



“SOCIAL SAFETY NETS IN PAKISTAN: PROTECTING AND EMPOWERING POOR AND VULNERABLE HOUSEHOLDS”

FOCUS GROUP DISCUSSION

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OUTLINE OF PRESENTATION

- Background and Aims of FGD
- Main Sections of Report
- PART ONE - Poverty and Households' Vulnerability to Crisis and Shocks in Pakistan:
The Role of Safety Net Programs
- PART TWO – Performance of BISP, and Options for Graduation Programs (CCTs) in Pakistan
- Discussion



BACKGROUND AND AIMS OF FGD

- In 2007 WB prepared report on Social Protection in Pakistan – made key recommendations
- 2007 GoP endorsed *National Social Protection Strategy*
- 2008 GoP launched major national safety net Benazir Income Support Programme (BISP)
- This 2011 report focuses on the evolution of the social protection reform agenda since 2007
- Aim of FGD to share key findings of draft report with main stakeholders – input will help finalize the draft, prior to formal sharing with GoP and others



THE MAIN SECTIONS OF THE REPORT

- Chapter 1: Poverty and Households' Vulnerability to Food Crisis and Other Shocks
- Chapter 2: Safety Net Programs in Pakistan: An Overview
- Chapter 3: Pakistan's Main Safety Net Program, the BISP, and Protection of the Poor
- Chapter 4: Safety Net Graduation: from Isolated Programs to Integrated Systems
- Chapter 5: The Way Forward



PART ONE OUTLINE

- Households in Pakistan are vulnerable to various shocks
- 2008 food crisis and the self-reported coping mechanism
- Impact of food crisis on caloric intake, child schooling and savings
- Impact of health shocks
- Poverty distribution and dynamics in Pakistan
- Social safety nets as a key piece of economic growth and poverty reduction strategies

