

# The Effect of Benazir Income Support Program on Poverty Reduction: Case Study of the Two Villages in District Swat Pakistan

Waqar Ahmad<sup>1</sup>, Zahoor<sup>2</sup>, Abdullah<sup>1</sup>, Aqsa Bibi<sup>3</sup>, Doan Phuong Dung<sup>1</sup>, Bahram Shah<sup>4</sup>

<sup>1</sup>College of Economics and Management Huazhong Agricultural University, Wuhan China

<sup>2</sup>College of Plant Science and Technology Huazhong Agricultural University, Wuhan China

<sup>3</sup>Government Degree College Madyan Swat Pakistan

<sup>4</sup>Institute of Management & Professional Sciences (IMPS) University of Peshawar

\*Corresponding author: saidmuhammad 313 @ gmail.com

**Abstract:** *The determination of this reading is to analyze the role of Benazir's income support program in region Swat Pakistan. The sample size of 200 women were randomly selected from Madyan and Bahrain villages. The results show that Benazir Income Supports Program has 100% positive impact on women's life, reducing the poverty rate. But some women complained about the corruption of the fund transfer system, 73.5% of women said that the BISP transfer system was fair and 26.5% said it is unfair. However, most women were found to be satisfied with the results of the foundation and suggested the government to formulate policies; so that the BISP transfer system will be fairer.*

**Keyword:** *Benazir Income Support Programme, Poverty Declining, Females, Corruption and Equitable*

## INTRODUCTION

In 2008, Yousaf Raze Gillani, Prime Minister of Pakistan Established Benazir income support Programme (BISP). BISP in Pakistan is currently the largest aid program which its main goal is to reduce poverty from Pakistan. Pakistan spends 3% of GDP on BISP. BISP Programme has been implemented in all provinces of Pakistan. BISP also provides money to emergency relief efforts. Poverty alleviation is regarded as an important issue of economic development. Efforts are being made to reduce poverty by increasing household income. This is also the goal of all public policies in Pakistan. However, efforts have been made to reduce poverty in Pakistan, where economic growth is justified, by improving the performance of the labor market, providing high-quality health and education services, establishing infrastructure and protecting networks in times of natural and financial crisis, and creating conditions for jobs. However, poverty alleviation at the micro or local level is the least important. Poverty reduction is a major concern of many developing countries in the world. They refer to poverty as a profound social and economic development issue. All international organization also noted that poverty alleviation was an important agenda for its aircraft. In the early part of this century, the three international reports issued by the (World Bank ,2000), IFAD (2001), or ILO (2003). The (World Bank ,2000) focuses on poverty. The habit is reported annually from 1980 and 1990 on the same subject. Report of the international fund for agricultural development (IFAD) on rural poverty in 2001 is considered as part of the poverty eradication goal in rural areas. In fact, in rural areas, poverty first has a multifaceted character (economic, social and demographic). The report presented by the international labour organization at the 91 session of the international labour conference in 2003 also aims at exploiting poverty, the report also focuses on the poor. As a result of this brief world poverty situation, we are now discussing on Pakistan's experience. There is a strong perception that poverty was rapidly increased in 1960, weakened in the 1970s and the 1980s, returned in the 1990s and again fell in 2000 (Amjad et al,1997; Ali et al,1999; Jafri et al,1999; Arif et al,2006). It is difficult to clarify trends in poverty reduction, as evidenced by the (World Bank ,2000).

Macro-level functions such as population dynamic affecting labour and dependency ratios, employment, real wages, employee allowances, asset ownership and access, and inflationary affect food supply. However, most poverty is in Pakistan, in remote areas.

In addition, an Asian development bank plan was developed to manage the importance of Pakistan's development in poverty reduction and Punjab rural support Programme. The ADBs national plan and platform (CSP) 2002-2006 refers to this and explains the common goals of supporting good governance activities (including decentralization and sectorial and provincial reforms), supports pro-poor growth (rural development and job creation) and inclusive social development (education, health, water and sanitation and social protection). However, emphasis should be placed on good governance. In addition, cross-cutting themes should include sustainable environmental management and gender issues ADB (2002).

