP	Government of Pakistan
GPO	General Post Office
GRAP	Gender Reform Action Plan
HDI	Human Development Index
HIES	Household Integrated Expenditure Survey
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
LZC	Local Zakat Committee
M&E	Monitoring & Evaluation
MICS	Multiple Indicator Cluster Survey
MIS	Management Information System
MNA	Members of the National Assembly
NA	Northern Areas
NADRA	National Database Registration Authority
NCSW	National Commission on the Status of Women
NGO	Non-governmental Organisation
NIC	National Identity Card
NICOP	National Identity Card for Overseas Pakistanis
NSPS	National Social Protection Strategy
NWFP	North-West Frontier Province
PBM	Pakistan <i>Bait-ul-Mal</i>
PCO	Population Census Organization
PML-N	Pakistan Muslim League-Nawaz
PMT	Proxy Means Testing
PPAF	Pakistan Poverty Alleviation Fund
PPO	Pakistan Post Office
PPP	Pakistan Peoples Party
PRSP	Poverty Reduction Strategy Paper
PSLM	Pakistan Social and Living Standards Measurement
RSPN	Rural Support Programmes Network
SPDC	Social Policy and Development Centre
UK	United Kingdom
UNDP	United Nations Development Programme
WHO	World Health Organization

## 1. Introduction

Social protection as an area of government intervention is a recent development in Pakistan. While a plethora of safety net programmes have been implemented, there was no attempt to couch these interventions within an overarching social protection framework until a few years ago.

There are two main categories of formal safety net programme in Pakistan. The first addresses the employed labour force, or those who have retired from the formal labour sector, with programmes involving contingencies of sickness, invalidity, maternity, old age and work-related injury (Sayeed, 2004). Existing schemes in this category include the Provincial Employees' Social Security Scheme; the Employees' Old Age Benefits Institution; the Government Servants' Pension Fund; the Public Sector Benevolent Funds and Group Insurance; the Workers' Welfare Fund; and the Workers' Children's Education Ordinance. These do not extend coverage to agriculture (which employs more than 40% of the labour force), the informal economy or those in the formal sector who are either employed temporarily through contractors or in establishments with fewer than 10 workers (ibid). The construction, transport and wholesale and retail sectors (which collectively employ about 27% of the labour force) and are largely informal enterprises, are also not covered.

The scope of the second category is much broader and more generic, with programmes geared towards those outside the labour market and the poor and indigent. The Benazir Income Support Programme (BISP), the *Zakat* Programme and the Pakistan *Bait-ul-Mal* (PBM) programme are the three largest programmes in the second category. Public works programmes, such as the *Khushal* Pakistan Programme and the *Tameer-e-Watan* Programme, provide temporary employment to workers through labour-intensive construction projects. All formal programmes use varying sources of financing, have different targeting methodologies and have different levels of benefits and programme administration (PRSP Secretariat, 2003).

The purpose of this report is to provide a political economy analysis of gender and social protection in Pakistan with a focus on the BISP and the *Zakat* Programme. It analyses the extent to which gender has been integrated into their respective designs, barriers facing women in participating in the programmes and the quality of implementation with regard to gender. The report also examines the BISP as a critical turning point in the social protection landscape in Pakistan, in relation to its evidence-based identification of beneficiaries and transparent monitoring process. It should be noted that, while there have been numerous assessments of the *Zakat* Programme, this report's gendered perspective represents a different outlook. This report also attempts to shed light on the role of various players in the social protection landscape in Pakistan – specifically by highlighting the role of multilateral and bilateral agencies in laying down the parameters for the social protection framework in the country.

The methodology of this study consisted of a desk-based review of published and grey literature as well as key informant interviews with stakeholders at the national and sub-national level (Annex 1). Given that this report is one of the first independent analyses of the BISP, it draws heavily on official reports and documents. The analysis also relies on primary stakeholder interviews with government sponsoring and implementing agencies/departments, bilateral and multilateral donor agencies, civil society, gender organisations, independent gender activists and social protection researchers/academics. For the *Zakat* Programme, the report draws heavily on secondary analysis of existing studies for its gendered analysis.

The report is organised as follows. Section 2 provides a background of the evolution from safety nets to social protection in Pakistan. This identifies deficiencies in formal safety net programmes and factors that have shaped past and recent policy choices on the safety net programmes/social protection outlined. It also highlights the constellation of actors that have influenced the decision-making process across social protection and gender. Sections 3 and 4 examine the BISP and the

*Zakat* Programme, respectively, from a gendered perspective. For each programme, the discussion covers programme design, including programme goals and objectives, intended beneficiaries and targeting processes; and programme implementation, including disbursement mechanisms, coverage and grievance mechanisms. Looking forward, Section 5 outlines challenges and tensions involved in enhancing the integration of gender in these programmes. In addition, it underscores the potential opportunities for strengthening the gender sensitivity of social protection design and implementation.

## 2. Background

Despite the existence of a number of public safety net programmes, historically these have catered to a very small segment of the poor, and several deficiencies have been identified across them. They have been characterised as ‘fragmented, duplicative and sometimes ceremonial’, falling far ‘short of needs and of [their] own potential’ (Heltberg and del Ninno, 2006). In addition, the government allocates them only nominal funding. Between 2004/05 and 2006/07 social protection expenditure<sup>2</sup> remained at 3-4% of total poverty reduction strategy paper (PRSP) spending. Moreover, most programmes suffer from design and implementation errors, which pave the way for corruption, as well as other inefficiencies, and translate into a significant proportion of the benefits being transferred to recipients who were ineligible for the programme in the first place.

Political motivations have been the main driving force behind the two largest<sup>3</sup> safety net programmes in Pakistan. The *Zakat* Programme was initiated in 1980 by a government that adopted an overtly religious model of governance; the BISP was launched in 2008 by the Pakistan Peoples Party (PPP) government, both as a response to the prevalent political economy environment – the food, fuel and financial crisis – and to make good on the political capital of its deceased party leader (Benazir Bhutto) – by naming the programme after her.

The shift towards adopting a holistic social protection strategy was initiated primarily by various donor agencies, including the Asian Development Bank (ADB), the World Bank and the UK Department for International Development (DFID), and grounded in significant evidence-based research and technical assistance undertaken.<sup>4</sup> These three donor agencies also assisted in the development of the National Social Protection Strategy (NSPS) 2007 through funding and technical assistance. Meanwhile, the government of Pakistan was becoming increasingly aware of the economic rationale for adopting a social protection strategy. The 1990s observed increasing poverty and deteriorating income distribution trends in the country, with a widening rural–urban poverty gap (Assad, 2004). Although estimates suggest a reversal of this trend since 2000, the number of poor still remains significantly high. According to World Bank (2007) estimates, poverty fell from a high of 33.3% in 2001/02 to 29% in 2004/05.<sup>5</sup> Between 2000 and 2005, the Gini coefficient rose from 0.283 to 0.303. Estimates of the incidence of vulnerability are similarly high, ranging between 47% and 67% (del Ninno et al., 2006).<sup>6</sup>

The two main policy documents that outline the government’s social protection programme are the NSPS 2007 and the PRSP II 2009. Pillar 2 of the PRSP II 2009, titled Protecting the Poor and the Vulnerable, outlines an assistance framework for the poor and the vulnerable as a key objective of the government’s poverty reduction strategy. It proposes a number of programmes ranging from direct cash transfers to employment programmes, at an estimated expenditure of Rs. 148.6 billion, or 1.1% of gross domestic product (GDP) in 2009/10.<sup>7</sup> In line with the PRSP, NSPS goals are to support the chronically poor, protect vulnerable households from adverse shocks and promote human and physical assets to help households escape intergenerational cycles of poverty. Despite the fact that numerous assessments have identified women as a particularly vulnerable economic

2 Social protection expenditures include food subsidies, PBM, *Tawana* school meals, social security and low-cost housing. In 2007/08, social protection expenditures increased to 13.4% of total PRSP expenditures, largely because of increased spending on food subsidies and social security, neither of which is well-targeted to the poor.

3 In terms of coverage and amount of funds allocated per year.

4 The same cannot be said for individual safety net programmes various governments have adopted over time.

5 Using a unit price deflator. Poverty was estimated at 24% when the consumer price index was used as a deflator. Recent estimates of poverty by way of a simulation of welfare impact of fuel prices suggest it may have increased by between 2.3% and 3.6%.

6 The variation in the range owes to the choice of the time horizon of the analysis and the threshold of vulnerability.

7 Compared with the rest of the South Asian region, Pakistan’s social protection expenditure is low and skewed towards social security. India’s total spending on social protection is about 4.4% of GDP; Sri Lanka’s is 2.9%.

group in Pakistani society,<sup>8</sup> neither of the two policy documents identifies the need to specifically target this group under social protection programmes or to create programmes conducive to their participation (Annex 2).

While the *Zakat* Programme identifies widows and poor women as beneficiary groups, it makes no claims about their being a particular focus of the programme. Conversely, the BISP is a very important exception in the country – its proponents claim it is the only cash transfer programme in any developing country that identifies women as its primary beneficiaries. And the BISP goes beyond this – as the programme’s design and implementation evolve, the current administration remains cognisant of challenges such as involving women in the programme and ensuring that exit/graduation strategies offer practicable options for female participants.

Representatives of civil society and donor agencies interviewed for this study repeatedly raised the concern that non-governmental organisations (NGOs) and, more broadly, civil society are not consulted in the design or implementation of safety net programmes. This is a glaring gap because community organisations in particular can provide valuable inputs, specifically on how to reach recipients (effective delivery mechanisms), raise community awareness on programmes (communications) and means to involve vulnerable groups (populations such as widows and orphans).

Safety net interventions in Pakistan have suffered from a conspicuous lack of evidence-based policymaking. Numerous evaluations of the targeting process of programmes such as the *Zakat*, PBM, wheat subsidies, etc.<sup>9</sup> have made note of design and implementation weaknesses, yet no changes in programme design have been undertaken to respond to these concerns. An exception to the general disregard for evidence-based policy is the continuous tweaking of the BISP based on evaluations gleaned from pilots. Both the identification of the poor and the targeting of beneficiaries are based on poverty scorecards constructed specifically for the BISP.

The country also lacks a dedicated social protection agency or department with a mandate to coordinate between and oversee all social security and safety net programmes. The primary implementing agencies for the major public safety net programmes are the Ministry of Religious Affairs, *Zakat* and *Ushr* (*Zakat* Programme); the *Bait-ul-Mal* Food Support Scheme; the Employees’ Old Age Benefit Institution Social Security Offices (social security); and the BISP Secretariat (BISP). The lack of a consolidated social protection platform creates a number of problems: duplication of efforts, identical beneficiaries on recipient lists of multiple programmes, jurisdictional concerns, etc. There appears to be a growing recognition that social protection programmes should be consolidated under one roof. A recently enacted bill in Parliament on the BISP suggests that a council be set up for the administration of the programme, but BISP planners are already considering the option of extending its portfolio to eventually encompass all other safety net programmes. The NSPS 2007 advocates for the establishment of a separate social department, but no significant efforts have been made on this front.

As stated above, the discourse on social protection is a recent one. There has been a gradual move away from a discussion of ‘safety nets’ to one of a comprehensive notion of ‘social protection’, but there is some concern over what this entails. The World Bank has laid great emphasis on a social protection agenda that protects not just the chronically poor but also

---

8 Poverty figures are not disaggregated by gender in Pakistan. This is partly because poverty surveys such as the Household Integrated Expenditure Survey (HIES) and the Pakistan Social and Living Standards Measurement (PSLM) consider the household a unit of measurement and do not disaggregate to the individual level. Attempts at calculating female poverty have been attempted by considering female-headed households as a unit (Siddiqui and Hamid, 2002). Regardless, annual Human Development Index (HDI) figures show wide disparities between men and women on all counts, suggesting the latter’s significant disempowerment.

9 Arif (2006); Assad (2004); Issues and Policies Consultants (2004); Khan (2008); Toor and Nasar (2003); Yusuf (2007).

vulnerable populations against idiosyncratic and aggregate shocks.<sup>10</sup> This notion of focusing social protection efforts on cushioning shocks has been criticised by others who promote a rights-based approach (Sayeed, 2004), since it dilutes the government's responsibility of undertaking a comprehensive long-term intervention. Instead, they argue, definitions of social protection proffered by the World Bank<sup>11</sup> provide the government with a rationale for introducing piecemeal, short-term interventions. It is important to note that neither of these debates is housed inside the government; none of the official stakeholders consulted for this study revealed any engagement with a debate on the social protection discourse.

---

10 World Bank (2007) suggests that the primary objective of social protection programmes should be to protect the poor and vulnerable from shocks. A World Bank Safety Net Survey showed that households that are either existing recipients of safety nets programmes in Pakistan or applicants to such programmes suffered one or more major shocks during 2003-2006. Health shocks accounted for 54% of these and economic shocks for 28%. While some of these shocks are idiosyncratic (affect only the reporting household), others are aggregate in nature (affect a large demographic group or an entire community, such as the 2005 earthquake). Shocks typically result in income and asset losses and can result in a decline in household consumption levels. The World Bank study promotes the idea that consumers of social protection should be thought of as those vulnerable to shocks. Vulnerability, in turn, is defined as 'expected poverty, or the likelihood that households and individuals will remain or become poor in the (near) future'. Three types of vulnerabilities can be identified: chronically poor or vulnerable to chronic poverty (vulnerability as a result of low levels of consumption; suffer from structural poverty so likely to remain poor); transitory poor (vulnerability stems from income/expenditure volatility and likely to transition in/out of poverty as a result of shocks); and non-poor or infrequently poor (levels of vulnerability to poverty are extremely low since households enjoy both high levels of current consumption and low levels of future consumption volatility). The survey estimated that one-third of Pakistan's population was chronically poor or vulnerable to chronic poverty. An additional 24% of households were estimated to be transitorily poor.

<sup>11</sup> The World Bank (2001) defines social protection as 'public interventions to assist individuals, households and communities to manage risk better and that provide support to the critically poor.'

### 3. The Benazir Income Support Programme

#### 3.1 Overview

The BISP was launched in late 2008 as the government's flagship social safety net programme, with the immediate objective of cushioning the impact of the food, fuel and financial crisis on the poor. Faced with rising food inflation (close to 25%), the government was under extreme pressure to introduce a safety net programme to smooth the consumption patterns of the poor. The programme's broader objective – in line with the NSPS – is to establish a nationwide safety net programme, marked by effective and transparent targeting and delivery mechanisms.

In 2008/09, the BISP was accorded an initial budget allocation of Rs. 34 billion. The programme was expected to provide cash transfers of Rs. 1,000 per month (\$12) to 3.4 million families in the first year. Currently, the programme is extending monthly transfers to 2.2 million families. The budget for the programme is expected to increase to Rs. 70 billion in the next financial year.<sup>12</sup>

The scale of the BISP can be gauged from the fact that the entire expenditure on the two main social safety net programmes in Pakistan prior to the BISP – the *Zakat* Programme and the PBM – was 0.14% of GDP in 2004/05. In 2006/07, the PBM Food Support Scheme and the *Guzara* (Subsistence) Allowance under the *Zakat* Programme together covered 3.2 million households corresponding to about 13% of the population. Conversely, 2008/09 allocations to the BISP doubled the federal government's social safety net spending from 0.3% of GDP in 2003/04 to 0.6% in 2008-09, with the programme estimated to cover approximately 25% of the country's population as against 22.3-28.8% of the country's poor, depending on which price index is used to account for inflation (World Bank, 2009a).

