

# KNOWLEDGE, APPROACHES AND PRACTICES IN POVERTY ALLEVIATION

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## Introduction

The Pakistan Poverty Alleviation Fund (PPAF) has been established to enhance the accessibility of resources and services to the poor across Pakistan. It started its operation in April 2000 through engaging a small number of social sector organizations as partners.

PPAF has three windows through which financial and technical assistance is provided to the partner organizations (POs):

- Lines of credit for expansion of poverty targeted micro-credit programs;
- Grants for community physical infrastructure (CPI) on a cost-sharing basis; and
- Grants to strengthen and build the institutional capacity of POs and communities.

The partner organizations (POs) are working in diverse geographical areas with distinct social and cultural settings. This leads to adopting and devising varied approaches in reaching out to the communities and ensuring their participation.

The PPAF has extended its operations to 70 districts through 35 POs by December 2002 and has disbursed an amount of Pak Rs. 2.59 billion that covers the following key indicators of operations.

Loans disbursed	153,332
CPI schemes completed	2,638
Households covered	327,121
Beneficiaries	1,502,437
Trainings provided	927
POs Offices/Units established	188

Besides, the PPAF undertook a large number of organizational activities including giving input to poverty reduction policy development at the national level and conducting research on related issues.

The PPAF recently commissioned a study of its nine partner organizations on the theme of poverty entitled Knowledge, Approaches and Practices in Poverty Alleviation called KAP study in short.

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### ***Objective of the Study***

The main objective of the study was to collect and consolidate field experiences of a diversified group of organizations working across Pakistan in varied economic and socio-cultural environment; and draw conclusions to have a better understanding of issues directly related to PPAF's operations. Major issues that were researched in this study are:

- The perception of poverty at community and organization level
- Methodology and processes used in targeting poverty and role of social mobilization
- Innovative and successful practices at community and organization level
- Assessment of capacity building needed to bridge gaps in the knowledge, methodology, processes and practices for effective poverty alleviation

The geographical coverage of the study included both irrigated and non-irrigated areas in the four provinces of Pakistan where PPAF partner organizations have undertaken interventions for poverty reduction through Micro Credit and Micro Enterprise Development, Community Physical Infrastructure and Capacity Building, both at community and organization level.

The Micro Credit and Micro Enterprise operation is designed to facilitate access of poor communities to financial services through partner organizations. Attached with it is the component for capacity building with emphasis on institution building and human resource development for efficient use of financial resources and sustained recurring benefits made available through the program.

In Community Physical Infrastructure, PPAF's thrust of work is on providing communities an access to water for drinking and irrigation purposes, building link roads, bridges and culverts as well as sanitation facilities at a smaller scale. Major operation takes place in rural areas. The need and demand for water has been worsened over the last three years due to drought and drought-like situation in a large number of districts in Pakistan. It called for attention to better water management and drought mitigation on priority basis. Therefore, PPAF is initiating an extensive drought mitigation program in Balochistan.

### ***Coverage of the Study***

The study tried to grasp the communities' understanding of poverty situation and provide PPAF planners and managers an insight into the issues so that they can align their program with community needs for effective poverty alleviation. The regional diversity captured in the study is reflected in the box below.

Sr. No.	Organizations	Area included in the study	Topography	Socio/Economic Environment	Program Interventions of the Partner Organization	Beneficiaries
1.	Punjab Rural Support Program (PRSP)	Sialkot district 6 villages Punjab	Barani (rain irrigated) area  Fertile soil with tubewells and canal irrigation	Mixed economy based on industry and agriculture Skilled labor force, both men and women Strong manufacturing base of sports goods, surgical instruments and other export items High literacy rate Well developed physical and social infrastructure such as roads, transportation, communication, health and education facilities	Social Organization Human Resource Development Capital Formation through Micro Credit and Saving Community Physical Infrastructure Natural Resource Management Linkages Social Sector Services	Men and women  Community Organization members  Households  Entire community
2.	Development Action for Mobilization and Emancipation (DAMEN)	4 Union Councils on the periphery of Lahore city  Shahpur, Chung, Thoker Niaz Baig and Ali Raza Abad Punjab	Situated close to Ravi river on the main highway Land is fertile as water is available Land is being irrigated through tubewells Pressure on environment due to urbanization	Mixed economy based on industry and agriculture Skilled labor force, both men and women; Manufacturing of garments, iron, towels, engineering goods and medicine High literacy rate Well developed physical and social infrastructure such as roads, transportation,	Micro credit program Training and capacity building (Through teachers training children are indirectly benefited) Health and non-formal education (social services) Network and linkages	Women entrepreneurs  Women & children