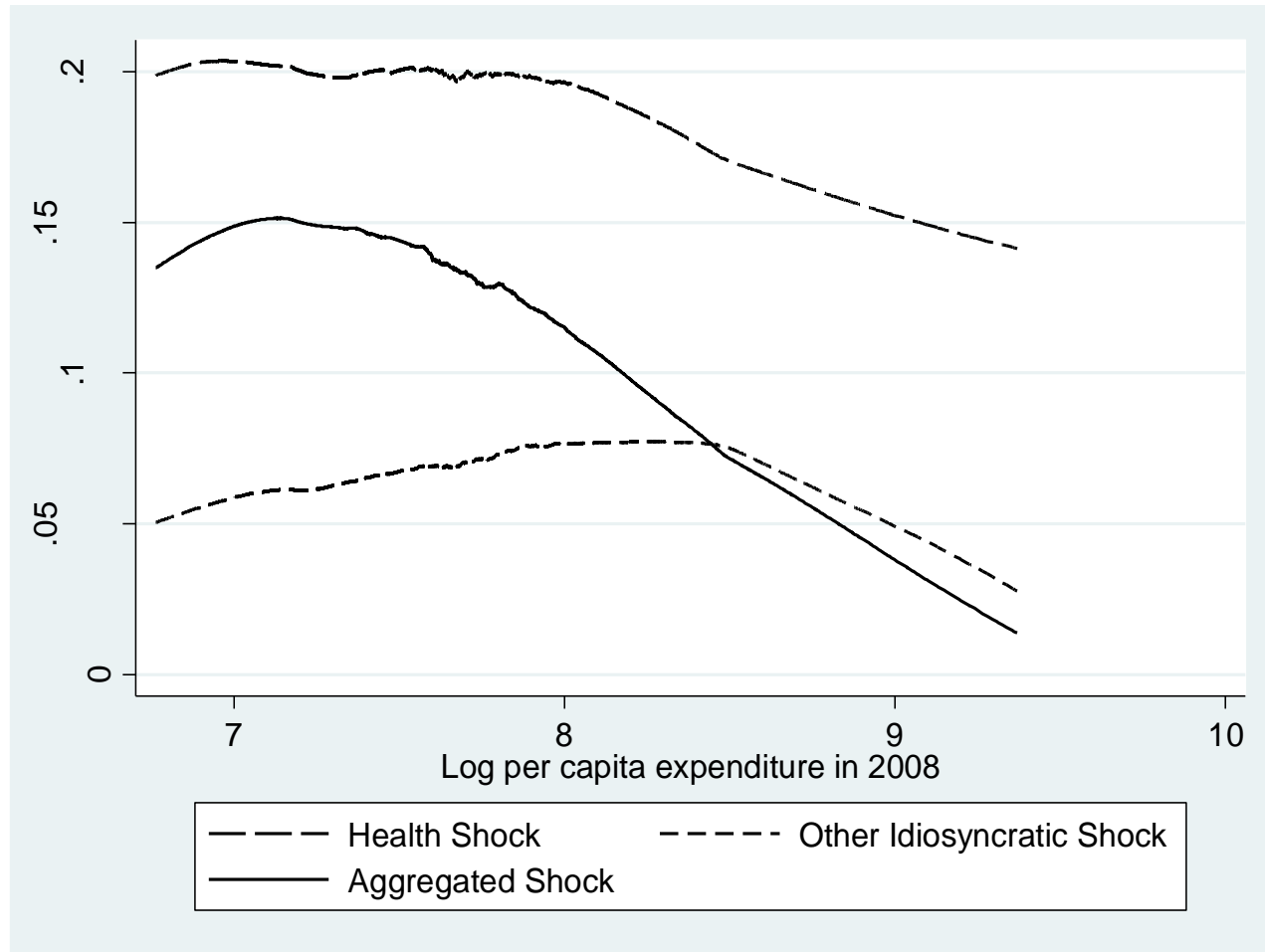


HOUSEHOLDS IN PAKISTAN ARE VULNERABLE TO VARIOUS SHOCKS

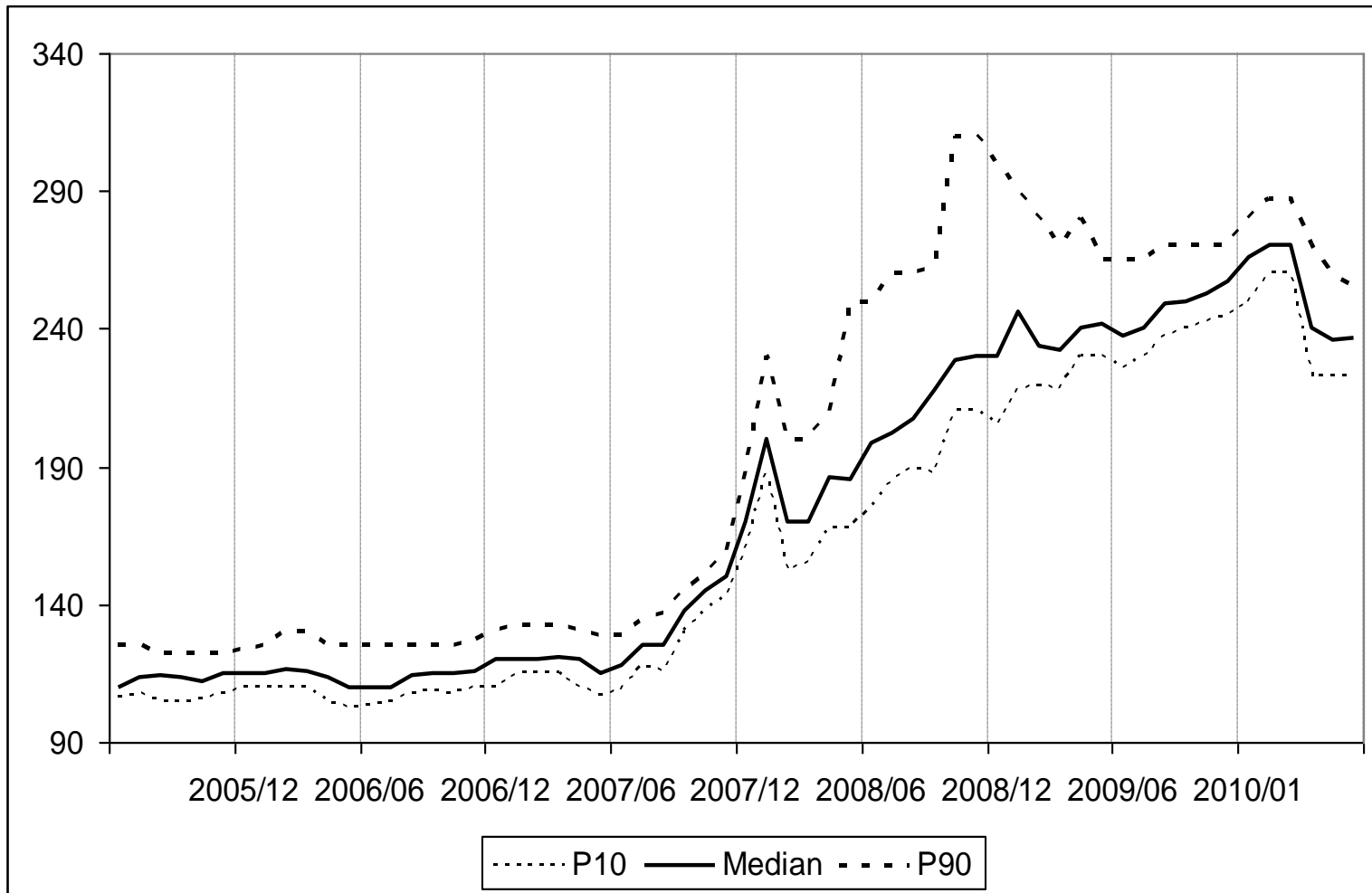
- 9.6 percent reported experiencing at least one aggregate shock, such as a drought, flood, earthquake, landslide, crop disease, livestock epidemic, fire, and/or conflict/displacement)
- 18.7 percent reported having experienced a health shock, such as illness or death of a household member
- 6.1 percent of households reported having experienced at least one idiosyncratic shock other than a health shock, such as theft, unemployment, divorce, reduced remittances, and/or violence
- The top five sources of household income shocks, in descending order, are a sudden health problem or accident, chronic or long-term sickness, drought, theft/fraud, and lack or loss of employment.



