

The Ehsaas Anti-Poverty Programme: Building a compassion state?

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- Ehsaas is an ambitious plan to significantly expand the welfare role of the state.
- Elements of BISP have demonstrated the State's success in pioneering and sustaining a monumental approach to social protection.
- To succeed, the architects of Ehsaas may do well to learn from what has worked for BISP: aligning stakeholders, singularity in purpose and a focused and consistent legal and operational framework.

The Ehsaas programme is currently a set of policy recommendations compiled by the Poverty Alleviation Coordination Council and initiated by the Prime Minister of Pakistan through an announcement on March 27th and a policy statement issued on April 8th 2019. Its objectives are to reduce inequality, invest in human resource, and rapidly improve the state of the regions (and districts) that have the lowest development indicators. The programme intends to double existing social protection spending, institutionalize the state's duty of care as a fundamental right for all citizens, and prioritize human capital development to increase livelihoods and jobs.ⁱ

Ehsaas represents the cognizance of a dual reality: first, that the poor are and will continue to be hard hit by increasing inflation, a reduction in subsidies and regressive indirect taxation. Second, that poverty continues to eat away at the human resource of Pakistan, limiting growth potential through malnutrition, stunting, and a lack of skills. This Tabadlab piece assesses what we know about poverty in Pakistan, reviews the context and experience of BISP, and identifies implementation and regulatory aspects of Ehsaas that may be critical in predicting its future success.

What do we know about poverty in Pakistan?

There are three things that are fairly clear about poverty in Pakistan. First, over the last two decades, Pakistan has seen a substantial reduction in poverty. The percentage of population living below the national poverty line decreased from 64.3% in 2001-2002 to 29.5% in 2013-2014. As shown in table 1, multidimensional poverty index (MPI) calculations show that the poverty headcount ratio decreased by as much as 16.5 percentage points from 55.3% in 2004-05 to 38.8% 2014-15, although the intensity of deprivation fell by a more modest 2 percentage points from 52.9% to 50.9%. Overall, the MPI (the product of the headcount and the intensity) fell about 32% from 0.292 to 0.197 during the same period. Table 1 shows that this decrease was not unique to Pakistan, and other South Asian countries saw even more dramatic declines – during comparable periods, India's MPI fell 56.6%, and in Bangladesh it fell 46%.ⁱⁱ It is clear that in much of South Asia, the proportion of people living in poverty has gone down.

Table 1: Change in MPI 2004/05 – 2014/15ⁱⁱⁱ

Regional measures of poverty	2004-05	2014-15
Pakistan MPI ^a (HxA)	0.292	0.197
Poverty headcount (H)	55.3%	38.8%
Intensity of deprivation (A)	52.9%	50.9%
India MPI ^b	0.279	0.121
Bangladesh MPI ^c	0.364	0.196

^a Source: Government of Pakistan 2017

^b India's change in MPI is calculated between 2005/06 and 2015/16. Source: Oxford Poverty and Human Development Initiative (2018)

^c Bangladesh's change in MPI is calculated between 2004 and 2014. Source: Oxford Poverty and Human Development Initiative (2017)

Second, the improvements in poverty are not uniform. Rural poverty is seven times as high as that in urban areas (0.28 compared to 0.04). The majority of Pakistan's 132 districts saw improvements, with Larkana (Sindh), Attock (Punjab), Malakand (KP), Toba Tek Singh (Punjab) and Hyderabad (Sindh) displaying the greatest progress during this period. However, poverty increased in thirteen districts: eight in Balochistan and five in Sindh - Harnai (Balochistan), Killa Abdullah (Balochistan), Ziarat (Balochistan), Umerkot (Sindh), Sherani (Balochistan), Kashmore (Sindh), Panjgur (Balochistan), Chagai (Balochistan), Pishin (Balochistan), Tando Muhammad Khan (Sindh), Badin (Sindh), Barkhan (Balochistan) and Tando Allahyar (Sindh). As shown in table 2, on average, Punjab saw the most progress, with a decline in MPI of 40.2%. Balochistan experienced the least improvement – less than half of what was seen in Punjab (17.7%). Both KP and Sindh experienced overall declines in MPI of around 28.5% and 27.1% respectively. So, while the lives of many people in some areas have improved, those in other areas are embroiled in deprivation. This means that while in Punjab, only 3 in ten people live in multidimensional poverty, in Balochistan, that proportion is as high as 7 in ten. Increasingly, therefore, the principal public policy challenge in Pakistan has shifted from the problem of poverty to the problem of deep and structural inequality, with inherent inter-provincial and political implications.