The BISP has received unprecedented support and assistance from multilateral and bilateral donor agencies. The World Bank in particular has extended significant technical assistance regarding the programme's design. A \$60 million credit for technical assistance has been provided, and the Bank is also supporting disbursements for the programme through a Social Safety Net Development Policy Credit of \$200 million. The poverty scorecard approach (discussed below) was adopted largely at the Bank's behest. DFID is working closely with the Bank to support technical assistance for the BISP: it has set up a trust fund to support rollout of the poverty scorecard, development of a communications strategy, improvement of management capacity and strengthening of the monitoring and evaluation (M&E) system. Likewise, ADB has offered the federal government budgetary support of \$500 billion, of which \$300 billion is to be used for social protection programmes. As a condition of the loan arrangement, ADB has asked that quarterly progress reports on BISP implementation be prepared by the BISP Secretariat and submitted to it. Two such reports have been submitted to date.<sup>13</sup> In addition, ADB has supported a transparent identification process, a stronger grievance redressal mechanism and reduced political interference in the programme by replacing the system of beneficiary identification through members of the National Assembly (MNAs) with an objective poverty scorecard approach. However, the BISP has been criticised for its close association with a particular political party, and civil society activists claim the association of the programme with the person of Benazir Bhutto is intended only to shore up a dedicated vote bank for the PPP in time for the next parliamentary elections.<sup>14</sup>

Before initiating our discussion of the design and implementation phases of the BISP, it is important to take note of the progression of the programme to date. Given the large scale and coverage of the programme, unprecedented efforts are being made to improve its targeting

---

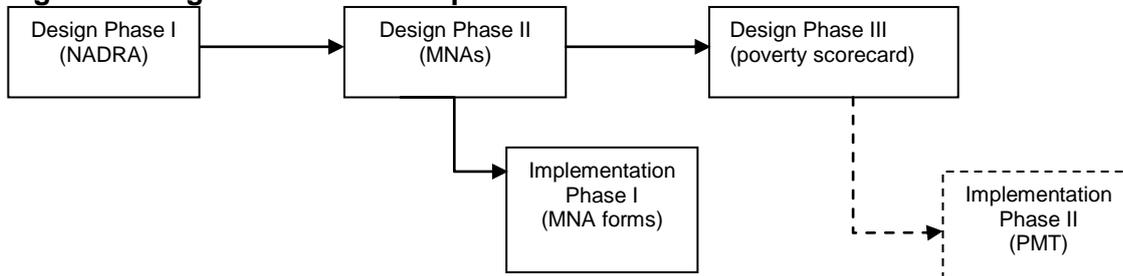
12 Interview, Mukhtar Ahmed, Director of Operations, BISP.

13 Neither the BISP Secretariat nor the ADB was willing to share the reports.

14 Interview, Tahira Abdullah, civil society activist.

efficiency. For this reason, the program's design phase can be segmented into three parts, and its implementation into another two. Figure 1 provides a chronological trajectory of the programme's development.

**Figure 1: Stages of BISP development**



Note: NADRA = National Database Registration Authority; PMT = proxy means test.

### 3.2 Programme design

Design Phases I and II of the BISP were hurried measures undertaken to ensure the programme could be rolled out quickly to ensure a timely response to the crisis and to allow the newly elected PPP government to cement its high popularity at the time. Under Phase I, the National Database Registration Authority (NADRA)<sup>15</sup> database was to be relied on to identify beneficiaries based on biometric and other data. There were inherent problems with this design, which policymakers recognised early on, and this option was discontinued during the design phase. For one, it discriminated by design against those who did not possess an NIC, and this discrimination was particularly abusive toward the poor. Stakeholders suggest that the poor are the most underrepresented in the NADRA database and, within this group, the female poor particularly so. Had the NADRA database been used to identify/target beneficiaries, it would have resulted in marginalisation of the female poor – the target group of interest for the BISP.

Under Phase II, 8,000 forms were handed out to all members of the federal legislature (MNAs and senators), to be distributed among their constituencies to whomever they considered eligible for the programme under the set criteria. The data provided on 8,000 families by each parliamentarian were verified by NADRA using selection/verification filters. For families to be eligible, their monthly income had to be less than Rs. 6,000, and the female applicant/recipient needed to possess a CNIC.<sup>16</sup> Several classes of special beneficiaries were identified: widowed/divorced women without adult male members in the family; physically or mentally challenged person(s) in the family; and family members suffering from a chronic disease. Individuals in special categories also had to meet the general criterion regarding family income and possession of a CNIC.

NADRA further applied a number of disqualification filters intended to bar certain families from the programme. Families are ineligible for the programme if any family member:

- Is in the employment of government/semi-government/authority/department or the armed forces of Pakistan;
- Is receiving a pension exceeding Rs. 6,000 from government/semi-government/authority/department or the armed forces of Pakistan;
- Is receiving any post-retirement benefits from any government department/agency;

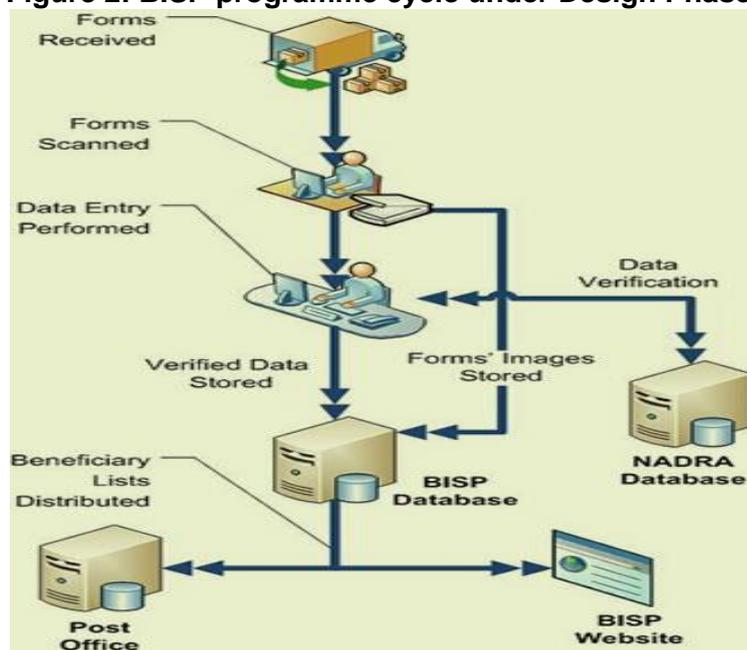
<sup>15</sup> The government has adopted a system whereby all Pakistanis over the age of 18 are supposed to be issued national identity cards (NICs) on application. In 2000, the process was computerised and NADRA subsequently issued computerised national identity cards (CNICs). All existing identity cards were to be replaced by biometric identity cards and a central database was established for the verification of these cards. CNICs are mandatory for most activities that require proof of identification – opening bank accounts, applying for bank loans, voting, applying for passports, etc.

<sup>16</sup> At the time of Phase II rollout, NADRA assured the government that CNICs would be provided in a timely way to those who were eligible for BISP assistance but did not possess CNICs.

- Owns agricultural land of more than 3 acres or a residential house/plot of more than 8 square yards (3 *marlas*);
- Is receiving income support from any other government programme such as the PBM Food Support Scheme, etc;
- Possesses a machine-readable passport;
- Possesses a National Identity Card for Overseas Pakistanis (NICOP);
- Has a bank account (except in NBP, HBL, UBL, MCB, ABL, BOP, Bolan Bank, Khyber Bank, First Women Bank, ZTBL, Khushhali Bank and all microfinance banks).

After beneficiary lists were drawn up, the data were transferred to the Pakistan Post Office (PPO), which would then use its regional and local offices to deliver money orders at the doorstep to the female beneficiary identified on each BISP form. Figure 2 summarises the design of the BISP system, from beneficiary identification to delivery of money orders.

**Figure 2: BISP programme cycle under Design Phase I**



Source: <http://reporting.bisp.gov.pk/benazir/track.jsp>.

Phase II of the BISP design had a number of positive elements. For one, NADRA undertook a two-step verification process (determining eligibility against the criterion identified above and validation through CNICs). Moreover, the use of CNICs ensured both a transparent mechanism for tracking beneficiaries and a common reference point for coordinating beneficiaries under various safety net programmes.

Regardless, Phase II had a number of problems relating to the identification of beneficiaries. First, the system was not open to all for participation. Instead, only those constituents who had received forms from legislators were able to submit requests for eligibility. How fair and accurate was legislators' beneficiary identification process? A preliminary assessment of this approach is given in the implementation section below. Second, a transparent and objective criterion is needed for determining eligibility. NADRA's general condition for eligibility requires that family income be less than Rs. 6,000 per month but, since it is extremely difficult to establish income levels in developing countries such as Pakistan, it is likely that decision makers would have to resort to making arbitrary estimates of the same. Third, the programme requires verification tools that can minimise inclusion and exclusion errors on the basis of well-defined rules. Using the NADRA database for purposes of verification does not ensure errors are minimised: biometric data in NADRA's records are not intended for identifying poverty and are therefore not accurate. In addition, NADRA has no self-

imposed regimen of updating its records. Residential, marital status and life information tends to be outdated. Furthermore, as identified above, NADRA's coverage is particularly sparse with regard to the poor – this implies there can be no verification of such poor (who are most likely to be interested in enrolling for the programme) through NADRA's database (World Bank, 2009b).

Phase II design raised significant concerns about targeting efficiency as well as leakages (both issues are discussed in detail in Section 3.3). Recognising that both these criticisms could jeopardise the government's well-intentioned efforts, it was decided that a redesign of the programme be initiated. For this purpose, the government sought technical assistance from the World Bank which, operating on the basis of its successful social protection experience in Latin America, suggested using a poverty scorecard<sup>17</sup> as an alternate targeting mechanism.

The scorecard developed by the World Bank is based on a proxy means testing (PMT) approach, which determines programme eligibility based on a predictor of household income or welfare that is created from a set of typical proxies of household welfare, like household demographics, housing conditions and ownership of durable assets. The rationale for adopting a PMT approach over direct means testing (asking potential beneficiaries about their income or expenditure) was that income is frequently misreported and no credible information systems are available to verify such information. Likewise, measuring consumption is painstaking and costly. Annex 3 explains the process of developing the poverty scorecard for the BISP in greater detail.

From a gender perspective, neither the indicators on the scorecard nor the weights assigned to them incorporate gender considerations. Broadly speaking, there are two points of entry for gender issues in the BISP design: 1) identification of a unit as a 'family' depends on a female member; and 2) female heads of household (or wives of male heads of households) are designated recipients of the cash transfer. The actual beneficiary identification process (the poverty scorecard) considers only household-level characteristics, which cannot be disaggregated by gender. This is generally a function of communal living in Pakistan, where households share amenities and assets, and not a shortcoming of the design of the scorecard *per se*.

After the design of the poverty scorecard, the government took a policy decision to not induct further beneficiaries into the programme on the basis of MNA-delivered forms. In order to finalise the design of the nationwide poverty scorecard, a test phase was launched in 16 districts representative of the four provinces and Azad Jammu & Kashmir/the Federally Administered Tribal Areas (AJK/FATA) between June and September 2009. The 16 districts chosen were Mianwali, Layyah, Multan and Pakpattan (Punjab); Mirpurkhas, Sanghar and Tharparkar (Sindh); Karak, Lakki Marwat and Batagram (North-West Frontier Province (NWFP)); Kila Saifullah, Musakhel and Turbat (Balochistan); and Ghanche, Poonch and Diamir (AJK/Northern Areas (NA)). The government used a census approach to collecting scorecard information, which required that each household in the area covered would be visited and requested to fill out the forms.

To maintain a functional separation between the agencies identifying eligible families (those collecting scorecard information) and those determining eligibility (NADRA), three partner organisations were identified to conduct the census work in the 16 districts. The selected agencies were the Population Census Organization (PCO), the Rural Support Programmes Network (RSPN) and the Pakistan Poverty Alleviation Fund (PPAF). PCO is the body responsible for conducting the national population census and has both the organisational structure as well as field presence needed to conduct a similar exercise. RSPN is another agency with wide field presence, since it works with a large number of rural communities. Lastly, PPAF was not directly involved in conducting the census but contracted out the task to NGOs and survey firms. To ascertain which of the three approaches was the most efficient/effective, the World Bank commissioned a process

---

17 A poverty scorecard is a targeting tool that includes a limited number of simple indicators that correlate well with poverty along with an intuitive scoring system that helps identify programme eligibility.

evaluation of the test phase. The evaluations found a number of problems with each agency's approach:<sup>18</sup>

- **PCO** has a tried-and-tested approach to conducting censuses. It divides the country into administrative units called 'blocks' and makes dwelling lists to ensure that all dwellings in a particular block are marked. Then enumerators start the actual listing process. As it turned out, PCO did not have time to do dwelling listing for this census and a large number of dwellings were missed out, particularly in the case of mobile/nomadic communities in Sindh and Baluchistan. Second, PCO tried to use the government's administrative machinery (district officers, etc.) to supervise activities but there was limited ownership at the latter's end. Most importantly, PCO used male school teachers as survey enumerators, but its supervision of these was extremely lax. The evaluation team found that many enumerators distributed the forms to households and asked them to fill the forms out themselves. Others asked communities to gather at central meeting places, which excluded households with limited mobility (widows with young children). Since boundaries were not clearly delineated, some households in boundary areas were left out of the survey.
- **RSPN** did the best job of conducting the survey according to the evaluators, mostly because it was known to local communities so it was relatively easier for it to probe and verify information households provided. All enumerators were trained to physically verify the existence of assets and the status of the household.
- Some sub-contractors for **PPAF** did a commendable job, according to the evaluation, whereas others fared very poorly. In general, performance was correlated strongly with the level of training given to enumerators.

See Annex 4 for further details regarding the process evaluation.

An assessment of beneficiaries and recipients under the BISP can give initial insights into the gender dimensions of the design of the programme. The beneficiary unit under the BISP is the 'family': the programme defines a family as 'an ever-married woman older than 18 years'. The woman can be either: 1) living with her husband and unmarried children; 2) a divorced woman living with her unmarried children; 3) a divorced woman living alone or with her parents/relatives; or 4) a widow living alone, with her unmarried children and/or with her parents/relatives.

There are a number of ways that this definition targets and benefits females. First, the definition of the 'family' implicitly identifies the female as head of the unit: the relationship of other individuals in the unit is defined in relation to her person; she is the primary respondent to whom questions are directed during the filling out of the poverty scorecard; and her presence in the unit determines whether the family unit is considered eligible for the programme or not.<sup>19</sup>

Second, under all other safety net programmes in Pakistan, the primary unit for consideration is the household. The commonly held definition of 'household' in nationwide surveys such as the PSLM and the Multiple Indicator Cluster Survey (MICS) is that of a unit which lives within one housing structure and shares a common kitchen (*choola*). This definition can discriminate particularly harshly against poor and vulnerable female members of the household.