Sr. No.	Organizations	Area included in the study	Topography	Socio/Economic Environment	Program Interventions of the Partner Organization	Beneficiaries
				communication, health and education facilities		
3.	Poverty Eradication Network (PEN)	Khairpur district 4 villages visited Sindh	Land is fertile, and being irrigated through canals Some parts of the district are arid wasteland where there exists water shortage In some areas water quality is poor	Agriculture and livestock base economy Casual labor Main crops are wheat and cotton Physical and social infrastructure such as roads, transportation, communication, health and education facilities available	Social Organization Micro Credit and Savings program Capacity building and linkages	Partner CBOs & community
4.	Sindh Agriculture and Forestry Workers Coordinating Organization (SAFWCO)	Sanghar district 4 villages visited Sindh	Sanghar district is primarily agriculture based Land is irrigated through a network of canals Where water is not available, land is a barren wasteland Livestock is mainly kept by farming community	Agriculture and livestock base economy Casual labor Low literacy in adults, especially among females Poor infrastructure such as health, education, transport and veterinary services	Social mobilization Human resource development Gender development Credit and enterprise development Health and sanitation Advocacy & networking Natural resource management Community physical infrastructure	Men, women, children and the entire community

Sr. No.	Organizations	Area included in the study	Topography	Socio/Economic Environment	Program Interventions of the Partner Organization	Beneficiaries
5.	Balochistan Rural Support Program (BRSP)	Mustang district 5 villages visited Balochistan	Land abundantly available but it is mostly arid Agriculture and orchards are present in areas where water is available Topography is mountainous, dry and barren Scarcity of water Groundwater rapidly depleting Irrigation is being done through Karez and tubewells	Economy based on livestock, agriculture, orchards and construction work Villages are scattered and far apart Unskilled daily wage earners/casual workers; Art and craft skills among women Extremely low literacy rate, especially among females Lack of access to drinking water and sanitation facilities Lack of infrastructure such as roads, electricity, health, education and veterinary services Each village has its own head, who takes all decisions concerning his village Tribal culture and joint family system prevails	Social mobilization Credit and Savings program Capacity building, Human Resource Development Community Physical Infrastructure Natural Resource Management/tree plantation Linkages Social Sector Services in education and health	Men & women,  CO members entire community

Sr. No.	Organizations	Area included in the study	Topography	Socio/Economic Environment	Program Interventions of the Partner Organization	Beneficiaries
6.	Taraqee Foundation (TF)	Peri-urban areas in Quetta city and 3 villages in Pishin district Balochistan	In Pishin district, land is abundantly available Topography is mountainous, dry and barren Apple orchards are present in the area Scarcity of water due to drought Groundwater rapidly depleting	Economy based on livestock, agriculture and orchards irrigated with Karez system Population mainly living in villages which are scattered and far apart Lack of access to drinking water and sanitation Women have embroidery skills Lack of infrastructure such as roads, health, education and veterinary services	Micro Credit Enterprise Development (MFED) Community Physical Infrastructure Basic Health and Education (BHEs) Linkages Drought Relief	Women, children and men  Community
7.	National Rural Support Program (NRSP)	Turbat region 5 villages Balochistan	Land is available in abundance but it is mostly barren, uneven, dry and rocky Some areas are prone to floods Water is scarce and mostly muddy and brackish Some areas are rich in date plantation	Economy based on livestock, agriculture and orchards irrigated with Karez system Extremely low population density Unskilled casual work force Highly illiterate population Women are skilled in embroidery work on traditional Balochi dresses Lack of infrastructure such as roads, health, transport, drinking water and	Social Mobilization Human Resource Development Rural Credit & Enterprise Development Natural Resource Management Physical Infrastructure and Technology Development (PITD) Social Sector Services Linkages	Men, women CO members, Entire community

