

### Key Messages

- Targeted, substantial cash or asset transfers (land, livestock, and machinery) to women
- Integrate education with skills and technology for recipients
- Link social protection to complementary services such as health, education, transport
- Incorporate literacy, confidence building and protection from gender based violence into training for recipients
- Track graduation out of poverty for recipients
- Expand social and health insurance to women working in formal/informal sector.

Social protection (SP) programs play an important role in Pakistan that has one third of the population living in poverty, in reducing vulnerabilities especially of women. The efficacy of the social protection programs can be undermined by weak institutional structure, limited funding, ineffective targeting and low coverage. Evidence, globally and in Pakistan, suggests that assets and cash transfer programs have a positive impact on women and their families. In Pakistan an increase in control over cash and mobility has been noticed over the years in women beneficiaries of the Benazir Income Support Program (BISP).

### Introduction

Gender-sensitive social protection programs can facilitate women's economic empowerment, reducing women's vulnerabilities and improving prospects for employment, incomes, decision-making, political participation, ownership of productive assets and broadening of social networks. Social protection can be a key driver of economic empowerment for both men and women, if adequately targeted and implemented as planned. Social protection can be informal (family, social networks involving sale of assets, loans etc.) or formal. The main formal SP instruments are:<sup>1</sup>

1. **Social Assistance/Safety Nets** – maintains a minimum acceptable standard of living through (cash transfers, food aid and subsidies, public works)
2. **Social security** - support the employed from falling into poverty: unemployment and health insurance, funeral assistance and disaster insurance; minimum wage; eliminate child labour and forced labour
3. **Human development and child protection** - limit the impact of poverty and prevent school dropouts, reduced food consumption and health in affected households
4. **Microfinance** –smoothen income and consumption through provision of microcredit, savings, micro-insurance

Pakistan has the following mechanisms for social protection:

- Employee Social Security
- Workers Welfare Fund
- Employees Old Age Benefits Institution
- Zakat and Ushr
- Benazir Income Support Program (BISP)

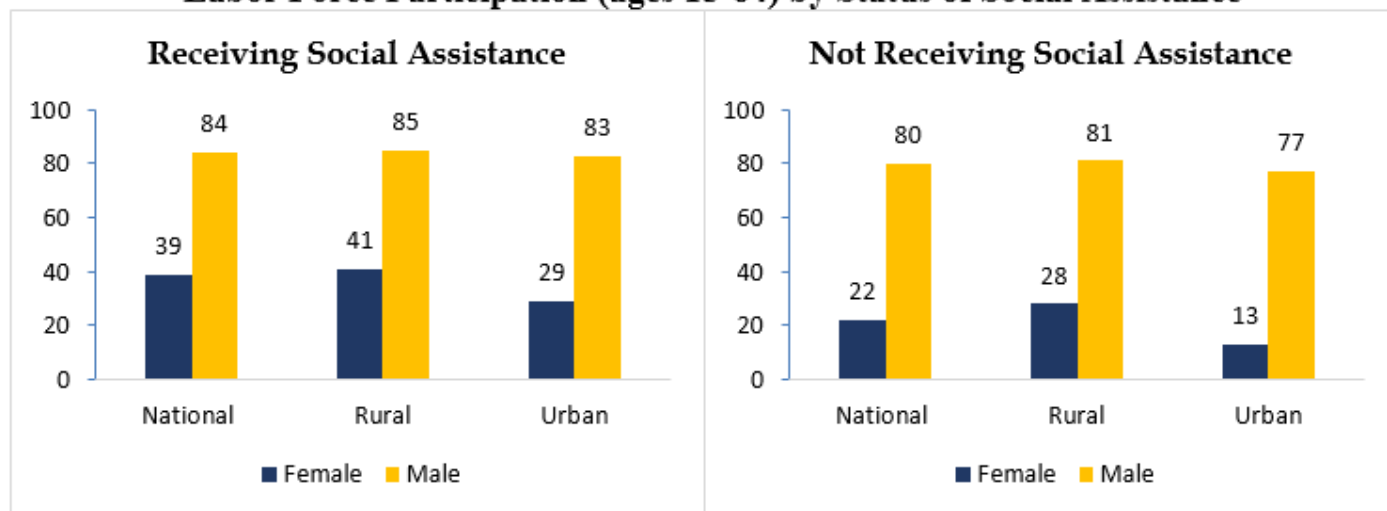
The first three are only available to those engaged in formal employment. Initial steps to bring home based workers into the ambit of social security have yet to be formalized. BISP is the only targeted, means tested program and the only one that focuses on women.