For example, a particular household consists of a man, Mukhtar, aged 30-40, his wife and children, his widowed mother and his widowed sister, who has three dependent children of her own. Mukhtar is a daily labourer and the only earning member of the household, bringing home Rs. 5,000/month. If the household is considered eligible under a particular safety net programme, and a cash transfer is made to the male head of the household, there is no guarantee that Mukhtar will divide the money fairly within the household. In all likelihood, his mother and sister will not receive

---

<sup>18</sup> Interview with Safiya Aftab, Strategic and Policy Research Pvt. Ltd.

<sup>19</sup> This last observation draws on an exception pointed out by Haris Gazdar: the definition of the family unit at present makes no allowance for an otherwise eligible male widower with dependent children.

a direct share at all. By considering families to be beneficiary units, the BISP considers each family within a household to be eligible for the programme. Three families in Mukhtar's household are thus potentially eligible for cash transfers under the BISP.

There was a significant problem with this definition when it came to the design of the poverty scorecard. The scorecard is based on household expenditure data (based on a reasonable understanding that households treat assets and consumption expenditure as communal welfare) and collects information about the household in the questionnaire. A graver underlying issue is that the variables included in the scorecard and the weights assigned are all based on the household, and making the transition from households to families could alter the targeting performance dramatically. For example, the proposed scorecard includes the number of dependants in a *household*. If an applicant fills in the number of dependants in the family, which should be far fewer than the number in the household, the likelihood of the applicant being selected will be lowered significantly. One way to overcome this shortcoming is to require all applicants to fill out the scorecard based on information regarding the household they belong to and to report the number of families residing in the household. Once this is known, either all families who belong to a selected household could be eligible for benefits (that is, if the household's score is below the cut-off, each family in the household would receive a cash grant of Rs. 1,000 per month), or some limit per household could be established. In either case, the correct identification of families in each household is critical to pre-empt misreporting on the number of families. The final form of the scorecard does not ask any questions regarding the number of families in the household, so it is unclear how this issue is going to be dealt with when the transition is made from households to beneficiary families.

It is important to note also that the recognition of the numerous family units within a household goes some way to disrupting unequal power relations within a household. Cash transfers made to dependent females within a household strengthen their bargaining power and autonomy within the household.

Third, this *de facto* positioning of females as head of the family unit also paves the way for their being recognised on official records as the *recipient* of the cash transfer under the BISP. As discussed in greater length in Section 3.3, identified females are then required to sign off for and accept monthly money orders in person. There are a number of *prima facie* arguments made for designating females as recipients: analysts suggest that, when women are placed in charge of household income (in this case cash transfers), the result is a more equitable distribution of income within the household. Females are also more likely to spend the money on the food, health and education needs of the family. It also offers them greater bargaining power within the household. With regard to the question of whether the money is likely to be appropriated by male members of the household, the general opinion of stakeholders was that the sum was too insignificant for this to happen, even though the possibility could not be ruled out entirely.<sup>20</sup>

### 3.3 Programme implementation

This section discusses the institutional and administrative arrangements for the BISP, the role of the implementing partners – PPO and NADRA – and the process of rollout under design Phase I. Lessons learned from Phase I have been incorporated into the delivery and disbursement mechanisms for design Phase II; since implementation of Phase II has not yet been initiated, this section highlights mechanisms being considered at this point.

---

20 Interviews with Mukhtar Ahmed, Director of Operations, the BISP; Safiya Aftab, Strategic & Economic Policy Research Pvt. Ltd; Haris Gazdar, Collective for Social Science Research; and Iftikhar Malik, World Bank.

### 3.3.1 Institutional and administrative arrangements

The BISP was initially established under the Ministry of Finance, but a separate Management Board was later set up for the programme's administration. In April 2009, the government passed a BISP Ordinance<sup>21</sup> that establishes a council to advise the BISP, which includes the President and Prime Minister as its members. Operationally, the programme has three main departments running it: the Operations Wing, responsible for the programme's design and its implementation, and also involved in monitoring and grievance redressal; the General Administration Department; and the Finance and Accounting Department.

Data management and monitoring of the BISP is undertaken through a comprehensive Management Information System (MIS) that is housed centrally at NADRA in Islamabad. All data related to the programme are housed in the database server. The MIS has four main functions (see Annex 5 for a detailed representation of the BISP MIS) (World Bank, 2009a):

- **Targeting and eligibility:** The MIS supports the data entry process, validation, verification and application of PMT to determine BISP eligibility.
- **Grievance redressal:** The MIS allows BISP officers situated in provincial and/or regional/district offices to obtain online applicant or beneficiary information and be able to resolve complaints. Complaints may be related to an applicant not being eligible (missing information, invalid CNIC, invalid name, etc.) or to payments (not received, wrong address). The MIS also enables management officials to update the status of complaints on the database so applicants/beneficiaries can access the programme website remotely and learn of their status. There are a number of problems with the design of the grievance redressal mechanism, highlighted in the implementation assessment below.
- **Payment process:** The MIS, through the Operations Wing, produces a bi-monthly list of beneficiaries eligible for cash transfers and sends it to PPO. Payment receipts and associated forms are uploaded onto the BISP database.
- **Monitoring and reporting:** The MIS produces aggregate reports on targeting and delivery by geographical level, demographic distribution, etc. Graphic tools may be used to cumulate and assess programme performance.

### 3.3.2 Implementing partner: PPO

BISP policymakers recognised during the initial design phase that, in order for females to be cash transfer recipients,<sup>22</sup> the programme delivery mechanism had to reach out to them. Given restricted female mobility (especially in rural areas), *pardah*<sup>23</sup> in Baluchistan and NWFP, time poverty for rural women who are heavily engaged in household labour and accessibility issues in some remote areas, it was recognised that the BISP could not achieve its desired coverage if female recipients were required to collect the money from a central disbursement point, such as a bank or regional BISP office. Instead, the BISP had to deliver money orders to female recipients at their doorstep.

For this reason, it was decided to contract the PPO as an implementing partner. PPO offers two main advantages as a delivery agency: it has the widest and deepest coverage network in the country<sup>24</sup> and it has a long history of delivering money orders and disbursements under other programmes (PBM, the Food Support Scheme and all military pensions) (PPO, 2008).

---

21 This is currently before Parliament for approval to be turned into law.

22 Interviews with some stakeholders suggested that the decision to identify females as recipients of the cash transfer programme exclusively was taken at the level of the presidency, possibly even before the PPP took over the federal government in February 2008.

23 A common social practice in some areas of Pakistan where females do not enter the public domain so as to avoid mingling with men to whom they bear no familial relation.

24 PPO handles over 671 million items per year, employs 45,000 people – including both full and part-time employees – and runs approximately 12,100 post offices, 81% of which are in rural areas.

Once beneficiaries are identified, their information (name, address, CNIC number, BISP identification number, etc.) is forwarded to PPO, which prints it onto BISP forms as well as requisite money orders (see Annex 6).<sup>25</sup> PPO's own logistical constraints mean that currently the printing of all money orders and forms is done centrally at the General Post Office (GPO) in Lahore. Once money orders are printed, they are disbursed to 80 district-level GPOs in the country. Here, they are sorted further by location and dispatched to local post offices, after which postmen deliver them. Post offices are typically located at district, *tehsil* and union council level. If there is no post office in a particular location, a 'branch' post office is used: the services of a local government office/employee or local shop owner. All delivery receipts and BISP forms are then collected centrally at Lahore GPO where they are scanned into the system and uploaded into the BISP database. BISP management and programme beneficiaries can log onto the website using their CNIC to check the status of their money order. PPO also delivers grievance letters (*darkhwasts*) from beneficiaries to BISP regional offices.

Payments are typically made bi-monthly. Between December 2008 and June 2009, a total of Rs. 4,493,731 in money orders was sent for delivery, with 96% actually paid (Table 1). One PPO representative suggested the agency's delivery rate was 98%.<sup>26</sup> Common reasons for non-delivery are change in address, wrong information on the beneficiary on the BISP form and mismatch between CNIC number on the form/money order and that presented by the female recipient.

**Table 1: BISP money orders – sent for delivery, paid and unpaid, 2008/09**

S.No	Month	Year	Total MO's Sent For Delivery	Paid MO	Un-Paid MO	% of Delivered MO
1	December	2008	500	427	73	85.40
2	January	2009	207,002	199,759	7,243	96.50
3	February	2009	504,878	486,678	18,200	96.40
4	March	2009	552,086	531,870	20,216	96.34
5	April	2009	336,467	320,346	16,121	95.21
6	May	2009	1,209,054	1,170,677	38,377	96.83
7	June	2009	1,683,744	1,608,907	74,837	95.56
Total:			4,4973,731	4,318,664	175,067	96.10

Source: PPO Directorate.

From July 2009 to September 2009, a total of Rs. 3,305,808 in money orders was sent for delivery, with only 29.22% actually paid (Tables 2 and 3). At the time of writing, the 2009/10 year's money orders were still in progress, which explains the very low payment rate.

**Table 2: BISP Money Orders – sent for delivery, paid and unpaid, 2009/10**

S.No	Month	Year	Total MO's Sent For Delivery	Paid MO	Un-Paid MO	% of Delivered MO
1	July	2009	373,003	350,414	2,558	93.94
2	August	2009	748,666	611,991	109,845	81.74
3	September	2009	2,184,139	3,666	2,180,473	0.17
Total:			3,305,508	966,071	2,292,876	29.22

Source: PPO Directorate.

<sup>25</sup> A money order is issued by the post office for the payment of a sum of money through the agency of the post office.

<sup>26</sup> Interview, Abdur Razzaq, PPO.

**Table 3: Money orders by province, 2008/09**

S. No	Name of Circle	December	January	February	March	April	May	June	July	August	September	Total
1	PUNJAB		146,441	215,736	201,905	171,901	564,072	821,982	125,457	250,915	919,469	2,749,324
2	SINDH	500	21,840	145,795	168,450	83,540	336,585	449,646	91,165	182,334	551,988	1,662,189
3	NWFP		33,646	113,147	134,780	52,643	226,376	361,160	62,768	125,638	429,305	1,539,363
4	BALOC HISTAN		3,707	25,275	44,343	22,376	73,120	106,282	26,711	56,075	135,551	493,440
5	Federal Capital, GB and AJK		1,368	4,925	2,608	6,007	8,901	16,549	66,902	133,804	87,826	328,890
Grand Total:		500	207,002	504,878	552,086	336,467	1,209,054	1,755,619	373,003	748,666	2,184,139	7,871,414

*Note:* GB = Gilgit-Baltistan.

*Source:* PPO Directorate.

An interview conducted with a PPO representative suggested particular sensitivity to gender issues when delivering money orders. For one, PPO management (who in turn trained supervisory cadre) were given training by the BISP to emphasise the need to deliver money orders to the female head of household. This training was extended by district supervisors to the postmen in their jurisdiction. In particular, the agency drew a link between the cash transfers and the empowerment of women. A complex system of secondary checks was put in place for this purpose: the postman was required to verify that the female recipient possessed a CNIC with a number matching that on the money order/BISP form. The female recipient was required to sign her name on the pre-printed BISP form. In case of a *purdah*-observing woman, a male family member (husband or son) was required to witness and sign on the form along with the female to provide a guarantee that she was the same person identified on the money order. In most rural areas, there is relatively less chance of manipulation by male relatives since postmen often belong to and know the local community. A similar check has been introduced for thumb prints of illiterate female recipients: in this case, the postman is required to get another household member to act as a witness on the BISP form.

The government has not shown flexibility in terms of relaxing the disbursement conditions in exceptional circumstances. For instance, in Orakzai agency (FATA), where a military operation was conducted in the summer of 2009, it was impossible for postmen to make postal deliveries at home for a few months. Instead of allowing beneficiary households to collect money orders from post office themselves, the BISP Secretariat chose to stop payments in Orakzai in the interim.

PPO acknowledges a number of institutional and capacity constraints. The agency needs a great deal of technological support to provide printing services for the BISP forms. Technical infrastructure that needs to be put in place includes scanners and printing machinery. There are also human resource constraints at the level of district supervisory cadre and postmen. Postmen in particular complain of being overburdened by the task of delivering the BISP money orders on top of their usual duties. PPO claims to have built in incentives for postmen to deter them from engaging in corruption: in its contract with the BISP, PPO charges the BISP Rs. 30 for the delivery of each money order. Of this, Rs. 5 (\$0.06) is supposedly given to the postman delivering the money order. Given the charges being levelled at postmen by beneficiaries of up to Rs. 500 (\$6) for the delivery of money orders (discussed below), it is doubtful that a paltry sum of Rs. 5 would have any impact on deterring corruption/bribery in the system.

### 3.3.3 Implementing partner: NADRA

As identified above, NADRA continues to play a critical role in the verification of applicants' information and in determining eligibility, and currently houses and manages the BISP database and the MIS. NADRA has also served a more important role in relation to gender in the BISP rollout. One of the main concerns at the time of identification of eligible families during Design Phase I was that many of the eligible beneficiaries did not possess a CNIC. This lack of identification precluded them from

inclusion in the programme. NADRA responded promptly to the situation and sent out mobile teams to register eligible families/potential applicants. A similar concern arose before the test phase of the poverty scorecard. It was estimated that 300,000 potential beneficiary households in these districts did not possess a CNIC. NADRA registration led to 400,000 adults in these districts being registered for CNICs, and it is estimated that 40% of these were women. Possession of a CNIC is a significant step towards the empowerment of women, as it allows them to open a bank account, apply for a loan to start a business, vote, apply for formal employment, etc. An interesting observation is that enrolment for the BISP is also creating its own demand for CNICs.<sup>27</sup>

### 3.3.4 Assessment of rollout under Design Phase II

An assessment of BISP implementation would require an estimation of errors of exclusion and inclusion in the programme. The first relates to issues of under-coverage and the second relates to leakages. The World Bank commissioned an evaluation of the first phase of implementation in late 2009 to evaluate targeting and delivery to date. To conduct the study, the consulting team was given a pre-selected sample of beneficiary households.<sup>28</sup>

**Targeting:** Given that Design Phase I had no organised mechanism for identifying the poor, targeting errors could be expected to be significant. However, the report's preliminary findings suggest that many of the beneficiaries were in fact poor. This implies that, while there may be low levels of leakage, not much can be said for coverage, because the survey team had no information about households that were not beneficiaries (were there other equally poor or poorer households in the neighbourhood not included in the BISP?)