Sr. No.	Organizations	Area included in the study	Topography	Socio/Economic Environment	Program Interventions of the Partner Organization	Beneficiaries
				education The main highway to Karachi is unmetalled		
8.	Sarhad Rural Support Program (SRSP)	Peshawar and Kohat region were visited NWFP	In Kohat, land is abundantly available but it is arid and rain fed Water is scarce Livestock is abundantly kept as an income earning source and for meeting the food requirement	Economy / livelihood based on employment in armed forces Fewer income earning opportunities for women Strong tribal customs and traditions Lack of civic amenities Poor infrastructure No industry in the area	Social Organization Credit and Enterprise Development Human Resource Development Productive Investment (PI) Natural Resource Management Linkages Social Sector Services	Men, women CO members, Entire community
9.	Khwendo Kor (KK)	Peshawar and two regional program units in Karak and Dir districts Peshawar and Karak districts were visited NWFP	Abundantly available land Topography is mountainous, dry and barren Water scarcity Livestock such as sheep and goats are kept .	Economy based on agriculture and livestock as well as on employment in the armed forces Population mainly living in villages, which are scattered and far apart People in villages are involved in agriculture Women mostly have embroidery skills Lack of access to drinking water and sanitation Lack of infrastructure such	Social Organization (SO) Women Micro Enterprise Development (WMED) Human & Institutional Development Community Based Primary Education for girls (CBEF) Primary Health Care (PHC) Advocacy	Men, women and children Entire community

Sr. No.	Organizations	Area included in the study	Topography	Socio/Economic Environment	Program Interventions of the Partner Organization	Beneficiaries
				as roads, health, education and veterinary services Tribal culture prevails Joint family system		



A more precise understanding on issues related to poverty and poverty reduction strategies and programs has now started to emerge as a result of close interaction both with social sector organizations and client communities. An important learning of PPAF over a period of three years is that effective poverty alleviation needs accurate poverty targeting based on community's own perception of poverty and not that of the implementing or funding agency. Similarly, community mobilization for active participation in the program right from the planning stage is also essential. Other issues such as better management of natural, human, financial and material resources and equitable distribution fall within the ambit of social mobilization. Community Driven Development approach strongly advocates and applies this principle. Main conclusions drawn from the KAP study are given below.

## **Main Findings and Conclusions**

### ***Poverty Perception***

There does not seem any significant difference between the community and organization's perception of poverty. Due to access to information and knowledge, the organizations are obviously more eloquent in enlisting the indicators that reflect the phenomena and situation of poverty in their area of operation. Communities, on the other hand, are aware of their circumstances and conditions that entrap them into poverty net. They are also trying to find space and break through limitations posed by circumstances to get out of poverty cycle. Their strife is supported by social sector organizations that are providing a host of direct facilities as well as access to services at local, regional, provincial and national level.

It was learnt from focal group discussions in communities that people do not confine poverty to income or consumption only but considers all its dimensions. Common perceptions of poverty are based on core economic and social issues such as unemployment, low income and high indebtedness, non-availability of water, no access to education and health services, and no recourse to justice. Environmental degradation is also considered a manifestation of poverty in communities dependent on natural resources for survival. The implication of such a notion is that the incidence of poverty is far greater than generally depicted.

Different geographical areas have different poverty threshold at the micro level that reflects differences of prices and basic needs. In rural areas, a large part of consumption is not in money terms. Therefore, communities were asked to determine the level of income at which they would not consider themselves poor. Generally, the level of income people talked about was higher than the national poverty line, which was Rs. 650/- per capita per month.

According to communities' response across regions, a mean income of Rs. 6000/- for a family of 5-8 members is being considered reasonable to afford living and food expenses. That, however, does not give space for children's education and family health care. (Please refer to document 'Extracts from the Survey Report for details).

Other poverty indicators perceived by the communities and partner organizations' staff members at the field level are given below.