Table 2. Multidimensional poverty (MP) across the provinces

Province	MPI 2004-05	MPI 2014-15	Poverty Headcount 2014-15	Population 2017	Number of people in MP
National	0.292	0.197	38.8%	207,774,520	80,616,514
Punjab	0.254	0.152	31.4%	110,012,442	34,543,907
Sindh	0.317	0.231	43.1%	47,886,051	20,638,887
KP	0.350	0.250	49.2%	30,523,371	15,017,498
Balochistan	0.478	0.394	71.2%	12,344,408	8,789,218

Source: Government of Pakistan 2017, Pakistan Bureau of Statistics (2018)^v

Finally, more is now known about the nature of poverty across different administrative areas. The advantage of using MPI is that it measures the nature and simultaneity of disadvantage, i.e. it can tell us just how people are poor. The granularity of the PSLM data upon which the MPI is based, support a deep understanding of the nature of deprivation across each district, tehsil, and social group. As shown in table 3, around one third (or more) of people in total were simultaneously deprived in five of the fifteen indicators included in the calculation of MPI. These include cooking fuel (60.6%), years of schooling (48.5%), assets (39%), over-crowding (38.3%) and health facility (32.4%).^v

Table 3. Unpacking poverty - extent of deprivation across Pakistan

Indicator	% Deprived	Deprivation threshold
Years of schooling	48.5%	Deprived if no man OR no woman in the household above 10 years of age has completed 5 years of schooling
Health facility	32.4%	Deprived if health facilities are not used at all, or are only used once in a while, because of access constraints (too far away, too costly, unsuitable, lack of tools/staff, not enough facilities)
Over-crowding	38.3%	Deprived if the household is overcrowded (4 or more people per room)
Cooking fuel	60.6%	Deprived if the household uses solid cooking fuels for cooking (wood, dung cakes, crop residue, coal/charcoal, other)
Assets	39%	Deprived if the household does not have more than two small assets (radio, TV, iron, fan sewing machine, video cassette player, chair, watch, air cooler, bicycle) OR no large asset (refrigerator, air conditioner, tractor, computer, motorcycle) AND has no car

Source: Government of Pakistan 2017

These data provide an important source of information to facilitate federal, provincial and district level allocations to address poverty, presenting a useful backdrop to developing Pakistan’s next major poverty intervention – Ehsaas.

What is Ehsaas?

There are many things about Ehsaas that we do not know: details of financing, federal-provincial distribution of responsibility, and implementation mechanisms being on the top of the list. However, the programme itself has been elaborated in significant detail and includes 115 policy actions presented under four pillars:

1. addressing elite capture and harnessing government systems to create equality,
2. introducing safety nets for the poor,
3. developing human capital and
4. enhancing livelihoods and job creation.

Addressing elite capture

Broadly, these policy actions propose an ideal institutional framework for Ehsaas. The plan proposes to shift article 38(d) from the ‘Principles of Policy’ section of the Constitution into the ‘Fundamental Rights’ section, recognizing the State’s welfare responsibility to provide its citizens with certain basic needs. Article 38 (d) reads:

(The State shall) provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment.

This includes the elderly, the sick, and those who are unemployed. The shift would provide citizens with an additional measure to petition the state for the provision of basic services. Moreover, it would represent the fundamental reorientation of the State toward the establishment of a deeper and more expansive agenda of compassion and social welfare.

In addition, this pillar provides the legal framework for Ehsaas recommendations to be enacted. This includes the establishment of the Ministry of Social Protection and Poverty Alleviation Coordination, instructions for existing ministries and departments, modifications to administrative procedures, and the establishment of quotas and pro-poor rules for access to economic opportunities. It also alludes to provincial mechanisms for the financing of the Ehsaas program, including a need-based system in the framework of the new National Finance Commission Award and encouragement to the Provincial Finance Commissions to structure future awards to remove intra-provincial disparities. Together, these interventions create the institutional architecture needed for robust enactment of the Ehsaas programme.