THE POOR ARE MORE LIKELY TO EXPERIENCE SHOCKS

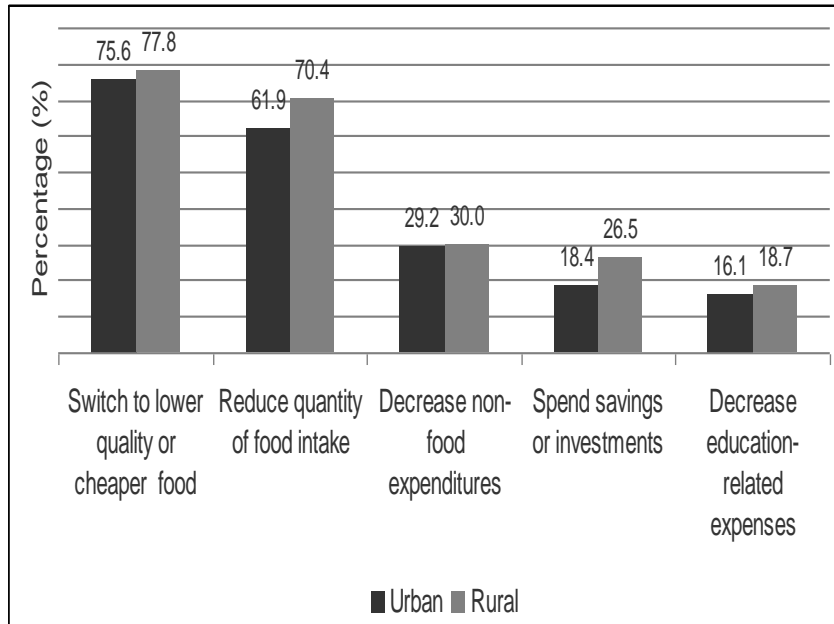


WHEAT PRICE HAS INCREASED MORE THAN TWICE FROM 2005/2006 TO 2010

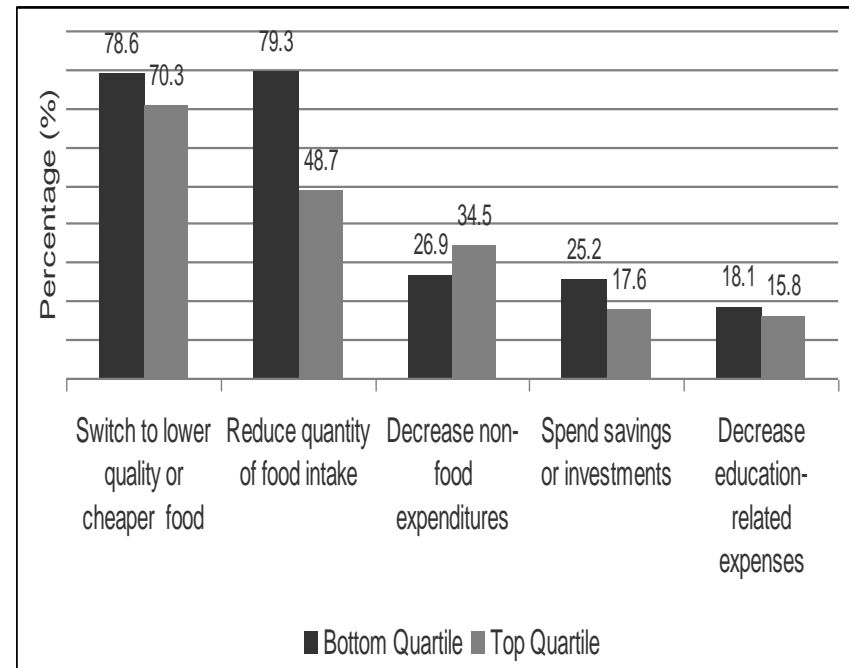


SELF-REPORTED COPING MECHANISMS FOR FOOD PRICE INCREASE

Top Five Strategies for Coping with Food Price Increases, Urban and Rural

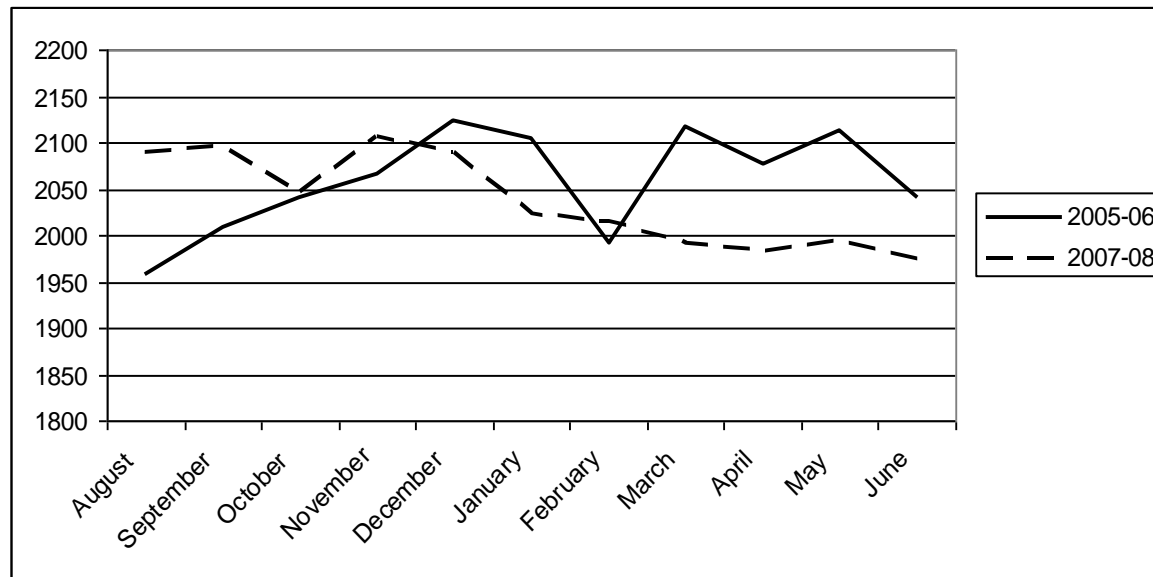