Communities perceptions regarding poverty	POs' Staff perceptions
<p><b>Economic Indicators</b> Poverty prevails when there is lack of work opportunities or less income, unemployment, lack of regular occupation of the household head, low wages; inflation; lack of assets, in particular land as well as possession of uncultivable land, high expenditure, high utility bills and lack of financial resources, under debt from shopkeepers, lack of water and cheap fuel, delayed returns on agricultural produce, no capacity to save</p> <p><b>Social:</b> Poverty prevails when there is a large family, large number of children, low level of education and literacy, lack of facilities and utilities, poor health, sudden death in family, poor food intake, children forced to work at early age</p> <p><b>Absence of Well Being:</b> When children have dirty clothes, no shoes, people have one meal a day, meal based on pulses and vegetables, no spare money for entertainment</p> <p>Poverty is spread across generations; one is poor if born in a poor family</p> <p><b>Lack of Empowerment:</b> When there is a feeling of helplessness, despair, hopelessness; no serenity or peace of mind, high crime, no recourse to justice, lack of self-esteem, inferiority complex, isolation as people do not want to associate with the poor, lack of awareness on how to use resources</p> <p><b>Gender Development:</b> When poor women who are involved in home enterprises do not have marketing opportunities to sell their products; wages are not paid in full</p> <p>Critical to gender development was the perception that a person is poor who has many daughters with responsibility of their marriage and burden of dowry; similarly a widow or a woman without a husband is considered poor</p> <p><b>Environment:</b> When floods destroy standing crops, there are no facilities to store rainwater; livestock is affected due to drought</p>	<p>In addition,</p> <p><b>Economic:</b> Unproductive use of money, underdeveloped agriculture, weak marketing capacities, poor quality of products, involvement in litigation, migration, lack of access to capital, lack of linkages with the government agencies for economic activities, economic shocks through government's macro policies; vulnerability of poor due to no reserves or assets</p> <p><b>Social and Empowerment:</b> When there is lack of information, lack of life skills, lack of representation and participation of poor in decision making</p> <p><b>Environment:</b> When there is urbanization without provision of basic necessities, in rural areas there are scattered settlements, decrease in rain, vegetation and resources due to environmental change</p>

It has emerged from the review of above mentioned indicators that people are fairly aware of the causes of poverty and apply them to define poverty in specific community and geographical context. There are short-term as well as long-term and chronic poverty situations that shall be addressed by development planners and managers, preferably in close collaboration with communities.

### ***Poverty Targeting***

It is learnt from the study that poverty targeting depends on a number of factors such as:

- perception of poverty in local context (as elaborated in the above section)
- methodology adopted to define poverty and identifying poor in which social organizer and activists play a significant role
- choices between organizational sustainability and poverty targeting
- interventions modus operandi and the terms and condition of participation and participation cost

Methodologies and processes used in poverty targeting by PPAF partner organizations are varied. These ranges from informal method of identification of deprived communities and disadvantaged areas to more structured approach of situation analysis and need assessment using Participatory Rural Appraisal (PRA) tools.

Participatory Rural Appraisal/Participatory Learning and Action (PRA/PLA) methodologies help to collect poverty related information about the area and people. The PRA/PLA tools provide a flexible and relaxed environment to the people in which they themselves can assess their situation. Besides this, organizations also collect quantitative data through which per capita income/consumption of members' households can be assessed. However, no one is doing this analysis because national poverty line is not being used as a benchmark for defining the poor.

Some of the most common elements in poverty targeting are population or community profile, socio-economic profile of the area built on information available in census reports or developed by the organizations through proxy indicators, geographical and topographical conditions, gender construction and finally community's attitude, initiative and responsiveness to undertake development projects. The last factor seems to play a critical role in the sustainability of community projects and its benefits through effective implementation, operations and maintenance.

Social mobilization appears to play a significant role in community organization and collective action towards poverty alleviation. The key players are the social organizers, area activists and village focal persons. The process of poverty targeting depends on their understanding of communities' socio-cultural background and interpersonal/intergroup relationships. Their main responsibility is to ensure accurate identification and assessment of deserving client communities and their participation in programs' benefits. This is an evolutionary process and needs significant investment of time, patience and personal commitment.

Organizations are constantly weighing the choices between reaching out the poorest of the poor and making the program sustainable. It is feared that a greater emphasis on sustainability weakens the process and ultimate realization of poverty targeting. Similarly, strict terms and conditions laid out in the agreement between the organization and community affect the initiative and spirit of the community. These deductions are

based on the fact that many deserving communities, due to lack of resources and capacity to contribute, are excluded from certain interventions under poverty alleviation program. Micro credit facility is one such intervention. It does not seem to reach out the poorest of the poor as they are not considered credit worthy according to the eligibility criteria. There has to be a pre-micro credit intervention to support the poorest communities as to bring them up to the level where they can acquire small loans, utilize these loans productively and make enough money to replay regular installments.