Targeting errors are attributable in part to arbitrary beneficiary identification on the part of MNAs. MNAs reached out to the poor in one of two ways: 1) they distributed forms to poor relatives (*biradari* members) and family; and 2) they devolved the task of handing out forms to party workers on the ground. As expected, party workers exploited patronage opportunities. Meanwhile, association of the programme with the current political administration has resulted in poor ownership by MNAs and political workers from other parties. The evaluation found that Pakistan Muslim League-Nawaz (PML-N) MNAs in Punjab were particularly reluctant to distribute BISP forms to their constituents – there are reports of some MNAs returning the 8,000 forms unfilled. In all instances, MNAs appeared to distribute forms to their own voters.

The survey team also found, as expected, problems with using the income criterion of Rs. 6,000 to determine household eligibility. A number of beneficiary households unwittingly revealed that their income was greater than the cut-off mark. Another condition for BISP eligibility was that beneficiaries' must not be receiving government support from other scheme. Some recipients openly acknowledged that they were receiving a *zakat* allowance, etc.

**Delivery mechanism:** Many of the poor had received their bi-monthly payments. A bigger issue was the fact that a great amount remained undisbursed, and there is concern that some funds remain unaccounted for.<sup>29</sup>

Several concerns were raised regarding the delivery mechanism. Addresses used by PPO to deliver money orders were those stated on CNIC. These were usually accurate in rural communities, but the poor in urban slums are much more mobile and rarely have a permanent fixed abode. While the BISP Secretariat and PPO claim that beneficiaries do inform them of a change in address, there is no verification of this claim. Beneficiary households stated that postmen asked for considerable kickbacks, at times up to half the amount of the money order. Many postmen refused to deliver to remote areas; others claimed higher kickbacks for delivering to

27 Interview, Iftikhar Malik.

28 The sample selection was highly biased: households were selected by NADRA in the knowledge they had received monthly transfers as indicated in the BISP MIS.

29 Interview, Brig. (Retd) Raziuddin, Innovative Development Strategies.

remote addresses. Some postmen threatened beneficiaries not to tell the authorities, or they would not deliver their money order next month. Likewise, postmen were accused of not verifying the identity of the female recipient at the time of delivery.

Many beneficiaries complained of long and irregular waiting periods for the delivery of money orders. Disbursements varied between two and six months. In addition, in an interesting reflection on the accuracy of data fed back into the BISP MIS, a number of beneficiary households claimed that they had not received any money orders since the initiation of the program.

Leakage of resources was also happening via corruption from a more unlikely source. In more than one community/electoral constituency, local MNAs were found to be involved. Cases had risen where politically influential personnel had confiscated beneficiaries' CNICs, collected all the money orders for the month from the post office and then given half of the amount in cash form to the recipient families and told the recipients that was all the money disbursed by the government that month. Other MNAs had confiscated the money orders but disbursed the money entirely at their own whim (possibly for their own voters/supporters).<sup>30</sup>

Despite the existence of a formal grievance redressal mechanism in the MIS, the critical concern appears to be access points for programme applicants/beneficiaries.<sup>31</sup> Since complaints have to be entered online for them to be forwarded to the BISP Secretariat, complainants must travel to regional/district BISP offices. These are typically at large distances, particularly in sparsely populated areas, and exclude female recipients whose mobility is restricted. There is also substantive opportunity cost involved in terms of work forgone and money spent on travelling to BISP offices. Also, beneficiaries need to be aware of such a mechanism, which they are not in most instances. While PPO has made claims of delivering *darkhwasts* to the BISP, these have not been verified by recipients on the ground. Some beneficiaries who did not receive money orders had given formal *darkhwasts* to the MNA but indicated that the MNA had held onto their complaint letter and not forwarded it to the BISP.

**Programme impact:** The survey found evidence of strong communication and dissemination by the BISP and its regional offices. The BISP undertook a massive communication campaign during the initial national rollout of the scheme. The programme was well-publicised in public spaces and specific officials were allocated the task of administering and monitoring the awareness campaign in their locality. There also seems to be some credence to the argument that the programme will be associated strongly with a political party – many beneficiaries/applicants referred to the programme as *Benazir walay paisay* ('Benazir's money').

The general impression of the survey team was that female recipients of the programme did feel empowered by the cash transfer (women and men were interviewed separately). In a number of instances, men in beneficiary households responded that women were in fact in charge of income; female respondents were more likely to declare themselves heads of households where the men were unemployed.

### 3.3.5 Implementation mechanisms for Design Phase III

The modified implementation mechanism will take account of both the poverty scorecard approach and problems identified with the delivery mechanism. The modified programme cycle is divided into three phases: targeting, enrolment and payments (Figure 3). Targeting involves filling in the scorecard, processing and verification of scorecard data in the programme MIS and calculation of the PMT score. PPAF, RSPN and PCO will be responsible for these tasks. Enrolment includes selection of beneficiary families through application of the cut-off score approved by the BISP Management Board and sending out of enrolment letters to beneficiary families. The payment

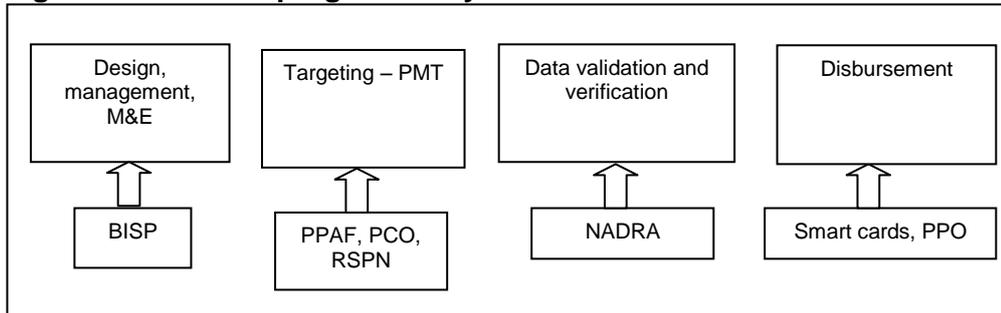
---

30 Interview, Brig. (Retd.) Raziuddin, Innovative Development Strategies.

31 Ibid.

phase includes delivery of cash transfers to beneficiary families through the PPO or other delivery mechanism (such as smart cards).

**Figure 3: The BISP programme cycle**



Given the poor performance of PPO in delivering cash transfers to beneficiaries, the BISP is currently considering changing the mechanism to one that limits 'human discretion'. Also, the current system has significant time costs: it takes one month to deliver money orders and another month for the data to be fed back into the system. At present, the two options being considered are smart cards and card-to-card/phone-to-card transfers. Smart cards that could be used by the BISP would have some micro-processing capability so they could store identity information on them and transmit and receive data from the BISP central database. In this instance, each beneficiary would be given a smart card that would be encoded with their specific information (thumb impression etc.). Funds would be transferred to this card on a monthly basis and recipients could then go to a central location with a smart card reader (such as a swipe machine) to receive cash payments. While the option reduces the need for a middleman, it is also extremely costly to implement, given the large number of card readers required.

Under card-to-card transfers, former beneficiaries would receive a card with 2-D bar codes on it. To receive the cash payment, beneficiaries would take their card to a designated point (most likely a neighbourhood grocery shop) where a shopkeeper would take a picture of the bar code, send it to the BISP MIS, which would authenticate the beneficiary code, and authorise payment by the shopkeeper. For phone-to-card banking, beneficiaries would be given a free cell phone at time of enrolment into the programme. Beneficiaries would then receive a monthly code from the BISP Secretariat, which they would take to designated points (similar to the above). Shopkeepers or other designated individuals would then receive an authenticated code from the central database and make the cash payment to the beneficiary. There are a number of problems with both approaches: in more conservative areas, the BISP would have to relax the condition of female recipients and therefore exclude women from being the main beneficiaries; there are significant upfront supply-side costs in producing cards or mobile phones for recipients; and the BISP would have to make monthly disbursements to shopkeepers or others in advance to get them to participate in the programme.

Some stakeholders were of the opinion that these complicated disbursement mechanisms ought to be done away with and all disbursements should be made in a public place after due notification of the community. Conducting the exercise in public places would ensure fewer chances of misappropriation and leakage.<sup>32</sup>

## 4. The *Zakat* Programme

### 4.1 Overview

The *Zakat* Programme was initiated in 1980 under the *Zakat* and *Ushr* Ordinance by the government of Zia-ul-Haq, a right wing, conservative administration that probably saw the programme as an opportunity to shore up its Islamic credentials. At the time, there appeared to be no economic or special social protection motivations behind the programme's initiation. It is based on the Islamic injunction of charity, which mandates that all Muslims give 2.5% of their wealth and assets each year to the poor. For many years, the government imposed a 2.5% tax levy (a wealth tax) on specified financial assets of individuals<sup>33</sup> such as bank deposits worth more than a certain amount (ADB, 2002). *Zakat* used to be deducted at source and siphoned to a Central *Zakat* Fund kept by the State Bank of Pakistan. However, since 1999 the Supreme Court has made the payment of *zakat* to the state voluntary.

Unlike the BISP, the *Zakat* Programme has no specific class of beneficiaries that it targets. The programme operates under the principle that deserving needy (*mustahqjeen*) Muslims are to be given assistance. This particularly includes widows, orphans, the disabled and the unemployed (but not beggars). Two important issues about eligibility arise here: the programme, by design, discriminates on the basis of religion; and it has no *a priori* commitment to targeting by gender.

There are three types of programme, including Regular *Zakat* Programmes, Other *Zakat* Programmes and Special *Zakat* Programmes. The *Guzara* (Subsistence) Allowance is the principal programme and about 43% of total funds were allocated to this in 2006/07.<sup>34</sup> Beneficiary households receive a monthly transfer of Rs. 500 under this scheme. Regular *Zakat* Programmes also include education stipends; stipends for students of *deeni madaris*; health care; social welfare rehabilitation; and marriage assistance to women who are about to get married. Other *Zakat* Programmes include the Eid Grant and the Leprosy Patient Programme. Special *Zakat* Programmes consist of technical educational stipends. Permanent rehabilitation grants, which started in 2001/02 with the objective of transferring larger lump sum grants of Rs. 10,000-50,000 to help the vulnerable address their problems on a permanent basis, have now been discontinued owing to lack of funds. The *Guzara* Allowance (a cash transfer) is by far the largest among the programmes (in terms of coverage and resource use). This implies resources for the other targeted interventions (would could potentially have a greater impact) are much smaller. Remaining resources are spread thin and wide across the remaining sub-programmes, diluting their impact.

With payments to the programme now voluntary, and with large public mistrust,<sup>35</sup> the programme's funding is in jeopardy, with both *zakat* levy collections decreasing and programme reserves drying up. Contributions to the *Zakat* Programme have observed a substantial decrease, from 0.3% of GDP in the 1980s to 0.08% in 2002/03 (World Bank, 2007). This is one reason why the number of beneficiaries declined from 1.7 million in 2001/02 to 1.6 million in 2003/04 (Issues and Policies Consultants, 2004). Despite being one of the two largest safety net programmes in Pakistan<sup>36</sup> along with the Food Support Scheme of the Pakistan *Bait-ul-Mal*, only 3% of all households receive benefits, mostly under the *Guzara* Allowance (2.2%) and permanent rehabilitation grants (0.4%). Coverage is slightly higher in rural than in urban areas. It is highest in NWFP (5%), followed by

---

33 The tax is imposed only on Muslims. In addition, certain Muslims sects are also exempt from the tax.

34 In 2006/07, budget allocations for programmes were as follows: *Guzara* Allowance 43%, educational stipends 13%, stipends for students of *deeni madaris* 6%, health care 4.3%, social welfare rehabilitation 2.8%, marriage assistance 3%, Eid Grant 4.2%, Leprosy Patient Programme 0.01% and technical education stipends 2%. Note: may not add up to 100% owing to rounding.

35 The majority of the Muslim population prefers to administer *zakat* themselves or to give to private organisations.

36 Prior to the introduction of the BISP.

Balochistan (3.9%), Punjab (1.4%) and Sindh (1.3%). According to the 2005 Pakistan Social Safety Net Survey, only 50% of those who felt they needed assistance applied for it and only 22% of all applicants received any benefit. Many of those rejected were among the poor. The main reasons given for seeking assistance were widowhood, disability, health shocks and family-related shocks (e.g. daughter's marriage); those not applying for assistance did not do so because their expectations of receiving any were low (World Bank, 2007). Benefits have a limited impact on poverty, with the *Guzara* Allowance comprising 14% of average recipient household income; conditional cash transfer programmes in Mexico and Nicaragua provide about 21% of average household expenditure (ibid).

## 4.2 Programme design

Unlike the BISP, the *Zakat* Programme was conceptualised without a formal targeting mechanism and has continued so to date. The lack of a targeting mechanism is reflected in significant errors, with some of the poor being left out of the purview of the programme, as well as leakages.

According to the 2005 Pakistan Social Safety Net Survey, a significant number of the poor are not included in the programme, with the majority of rejected applicants belonging to the lowest quintiles. Rejected applicants were typically poorer than accepted applicants (Table 4).

**Table 4: Distribution of Pakistan Social Safety Net Survey Phase 1 sample by programme status and quintile (%)**

Quintile	Beneficiary of cash transfer	Applied, did not receive	Felt the need but did not apply	Did not feel the need	All households
1	21.3	36.8	28.8	16.1	20.1
2	19.6	23.2	23.1	19.0	20.0
3	20.5	18.1	19.7	20.4	20.0
4	16.3	12.4	15.9	21.8	19.9
5	22.3	9.5	12.6	22.7	20.0
<i>Total</i>	100.0	100.0	100.0	100.0	100.0

Source: World Bank (2007).

As explained in Section 4.3, beneficiaries of the programme are identified by members of the local *zakat* committee (LZC). The chair and members of the LZCs rely on individuals known to them to identify the beneficiaries in their area. These are often the better-off and more educated members of the community. The major impediments to accurate identification appear to be high levels of patronage and corruption among members of LZCs and other authorities. Local power structures in particular play a major role. Less than 60% of *zakat*-recipient households in rural areas were selected by their LZC or its chairperson (Arif, 2006). The names of 42% of *zakat* recipients were included on these lists on the recommendation of local councillors or other influential persons, including local landlords, religious leaders or relatives of members of the LZC.

At another level, the lack of an objective definition of poverty or eligibility criteria implies that, even where the LZCs are allowed to identify beneficiaries, they do so in an entirely arbitrary manner. This is corroborated by an econometric analysis of data collected under the 2005 Pakistan Social Safety Net Survey, which shows that, 'although selection does depend positively on some pro-poor factors (e.g., female-headed household, illiterate household head, presence of elderly, etc.), others appear to have no explanatory power (e.g., mud house, large household size, high dependency ratio, amount of cultivated land)' (World Bank, 2007).

While the positive correlation of beneficiary selection and female-headed households suggests that the programme is targeting females, two main concerns remain: 1) the lack of an institutionalised targeting mechanism means that female beneficiaries have no assurance/certainty of continued

targeting under the system; and 2) many of the female beneficiaries are not the poorest in the community, and sometimes even belong to the non-poor category.

Several evaluations of the *Zakat* Programme show that it suffers from considerable leakages to non-poor households in the community. While some figures cited are controversial because of the nature of the data used, the general point made consistently is that *zakat* funds are inordinately accruing to the non-poor and the poor, but very rarely to the poorest and the 'neediest'.