Top 5 Strategies for Coping with a Food Price Crisis, by Per Capita Expenditure



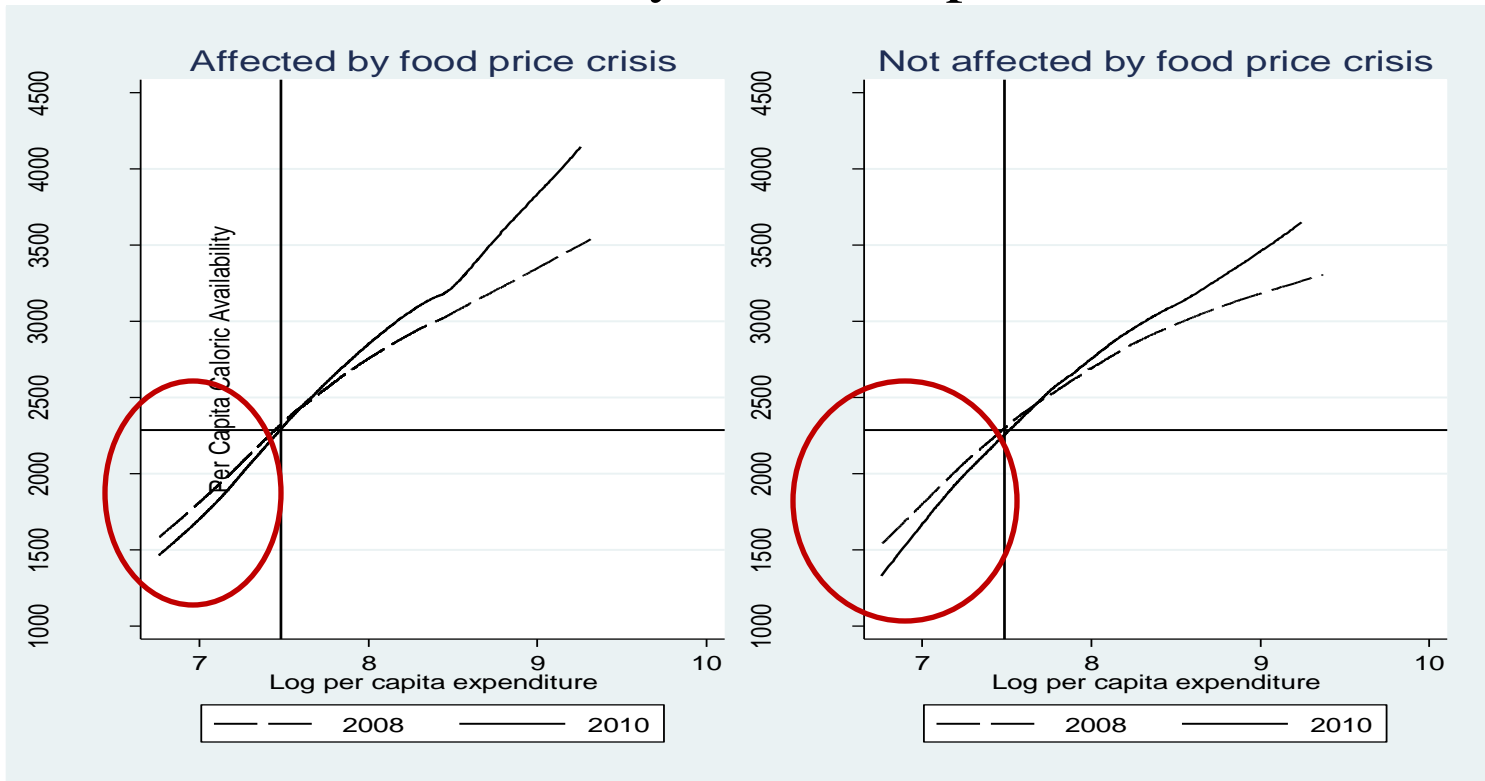
ON AVERAGE, THE 2008 FOOD CRISIS HAS REDUCED CALORIC INTAKE FROM 2005-2006

Median Total Caloric Availability Trends in 2005/06 and 2007/08 by Months



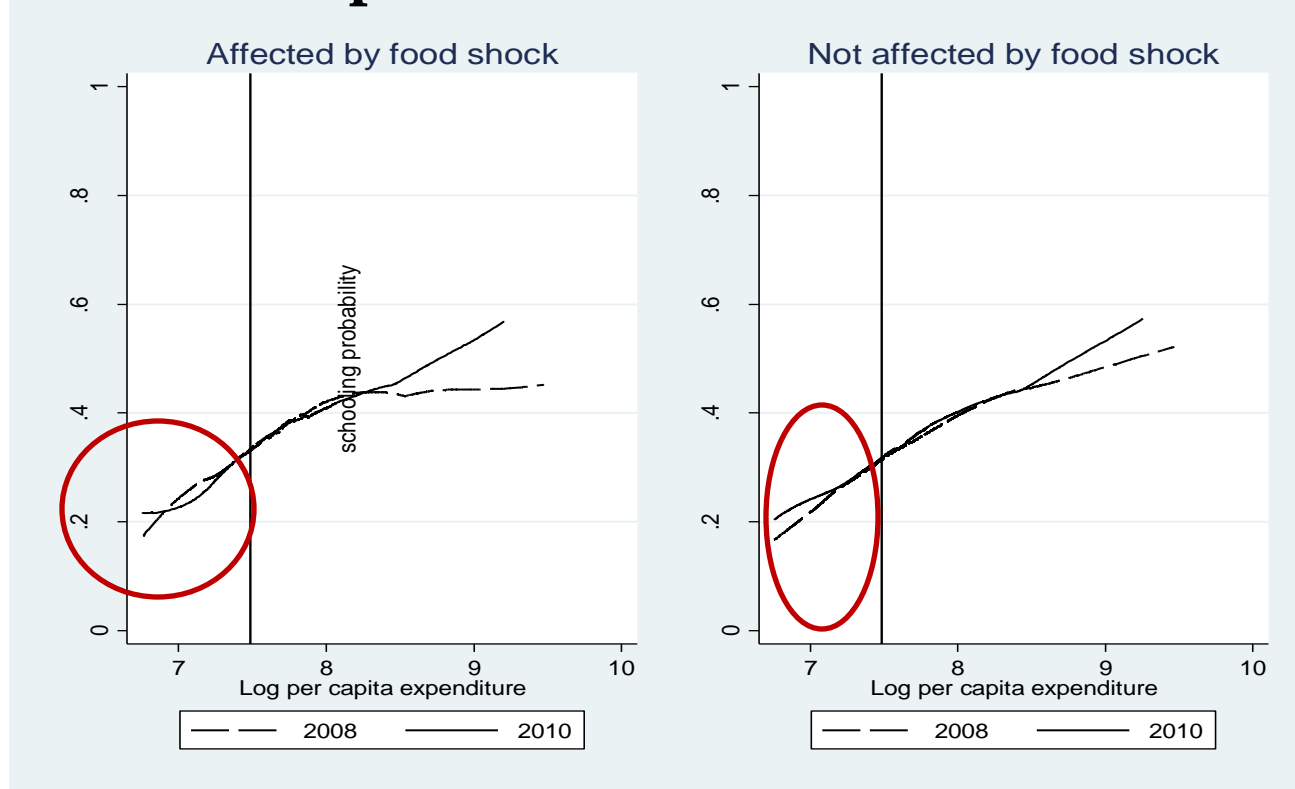
BUT ONLY FOR THE POOR, REGARDLESS OF THEIR SELF-REPORTED STATUS OF EXPERIENCE OF FOOD SHOCKS