Poverty alleviation is regarded as an important issue of economic development. Efforts are being made to reduce poverty by increasing household income. This is also the goal of all public policies in Pakistan. However, to reduce poverty in Pakistan, economic growth is justified, by improving the performance of labour market, providing high-quality health and education services, establishing infrastructure and protecting networks in times of natural and financial crisis, and creating condition for job. However, poverty alleviation at the micro or local level is the least important.

Kemal (Kemal et al,1995) has a key focus on public policy and poverty alleviation programs. He explained some of the instruments aimed at reducing poverty. First, there was a consideration towards the introduction of new mechanisms to increase the size of large or small companies. Secondly, the tax planning should be reasonable. Thirdly, poor members should be given greater opportunities to achieve income equality between families. Malik (Malik,1996) used Punjab villages, micro survey data and measured a large number of rural and family specific variables. In addition to plots, there was an attempt to determine their role in the floating life of the rural population and subsequently reducing poverty.

Chaudhry (Chaudhry et al, 2003), discussed the problem of poverty in the Bahawalpur region, taking into account the scope, status, form, complicity and micro nutrient of poverty. In order to highlight the problems related to rural poverty, the analysis of observational data is made by means of regression analysis and logit regression model. They decided to organize good economic infrastructure, increase production of agricultural products, improve non-agricultural economics, and quality of life, health care and educational institutions which are considered strategic measures to alleviate rural poverty.

Chaudhry et al. (Chaudhry and et al,2005) Led a study on poverty in the southern region of Punjab. At the empirical level, they have studied and concluded that Cholistani land should be expanded on the basis of equality, animal husbandry development, improved socio-economic and demographic indicators to reduce poverty in remote areas of Pakistan. Chaudhry et al. (Chaudhry et al, 2006) also showed a study to reduce urban poverty through good governance in southern Punjab. Based on the results of household surveys, they recognized that the wide-ranging management of the economic infrastructure would, alleviate poverty in urban areas of Punjab.

Arif, G. M(Arif,2006) examined the national anti-poverty program (charitable contributions), microfinance and health services in Pakistan, using 2000/01 Pakistani socio-economic surveys (PSES). He decided that the current public zakat is much less than the actual situation, and the problem is more practical than the theory. Most of the microfinance programs are not for the poorest regions in the country. It also provides general planning and policy implications to improve zakat and the effectiveness of targeted poverty reduction programs.

A number of studies on poverty measurement have adopted different methodologies, and techniques to determine the trends and extent of poverty. Poverty is the result of different processes of social, political and economic, and it is therefore possible to assess poverty in different ways in order to highlight different

aspects, such as population, educational level, health status, income levels and their distribution, geographical location and gender discrimination. The multidimensional nature of these poverty makes it a global problem, in which Pakistan faces the challenges of reducing poverty. In the past 20 years, Pakistan's basic problem has been poverty and action plans. Only agriculture is insufficient to reduce poverty, but it has been proved to be a very powerful task (Irz et al, 2001).

Most developing countries' population live in rural areas, with fewer services; then, in land urban areas, poverty is mainly affected by rural households' world bank (1990).

In majority of the developing countries, the population live in rural areas (Todaro et al, 2000), pointed out that in Asia and Africa, on average, 80-90% is in poor located in countryside regions. Poverty in the countryside regions is more than inner-city regions, in Pakistan.

Therefore, the present study has been done considering the most rural areas, nearly a third of people living in poverty. The second section is divided into five sections, review literature, and the data sources are in the third part. Fourth-quarter concerns the results, and in fifth-quarter, conclusion and suggestion are provided.

#### **Objective:**

- ❖ To study the role of the BISP in reducing female poverty in the area.
- ❖ To Study that BISP cash donations (Monthly) helping the poor women and bringing changes in her household life.

#### **Hypotheses:**

- ❖ Income support program of Benazir provides relief to the poor.
- ❖ Income support program of Benazir does help to reduce poverty levels.

## **2. Literature Review:**

Chaudhry, and Imran, S (Chaudhry et al, 2009), concluded that, countryside scarcity can be improved by reducing the number of family members, every room number and supply ratio, improve education, increase women's labor Participation, improve family involvement, improve household access to assets and in particular, it regards faraway regions. The administration must pay extraordinary consideration to the foundation along with other socioeconomic infrastructure and access to the market and facilities. Demographic variables lighten countryside deficiency in remote parts of Pakistan. He concluded that the Micro Finance program is spending funds until poverty reduction. The micro finance program has a positive impact on educational procurement, housing, construction, and food supply.