Cost effectiveness is another key element related to sustainability. It is also directly connected to the modus operandi adopted by the social sector organizations in implementing poverty alleviation programs. The issue is being constantly discussed at various forums among development organizations. At micro level, the PPAF study of its partners highlights the fact that besides the cost incurred by the Apex and implementing organizations, communities also bear a hidden cost over and above their elaborate contribution to the project. It consists of the value of time community members spend in commuting to attend meetings as well as the lost wages for the day:

### ***Innovative and Successful Practices***

The study discovered a number of innovative and successful practices used by partner organizations in identification and targeting of poor communities. For example, by applying PRA tools including focal group discussions within the community, organizations enlist the number of people perceived as poor and the reason as to why the same are considered poor. In some cases, a distinct classification or categorization of the whole community/village population is conducted to establish the ratio of poor to the non poor as well as the poverty gap and intensity. Rural Support Programs (RSPs) use participatory method to establish five main categories for poverty analysis in the village or community as follows:

1. Well to do
2. Better off
3. Poor well
4. Very poor
5. Destitute

Specific needs, then, are identified to plan interventions once again through participatory method. Holistic approach is preferred where funding is available to address the key issues in the area under community driven development approach such as applied by the Pakistan Poverty Alleviation Fund.

It is learnt that in many projects meant for the poor, even well off population (including non-residents) of the area, also contributed to ensure successful implementation and distribution of benefits to the disadvantaged groups.

Democratic processes are being introduced in the group formation at community or village level in which women and minorities' equity is ensured.

Organizations through persistent social mobilization inculcate among individuals and communities a sense of collective action and responsibility. It results in self-initiated projects to start with leading to larger projects through external funding. Where direct service delivery mechanism is not possible, communities are encouraged to gain access to public sector services available in the area for which linkages are developed by the

NGOs. The devolution process has opened numerous opportunities for such linkages and collaboration in development work.

Mutual trust for building resource base to achieve self-reliance is increasingly taking place within PPAF POs' communities. As a result, saving campaigns are being initiated. Some communities are able to have significant collective saving which is now being used for internal lending among community members. Similarly, joint actions to operate and maintain infrastructure projects are taken at community level with the support of partner organizations (POs).

POs have developed some standard practices for up scaling projects. A successful way is to sort out technical and administrative problems in the pilot phase, built common base of interest for all stakeholders and strengthen operational relationships before embarking on enlarging the scope of work and replicating experiences in other geographical areas. Simultaneously, keep sufficient flexibility to make amendments in the local context while replicating experiences.

### ***Capacity Building Needs***

The study also looked into the capacity building needs at three levels i.e. PO's Head Office, Field Office and the Community. Then it made an assessment of strengths and weaknesses in the knowledge, methodology, processes and practices for effective poverty alleviation.

One of the major conclusions of this assessment is that greater coordination and synergy among the organizational elements, i.e. people, tasks, technology and infrastructure, would help to enhance performance and reduce operation cost. That may in turn lead towards sustainability within a reasonable period of time.

The study further elaborates that these four elements are linked together through processes, mechanisms, internal rules and regulations and external environments.

Capacity building issues have been divided into three categories:

1. Organizational level issues
2. Personnel level issues
3. Communities level issues

Partner organizations' institutional development is one of the main responsibilities undertaken by the PPAF. It is closely related to ultimate viability of PO's operation and sustainability of its benefits in communities over a period of time. Similarly, the cost of service delivery and trade off between poverty targeting and program sustainability are the areas where substantial technical and intellectual input is required. There is also a need to develop pro-poor products in micro credit as well as programs to access quality social services. Organizations need exit strategies after having built capacity of communities to undertake, operate and maintain development projects or linkages with other service providers, particularly public sector institutions. A continuous resource generation and mobilization strategy and action plan is to be worked out in order to avoid sudden break down of lines of service delivery for lack of financial input.

A corresponding aspect of institutional development is human resource development covered in the study under the title of Personnel Level Issues. Primarily, the requirement is to have an elaborate personnel policy and employment package that should include

definition of job with elaborate TOR, selection criteria and induction process as well as realistic career planning and human development by the organization. Exposure to variety of experiences and learning opportunities, building leadership and enhancing team spirit through continued motivation would be an essential part of the human development strategy. Gender and minorities' participation in the organization and communities could be another important indicator of well-rounded personnel development policy.

The study highlighted strong working relationship between communities and social mobilization teams working in the field. Their dedication and honesty is making an impact on the participatory development processes for successful implementation of the program. Continued efforts would be needed to sustain mutual trust and collaboration among all stakeholders.