An analysis of Pakistan Integrated Household Survey 1991 data shows that 2.7% of all households received *zakat* and *ushr* funds, of which 21% belonged to the lowest expenditure decile and 30% to the second lowest decile. Thus, approximately 50% of households belonged to the middle and upper deciles (Assad, 2004). Analysis of the HIES 2001/02 reveals that 72% of *zakat* recipients fall in the bottom two quintiles, which are below the poverty line. These two quintiles account for 57% of all *zakat*-recipient households and receive 40% of the total *zakat* distributed. Analysis by poverty status shows that 2.7% of poor households receive 40% of *zakat* while 1.4% of non-poor households receive 60% (Issues and Policies Consultants, 2004).

Heltberg (nd) notes that an analysis of six different surveys from 1990/91 to 2001 shows that in no single year did households in the bottom 40% receive half of all *zakat* receipts. In contrast, the top 40% sometimes received more than half of all *zakat* disbursements, and in no year did they receive less than 28%. Such a consistent tendency for large-scale leakage 'reinforces the conclusion that the current targeting scheme is unable to effectively identify the poor' (ibid).

According to Pakistan Social Safety Net Survey, 32% of the *Guzara* Allowance is mis-targeted to the non-poor. Leakage of rehabilitation grants to the non-poor was found to be even higher, at 45% CPRSPD (2007) (Table 5). Benefits also appear to increase with household income: average benefit payments from the *Guzara* Allowance are 5-10% higher among the non-poor than among the poor or the ultra poor (both for the last instalment and when all payments over a 12-month period are taken into account).

**Table 5: Distribution of households by programme, income level and share of total programme receipts**

	Ultra-poor		Poor		Non-poor		Total
	% of beneficiary households	% of programme funds	% of beneficiary households	% of programme funds	% of beneficiary households	% of programme funds	
Guzara	39	33	33	35	27	32	100
Rehabilitation	44	23	19	32	37	45	100
<b>All sample households</b>	<b>38</b>		<b>35</b>		<b>27</b>		<b>100</b>

Note: Before forming the income groups, expenditures were adjusted to counterfactual pre-programme levels by subtracting half the average monthly programme receipt over the past 12 months from total expenditure.

It is important to note, as mentioned before, that none of the preceding evidence speaks particularly to discrimination against women. However, the mere fact that female-headed households are more likely to be targeted under the programme says nothing about the poverty level of those households. By probability estimates, the targeting errors would imply that many of the females targeted are not necessarily from among the poorest. Instead, they are more likely to be those who have connections to influential members of the community or members of the LZC.

One major distinguishing factor between the design of the BISP and the *Zakat* Programme with regard to exclusionary risks is that there is no effort on the part of programme implementers to enforce any second-tier monitoring checks or verification filters to determine eligibility. As is explained below, the entire process is devolved, thereby absolving the central departmental authority from any monitoring role. This also implies that potential beneficiaries have only one point of contact with the programme, and it is up to beneficiaries to make their presence known to local

decision makers. This entails higher risk for those who are unable to get in touch with those determining beneficiary selection at the local level, be they politicians or LZC members. For instance, poor widows who may have restricted mobility or means of access to these individuals would be at highest risk of exclusion because they would not be able to communicate their interest in the programme to the LZC, while the LZC has no mechanism of its own (door-to-door census etc.) of identifying the needy.

### 4.3 Programme implementation

The *Zakat* Programme is organised on a five-tier system operating under the Ministry of Religious Affairs, *Zakat* and *Ushr*. The tiers include the Central *Zakat* Council, provincial *zakat* councils, district *zakat* committees, *tehsil zakat* committees and LZCs. The *zakat* collected by financial institutions is deposited in the Central *Zakat* Fund maintained by the State Bank of Pakistan. A portion of this is retained by the Central *Zakat* Council, an autonomous agency, which is invested in on a non-interest basis.

While provincial disbursements are supposed to be based on a population criterion, this is usually not the case in practice (SPDC, 1999). The criterion followed while distributing *zakat* to local committees is guided by the district *zakat* committee on the basis of demand from different applicants, with population ratios and consistency with the budgetary distribution by type of programme serving as broad guidelines. Funds are then further allocated to LZCs, which function at the lowest level, through which they are distributed.

LZCs receive 60% of total funds available to provincial *zakat* councils. Each LZC is supposed to cover about 3,000 people. Larger villages may therefore have multiple *zakat* committees and smaller villages may be grouped under a single committee. The responsibility of identifying *mustahiqeen* falls on the LZCs. The district committee is supposed to constitute a team of three or more persons, including one gazetted officer, one *aalim-e-deen* and one member of the district committee, charged with organising a public gathering of adult Muslims, teachers and *ulema* residents of a locality to ask them to select LZC members. The LZC constitutes of nine elected, non-official unpaid members of whom two are supposed to be women. Members must be above 45 years of age, possess a secondary school certificate, be of sound moral and financial character and not engage in any form of political activity or be an employee of any government organisation. After the committee is constituted, one of the members is subsequently elected as the chair (Toor and Nasar, 2003). In 2001, 40,000 new *zakat* committees were created, staffed by about 400,000 unpaid volunteers, aided by a small support staff of clerks.

No specific evidence exists on the gender sensitisation of LZC members, other than the need to include two female members. There also appears to be no evidence as to how instrumental the participation of these female members is to the identification of female beneficiaries or whether the stipulation of the inclusion of two females as members is even adhered to.

In order to facilitate the involvement and initiatives of other organisations working on special protection, the Central *Zakat* Council also allocates funds to the National *Zakat* Foundation. This extends grants to NGOs registered under the Voluntary Social Welfare Agencies Ordinance 1961 for institutional rehabilitation of widows, indigents, orphans and disabled persons. Institutions such as *deeni madrassahs*, public hospitals and vocational training institutes are thus also recipients of *zakat* funds, with a total share of 40% in the provincial *zakat* fund (Sayeed, 2004). However, there appears to be no coordination with dedicated government institutions such as the Ministry of Women Development and the Ministry of Social Welfare and Special Education.

Staff and resource capacity are repeatedly identified as major implementation problems of the *Zakat* Programme. This has resulted in problems such as late delivery of monthly cheques. Lack of coordination between the chair, the district *zakat* committee and administrative staff has also been

observed, with recipients resultantly facing difficulties in getting the *Guzara* Allowance on a timely basis. Likewise, beneficiaries complain about the response time for payment activation after programme registration, the cost associated with cashing the benefit and the irregularity and lumpiness of payment benefits. While 25% of all applicants received their first payment within a month of application, 15% had to wait six months and an additional 13% more than a year (World Bank, 2007). Furthermore, the average beneficiary waited 8.6 months between *Guzara* payments and often received several instalments at the same time.

Another evidence of resource constraints for this programme is provided by the fact that offices are often concentrated in better-off localities. *Zakat* committees are also more active in communities that were relatively well-off (prior to the programme being initiated). This difference is even more marked in rural communities. The programme was found to be more likely to cover areas that had developed infrastructure and where other development programmes were also active, hence it is likely that the programme reinforces regional discrimination.

The *Zakat* Programme also suffers from poor information dissemination. A study revealed that nearly all *Guzara* Allowance beneficiaries interviewed were unaware of the other benefits available under the programme (Khan, 2008). One LZC member revealed that they deliberately did not announce facilities available under the programme as they would be inundated with requests (from eligible persons). The LZC therefore itself approached people it knew to be deserving of a particular facility, such as the *zakat* for health expenses. Urban populations were especially uninformed of existing government social programmes and *zakat* benefits.

There are two main impediments to participation of females and other beneficiaries in the system. The first relates to the requirement for a bank account to access funds transferred in the form of cheques. Opening bank accounts is a challenge for recipients, as most banks are not willing to keep accounts of *zakat* recipients. Others insist on a minimum balance that is too high given the small amounts being received. Despite an official circular notifying private banks that a minimum balance of Rs. 100 should be considered sufficient for *zakat* beneficiaries, this provision is largely ignored. Khan (2008) notes that *zakat* recipients complained of difficulties in cashing cheques, as they were often made to wait in line behind regular bank customers or asked to make repeated visits. They were also dealt with harshly and rudely at times. Female beneficiaries are particularly disadvantaged by this disbursement mechanism because they are the ones most likely not to have CNICs (a prerequisite for opening a bank account) and they may also find it difficult to travel to the bank because of time constraints or restricted mobility issues arising from cultural norms. The second impediment is that of the illiteracy of beneficiaries who need to fill out applications to open bank accounts and apply for CNIC cards. Again, women are particularly affected, as the overall female literacy rate in Pakistan is 44% against 69% for men (PSLM 2007/08 data).

Lastly, no reliable information exists about the effectiveness of grievance redressal under the *Zakat* Programme, although provincial *zakat* officers claim that an appeals cell exists, where beneficiaries may lodge their grievances against the system. This is an issue of particular concern because of constant reports of corruption and bribery in the implementation system. One in ten households has difficulty accessing the funds after being approved for assistance. One in twelve beneficiaries has to pay a bribe to obtain their benefits at some point, typically to the local *zakat* chair, with bribes averaging 10% of the transfer (World Bank, 2007).

These issues are clearly compounded by the lack of a consolidated MIS system housed in the Ministry of Religious Affairs, *Zakat* and *Ushr*. Each tier of the *zakat* administrative system is responsible for monitoring those beneath it. For instance, district and *tehsil zakat* councils are responsible for monitoring use and disbursement of funds received by LZCs. In reality, monitoring by supervisory agencies is highly irregular. In one locality, *Guzara* records that are supposed to be examined every six months by the district *Zakat* committee were examined once in two years (Toor and Nasar, 2003).

## 5. Challenges and opportunities in enhancing the integration of gender in social protection in Pakistan

### 5.1 The Benazir Income Support Programme

The BISP is by far the most gender-sensitive safety net intervention undertaken in Pakistan. However, until a formal impact evaluation of the programme is undertaken, it is unclear to what extent it will improve the social position and economic welfare of women. The main challenges to strengthening the programme's gender sensitivity lie in the revised delivery mechanisms presently under consideration. Both the smart card and the phone banking approach are likely to make it difficult for women to participate fully in the programme.

The main opportunity for strengthening gender sensitivity lies in other social protection programmes by using the momentum built by the BISP. The BISP is being positioned as the main safety net programme, with others to be built around it. This offers a window of opportunity through which other programmes, such as the *Zakat* Programme can be reformed to have a stronger gender focus as well as better targeting and delivery mechanisms.

Given the large size of the programme, the main questions regarding the BISP deal with its future course and sustainability. It is generally agreed that it will transition from an unconditional to a conditional cash transfer programme in the coming years.<sup>37</sup> At the programme inception, cash transfers were the easiest mechanism to implement and monitor, but it is recognised that these are insufficient to transition households out of poverty and are also ineffective in forcing behavioural changes in beneficiaries. However, conditional cash transfers require a number of supply-side interventions, which the government is capacity-constrained to provide at the moment. For instance, if cash transfers are to be made dependent on households taking children for regular inoculations, then the government must be able to assure accessible health care in all rural areas.

For this reason, programme assistance is gradually being moved towards other exit/graduation strategies. At the moment, the various options being considered include microfinance schemes, technical and vocational training (in association with relevant government authorities, the Technical Education & Vocational Training Authority and the National Vocational & Technical Education Commission) and adult literacy schemes. A microfinance initiative, *Waseela-e-Haq*, has already been introduced. Under this scheme, a soft loan is given to selected female beneficiaries to undertake business endeavours. A prerequisite for receiving the loan is that ownership of the business resides with the female beneficiary. Beneficiaries have been identified using a balloting scheme, with 741 households identified each time in the two monthly ballots that have been held to date. Given that the pool of beneficiaries used for balloting purposes is the same as that identified under the MNA phase of the BISP, the latter is taking a number of measures to bring it in line with the beneficiaries' identification under the poverty scorecard mechanism. For this reason, divisional directors of the BISP are deputed to the 741 households identified each month to fill out the poverty scorecard for each, whose eligibility under the PMT scheme will then be assessed.

The issue of the BISP's sustainability has been raised repeatedly by detractors of the programme, who argue that, given that 2009/10 funding to the programme is coming through budgetary allocations, there is no guarantee that this level of funding will be sustained in the coming years. Pakistan is currently receiving budgetary support from the International Monetary Fund (IMF). Also, a number of multilateral and bilateral donors are supporting the development of the poverty scorecard as well as programme disbursements, as mentioned earlier. Proponents of the programme argue that Pakistan can independently sustain the programme by removing untargeted

---

37 Interviews with Mukhtar Ahmed, Director of Operations, the BISP; Iftikhar Malik, World Bank.

subsidies from wheat, fuel and electricity and directing a meagre portion of those subsidy amounts to the BISP. They also point to the fact that countries in Latin America with much fewer resources than Pakistan have successfully run such programmes for decades.

A number of gender issues have not been considered under the BISP to date: for a programme that is intended to benefit women primarily, the BISP is remarkable in its lack of consultative decision making with women participants, NGOs working on women's issues, gender activists, etc. Likewise, there is a marked absence of gender focal points in the BISP Secretariat – which does not work with or involve the Ministry for Women's Affairs in design or implementation. The programme also appears to have no coordination efforts underway with agencies administering other safety net programmes, such as the *Zakat* Programme, PBM or the multi-billion Food Support Scheme in Punjab, which means there is likely to be unnecessary overlap of beneficiaries. This perpetuates the general concern that social protection programmes in Pakistan are spread too wide and thin to make an actual impact on chronic poverty or vulnerability.

## 5.2 The *Zakat* Programme

To address the weaknesses in the *Zakat* Programme, the Ministry of Religious Affairs, *Zakat* and *Ushr* has undertaken a number of implementation reforms, which are summarised below.<sup>38</sup> It should be noted that most of these reforms reflect policy decisions, and it is unclear whether there is bureaucratic commitment or political interest in ensuring their implementation.

In mid-2009, a reform effort was initiated, sponsored by donors such as the ADB and the Japan International Cooperation Agency (JICA) and driven in part by the focus on social protection by way of the BISP. The Minister for Religious Affairs, *Zakat* and *Ushr* acknowledged that the programme suffered from 'wrong perceptions of misappropriation and management in the system' (GoP, 2009). To better target the programme to the poor, needy and destitute, the following reforms were initiated in September of the same year.<sup>39</sup>

- Introduction of a new computerised mechanism to monitor and oversee *zakat* collection and disbursements;
- Central *Zakat* Council to be brought under the chairmanship of a serving judge of an apex court who would play an authoritative role in the distribution of donations;
- Initiation of a media campaign by the ministry between 15 August and 20 September 2009 to encourage the public to make donations to the Central *Zakat* Fund;
- Ministry to prepare a revised budget for the programme under which major reallocations were made away from the *Guzara* Allowance to other sub-programmes: 50% to education; 25% to health; and 15% to social welfare;
- *Guzara* Allowance to be discontinued;<sup>40</sup>
- Microfinance initiatives to be undertaken in collaboration with the State Bank of Pakistan;
- Hospitals to receive a 'huge amount' from the ministry to treat deserving patients;
- Ministry to give life insurance to one member (head) of beneficiary families;
- Ministry established close links with NADRA and the BISP to make transparent the distribution of donations; special forms distributed to obtain data on deserving families.