Kalim, R. and Taseer, S. (Kalim et al ,2011), noted that the World Bank is one of the key sectors for poverty reduction and they know how to start programs at national and international level to control poverty, and make better policy for reduction of poverty.

Ishaq (Ishaq,2010) analyzes the impact of the BISP Settlements on poverty reduction. He concluded that the BISP Settlements played a key role in reducing poverty in poor households. BISP programs enable the poor to create their own business and bring about positive changes in life.

Kausar and Qureshi (Kausar et al, 2005), research on the people of Punjab shows that Punjab rural support Programme (PRSP) reduce poverty from women, study results indicate that there is a positive correlation between the credit structure and poverty reduction. Studies have shown that Punjab rural support Programme (PRSP) can play a significant role in reduction of poorness in Pakistan, Government should take more initiative steps on financial planning.

Chaudhry et al. (Chaudhry et al, 2005), studied the factors that cause poverty in rural areas in Pakistan. In the study, logit regression models were used to analyze data. The results showed that the government needs to pay attention to the poor in rural areas, while the government should provide education and health care to the poor, population should be controlled. Study noted further increasing women's labor force participation and equal access to the same opportunities as men to minimize provincial poverty reduction.

Khan, S(Khan,2009), pointed out that microcredit programs help the poor to gain demand, it is important to maintain a reasonable living. These credit facilities, on the one hand, reflect income opportunities for people, especially women. The new government must implement the plan together with international donors to develop skilled labor in the country.

Shirazi, N. S., and Khan, A. U.( Shirazi et al, 2009), investigated the role of Pakistan's Poverty Reduction Fund on poverty reduction, the results show that the PPAF in Pakistan has played an important role in reduction of shortage. Siddiqui (2001) states that the expansion of social wealth could be important to increase the number of women economic participation and reduction of gender-related poverty.

Kemal, A. R. (Kemal, 1995) focuses on assessing public strategies and measures to eradicate poverty. He explains some mechanisms for reducing poverty. The first is the introduction of new technology concerning big or small business marketing. Secondly, tax strategy would be sensible. Third, the poor supporters of the community will have more opportunities to make income within the family improvements.

Chaudhry et al. (Chaudhry et al, 2006), explained urban poverty in Punjab Pakistan. They acknowledged moral management financial infrastructure services to reduce poverty in Punjab in many parts of the city.

### **3. Method**

#### **3.1. Explanation of the study area**

The Survey was carried out in May 2017 to June 2017 in two villages namely Madyan and Bahrain in Swat, in KPK Province of Pakistan. The Swat total area is 5,377 square kilometers, a population of about 12500, its height varies from 2,500 ft to 7,500 ft. the Village Madyan is a popular mountain resort which is about 55 km from Mingora and the elevation of the station is 1320 meters in district swat Khyber Pakhtunkhwa in Pakistan. The Bahrain Village is a mountain resort located in the swat District Khyber Pakhtunkhwa in Pakistan, located 60 miles north of Mingora, 4700 feet above sea level, being on the right bank of the Swat River. Bahrain's average temperature is 16.6 °C (61.88 ° F) ( KPBOS,2016).

#### **3.2. Data collection**

The determination of this study was to examine the role of Benazir Income Support Program (BISP) in reducing poverty in the Swat region of Pakistan. SPSS program has been used to analyze the data. For this reason, the primary data were collected from the women of Madyan and Bahrain Villages. These areas have been chosen because there are many people who are poor. To complete the data, the author designs a comprehensive questionnaire, which includes all important information related to the objectives of the research. These data are collected from a sample size of 200 women who are randomly selected from two villages. However, the sample size was divided equally between the two villages, 100 respondents were selected from Madyan village, and 100 were selected from Bahrain Village. Although the government is implementing various programs through BISP, this study is limited to beneficiary cash donations program, a monthly payment of 1,500 rupees for women. The data collection was completed in May 2017 to June 2017. A simple language was used to design the survey, so that everyone can easily understand.