**Only 9.5% of the total GDP is directed toward the pro-poor expenditures in fiscal year 2017-18.<sup>2</sup>**

## Situation Analysis

An estimated 38% of the population (77 million) in Pakistan was poor in 2016, out of which 41% resides in rural areas while 32% belong to urban centers.<sup>3</sup> Women and children (out-of-school/working), disabled, and potentially the elderly, are the most vulnerable groups of poor.<sup>4</sup> Working poor households are 32%, 42% and 17% at national, rural and urban level respectively. Labor force participation is much higher among the social assistance recipients compared to non-recipients. Female participation among the rural recipient households is almost double that of non-receiving households and much higher than that of urban receiving households.

### Labor Force Participation (ages 15-64) by Status of Social Assistance



Source: Estimated from HIES 2015-16

Zakat funds for the impoverished, orphans, widows, persons with disabilities are disbursed through respective local Zakat Committees or indirectly through institutions, i.e., educational, vocational, social institutions and hospitals. The Pakistan Bait-ul-Mal (PBM) focuses on the poorest of the poor by helping destitute, widows and orphan through different projects.

Other initiatives include health cards (in Khyber Pakhtunkhwa, Punjab and Sindh designed to provide health insurance to the individuals living below US \$ 2 per day (international poverty line). The Prime Minister's National Health Program covers 1.5 million families from 26 districts in Pakistan.<sup>5</sup>

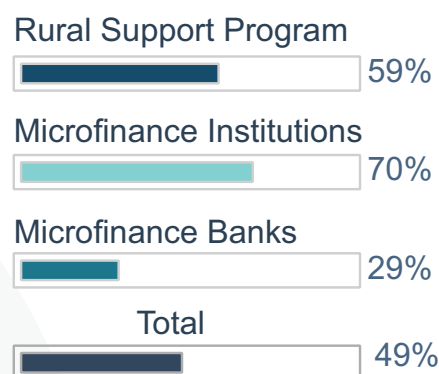
## Microfinance

Financial inclusion can be a mechanism of social protection provided it targets the poor and the programs are designed to help the poor graduate out of poverty.

Financial inclusion is low in Pakistan at 10.3%, lower still for women at 2.9%.<sup>6</sup> Pakistan's National Financial Inclusion Strategy aims to provide access to financial services to 50% of the adult population including 25 % of adult women by 2025. Microfinance outreach in terms of active clients stands at 5.3 million as of June, 2017.<sup>7</sup> The percentage of active female borrowers by each type of lending institution is high (Table 5), however their share of the total loan portfolio remains low.

The safety net programs in Pakistan are fragmented with limited coverage, often duplicating each other.<sup>8</sup> The Benazir Income Support Program with its innovative poverty scorecard and targeted cash transfer program has set the standard for other programs. The program provides eligible families with

### Share of Active Female Borrowers by Credit Outreach

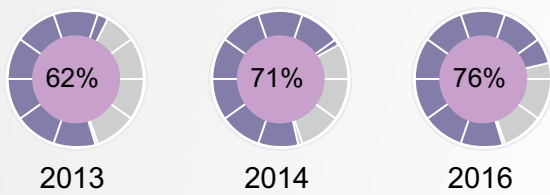


unconditional cash transfers. Enhancing empowerment of women is the foremost goal of the program inherent in its delivery mechanism which targets women as head of the beneficiary household based on their Computerized National Identity Cards (CNIC) which also accelerated the registration of non-registered women with NADRA, and serves as an unobserved effect of BISP. The number of beneficiaries has increased from 1.7 million in 2009 to approximately 5.6 million by December 2017. The unconditional cash transfers by BISP equal Rs 563.57 billion (Economic Survey of Pakistan, 2018).