The above-mentioned reforms are very much in the initial stages and it remains to be determined how many of the proposed changes will actually be implemented on the ground.

---

38 Interview with Rafiq Qureshi, Ministry of Religious Affairs, *Zakat* and *Ushr*.

39 Ibid.

40 Note: this policy decision was implemented in September 2009 but reversed in mid-December. It is unclear whether *Guzara* disbursements will follow a new targeting mechanism or continue under the old LZC system.

Implications on the gender components remain unclear. However, if targeting continues along the lines of the initial programme (i.e. by identification of needy), any impact on women will be impossible to determine unless gender-disaggregated data are collected under the various sub-programmes. There appears to be no particular rationale for including gender issues in the design and implementation of the programme when the reform programme is rolled out. This is mainly because the *Zakat* Programme continues to see itself as driven by religious motivations and assisting the needy; whether or not women benefit from this scheme depends entirely on whether they are considered 'deserving' under the new targeting mechanism when it is introduced.

## References

- ADB (2002) *Poverty in Pakistan: Issues, Causes and Institutional Responses*. Islamabad: ADB.
- ADB (2004) 'Social Protection Strategy Development Study'. Final Report Volume I: Social Protection. Manila: ADB.
- Arif, G.M. (2006) 'Targeting Efficiency of Poverty Reduction Programs in Pakistan.' Pakistan Resident Mission Working Paper Series 4. Islamabad: ADB.
- Assad, N.M. (2004) 'Risk and Vulnerability in Pakistan: A Review of Available Literature'. Islamabad: Innovative Development Strategies (Pvt.) Ltd.
- Carraro, L., Weinzierl, S. and Hunt, S. (2004) 'A Quantitative Assessment of Social Exclusion in Pakistan'. Oxford: OPM.
- Cheema, A. (2007) 'Governance Impediments to Pro-Poor Change in Pakistan'. TA 4319-PAK Determinants and Drivers of Poverty Reduction and ADB's Contribution in Rural Pakistan. Islamabad: ADB.
- CPRSPD (2007) 'A Social Protection Strategy to Reach the Poor and the Vulnerable'. Islamabad: CPRSPD, Planning Commission.
- del Ninno, C., Vecchi, G. and Hussain, N. (2006) 'Poverty, Risk and Vulnerability in Pakistan'. Islamabad: CRPRID, Planning Commission.
- Gazdar, H. and Sayeed, A. (2004) 'Drivers of Change Pakistan'. Scoping Paper: Drivers of Pro-Poor Change in Pakistan. Collective for Social Science Research.
- Ghazala, M. (2006) 'Migration, School Attainment and Child Labor: Evidence from Rural Pakistan'. Policy Research Working Paper 3945. Washington, DC: World Bank.
- GoP (2009) 'Press Release PR No. 142'. Islamabad: GoP.
- Heltberg, R. (nd) 'Targeting of Zakat and Other Welfare Transfers in Pakistan'. Draft for discussion only.
- Heltberg, R. and del Ninno, C. (2006) 'Household Risk Management and Social Safety Nets in Pakistan – or How We Engaged the Pakistanis on Social Protection'. PowerPoint presentation, Washington, DC, 9 November.
- Hooper, E. and Gazdar, H. (2006) 'Overview of Marginalized and Socially-Excluded Groups in Pakistan'. Draft Final Report for UNICEF and Ministry of Education.
- Issues and Policies Consultants (2004) 'Pakistan: Review of Selected Social Safety Net Programs'. Final Report. Lahore: Issues and Policies Consultants.
- Jahangir, A. (2006) 'What the Protection of Women Act Does and What Is Left Undone', in HRCP *State of Human Rights in 2006*. Lahore: HRCP.
- Khan, S. (2008) 'Targeting of Social Programs in Pakistan: An Evaluation'. Paper for the World Bank.
- Mohmand, S.K. and Gazdar, H. (2007) 'Social Structures in Rural Pakistan'. TA-4319-PAK Determinants and Drivers of Poverty Reduction and ADB's Contribution in Rural Pakistan. Islamabad: ADB.
- Mumtaz, K. (2006a) 'Gender and Poverty in Pakistan. Pakistan Poverty Assessment Update'. Background Paper Series 7. Poverty Group. Pakistan Resident Mission. Islamabad: ADB.
- Mumtaz, K. (2006b) 'Reducing the Gender Gap/Engendering PRSP-2'. Draft for INGAD.
- PPO (2008) 'Annual Report 2007-2008'. Islamabad: PPO.
- PRSP Secretariat (2003) 'Accelerating Economic Growth and Reducing Poverty: The Road Ahead'. Islamabad: Ministry of Finance.
- Sayeed, A. (2004) 'Social Protection in Pakistan: Concept, Situation Analysis and the Way Forward'. Working Paper 5. Islamabad: ILO, UNDP and CRPRID.
- Siddiqui, R. and Hamid, S. (2002) 'Correlates of Poverty: Gender Dimensions.' Prepared for IDRC, Canada, in collaboration with ISST India.
- SPDC (1999) *Social Development in Pakistan: Annual Review*. Karachi: Oxford University Press.
- Tanveer, A. and Khan, S. (2006) 'Gender Monitoring: Monitoring System for Gender-Related Changes'. Islamabad: Sustainable Development Policy Institute and INGAD.

- Toor, I.A. and Nasar, A. (2003) 'Zakat as a Social safety Net: Exploring the Impact'. Research Report 53. Karachi: Social Policy and Development Centre.
- World Bank (2001) 'Social Protection Sector Strategy: From Safety Net to Springboard'. Washington, DC: World Bank.
- World Bank (2005) 'Pakistan Country Gender Assessment 2005. Bridging the Gender Gap: Opportunities and Challenges'. Islamabad: World Bank.
- World Bank (2007) 'Social Protection in Pakistan: Managing Household Risks and Vulnerability'. Dhaka: South Asia Region Office.
- World Bank (2009a) 'Project Appraisal Document on a Proposed Credit to the Islamic Republic of Pakistan for a Social Safety Net Technical Assistance Project.' Report No. 47288-PK. Islamabad: World Bank.
- World Bank (2009b) 'Poverty Scorecard for Pakistan: A Recommended Approach for Targeting the Poor.' Islamabad: World Bank.
- Yusuf, M. (2007) 'A Poverty Targeting Strategy for Pakistan'. TA 4277 – Support for Poverty Reduction Initiatives in Pakistan. Islamabad: ADB.

## **Annex 1: List of interviewees**

1. Abdur Razzaq, Assistant Deputy Director General, Pakistan Post
2. Brig. Raziuddin, Director Operations and Strategy Formulation, Innovative Development Strategies
3. G. M. Arif, Senior Researcher, Pakistan Institute of Development Economics
4. Haris Gazdar, Senior Researcher, Collective for Social Science Research
5. Helen Appleton, Senior Social Development Advisor, DFID
6. Iftikhar Malik, Senior Social Protection Advisor, World Bank
7. Khawar Mumtaz, Gender Expert, Shirkat Gah
8. Mukhtar Ahmad, Director Operations, BISP Secretariat
9. Nazia Seher, Programs Officer, JICA
10. Rafiq Qureshi, Deputy Secretary, Zakat and Ushr Department
11. Saad Paracha, Programs Officer, Asian Development Bank
12. Safiya Aftab, Research Fellow, Strategic & Economic Policy Research
13. Shahid Kardar, Independent Consultant, Issues and Policies Consultants
14. Shumaila Rifaqat, Social Protection Consultant, World Bank
15. Tahira Abdullah, Gender Expert, Civil Society Activist
16. Talat Anwar, Economic Advisor, CIDA/INGAD

## Annex 2: Gender inequality in Pakistan

In Pakistan, pronounced gender disparities cut across all classes, sectors and regions (World Bank, 2005). Although the degree of discrimination against women changes in relation to age, class and wealth, overall women have less influence in decision making and less access to education and health care than men. Across all social structures, the one common feature is that, within any village and any group, whether dominant or excluded, women as a whole are far more socially excluded than men. Widows, regardless of their caste and tribe, often constitute the poorest and most vulnerable of all, and their status falls below that of traditionally marginalised groups. Women and girls from marginalised groups are constantly at the bottom of the hierarchy with respect to status, access and inclusion (Hooper and Gazdar, 2006). Increasingly, social structures and the resultant economic and cultural barriers have been identified as the primary elements of the persistent gender gap (Mohmand and Gazdar, 2007).

### Gender disparities in the political sphere

Significant measures have been undertaken to increase women's representation in the political arena. Women's seats in the National Assembly have increased significantly, from 10% in 1990 to 21.3% in 2005. In the Senate, 18% of seats are held by women. At the union, district and *tehsil* level, 33% of seats have been reserved for women, and women hold 5.6% of the ministerial slots (UNDP, 2005, in Tanveer and Khan, 2006). Similarly, the quota system under the Devolution Plan has opened up political space for women and provided them with strategic opportunities. Such representation augurs social change inasmuch as it signals women's equality.

The Local Governance Ordinance 2000 created political spaces for women but elite capture of these is also evident. A recent study in seven villages across Pakistan revealed that the proportion of women voters was half that of men (Cheema (2007). Women elected under the ordinance are handicapped by lack of public experience, information and knowledge of governance structures, as well as by male attitudes and family restrictions (Mumtaz, 2006a). In 2005, many women were barred from filing their nomination papers and voting, especially in NWFP and Balochistan (Tanveer and Khan, 2006). Moreover, the increase in the number of women in assemblies has not contributed to gender empowerment in any substantive way. Reports of interviews with female public representatives reveal that women who have ventured out into the political sphere face exploitation. Their opinions are not sought and, when offered, they are ignored. The media has also not shown an inclination to depict female politicians in a serious light (ibid). The decision to decrease the number of union council seats from 21 to 13, as a result decreasing women's seats to four, is also a step back. Although women's quota of seats will remain at 33%, in numerical terms the number of women's seats will be reduced from 40,000 to 20,000 (Mumtaz, 2006a).

Both gender and caste have been found to be determinants of access to justice. The low status of women in society compounds the problems experienced by the poor more generally. Women first approach their family and elders; only if that route fails do they approach the police, where procedures and attitudes are so cumbersome and inhibiting that they feel there is no hope of accessing justice. Caste/*biraderi* membership is important in conflict resolution: issues are often resolved at *biraderi* level without using formal channels (Hooper and Gazdar, 2006). Women's poverty is also exploited, particularly if the perpetrators of the crime are influential. In such cases, victims are forced to withdraw charges for small sums of money or are threatened with further harassment. Victims of domestic abuse are often unable to convince the police of the criminal nature of domestic violence. Police tend to shrug off complaints against domestic violence as a family's internal matter. Marital rape is not considered a crime. Police also fail to investigate cases of bride burning, which is written off as accidental despite the frequency of incidents.

### **Gender disparities in human development**

The 2009 Human Development Report ranks Pakistan at 141 out of a total 182 countries with regard to its status on human development. The report states that the country's overall HDI ranking is a mere 0.572. Pakistan is ranked even lower on the Gender-related Development Index (GDI): with a value of 0.532, 152 out of 155 countries rank higher than Pakistan.<sup>41</sup>

### **Gender gaps in the labour market**

Women contribute to the economy through both formal, paid work and unpaid subsistence work. Pakistan's female labour force participation is extremely low in absolute terms as well as relative to men. While the refined female labour force participation rate<sup>42</sup> increased from 14.4% in 2001/02 to 19.6% in 2007/08, men's labour force participation stood at 69.5%. A factor contributing to the increase in the refined activity rate is increased literacy among women. However, the increase in the number of educated females and the number entering the workforce is not proportionate to educational attainments. Moreover, occupations witnessing the largest increase in women's involvement, such as unskilled labour, do not require high levels of literacy (Tanveer and Khan, 2006). Women's crude activity rate stood at 14% in 2007/08, despite the fact that they constitute 48.5% of the population. The unemployment rate for women is 8.5% compared with 4.3% for men.

According to the 2005 Human Development Report, Pakistani women earned on average \$1,050 per year, as against \$3,082 earned by Pakistani men. In the agriculture sector, women earn 59% of men's wages. Bangladeshi women earn 71% of men's wages (in Tanveer and Khan, 2006).

The 5% quota for women in public sector jobs also remains unfulfilled. In the formal sector, women's wages are mostly lower than those of men engaged in comparable work, and they seldom find themselves in supervisory positions. There is often occupational segregation, whereby women do one kind of work and men another. The introduction of contractual labour in manufacturing units deprives them of benefits and prevents their engagement in organised collective bargaining activities (Mumtaz, 2006b).

The substantially lower participation rate of women in the formal labour force, despite increases in levels of education, a later age of marriage (22.7 years) and a decline in fertility – all factors that should have a positive correlation with formal work – is paradoxical. The low level of women's involvement in the economy is a result of: 1) the majority of women's work being undertaken in the agriculture and informal sectors and not being monetised, therefore not being accounted for in GDP calculations; and 2) social and cultural factors limiting the extent to which women can participate in economic activities by placing restrictions on women's movements and the professions they can adopt. Girls have been found to work significantly harder than boys and also to bear a substantially larger burden of work in poorer households. While their participation in the labour market starts out much higher than that of boys, it falls sharply with wealth and is significantly below that for boys in the highest wealth quintile (Ghazala, 2006). Only 17% of women have a formal employment contract in the large-scale manufacturing sector (Sayeed and Khattack, 2001, in Gazdar and Sayeed (2004).

Since women work largely in the informal sector, they are invisible with regard to their economic participation. Their role is perceived as one of household/care economy. Women also work as unpaid family labourers in brick kilns and mines, agricultural activities and home-based manufacturing, and are hired as domestic help. Women make a significant contribution through family kiln labour across Pakistan, but are rarely, if ever, directly acknowledged as labour (in terms of receiving advances and compensation) – except when they inherit liability for outstanding debts. Women are typically atomised as home-based piece-rate workers, rendered vulnerable because of their lack of knowledge of production processes. Their informal work is linked closely to poverty,

---

41 [http://hdrstats.undp.org/en/countries/country\\_fact\\_sheets/cty\\_fs\\_PAK.html](http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_PAK.html).

42 Refined activity rate is the percentage of the labour force in the population of persons 10 years of age and above. Crude activity rate is the percentage of the labour force in the total population.

with 60% of home-based workers belonging to households below the poverty line and only 7% of women reporting their work as the main source of income for the household. Women thus suffer from a triple burden of productive work, reproductive work and meeting social demands in the community (deaths, marriages and births) (Mumtaz, 2006b).

Fieldwork supports evidence that women are increasingly seeking opportunities to promote their income-earning and employment opportunities. Cultural norms that previously restricted women's capacity to take up work outside the home appear to be in the process of renegotiation as women take up whatever opportunities come their way. It could also be argued that, inasmuch as the behaviour of women from better-off families often serves as the model to which poorer women aspire, improving economic opportunities for all groups of women may be an effective way of expanding the possibilities for poorer women to take up paid work (Gazdar and Sayeed, 2004).