### **4. Result and Discussion**

#### **4.1. Demographic features of the Person**

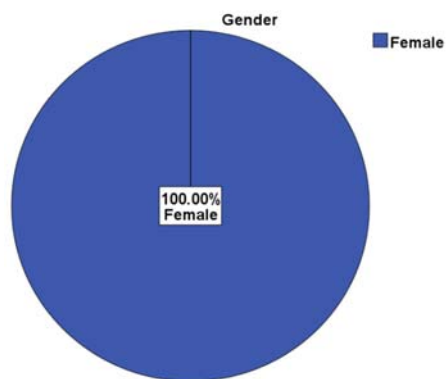
Socioeconomic features of the persons are shown in Table 1. 100% of respondent were women, 50.5% of women were married, and 49.5% were single. Age distribution of the respondents, is as following: 18-20 (23.5%), 21-30 (31.5%) and 31-40 (13.5%), 41-50 (18.5%), and (13.0%) being 51 or more than 51 years old. In terms of the number of family members, 9% have 1-2 members, 27% have 3-5 members, 32% have 6-10 members, and 32% have 10 or more members. Educational level is not high in Pakistan. Literacy rate is only 60% according to government of Pakistan (2016). However, our model contains women who have primary education (26.5%), Middle education (31.0%), secondary education (approximately 4.5%), FA and F.Sc (4.0%) and illiterate (34%). Taking into account the rural population, Khyber Pakhtunkhwa is a Province which has very low revenue, most of people living or working in the agricultural sector. Similarly, the income of respondents is different among groups. About 36% of respondent have Monthly income of Rs 3,000, 33% have Rs 5,000, and 31% have Rs 10,000. 74% of respondents live combined in households, 26% live in nuclear families. 82.5% of respondents provide education to their children, and 17.5% of respondents were unable to provide education to their children. Respondent received Rs 1,500 BISP grants (monthly) in cash regularly. 100% of respondent indicate that the BISP's impact on the respondents is positive. 86.5% of respondents said that BISP cash donations is sufficient to solve the related poverty problem, while 13.5% of respondents said that it is not enough. 73.5% of respondents said that the BISP transfer system is fair, while 26.5% of respondents said they are not fair. 100% of the respondent replied that they do not face with any problems when they receive funds from donors.

**Table1: Socio- economics features of the respondents**

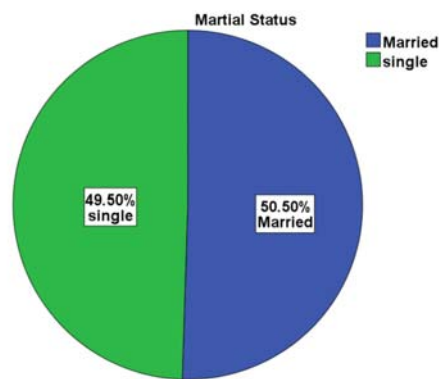
<b>VARIABLES</b>	<b>FREQUENCY(Ø)</b>	<b>PERCENTAGE (%)</b>
<b>Sex</b>		
Female	200	100
<b>Marital status</b>		
Married	101	50.5
Single	99	49.5
<b>Age category of the respondent</b>		
18-20	47	23.5
21-30	63	31.5
31-40	27	13.5
41-50	37	18.5
51 and above	26	13.0
<b>Household size</b>		
1-2	18	9.0
3-5	54	27.0
6-10	64	32.0
More then 10	64	32.0

<b>Education level of the respondents</b>		
Primary	53	26.5
Middle	62	31.0
SSc	09	4.5
F.A or F.SC	08	4.0
Illiterate	68	34.0
<b>Monthly income of the respondents in Pakistani rupees</b>		
3,000	72	36.0
5,000	66	33.0
10,000	62	31.0
<b>Living status of the respondents</b>		
Joint family	148	74.0
Nuclear family	52	26.0
<b>Education provision to the children by the respondents</b>		
Yes	165	82.5
No	35	17.5
<b>Cash grant receipt from BISP(Monthly)</b>		
1500	200	100
<b>Regular cash grant receipt from BISP</b>		
Yes	200	100
<b>The impact of BISP on respondents' lives</b>		
Positive	200	100
<b>Adequacy of the current Cash Grant of BISP for poverty related problems</b>		
Yes	173	86.5
No	27	13.5

