

A Welfare State's Role in the War on Poverty

By: Farzana Raja

Poverty is a global and beyond the border phenomenon. Historical background, geopolitical issues and socio-cultural aspects are quite similar throughout the South Asian region. The root causes of the poverty in the region are very much alike. A greater cooperation should be sought by all the regional stakeholders to combat poverty. Without winning the war on poverty, we cannot move into the new century and hence cannot afford to leave our millions of deprived families behind and in the dark. For absolute success, we all have to walk together, shoulder to shoulder into the new millennium.



The economic growth in any country is considered as the backbone of the nation. Almost all the countries of this region, including Pakistan, have somehow shown inconsistent or slow economic growth which has yielded in poverty, inflation, deprivation and an increased gulf between the efficiencies and inefficiencies. Foreign investment & investors' confidence, domestic law & order situation, conducive environment, political stability, non-complicated one-window operations and transparent technology based systems are prerequisites of a healthy and functional economy.

A steady growth of economy must be a prime consideration of pro-people governments as it results into a trickle- down effect. Correcting economy on long term basis takes years to realize the impact of economic boom in practical terms. However, the provision of basic necessities of life to vulnerable population cannot be linked with trickle down effect only. It would be rather a height of cruelty to expect these segments of society not to have food or send their children to school till the aftermath of economic growth reach to them comprehensively.

Special social safety interventions are considered imperative to mitigate the specific and urgent requirements of the marginalized segments of any society. To cater these needs, the most effective measures that have been successfully implemented by various developed and developing nations are based on 'targeted subsidies' to the people in dire need.

We must extend untraditional but logical solutions to update present traditional mode of providing state subsidies. General subsidies have been proved to be wastage of the resources due to their failure in bringing out any positive change in the lives of the marginalized, economically deprived and socially underdeveloped segments of society.

The old patterns of providing relief to deserving individuals have been revisited around the world. It is now an obvious fact that general subsidies on food items and relevant utilities have benefited the rich more than poor and underprivileged segments. Hence, it makes no sense to benefit already privileged people through such general subsidies whether it is being given on food items or on electricity consumption etc. It is quite painful to observe that an executive of any society purchases the fuel for his luxurious vehicle on the same price as compared to a motorcyclist from an ordinary class. The rich gets benefited from subsidized items which is a sheer injustice to the poor.

Even on the utility stores in Pakistan, there is only general subsidy provided on goods and no special discount is given to those with lesser purchasing power. By announcing a 10 % discount at Utility Stores for its beneficiary families, Benazir Income Support Programme of Pakistan (BISP) has intelligently turned this general subsidy into a direct specialized targeted subsidy and thus successfully created a special edge for weaker population through this articulated move. This has been done on a vast level while reaching out and identifying 7 million poorest of the poor families across Pakistan. These families have been identified through Poverty Census/ Survey which is universally recognized method for such practices.

The Programme, BISP, is the first and the largest of its kind in the entire South Asian region. It has a unique significance with regard to future oriented poverty alleviation strategies. It is first endeavor in the region that offers a comprehensive rehabilitation of the deprived and vulnerable through a multi-pronged strategy including vocational training, micro financing, health & life insurance and special efforts aiming to promote education among the lesser fortunate sections of the society.

It has been an established fact that the fair distribution of wealth requires effective intervention by the state to create balance between rich and poor.

Important characteristics of creating such balance and equation are:

- The state should further enhance its resources by putting efficient revenue collection systems in place.
- By increasing the tax net through envisaging incentives for the genuine tax payers.
- Informal charities have to be formalized by introducing transparent and disciplined systems.
- Public-private collaborations could be formed with the active participation of corporate sector to fulfill the corporate social responsibilities more visibly and effectively.
- To reduce trust deficit between public and private sector by establishing transparent standards.

Besides some other landmark achievements, BISP has led all by bridging the trust deficit through state of the art technology based systems, corporate governance and in-built accountability mechanisms along with internal & external audits, third-party validations, monitoring & evaluation as well as spot-check systems. It is result of all such measures that the Programme has been able to win the trust and support from prestigious international financial institutions, donor countries and development partners. Importantly, BISP has designed its programmes in a way to offer all services under one roof through one window operation. Therefore, it is justified to expect that the corporate sector of Pakistan would also extend its full support for this noble cause of poverty alleviation as well as women, children and youth empowerment.

In the year 2013, BISP will be completing its first five years. These initial years were the most crucial and significant at the mean time as foundations of this revolutionary Social Protection Programme were being laid down by executing first five years plan. This has been a journey of success achieving many milestones in the way. Already, BISP's next Five years plan and a subsequent Ten Years plans are being designed so that 20% population of Pakistan can be systematically liberated from the claws of chronic poverty, deprivation and ignorance. In the year 2013, another 5 to 7 lakh beneficiary families will be included in the Programme after

completion of data entry process and other pre-requisites. Under Waseela-e-Rozgar component, more than 150,000 youth will be imparted vocational and technical training as compared to 25,000 this year. Another 10,000 women will establish and own their rewarding businesses under Waseela-e-Haq component. Life Insurance facility will be extended from 4 million families to 7 millions families whereas Health Insurance will be rolled out to other cities of Pakistan after Faisalabad. Next year, there is a plan to send 500,000 children to schools for primary education out of targeted 3 million children of the beneficiary families under Waseela-e-Taleem component. For most efficient and transparent cash transfers to beneficiaries in a dignified manner, Benazir Card mechanism will be extended from 2.5 million to more than 5 million families.

It would be worth mentioning here that the Benazir Income Support Programme is the only venture in the history of Pakistan that offers all the international norms and values for the best utilization of funds. We are a nation capable of heading our country towards a destination blessed with peace and prosperity.

It is the success of BISP that several countries of the region have already shown keen interest to be benefited from Pakistan regarding poverty alleviation. Knowledge-sharing in this regard may lead the region to greater cooperation in the arenas of socio-economic development. Being a responsible country and a member of United Nations, we are committed to execute and achieve Millenniums Development Goals (MDGs) set by the United Nations in a very efficient manner.

The Writer is a Federal Minister and Chairperson of Benazir Income Support Programme (BISP), Pakistan