### **Gender gaps in education**

The PRSP goal of eliminating the gender gap in enrolment rates, at both gross and net levels, has remained unfulfilled. While the overall gross enrolment rate at primary level increased from 72% in 2001/02 to 91% in 2007/08, the female gross enrolment rate rose from 61% to 83% in the same period.<sup>43</sup> Enrolment drops further at the middle school level, with the female enrolment rate at 48% against 59%. At the high school level, female enrolment rate plunges even further to 41%. Male literacy stood at 69% and female literacy at 44% in 2007/08. Women sharecroppers and labourers have the lowest literacy rate, and net enrolment rate. In addition, literacy levels are only 39% of those of men who are in the same category, compared with other groups, where they are at least at 60%. Literacy rates of young women in some socially excluded groups are as low as 20%, against 51% for males in the same group (Carraro et al., 2004). In addition, there are only 10 vocational colleges for women as against 162 for men. In the 26 public sector universities in the country, women constitute 29% of the student body (Mumtaz, 2006a).

### **Gender gaps in health**

The adverse position of women is reflected in the negative sex ratio of 100 women to 108 men and a high maternal mortality rate of 350-500 per 100,000 females, which has remained almost static for more than a decade (Mumtaz, 2006a). Mortality rates of female 1 to 4 year olds are 66% higher for girls compared with boys. While pre and postnatal care observed an increase in 2004/05, with 50% of married women reporting at least one prenatal consultation during the previous three years, they are still low. In rural areas, prenatal consultations were observed by only 26% of women. The post-consultation rate was even lower, at 23%. Gender-based inequities result in poor nutritional and health status of female children. Girls therefore enter childbearing age with poor health, which worsens as a result of frequent childbearing and inadequate care. One study finds that, even after controlling for household economic status and other factors, girls continue to be significantly less likely to receive measles and BCG vaccinations, even though these are supposed to be provided free of charge along with other childhood vaccinations (World Bank, 2005).

Reproductive health problems and nutritional deficiencies contribute 12% and 6%, respectively, to the country's burden of disease. Pregnant women receive 87% of recommended calories while lactating women receive 74%. The level of anaemia is high, with 26% of pregnant or lactating mothers suffering from iron deficiency (Mumtaz, 2006a). Skilled birth attendants assist in only 20% of all deliveries. Poor women face additional burdens owing to the unregulated use of drugs and to malpractice by unqualified service providers. The fertility rate, despite its decline to 4.5, combines with unsafe abortions, at 11%, to keep women's health very poor, particularly at reproductive age (Tanveer and Khan, 2006). Maternal morbidity is among the highest in Asia, attributed to the substantial number of deliveries being carried out by untrained birth attendants and women's inability to access health facilities in case of complications. Moreover, women's life expectancy is also still equal to or less than that of men's,<sup>44</sup> a departure from the almost universal norm.

43 [www.statpak.gov.pk/fbs/sites/default/files/social\\_statistics/publications/pslm2007\\_08/report\\_pslm07\\_08.pdf](http://www.statpak.gov.pk/fbs/sites/default/files/social_statistics/publications/pslm2007_08/report_pslm07_08.pdf).

44 Figures differ in different sources.

According to the World Health Organization (WHO), the expectation in Pakistan of lost healthy years at birth owing to poor health is 6.9 years for males and 9.3 years for females (in Mumtaz, 2006a). In addition, while 10-33% of males suffer from mental illness, incidence in women is much higher, ranging from 29% to 66% (Mirza and Jenkins, 2004, in Tanveer and Khan, 2006).

A vast majority of women are unaware of the laws governing occupational health and safety. As a result, they continue to work under inhuman conditions in the informal sector as well as in agriculture. Working in confined and polluted spaces in brick kilns leads to lung infection, damaged eyesight, skin problems and depression. In the industrial sector, factories lack proper hygiene and expose workers to risk, without proper exhaust facilities, fire exits, waste disposal and emergency medical aid. In agriculture, women are exposed to the harmful effects of pesticides, which lead to respiratory problems, skin diseases, tuberculosis, gastrointestinal infections and increased risk of cancer (Awan, 2001, in Tanveer and Khan, 2006). Women's access to health care is dependent on the availability and willingness of a male family member to escort them to a facility.

## **Gender disparities in the social sphere**

### ***Lack of decision-making power***

Typically, women in Pakistan have no say in decision-making at the household and community level or personal issues like marriage and divorce. Participation of socially disadvantaged women in public activities and representative bodies is even more difficult (Mumtaz, 2006b).

For poor women, the gender construct compounds their social exclusion. Family hierarchy, relationships in the household and their belonging to socially excluded groups further isolates them from public assets and decision making. The majority of rural and urban women are confined to the domestic space or to activities related to fulfilling their family's needs. Interestingly, while permitted to undertake activities outside their home, such as going distances to fetch water, fuel or fodder, women are not expected to take part in any other public activity. In rare cases, older women may enter the market if widowed or without any male income earner in the household (Mumtaz, 2006).

Investigation of whether increases in women's decision-making power have a stronger positive influence on the nutritional status of their daughters than their sons shows that, while increasing women's power is likely to improve the well-being of children, in some geographical areas it will not necessarily diminish discrimination against girls, which violates human rights and undermines the region's economic development and the health of its population.

### ***Lack of legal avenues***

The most controversial aspects of *Hudood* Laws relate to women. These laws fail to distinguish between adultery and rape, categorising both as *zina*, translated as 'illicit sexual relations'. Thus, a report against rape has to be supported with the accounts of four eye-witnesses, failing which the victim is deemed an adulteress. According to the Human Rights Commission of Pakistan, an estimated 80% of the 6,000 women in jails in 2005 were falsely implicated in *zina* offences, and rape victims were held on charges of adultery and detained on the basis of lack of evidence. Given the abuse and maltreatment these women face in jails, and the stigma attached to rape victims by society, few women initiate prosecution for gender crimes. According to a Social Audit on Abuse against Women carried out in 2003 by the National Commission on the Status of Women (NCSW), only 3% of women interviewed had ever contacted the police and only 2% had ever gone to court (UNDP, 2004, in Tanveer and Khan, 2006).

### ***Lack of control over assets and resources***

Field research indicates that both *biraderi* and gender play a crucial task in perceptions of and access to rights. This differential access is compounded by the fact that men and women prioritise rights differently – women have been found to be more likely to refer first to rights to participate in decision making (NWFP Participatory Poverty Assessment, in Hooper and Gazdar, 2006).

Women are either kept out of inheriting property on the basis of customary practice or feel compelled to forfeit their right in favour of brothers or sons. High levels of poverty among the landless and sharecroppers, combined with existing socio-cultural realities, doubly prevent poor women from having access to and control over productive resources (Mumtaz, 2006a).

Women are particularly excluded from exercising the right of access to basic government services, either because of supply-side failure (inadequate school provision for girls, lack of female medical staff in a social context where women are required to be treated by women); or because of demand-side constraints (low value placed on female education within many families and communities). Women are denied equal rights in decision making at both community and household level, including the right to choice in marriage.

## **Policies regarding gender**

### ***Gender architecture***

At the federal level, the national focal ministry for the development of women is the Ministry of Women Development. The Women Development Division works under the ministry and is responsible for policies and programmes to do with the welfare of women and the protection of their rights. Likewise, there are women's ministries within the four provincial governments.

### ***Programmes for achieving gender equality***

The main reform programme for achieving gender equality is the national Gender Reform Action Plan (GRAP), developed with support from ADB. Its overall aim is to promote women's access to economic, political and social empowerment at the national, provincial and district level. The major responsibility is to develop and implement a coherent gender reform agenda and to align policies, structure and procedures in order to enable government to implement its national and international commitments on gender and equality issues. There are individual GRAP programmes for the four provincial governments and one for the national/federal level.

The four main reform areas under GRAP are administrative/institutional restructuring, budgetary and policy reforms, women's employment in the public sector and political empowerment of women. The instruments of gender mainstreaming being used are:

- Administrative/institutional reforms and departmental restructuring to pave way for gender-sensitive operations that ultimately lead to gender equality;
- Political reforms that facilitate effective participation of women in the political sphere;
- Reforms in the public sector recruitment process and working conditions to encourage women for employment in this sector;
- Reforms of key processes of policy formulation and budget preparation.

With regard to *institutional reforms*, the government is seeking to make amendments to the Rules of Business of the Ministry of Women Development and selected other ministries in order to ensure a proactive approach towards gender equality; establish women and social development sections in five ministries to create capacity for gender analysis, planning and mainstreaming; nominate gender focal persons in selected ministries to coordinate gender activities; and set up an inter-ministerial gender mainstreaming committee for gender accountability.

With regard to the *public sector*, the government is both seeking to pursue an affirmative action policy and instating fixed quotas for women in government positions.

With regard to the *policy and fiscal sphere*, a number of important reforms in budgetary and expenditure mechanisms have been introduced:

- Gender-disaggregated beneficiary analysis;

- Gender-disaggregated time use analysis;
- Gender-disaggregated public expenditure incidence analysis;
- Gender-disaggregated revenue incidence analysis;
- Gender-aware medium-term economic framework;
- Ministry of Women Development to submit an evaluation report on budgetary reform in May 2004 and thereafter every year in March to NCSW and the Finance Division;
- Modification of budget call letters for the budget of 2004/05 to include the instruction that all expenditure estimates of education and health be submitted with a clear indication of their intended targeting of and impact on women and men;
- Creation of a separate demand under budget demands with allocation of a demand code for 'women's development' in federal and provincial budgets; creation of new codes in each sector for women-specific facilities and functions;
- Obligatory direction to all departments to separately indicate women-specific capital expenditures;
- Creation of a separate section within the Public Sector Development Programme and annual development plans for all sectors to indicate women-specific investments in the capital budget;
- A pre-budget seminar with women's rights groups and NGOs to present government's commitments to gender issues and indicate resource allocations;
- Where budget formats are prepared for local governments, these will indicate allocations for women in each sector separately;
- The budget process for 2004/05, through the budget call letter in the federal government and provinces, to include specific timeframe and dates for policy discussions with NGOs and women members of assemblies;
- Federal Bureau of Statistics to design and implement surveys to bring out data on violence against women and gender disaggregate socioeconomic indicators;
- Direction from Finance Division to Controller General of Accounts and Accountants General to generate sectoral reports, starting with education and health, to provide gender-specific expenditure reports from the appropriation accounts of 2004/05 for gender-specific facilities;
- Direction from Finance Division to Controller General of Accounts to review the Chart of Classification and institute separate codes for generating gender-disaggregated data where required for gender-specific service delivery units.

The departments to be involved in this project are:

- The Planning and Development Department;
- The Education Department;
- The Environment Department;
- The Finance Department;
- The Health Department;
- The Labour Department;
- The National Institute of Public Administration;
- The Public Health Engineering (Water and Sanitation) Department;
- The Services and General Administration Department;
- The Social Welfare and Women's Development Department;
- The Economic Affairs Division.

The government set up the NCSW in 2000. This is meant to act as a think-tank for gender-related policymaking: it advises the government on appropriate policies to adopt to achieve gender quality, reviews rules and regulations affecting the status and rights of women, monitors institutional procedures for redressal of violations of women's rights, sponsors research on gender issues and acts as a government liaison with NGOs and civil society actors.

Recently, some gender mainstreaming bills have been introduced by women in Parliament, such as the Protection and Empowerment of Women Act 2003 and 2004, amendments to the *Karo Kari* Bill proposed in 2005 and the *Hudood* Laws (Repeal) Bill 2005. The first and the third were debated and subsequently rejected by Parliament in the face of too much opposition. A far weaker bill on *Karo Kari* was adopted instead of the amendments proposed (Tanveer and Khan, 2006). The passage of the Protection of Women Act has addressed some but not all of the severe injustices and discrimination against women resulting from the promulgation of the *Hudood* Ordinances in 1979: amendments to two of the five *Hudood* Ordinances have taken place. Researchers anticipate that false accusations of *zina* against women should now decline greatly (Jahangir, 2006).

## Annex 3: BISP poverty scorecard and proxy means testing<sup>45</sup>

The poverty scorecard approach to beneficiary identification and selection is a novel one in the context of Pakistan. Given the suspect targeting performance under Design Phase II of the BISP, the government decided a more rigorous methodology was necessary, and sought technical assistance from the World Bank, which has extensive experience of use of this methodology in other countries and recommended it for the BISP for two main reasons:

**1. Ease of implementation:** The data form (poverty scorecard used to collect information) has only 12 questions, most of which require a simple yes/no answer or the selection of one answer from a set of simple choices. This makes both training of survey enumerators and interviewing households simpler and shorter. The poverty scorecard is designed so the information collected through the census is easily verifiable, which eases future audit processes as well as process complaints. Lastly, the poverty scorecard has been designed so it can easily be scanned into a centralised database housed at NADRA. Data processors can then use pre-assigned points for each question to calculate a total score for each household. Eligible households are identified by determining whether their score falls below a cut-off score decided by the federal government. Since the BISP targets a family as the eligible unit, implementation of the scorecard needs to ensure that adequate information to identify all families within the household is collected.

**2. Adoption of PMT approach:** The poverty scorecard is based on a PMT approach. This is a step towards ensuring the scores calculated for each family on the basis of the scorecards results accurately reflect the attributes of households or families that the programme aims to address, i.e. poverty. Poverty scorecards by themselves do not ensure accurate targeting. In other countries, there has been overreliance on subjective judgments in selecting questions and in designing the scoring system. PMT does away with this subjectivity by determining eligibility on the basis of a predictor of household income or welfare created from a set of typical proxies of household welfare, like household demographics, housing conditions and ownership of durable assets.

PMT is preferred over direct means testing because collecting information about direct measures of household welfare like income is vulnerable to misreporting, and measuring consumption and expenditure is painstaking and costly. From a targeting perspective, the approach is desirable not only because it is a good predictor of household welfare, but also, more critically, it provides various statistical assessments of the targeting performance of the welfare indicator. PMT provides policymakers with a detailed *ex ante* assessment of programme coverage and targeting performance. The poverty scorecard developed on the basis of PMT approach for BISP is intended to minimise targeting errors *ex ante*, particularly the exclusion of the poorest 20% of the population.

### Development of the poverty scorecard

#### ***Selection of dataset***

To develop the poverty scorecard, the PSLM 2005/06 was used. This was based on a sample of 15,000 households and was both nationally and provincially representative. The PSLM has detailed information on household and individual characteristics that are correlates of poverty. This same dataset has been used to estimate the official poverty headcount so will allow for a consistent definition of the poor under the poverty scorecard as well.

#### ***Selection of indicator for household welfare***

Household consumption expenditure (monthly) per adult equivalent has been chosen as the welfare measure. Again, the same measure is used to develop official poverty estimates for the country. Household expenditure includes all expenditures on non-durables and the imputed value

---

45 This sections draws heavily World Bank (2009b).

of non-durables received as gifts or produced in the household; it excludes expenditures on durable goods and assets.