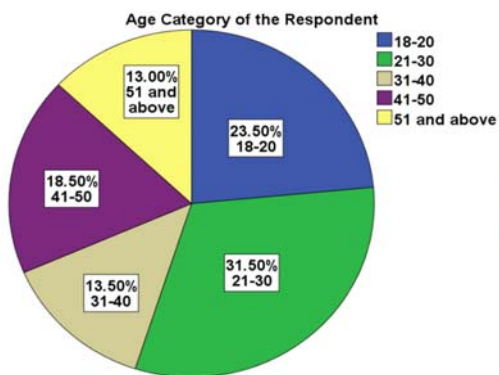
<b>Fairness of system of BISP transferring</b>		
Yes	147	73.5
No	53	26.5
<b>Enforcement on behalf on the donors regarding voting</b>		
No	200	100



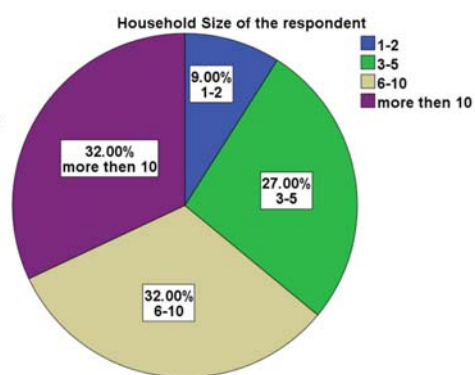
(1)



(2)



(3)



(4)