Caloric Availability and Perceptions of the Food Price Crisis



THE 2008 FOOD CRISIS ALSO REDUCED CHILDREN'S SCHOOL ENROLLMENTS, BUT ONLY FOR THE POOR

Probability of Attending School and the Perceived Impact of Food Price Increases



FOOD CRISIS ALSO REDUCED SAVINGS

Change in Net Savings, 2008 to 2010, in Rupees

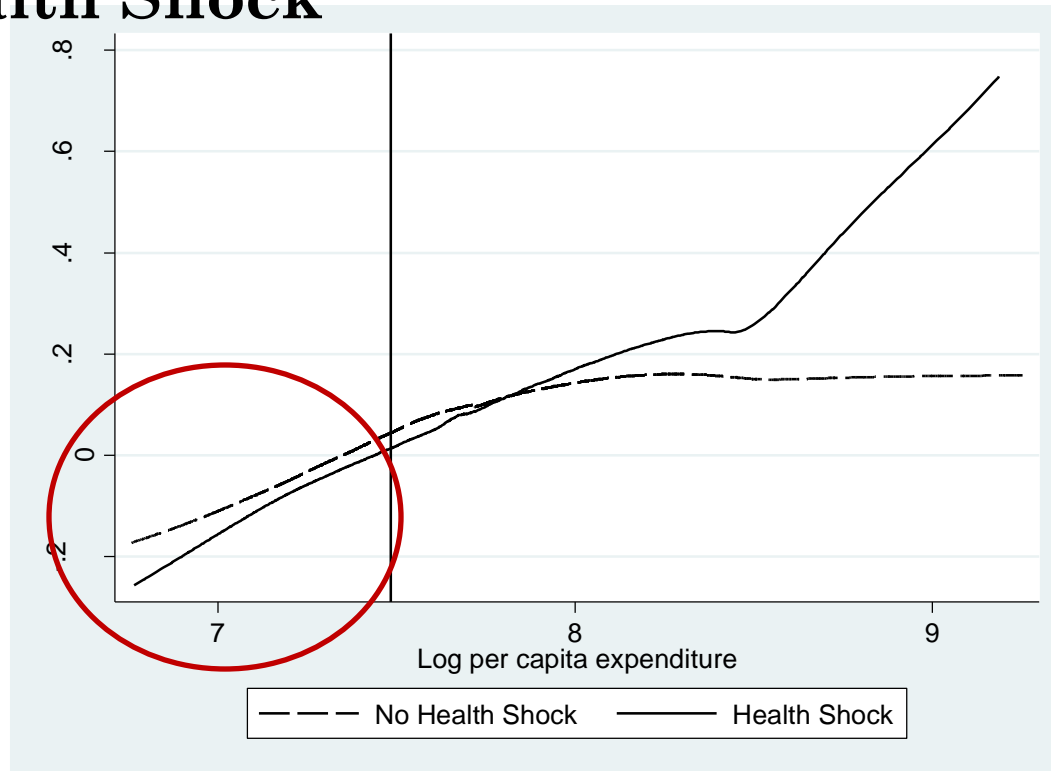
Household Type	All	Poor	Nonpoor
All	-6,061	447	-7,400
Food Shock	-9,621	-993	-11,496
No Food Shock	6,201	6,614	6,132

Data Source: PSLM 2008-2010.