### ***Choice of poverty predictors***

The next step is to identify the variables that can predict household welfare (in this case, household consumption). The predictors must correlate well with the welfare measure and must also be independently verifiable. The various predictors that could be used include:

*Household and individual characteristics*, such as the number of members and dependants, age, education and occupation of the household head and education of children. These characteristics not only strongly correlate with consumption levels but also are relatively easy to verify and less likely to be misreported.

*Ownership of durable goods and housing characteristics*: These variables are verifiable by inspection. However, they can be misrepresented if a household removes the goods from its home during an expected visit by the social worker, which is easier to do with small or mobile items than with larger items such as stoves or refrigerators. The general presumption in the literature is that people are more willing to lie about ownership of such items as opposed to household characteristics. Nevertheless, these variables tend to have high predictive power for welfare, and therefore including them should reduce mis-targeting substantially.

*Ownership of productive assets*, especially landholding, livestock and farm equipment, is critical to proxy the welfare status of rural households. Verifiability of these variables is reasonably high. For example, even for a variable like land ownership, which may not be measured perfectly, one can reasonably expect that programme officers belonging to the community would be able to deter misreporting using local knowledge.

### ***Selection of a regression model based on criteria***

The various predictors identified in the previous stage have to be combined in a manner that allows them to best predict poverty. To do so, an ordinary least squares regression is used whereby under the household expenditure per adult equivalent is regressed on various sets of predictors. The difficult task is to find a regression model from many possible combinations of variables. The main parameter relates to identifying a model which allows for best targeting performance. This in turn is measured by the extent to which there is overlap between the true target population (intended beneficiaries) and beneficiaries as identified by the targeting mechanism. The true target population in the case of the BISP is identified through the PSLM and taken to be the poorest 10%, 20%, 25% and 30% of the population. The two types of targeting errors that could occur are under-coverage – where intended beneficiaries are excluded – and leakage – where programme resources are leaked to an unintended population.

The final regression model identified by the World Bank for the purposes of the poverty scorecard has 23 variables, and its targeting performance improves as the target population is widened. When the target group is the poorest 10% of population, the coverage rate is only 2.4%. When the target group is 25% of the population (close to the official poverty line), the coverage rate is 19%. For this target group, under-coverage is 52% and leakage is 37%. These last two numbers are not particularly disturbing if one considers the following caveats: of the excluded populations, most belong to the upper deciles of population, while over 60% of the poorest 10% are selected. Also, 85% of the leakage goes to beneficiaries from the third, fourth, fifth and sixth deciles whose monthly expenditure per adult equivalent is less than Rs. 1436 – around 150% of the poverty line.

### ***Conversion of the predicted values to scores***

Once the preferred regression model is determined, the predicted value (coefficients of the variables) is a good proxy for household expenditure. To simplify the calculation of scores, however, predicted values would be normalised so scores for each variable range from 0 to 100.

The table below shows the final regression model and the scores associated with the indicators.

	Variable	Definition	Coeff	t-stats	Scores
DEMOGRAP HICS	(i) The number of dependents (age<18 or age>66) in the household is:				
	Dependent1*	Less or equal than 2	0.33	34.57	15
	Dependent2*	Equal to 3 or 4	0.22	26.44	10
	Dependent3*	Equal to 5 or 6	0.11	13.84	5
EDUCATION	(ii) The level of education of the Head of the Household is:				
	headedu_com2*	Attended less than class 1 to class 5 included	0.02	2.14	1
	headedu_com3*	Class 6 to class 10 included	0.06	8.38	3
	headedu_com4*	Class 11, college or beyond	0.22	21.91	10
	(iii) The number of children from 5 to 16 years old currently attending to the school is:				
school5_16_rich*	"No children between 5 and 16 years old" or "All children between 5 and 16 attend school"	0.10	11.82	4	
school5_16_some*	Not all children between 5 and 16 years old in the household attend school	0.07	7.94	3	
HOUSE CHARACTERISTICS	(iv) The ratio of rooms over number of household members is:				
	room_ratio3_2*	Greater than 0.2 and smaller or equal than 0.3	0.04	5.43	2
	room_ratio3_3*	Greater than 0.3 and smaller or equal than 0.4	0.08	9.19	4
	room_ratio3_4*	Greater than 0.4	0.26	28.92	12
	(v) The kind of toilet used by the household is:				
toilet_flush*	A flush connected to a public sewerage, to a pit or to an open drain	0.08	10.05	3	
toilet_latrine*	Dry raised latrine or dry pit latrine	0.04	4.75	2	
ASSETS	(vi) – (ix) The household owns the following durable goods:				
	refr_frez_wash*	At least one refrigerator, freezer or washing machine	0.08	10.65	3
	air_cooler*	At least one air conditioner, air cooler, geyser or heater	0.20	22.56	9
	cook_micro*	at least one cooking stove, cooking range or microwave oven	0.12	16.24	5
	tv*	At least one TV	0.05	7.78	2
	(x) The household owns cars and/or motos:				
	car_moto2*	One car or one car with one moto	0.53	35.09	24
	only_moto*	One moto (but no car)	0.16	19.02	7
	(xi) The household owns the following livestock				
	animal_buffalo2*	One buffalo or bullock AND at least one cow or goat or sheep	0.12	16.72	6
	animal_no2*	Neither buffalo, bullock nor cow, goat or sheep	0.05	5.38	2
	(xii) The household owns the following size of agricultural land:				
agriland_acres_1*	Some agricultural land but less or equal than 12.5 acres	0.09	12.77	4	
agriland_acres_2*	More than 12.5 acres of agricultural land	0.15	10.81	7	

*Source:* The World Bank staff estimation using PSLM 2005-06  
*Note:* \* refers to significance at 5%. Observations=15411, R-squared=0.57, Adjusted R-squared=0.57.

### Problems with the poverty scorecard design

Apart from the critical concern identified in Section 3.2, the poverty scorecard makes it hard to determine all who are employed at the household level. Within families, mostly widows are

unemployed. In urban areas, these widows may be working as domestic help, etc. But in rural areas, they often stay at home and look after the children of other household members. The evaluation of the BISP Design Phase II revealed that 90% of families reported that they had earnings apart from the BISP. Only 10% of families reported that they had no earnings apart from the BISP (widows living off of a brother's income).

Another gender-related concern is that the scores assigned to the various indicators reflect no specific consideration for gender. The highest scores are assigned to number of dependants, level of education of head of household and number of rooms in residential unit, none of which has any gender-sensitive elements.

### Choice of the cut-off score

Having given scores to individual families that provide information on poverty scorecards, beneficiary selection is then dependent on choice of cut-off score. Families whose overall scores fall below the designated cut-off score will be identified as beneficiaries under the programme. The choice of cut-off inevitably requires a trade-off between implementation costs and targeting performance. The table below shows the possible choice of cut-off scores. Note that the number of families is calculated on the basis of PSLM 2005/06 data.

Cutoff Score	Coverage			Budgetary needs (Rs. Billion)		Targeting (%)	
	Family		Percent of population	Rs.1000/m	Rs.750/m	Under-coverage	Leakage
	Percent	Million					
<b>14</b>	13.3	4.73	16.6	<b>56.8</b>	42.6	57.3	35.8
15	15.1	5.38	18.7	64.5	48.4	52.6	36.7
16	17.7	6.31	21.8	75.7	56.7	46.9	39.0
<b>17</b>	<b>19.8</b>	<b>7.05</b>	<b>24.1</b>	<b>84.6</b>	<b>63.4</b>	<b>42.5</b>	<b>40.3</b>
18	21.9	7.80	26.6	93.7	70.2	38.2	41.8
19	24.2	8.63	29.1	103.6	77.7	34.7	43.9

*Source: The World Bank Staff estimation based on PSLM 2005-06*  
*Note: Program coverage in terms of families and population is estimated separately. Targeting performance is estimated assuming the poorest 25 percent of population as the target group. The budgetary needs shown do not include implementation and administrative costs.*

The current government intention is to cover 5 million families in the upcoming fiscal year. This would require selection of a cut-off score of 14. However, if overall poverty estimates of 25% are to be followed, then the cut-off score would have to be 17. It is critical to note that the latter option would drive up budgetary expenditure to around Rs. 85 billion, and is therefore incumbent on the government to make a choice about financial allocations to the programme.

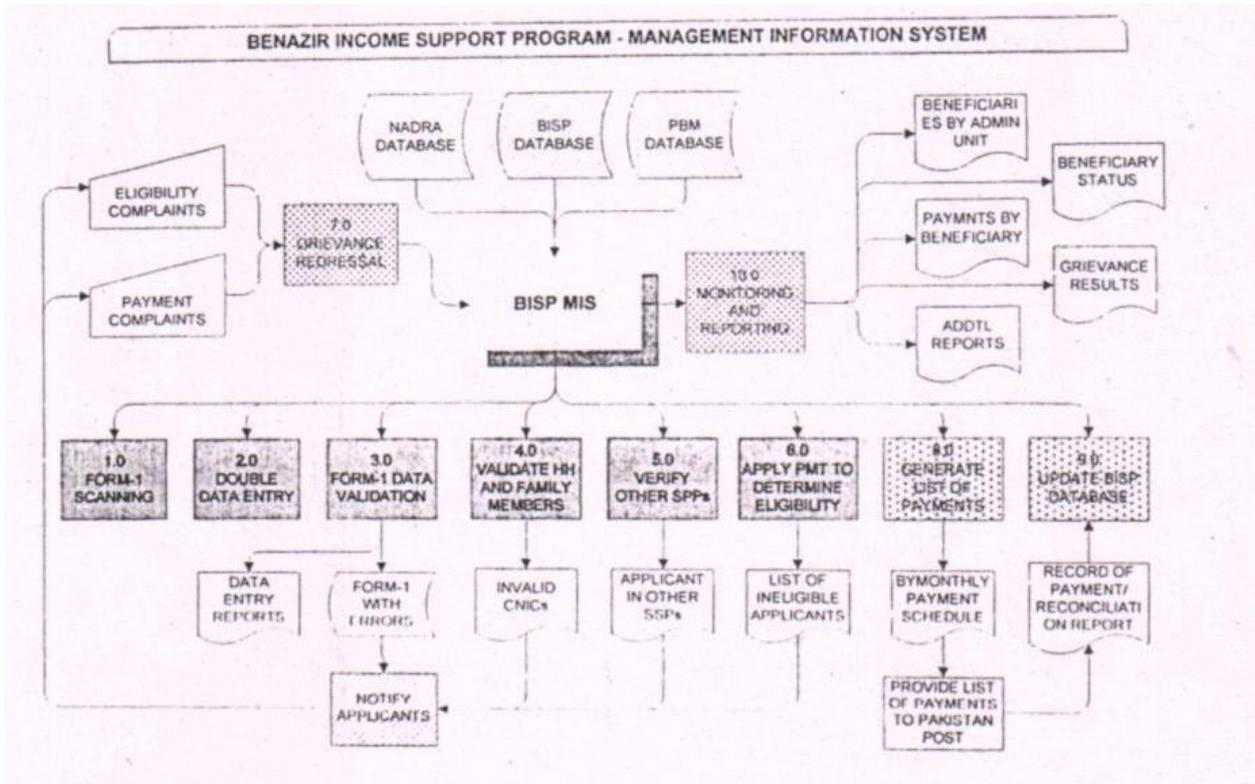
## Annex 4: Details of the BISP process evaluation

The main analysis and recommendations of the process evaluation were:

1. All supervisors and enumerators should be given standardised training.
2. Partner organisations must ensure that the targeting manual is being followed uniformly.
3. The main issues with the poverty scorecard identified at this point were:
  - a. Animal ownership: The scorecard asks the question ‘Does the household have any of the following livestock?’ This is problematic because many rural poor are looking after another household’s animals and sharing milk/other produce with the owners, yet have no proprietary rights over the animal(s). Second, camels are not included in the animal listing, which is problematic because camels are a major indicator of wealth in desert areas (Sindh and Baluchistan).
  - b. For the question relating to number of people living in the household, enumerators were told to include only those who lived in the house for more than nine months. This excludes migrant labourers from the household, even though they are often the main source of income for remote rural households. In the overall picture, the wealth of such households is underreported.
  - c. There is no standardised procedure given for dealing with nomadic settlements. Some partner organisations included them while others chose not to.
4. Participation in the census was generally forthcoming, but there was political resistance in some areas (Sanghar and Mirpur Khas). Also, in Lakki Marwat (southern NWFP), households were not willing to have female members named as recipients on money orders. The organisation conducting the survey in this area, RSPN, worked with local religious leaders who issued announcements through the mosque asking households to respond to the survey.
5. Since female enumerators were not used because of security risks, male enumerators were forced to have questions answered at the doorstep. In some areas, *purdah*-observing women spoke through children or from behind a curtain. This created communication problems and also prevented any visual assessment of the household’s status.

Based on the evaluation’s preliminary findings, it is expected that BISP management will take a decision to modify some of the mechanisms for collecting information using the poverty scorecard. At present, there is no public information sharing on actual data collected on the poverty scorecards.

## Annex 5: BISP MIS



Source: <http://siteresources.worldbank.org/EXTSAFETYNETSANDTRANSFERS/Resources/MIS-Targeting-Process-in-Pakistan.pdf>.

Annex 6: BISP form and money order

M.O-8 (BISP)

District \_\_\_\_\_

جزل پوسٹ آفس \_\_\_\_\_

منی آرڈر  
بے نظیر انکم سپورٹ پروگرام

Issue and Payment Voucher

M.O No.  
Date:

Oblong M.O. Stamp of Issue Month Stamp

کل رقم Rs 2000/- مبلغ دو ہزار روپے صرف  
وصول کرنے والے کا نام \_\_\_\_\_

ارسال کنندہ پوسٹ ماسٹر \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_  
بے نظیر انکم سپورٹ پروگرام، حکومت پاکستان، اسلام آباد

بھیجے والے کا نام \_\_\_\_\_

Payment Portion

M.O Drawn on Post Office \_\_\_\_\_ S.O \_\_\_\_\_ G.P.O \_\_\_\_\_

میں نے ادا کیا \_\_\_\_\_ دسٹھ وصول کنندہ \_\_\_\_\_ مبلغ دو ہزار روپے صرف  
دستخط \_\_\_\_\_ وصول کرنے والے کا نام \_\_\_\_\_

تاریخ \_\_\_\_\_ Round M.O Stamp Authorising Payment

Oblong M.O. Stamp of Payment

شناختی کارڈ نمبر \_\_\_\_\_  
دستخط/ نشان آگوشا \_\_\_\_\_  
نام گاہود دستخط \_\_\_\_\_

کاپی برائے وصول کنندہ  
بے نظیر انکم سپورٹ پروگرام  
حکومت پاکستان، اسلام آباد

وصول Rs 2000/- مبلغ دو ہزار روپے صرف  
وصول کرنے والے کا نام \_\_\_\_\_

دستخط وصول کنندہ \_\_\_\_\_

دستخط وصول کرنے والے کا نام \_\_\_\_\_