Figure 1. The respondents' gender

Figure 2. The respondents' marital status

Figure 3. The respondents' age category

Figure 4. The respondents' household size

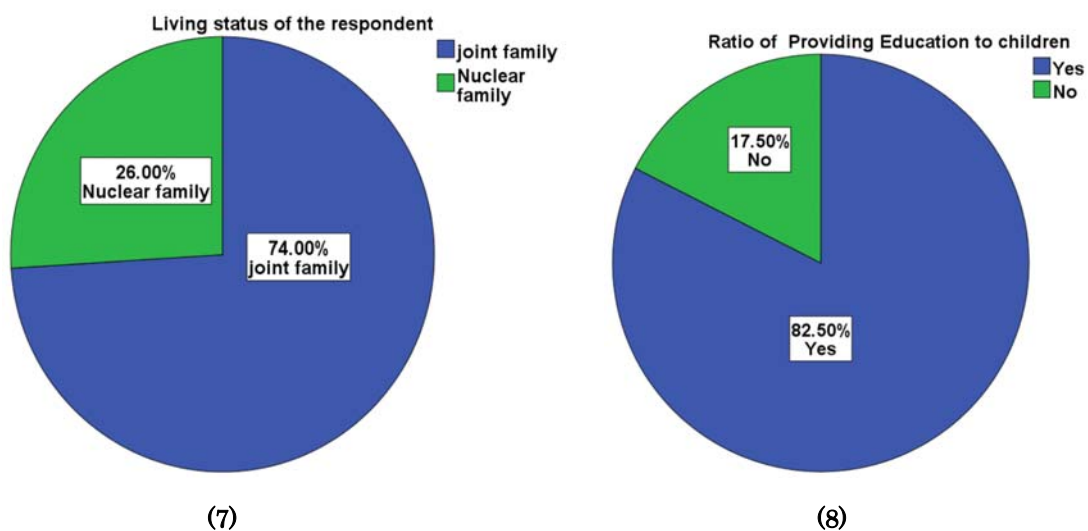
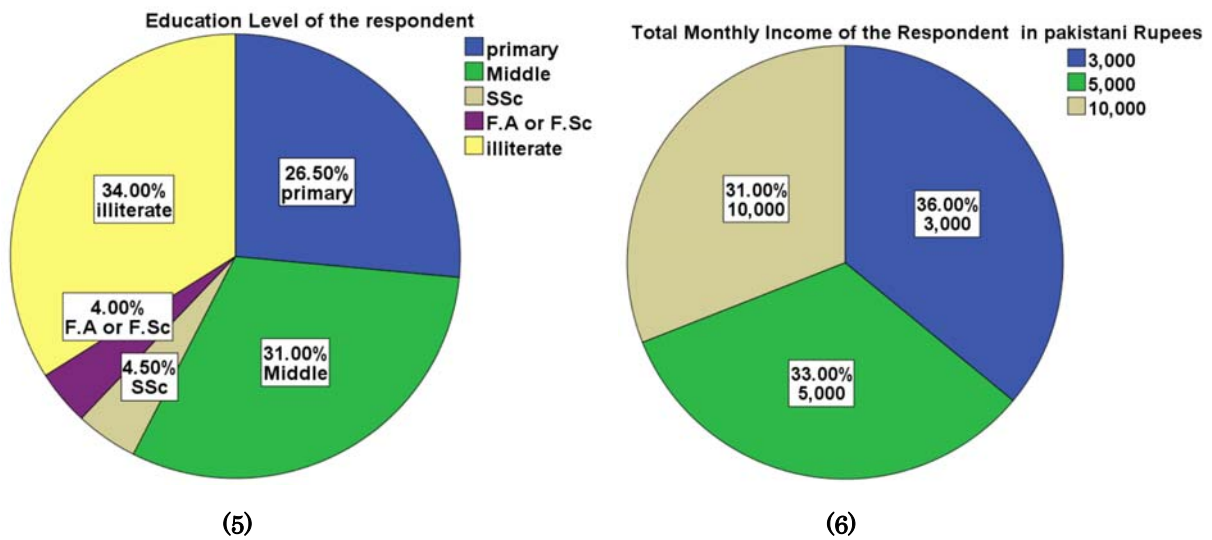
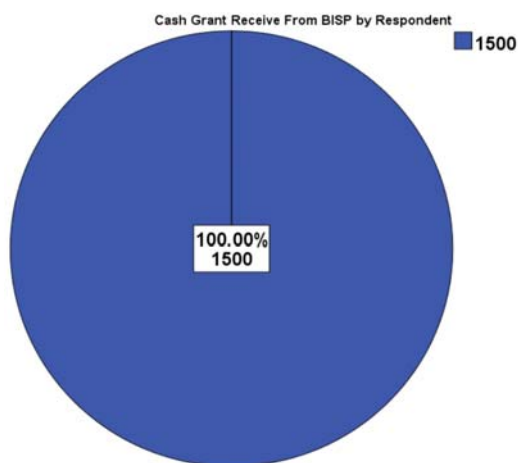


Figure 5. The respondents' education level

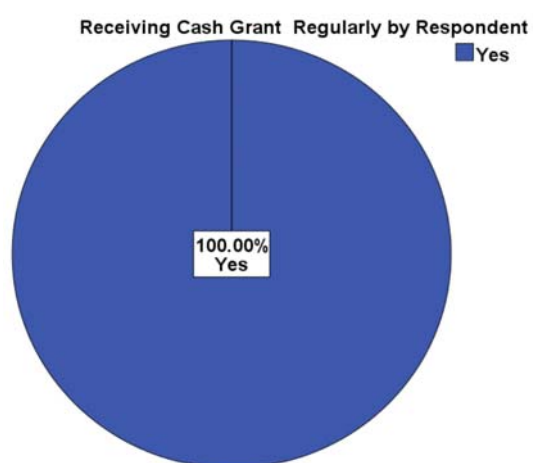
Figure 6. The respondents' Monthly Income

Figure 7. The respondents' living status

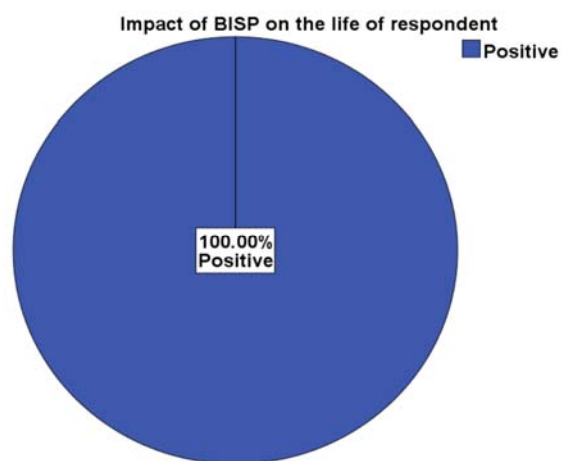
Figure 8. The respondents' education provision to their children