Safety Nets

This pillar positions Ehsaas to protect the poor and vulnerable through socio-economic safety nets. The first element in this pillar pertains to increasing spending on social protection.^{vi} The second includes the development of the new 2019 National Socioeconomic Registry, and making it live.^{vii} Third, it describes the extension of BISP to include *Kifalat*, which includes financial inclusion of women through a “one woman, one bank account” policy, inflation-adjusted transfer amounts, establishment of digital hubs where the government’s digital resources (information systems, online training and one window social protection interfaces) are made accessible for poor families to help them graduate out of poverty, and programmes for graduation of BISP beneficiaries in the least developed regions of the country. Fourth, the pillar describes the extension of BISP to deliver *Tahafuz* - a shock or emergency-oriented intervention, including one-time financial assistance, assistance to poor widows, and legal aid. Fifth, the Insaaf Insurance Card will complement Tahafuz in protecting the poor against catastrophic health expenditures. This pillar also includes measures to improve the welfare of special groups: the disabled, elderly people living in poverty, labour and workers abroad, ranging from a labour expert group to the establishment of homes, centres, shelters and schemes.

Human Capital

Policy actions in the third pillar of Ehsaas are geared to target malnutrition, pro-poor education, and health. They span several key areas: new initiatives (e.g. for community health and nutrition) and reforms, awareness raising (e.g. regarding article 25-A of the Constitution) asset transfers (e.g. chickens and goats) and plans to increase access to, and the provision of education.

Livelihoods and Jobs

Policy actions under the final Ehsaas pillar are set up to help create a 21st century workforce and bridge the skills gap between the workforce and the economy. The new ‘Solutions Innovation Challenge, Prize Funding and Venture Capital Funding’ aims to develop value chains and large-scale solutions for poverty through two types of solutions – one with a public good-like effect, and others that are specific to geographic opportunity clusters in lagging areas. Other policies facilitate those working in the IT sector, labour working abroad, poor farmers and women.

Ehsaas proposes an assessment of the application of labour laws and formalising the tenancy farming system. It further proposes improved agricultural policies, greater financial inclusion, stronger Technical and Vocational Education and Training (TVET), and the empowerment of the National Vocational and Technical Training Commission (NAVTTTC) to be more proactive in the provision and certification of skills.

Together, the four pillars of Ehsaas constitute an ambitious set of initiatives for the poor. The plan presents an inspiring framework, bringing together new policies, and revamping old ones, harnessing technology, and identifying the fundamental building blocks that, if implemented, may have unprecedented outcomes for the poor.^{viii}

Can it be done?

Ehsaas comes around twelve years after Pakistan's first comprehensive statement on social protection – the National Social Protection Strategy of 2007. The strategy articulated an ambitious array of goals and recommended a consolidated conditional cash transfer plan, in response to a survey-based, proxy means test. However, it was critiqued for overlooking the contestation between the provinces and the centre over funds and responsibilities, omitting longer-term asset transfer schemes (e.g. regularization of housing rights or land redistribution) and failure to specify the organizational mechanisms to affect the changes it recommended. Nevertheless, the very next year saw the launch of the BISP programme coupled with a nearly six-fold increase in budgetary allocations for social protection with a price-tag of roughly Rs.34 billion, and women identified as primary beneficiaries. This unprecedented success came about largely as a result of clear policy and political will.^{ix} Today's economic reality and the context in which Ehsaas is being proposed mimics that environment.

PM Imran Khan has maintained a welfare state narrative since coming to power in August 2019.^x His allegations of corruption and off-shore wealth holdings against members of the previous government and other politicians have remained broadly consistent with that narrative. In addition, his policies cater to a core component of his voter base - urban youth. This aligns with the PM's promise to create jobs and better livelihood opportunities. Many of the components of Ehsaas will resonate with those who support the PM's agenda.

Economic indicators today show trends similar to those in 2008. Macroeconomic fundamentals have deteriorated. Current account deficit is in excess of 6% of GDP, a widening fiscal deficit of more than 6.5% and exchange rate depreciation of 13.6% between July 2018 and March 2019. Real sector activity has slowed down, and four major crops have witnessed a decline in production compared with last year. Subsidies on power are being reduced. In response, average headline inflation reached 6.8% between July 2018 and March 2019 compared with 3.8% in the same period last year.^{xi}

In 2008, such conditions encouraged economists at the Ministry of Planning & Development to recommend further strengthening social protection to protect the poor against the distressing effects of increasing inflation. In fact, when the IMF negotiated a restructuring package with the government that year, they made the first tranche conditional on the enhancement and streamlining of the BISP programme between GOP and World Bank.^{xii} The precarious nature of today's economy may, oddly, serve to enhance commitment to the Ehsaas programme, and increase the chances for its success.