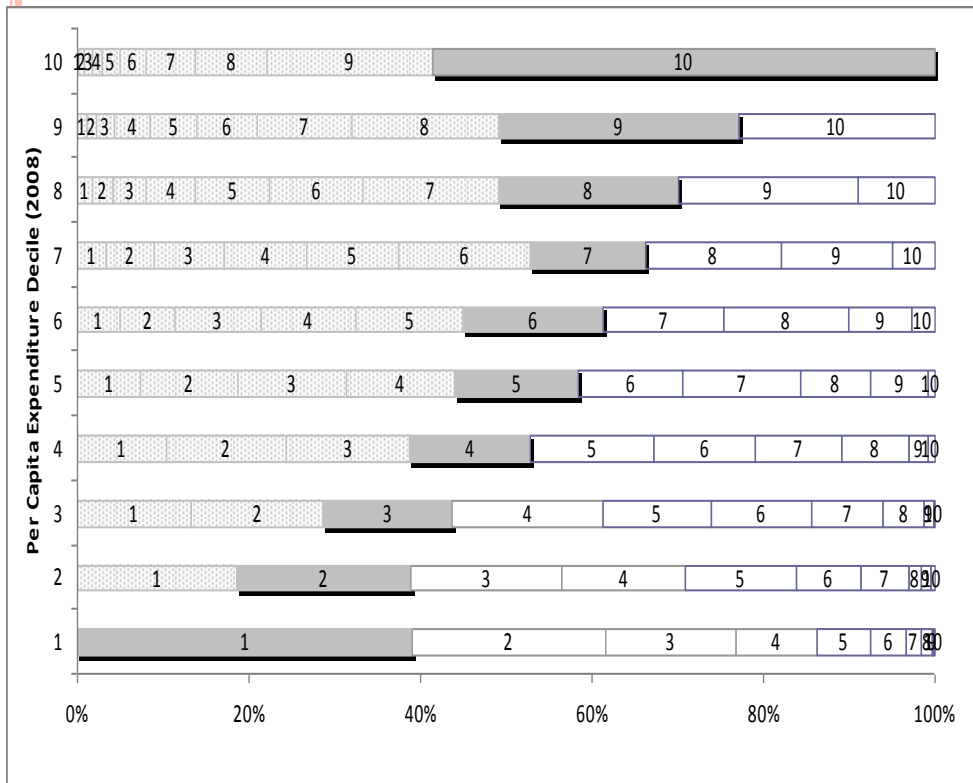


HEALTH SHOCKS REDUCED CALORIC INTAKE, AGAIN ONLY FOR THE POOR

Caloric Availability and Self-Reported Health Shock



POVERTY DYNAMICS EXTREMELY VOLATILE IN PAKISTAN WELFARE

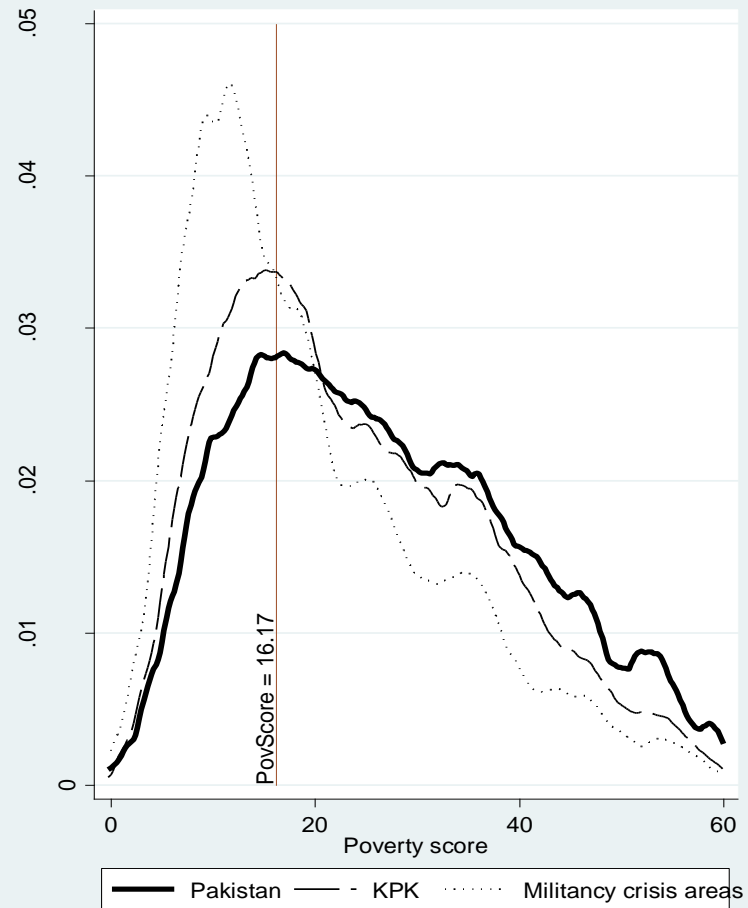
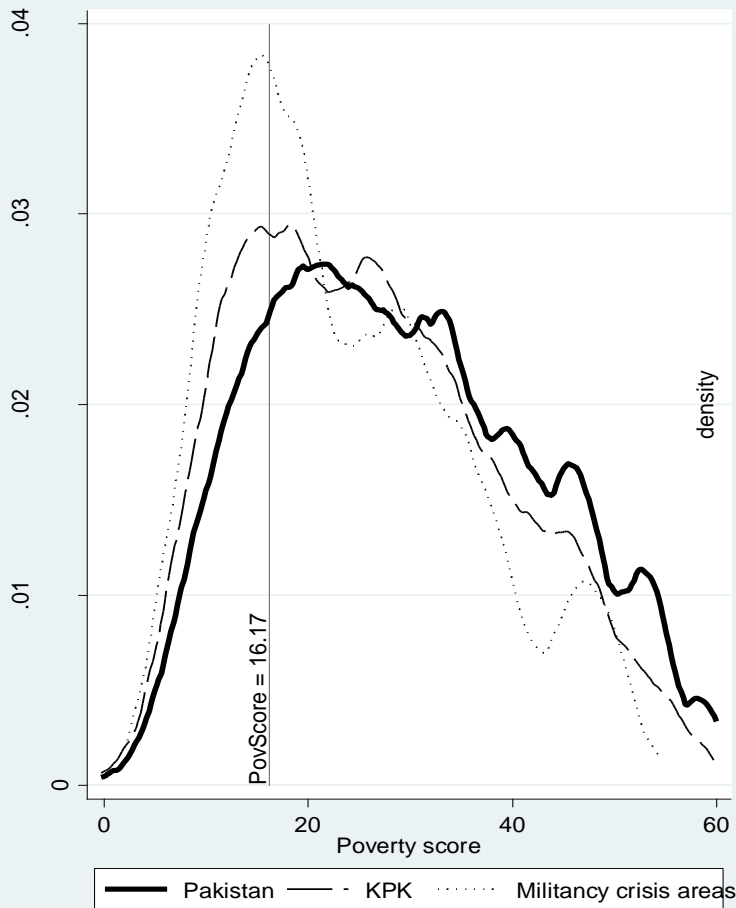


- Distribution was dynamic across all expenditure deciles – but particularly in lower deciles
- Households making upward transition still hovered near poverty line;

Data source: 2008-2010 PSLM Panel Survey



THE POVERTY RATE IN MILITANCY AFFECTED AREAS IS A LOT HIGHER



SOCIAL SAFETY NETS AS A KEY PIECE OF ECONOMIC GROWTH AND POVERTY REDUCTION STRATEGIES

Poor households use cash transfers to...

- address basic needs, creating a platform upon which these households can improve their living conditions
- smooth household expenditures in times of shocks
- Invest in human capital

Safety net program can also arguably

- Improve social cohesion
- Help reduce poverty
- Facilitate sustainable economic growth

....



PART TWO OUTLINE

- Assessment of Targeting under BISP:
 - a) beneficiary selection through parliamentarians
 - b) poverty scorecard
- Graduation Programs – options for use of Conditional Cash Transfers (CCTs) in Pakistan
- Key Recommendations



BENAZIR INCOME SUPPORT PROGRAMME (BISP)

- Launched during the second half of 2008: legal framework under BISP Act 2010
- Short-term objective - to cushion the adverse impact of food, fuel and financial crises on the poor, but:
- Broader objective - to meet the re-distributive goals of the country by providing a minimum income support package to the chronic poor and those who are highly vulnerable to future shocks
- The program provides cash transfers of Rs. 1000 [\$12] per month to eligible families, payment delivered to adult females.
- Original design relied on parliamentarians to identify the poor households – nominees then processed through ineligibility filters at NADRA. But in parallel, the BISP started to transition into poverty scorecard based identification of the poor.
- BISP also introducing graduation programs