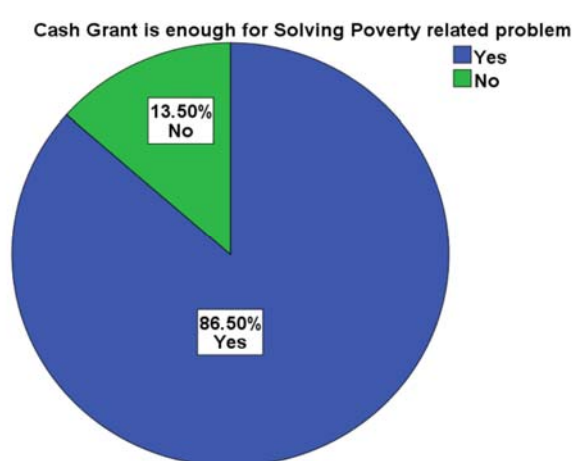
(9)



(10)



(11)



(12)

Figure 9. Cash grant receipt from BISP (Monthly)

Figure 10. Regular cash grant receipt from BISP

Figure 11. The impact of BISP on respondents' lives

Figure 12. Adequacy of the current Cash Grant of BISP for Poverty related problems

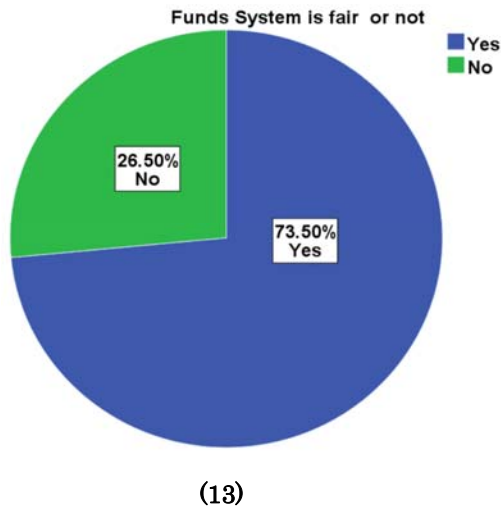


Figure 13. Fairness of system of BISP transferring

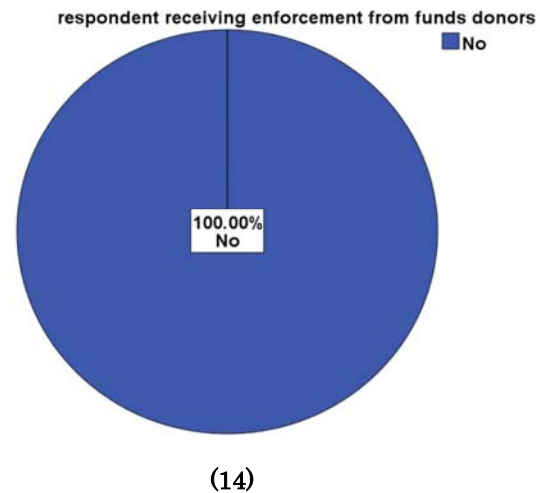


Figure 14. Enforcement on behalf on the donors regarding voting

### Conclusion:

The study is to analyze the role of Benazir income support programs to reduce poverty in the Swat region of Pakistan. For this purpose, two villages including Madyan and Bahrain, were randomly selected and 100 women from each Village, i.e. total sample size 200 constituted the population of the study. The results show that Benazir income support programs have a positive impact on women's lives, and play a key role in reducing poverty. While some women complain about program corruption payment systems, most of the respondents indicate that the programs are satisfactory. Based on the provided discussion, it is suggested to the government to make the system of BISP transfer fairer. In this regard, district or regional level research will be more favorable for showing the role of BISP in reduction of poverty.

### Suggestion:

- Increasing the amount of BISP to 10,000 or 15,000, will result in better condition with regard to poor people.
- If the conditionality, and money transfer system of BISP improve, the chances of corruption will decrease.
- Government should start the other similar programs to improve the living standard of the poor families of rural areas.

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