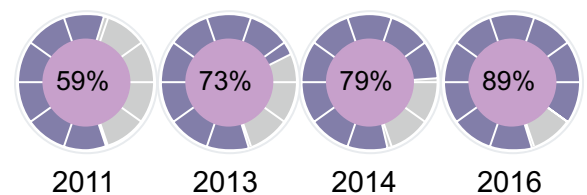
Cash transfers, especially when women are directly at receiving end, have a positive impact on women's wellbeing beyond the impact on poverty. Several rounds of rigorous evaluations of the recipients of BISP benefits have been undertaken, and some of the results are promising.

## BISP Recipients and Empowerment

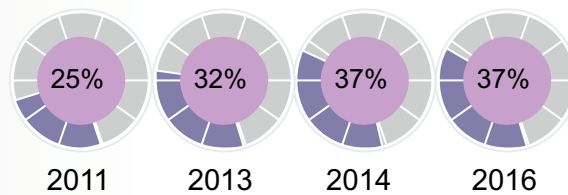
### % of Women Who Retain Control over Cash



### % of Women Voted in Local/National Elections



### % of Women who can Visit Market Alone



## Conclusion

Historically, social protection programs in Pakistan have weak institutional structures, partial funding, ineffective targeting and little coverage. Program coverage has remained low, limiting the impact of the social protection measures introduced. In recent years, with the introduction of the proxy means tested scorecards and the use of mobile technology to deliver cash transfers and benefits this has improved.

The impression among the public and policy makers that social protection is dispensed as a favor by political representatives, rather than a mechanism for helping the vulnerable, alleviating poverty or redistribution of resources. The efficiency, visibility and availability of these programs for the poor remains a challenge. Women, especially those who are subject to persistent poverty, invisibility, lack of resources, illiteracy and restricted mobility, have no access to the existing social protection programs. Neither do those who are not in formal employment.

## Recommendations

- For cash transfers to effectively support women's economic empowerment, the design needs to ensure that women are made legitimate cash transfer recipients and have control over its use.
- Support the graduation of the poor and vulnerable women and their households from poverty. Assets transfer, and provision of training to manage these assets<sup>9</sup> has the potential to encourage entrepreneurial behavior among the recipients and drive employment shifts from low wage employment toward self-employment<sup>10</sup>. Asset transfer programs have shown longer term effects, if targeted effectively, with increase in savings, consumption, and investments reported among vulnerable groups.

- Social protection programs tied to education not only improves the family's earning and wellbeing prospects but also drives and increase community level engagements.
- When linked with complementary services such as financial services, education, agricultural extension and rural advisory services, social protection programs have a multiplier effect and effectively support the economic advancement of women. Programs should include mandatory training for literacy, self-awareness and confidence building, information on legal rights and laws for protection against harassment and gender based violence as well as mechanisms for assistance (Helplines, Ombudsperson etc.)
- Social protection and social assistance programs should be integrated and target oriented. These should enhance people's capacities to cope with financial shocks, natural and man-made disasters. This requires a stringent and effective monitoring system at federal and sub-national levels.
- Promote equitable and accessible social health insurance initiatives irrespective of employment in the formal or informal economy or place of work.<sup>11</sup>

## End Notes

- 1 State Bank of Pakistan, 2008. <http://www.sbp.org.pk/reports/quarterly/fy08/third/Special-Section.pdf>
- 2 Economic Survey of Pakistan, 2017-18.
- 3 Jamal H. Poverty and Vulnerability Estimates: Pakistan, 2016. SPDC
- 4 Zaidi Y. et al. 2018. Rural Women in Pakistan - Status Report 2018 UN Women Pakistan.
- 5 WHO Annual report 2017
- 6 State Bank of Pakistan. National Financial inclusion Strategy, 2015
- 7 PMN micro watch issue 44: Quarter 2 (April-June 2017)
- 8 [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-islamabad/documents/publication/wcms\\_358937.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-islamabad/documents/publication/wcms_358937.pdf)
- 9 Bandiera, O. et al. 2016
- 10 Rasul. I. et al., 2017. PPAF, CERP Asset Transfer Program – One year impact report.
- 11 Zaidi Y. et al. 2016.

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