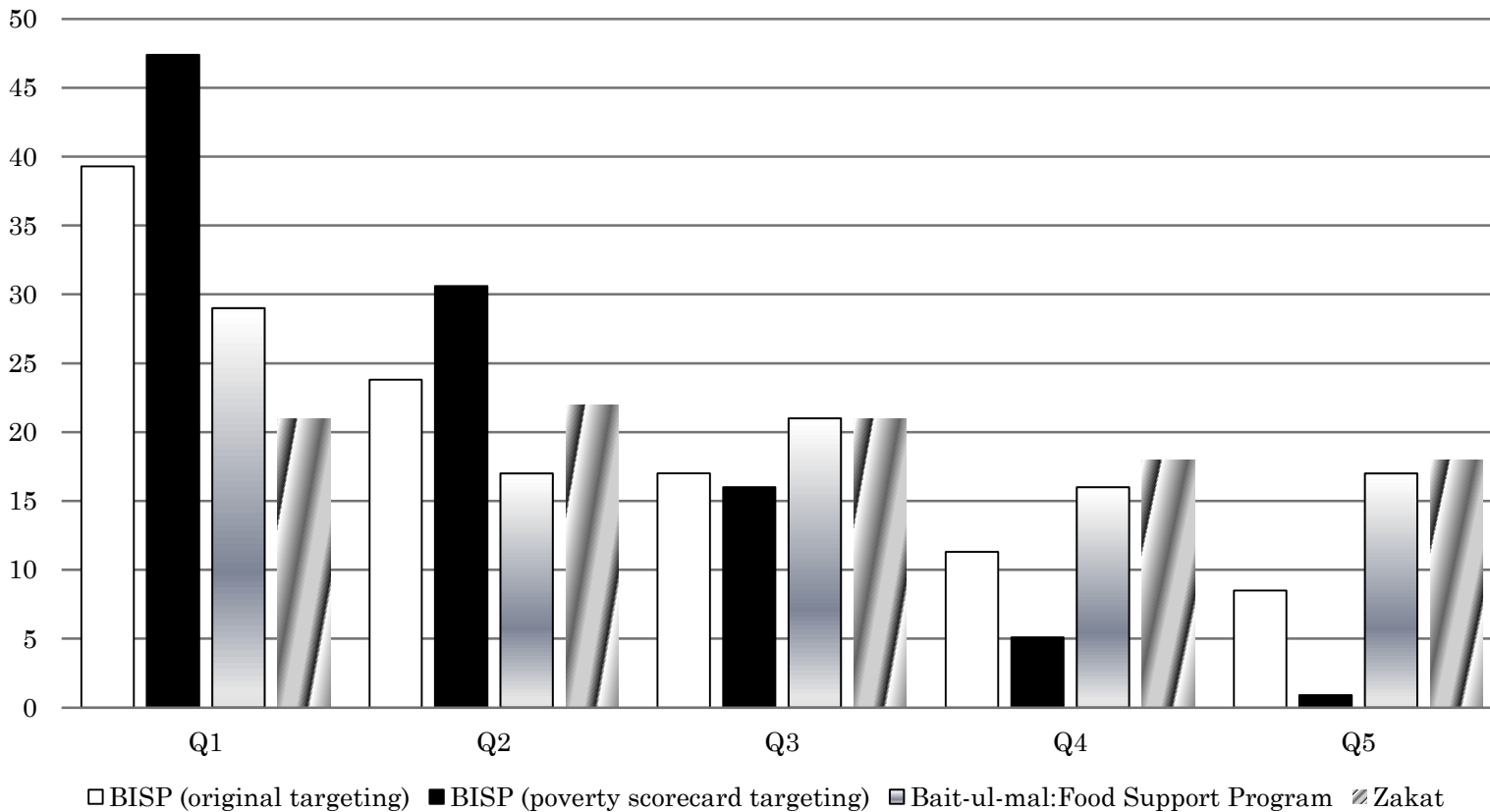


DISTRIBUTION OF BENEFITS PARLIAMENTARIAN-BASED BISP, POVERTY-SCORECARD AND PBM

Figure 1. Distribution of Benefits (Targeting Accuracy)

by quintiles of household consumption per adult equivalent

Data sources: BISP statistics are derived from the PSLM 2008-10 panel data and Bait-ul-Mal and Zakat statistics are from the 2007 World Bank



WHAT NEXT? – GRADUATION STRATEGIES

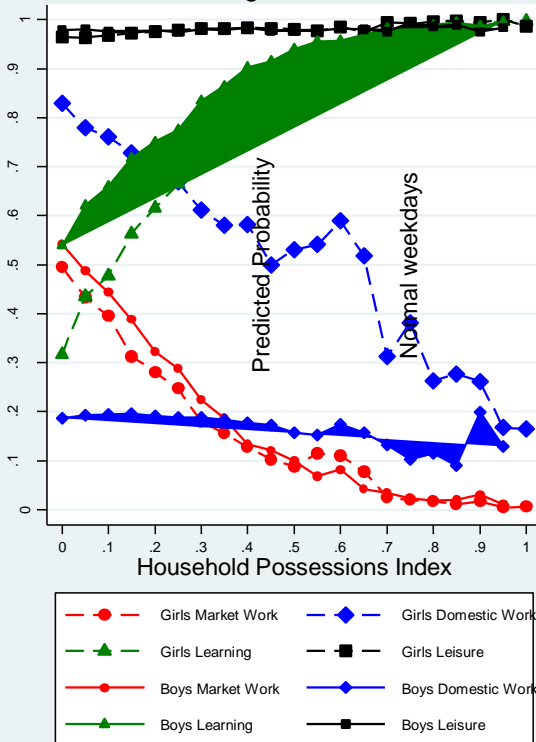
- Graduation strategies aim to develop human capital, skills, income of poor to **promote long-term welfare and poverty reduction**
- Conditional cash transfers (CCTs) – beneficiaries have **co-responsibility**, e.g. to use health/education services thereby building human capital & helping break poverty trap
- In the Pakistan context, key goals for graduation programs emerge as:
 - increase use of health services by the poor;
 - increase school enrolment and attendance of poor children;
 - improve the skills of poor adults.
- However it seems advisable to further prioritise the programs that will be implemented first, considering the institutional capacity challenges.



EDUCATION OPTION: TIME USE PATTERNS OF CHILDREN IN PAKISTAN (WITH CYNTHIA LLOYD AND NAVEEEDA SALAM)

Probability of Participating in Activities:

Ages 10-14



Probability of Participating in Activities:

Ages 15-19



•Children from the poorest 50 percent of households tend to work, and many do not attend school (poverty rate is estimated to be at around 20 percent in Pakistan).