Why did BISP work?

Pakistan's experience with BISP has been widely acclaimed as a global success in social protection. This assessment shows that three factors, aligned at the right moment in time, may have been responsible for its success where many others faltered.

First, all stakeholders were on the same page. Benazir Bhutto's assassination on the campaign trail in December 2007 and the subsequent general election in February 2008 and the end of the General Musharraf's ten-year military rule represented a catalytic moment in Pakistan's history when the landed elites, political parties and bureaucratic establishment were relatively united behind a democratically elected government. Thus, when President Asif Zardari launched BISP in 2008 in memory of the former Prime Minister, he faced little opposition.

The second factor responsible for the success of BISP is the legal and operational security BISP enjoyed since fairly early in its inception. It's encapsulation under the BISP Act 2010 and implementation through the machinery of the BISP Secretariat, under the leadership of highly regarded Chairpersons of the Board has established a well-functioning record of delivery.

The third factor that stands out in the BISP success story is singularity of purpose. Attempts to add-on to the core cash-transfer didn't get far: of the four elements that were piloted, only one – cash grants incentivizing school attendance – has lasted. Today, BISP aspires to the same objectives as it did in 2008, and in doing so, it has made an undeniable contribution to women's empowerment and a more equal society.

What to look out for in Ehsaas 2019

As the architects of Ehsaas explore ways of tackling the inequality that persists in certain areas and amongst certain segments, they would do well to learn from the lessons that the BISP experience presents. Developing consensus across stakeholders, institutionalizing the agenda, and adhering to clear, consistent objectives may serve the programme well. The following points may be useful in highlighting the assets that the programme may capitalize upon, and the structural and technical challenges it may need to address to meet its ambitious goals.

Assets

1. **Data and evidence:** The consistent collection of Pakistan Social and Living Standards Measurement (PSLM) data, in-depth nature of the National Socio-Economic Registry (NSER) for Benazir Income Support Program (BISP) and 2017 population and housing census data present Ehsaas with the opportunity to accurately target interventions. Diverging, or creating a scatter effect of small scale or ill-targeted policies has not been shown to work.
2. **Technology and digital access:** Digital access has increased exponentially since 2008 and today there are 65 million mobile data users in the country.^{xiii} Creative deployment of technology may offer low cost solutions in several areas including promotion, access, monitoring and oversight.

3. Sustainable Development Goals (SDGs): The scope of policy actions outlined under the Ehsaas programme offer a unique opportunity to map and integrate with SDGs. Design, implementation and tracking of the recommended interventions should be linked to the various ongoing SDG oriented initiatives and parallel structures and silos should be avoided. Ambitions should be translated into targets and delivered through institutional structures that are aligned to enable achievement of SDGs.

Structural challenges

4. Communicating with stakeholders: The pressure on Ehsaas is to clearly articulate its objective to key stakeholders: target groups, political constituencies, and implementing bureaucracies – and ensure each has ready access to the information they need to deliver.
5. Transparency and post-18th amendment governance: Assigning clear roles and responsibilities for implementation and oversight will be key. Clear delineation of responsibility and effective coordination between the Ehsaas bureaucracy and provincial and federal government will be vital. In the absence of structural reforms in governance, particularly local government, serious challenges will be presented across several realms, including nepotism, bribes etc. These aspects of implementation must be kept front and centre if Ehsaas is to succeed.
6. Horizontal and cross functional coordination: A number of pro poor initiatives are already underway. These include policies like the newly formulated Youth Development Framework, the Naya Pakistan Housing Policy, the focus on overseas Pakistani labour, and even less expensive interventions like the shelter homes and food kitchens. Ehsaas must be the conceptual umbrella within which these initiatives fit seamlessly—without necessarily altering the administrative or fiscal anchors where these policies originate and are run from.
7. Fiscal constraints: Perhaps the most crucial of all factors will be the price tag for Ehsaas. The government's austerity measures have made even the maintenance of existing programmes in the federal and provincial governments, such as the Punjab Education Endowment Fund scholarships very challenging. Massive cuts in development spending through shrinking PSDP and ADP allocations will make concurrent increases to BISP and associated programmes, not only fiscally challenging, but also administratively and politically wrought. How the government manages the fiscal aspects of its ambitions for Ehsaas may set the entire tone for how successfully it can establish its agenda for a compassionate state.