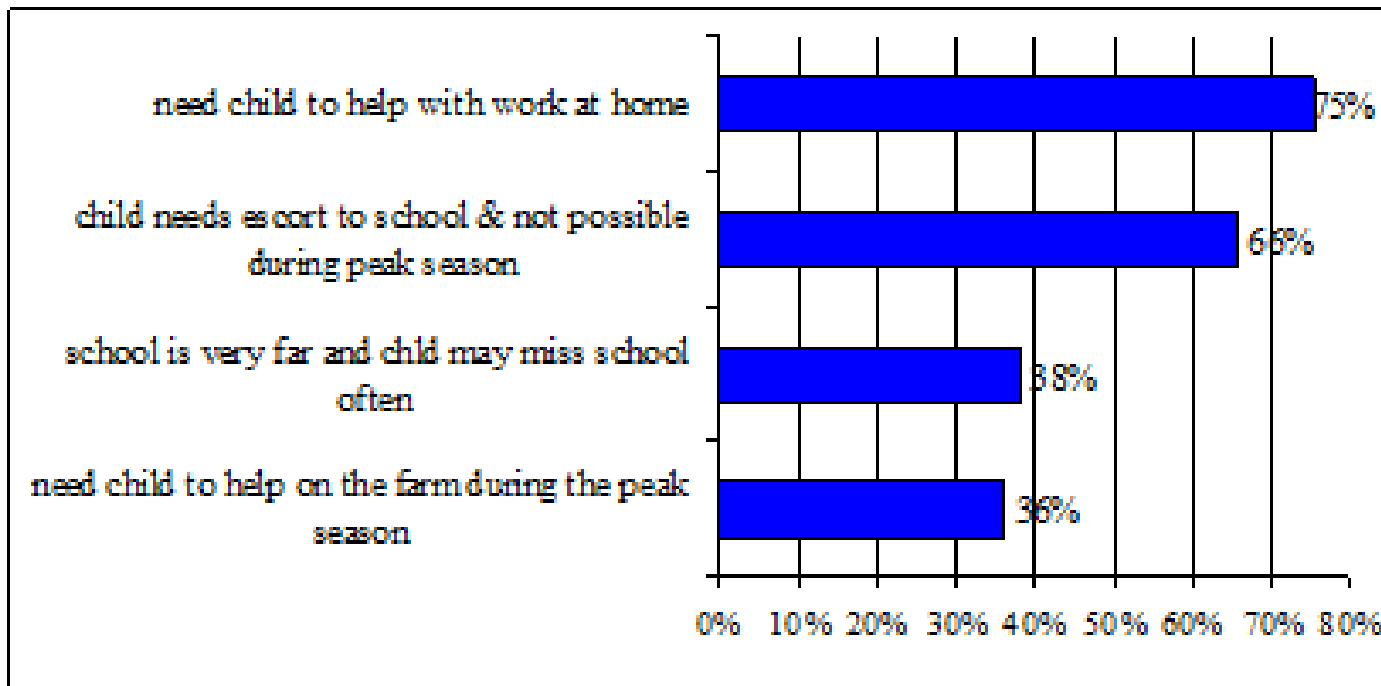
EDUCATION OPTION: CCT PILOT

- Child Support Programme (CSP) implemented by PBM
- Poor households with children between the ages of 5 to 12 years old targeted
- CSP education **co-responsibilities** require that beneficiary children must be enrolled in school and maintain regular attendance.
- Initially piloted in two districts, lots of problems during first phase implementation, including
 - **Very small benefit amount** (varying from 300 to 500 rupees, an addition to the food support program cash transfer)
 - **Serious delays in delivering payments to beneficiaries** due to documents required to process payments, late receipt of attendance sheets from teachers etc.
- CSP later expanded to eight more districts with some design improvements



CONSISTENT WITH TIME USE SURVEY RESULTS BENEFICIARIES ALSO HIGHLIGHT THE NEED FOR CHILDREN TO WORK AT HOME

Difficulties in meeting the CSP conditions



Source: CSP Beneficiary Assessment



DIFFERENCE IN DIFFERENCE

PRIMARY SCHOOL ENROLLMENTS

(WITH XIAOHUI HOU, KINNON SCOTT AND STEFANIA CNOBLOCH)

The Impact of the CSP on children's school enrollment patterns. Difference-in-Difference Statistics based on the Wave-1 and Wave-2 CSP Impact Evaluation Survey Data.

	Control Districts	Treatment Districts	Difference
Males & Females			
Baseline Survey Enrollment Rate	0.4443	0.4439	-0.0003
Follow-up Survey Enrollment Rate	0.5988	0.7150	0.1162 ^{***}
Difference	0.1546 ^{***}	0.2711 ^{***}	0.1165^{***}
Females			
Baseline Survey Enrollment Rate	0.3449	0.3778	0.0329
Follow-up Survey Enrollment Rate	0.4928	0.6630	0.1703 ^{***}
Difference	0.1478 ^{***}	0.2852 ^{***}	0.1374^{***}
Males			
Baseline Survey Enrollment Rate	0.5307	0.5000	-0.0307
Follow-up Survey Enrollment Rate	0.7007	0.7606	0.0599 ^{***}
Difference	0.1700 ^{***}	0.2606 ^{***}	0.0906^{***}
Poorest 40 percent			
Baseline Survey Enrollment Rate	0.3032	0.4080	0.1049 ^{***}
Follow-up Survey Enrollment Rate	0.4446	0.6698	0.2252 ^{**}
Difference	0.1414 ^{***}	0.2618 ^{***}	0.1203^{***}
Wealthiest 60 percent			
Baseline Survey Enrollment Rate	0.5387	0.4795	-0.0592 ^{***}
Follow-up Survey Enrollment Rate	0.7189	0.7683	0.0493 ^{**}
Difference	0.1803 ^{***}	0.2888 ^{***}	0.1085^{***}

^{*}Statistically Significant at 10 percent level, ^{**}Statistically Significant at 5 percent level, ^{***}Statistically Significant at 1 percent level.



SELECTED CCT FINDINGS

- The CCT pilot led to 11.65 percentage points increase in enrolment cf. control districts (actual increase 71.5% in treatment districts; 59.9% in control)
- Even though the program did not distinguish between males and females, in practice it ended up increasing female enrolment rates much more than male enrolment rates: 13.74 percentage points versus 9.06 percentage points
- The CSP led children from the poorest 40 percent households increased school enrolment rates by 12.03 percentage points, while for children from wealthiest 60 percent the effect was slightly smaller at 10.85 percentage points. Here, it is important to point out that in 2006 (at the time of the baseline survey) children from the wealthiest 60 percent of the population had higher enrolment rates in both control and treatment districts to start with



MAIN REPORT RECOMMENDATIONS

- Use available resources effectively – improve coordination of social protection services
- Build on cash transfer program platform by implementing graduation programs
- Set up institutional mechanism to respond to economy/community-wide crises
- Respond to household-level crises by insuring households against health shocks
- Institute regular monitoring mechanisms and improve program design over time



DISCUSSION QUESTIONS

- How can targeting of safety net programs, BISP in particular, be made more effective? How can the poverty scorecard database be improved and maintained? What other measures are needed to improve program implementation? (e.g. monitoring)
- What are the implications of the 18th Amendment for social protection services? How to enhance collaboration between federal and provincial governments in the new environment?
- How to ensure effective social protection in post-crisis situations? What special measures are needed in militancy-affected (high insecurity) areas?
- Which graduation programs should be prioritized (education CCTs, health insurance programs, skills training, micro-finance) and why? How to ensure adequate service delivery provision for graduation programs that promote human development?
- How to ensure the sustainability of social safety nets?