Technical challenges

8. Newly merged districts: Poverty levels in the newly merged districts of KP far exceed those in the four provinces.^{xiv} To support the integration, Ehsaas must tailor ways of addressing the needs of poor people in these areas.

9. Youth bulge, skills deficit, and jobs for those in and out of school: With the right skills and appropriate opportunities, Pakistan's youth bulge can boost economic growth by improving total factor productivity (TFP). Otherwise in addition to increased crime and insecurity, unproductive youth will be a drain on public resources in the medium term. Boosting human capital, eliminating the skills deficit, creating jobs and ensuring livelihoods through Ehsaas is critical.
10. Population planning: Any progress made by Ehsaas in its early years will be outpaced by the growth in poverty headcount unless serious, immediate and scalable interventions are implemented to control population growth.

End Notes

ⁱ Ehsaas: Prime Minister's Policy Statement. Available at <http://pmo.gov.pk/documents/Ehsaas-Prime-Ministers-Policy-Statement.pdf>

ⁱⁱ Government of Pakistan (2017) Multidimensional Poverty in Pakistan. Available at <https://www.undp.org/content/dam/pakistan/docs/MPI/Multidimensional%20Poverty%20in%20Pakistan.pdf>
The multidimensional poverty index (MPI) represents a robust way of measuring poverty which not only combines measures of the number of poor people with the extent of poverty, but also assesses poverty as a combination of fifteen indicators, covering dimensions of education, health and living standards. The range for MPI is 0-1, with 0 representing no poverty. The MPI comprises fifteen indicators covering dimensions of education health and standard of living. Indicators are: years of schooling, child school attendance, school quality, access to health facilities, immunization, ante-natal care, assisted delivery, water, sanitation, walls, overcrowding, electricity, cooking fuel, assets, land and livestock (only for rural areas).

ⁱⁱⁱ Oxford Poverty and Human Development Initiative (2018). "Global Multidimensional Poverty Index 2018: The Most Detailed Picture To Date of the World's Poorest People", University of Oxford, UK. Available at https://ophi.org.uk/wp-content/uploads/G-MPI_2018_2nd_INDIA_ch.pdf

Oxford Poverty and Human Development Initiative (2017). "Bangladesh Country Briefing", Multidimensional Poverty Index Data Bank. OPHI, University of Oxford. Available at www.ophi.org.uk/multidimensional-poverty-index/mpi-country-briefings/

^{iv} Pakistan Bureau of Statistics (2018). Available at <http://www.pbs.gov.pk/content/provisional-summary-results-6th-population-and-housing-census-2017-0> Downloaded 10/5//2019

^v Key indicators of the Multi-dimensional Poverty Index. Source: Government of Pakistan 2017.

^{vi} BISP budget stood at Rs.125 billion for FY 2018-19, reaching nearly 6 million beneficiaries. <https://tribune.com.pk/story/1697225/2-bisp-ppaf-erra-also-get-handsome-budget-increases/> and <https://www.thenews.com.pk/print/452659-no-substitute-for-economic-growth>

^{vii} The current National Socioeconomic Registry (NSER) contains information on 27 million households, of which the bottom 25% are eligible to be considered for BISP.

^{viii} The Dawn, 27th March 2019. "Ehsas': PM Khan launches ambitious social safety, poverty alleviation programme". Available at <https://www.dawn.com/news/1472228> Downloaded 8/4/2019

^{ix} Gazdar (2011) Economic and Political Weekly, Vol. XLVI No. 28

^x Prime minister's address to the nation, 19th August 2018 Available at <https://timesofislamabad.com/20-Aug-2018/pm-imran-khan-first-speech-to-the-nation-complete-text-of-the-address> Downloaded 8/4/2019

^{xi} <https://www.worldbank.org/en/country/pakistan/overview> Downloaded 8/4/2019

^{xii} Gazdar (2011) Economic and Political Weekly, Vol. XLVI No. 28

^{xiii} <https://www.pta.gov.pk/en/telecom-indicators>. Downloaded 8/4/2019

^{xiv} The National Human Development Report assigned the newly merged districts of KP (formerly FATA) a 'very low' ranking on Human Development Index (HDI)