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# Benazir Income Support Programme

18<sup>th</sup> March 2014

# Overview

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Background to the BISP

Introduction to evaluation and research design

Some preliminary results

Summary of the potential BISP impact



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# Background to the BISP

# BISP overview

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- Launched in 2008, the **Benazir Income Support Programme** is a key pillar of the **National Social Protection Strategy**
- In 2010/11 a comprehensive **national poverty survey** was conducted to identify eligible households, based on proxy means test
- Payments are made to the **female head of the family**, a measure to promote women's empowerment
- **Payments of PKR 3,000** (US\$ 30) are made once a quarter, originally payments once a month
- **Two main delivery mechanisms**
  - Money orders delivered directly to the doorstep by Pakistan Post (15%)
  - BISP debit card (76%)
- Currently there are just **over 5 million direct beneficiaries**

## Complementary programmes

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- In addition to the unconditional cash transfer BISP is piloting various complementary programmes
  - **Waseela-e-Taleem:** a conditional cash transfer aimed at providing education for children aged 5-12 years
  - **Waseela-e-Rozgar:** aimed at providing demand driven vocational training to 150,000 youth each year
  - **Waseela-e-Haq:** the extension of small loans to female beneficiaries
  - **Waseela-e-Sehet:** to provide health insurance to beneficiaries



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# Research Design

# Why do an evaluation?

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- A comprehensive system of social protection is still at a nascent phase in Pakistan
  - A clear and well evidenced **theory of change for BISP** and its impact on household welfare will support its continued development
- A cash transfer is not a magic bullet for poverty reduction
  - An evaluation can help to identify **complementary interventions** that may be required to support the BISP programme
- A well-regarded and robustly defended evaluation of the BISP can contribute to the wider international debate on the place of cash transfers in poverty reduction

# How to measure the impact of the BISP

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- OPM was asked to design and implement a rigorous, quantitative evaluation of the impact of the BISP that would be **robust to international critique**
- Following extensive stakeholder consultations an evaluation design was developed
- A national survey was implemented targeting two groups of households
  - A sample representative of all households **below the BISP Poverty Scorecard threshold**
  - A sample representative of households in a narrow band **just above the BISP Poverty Scorecard threshold**
- Comparisons between the two groups of households will allow us to robustly measure the impact of the BISP using **quasi-experimental method** (Regression Discontinuity Design)
- The baseline survey covered **8,675 households** in 489 communities across Punjab, Sindh, Khyber Pakhtunkwaha and Balochistan



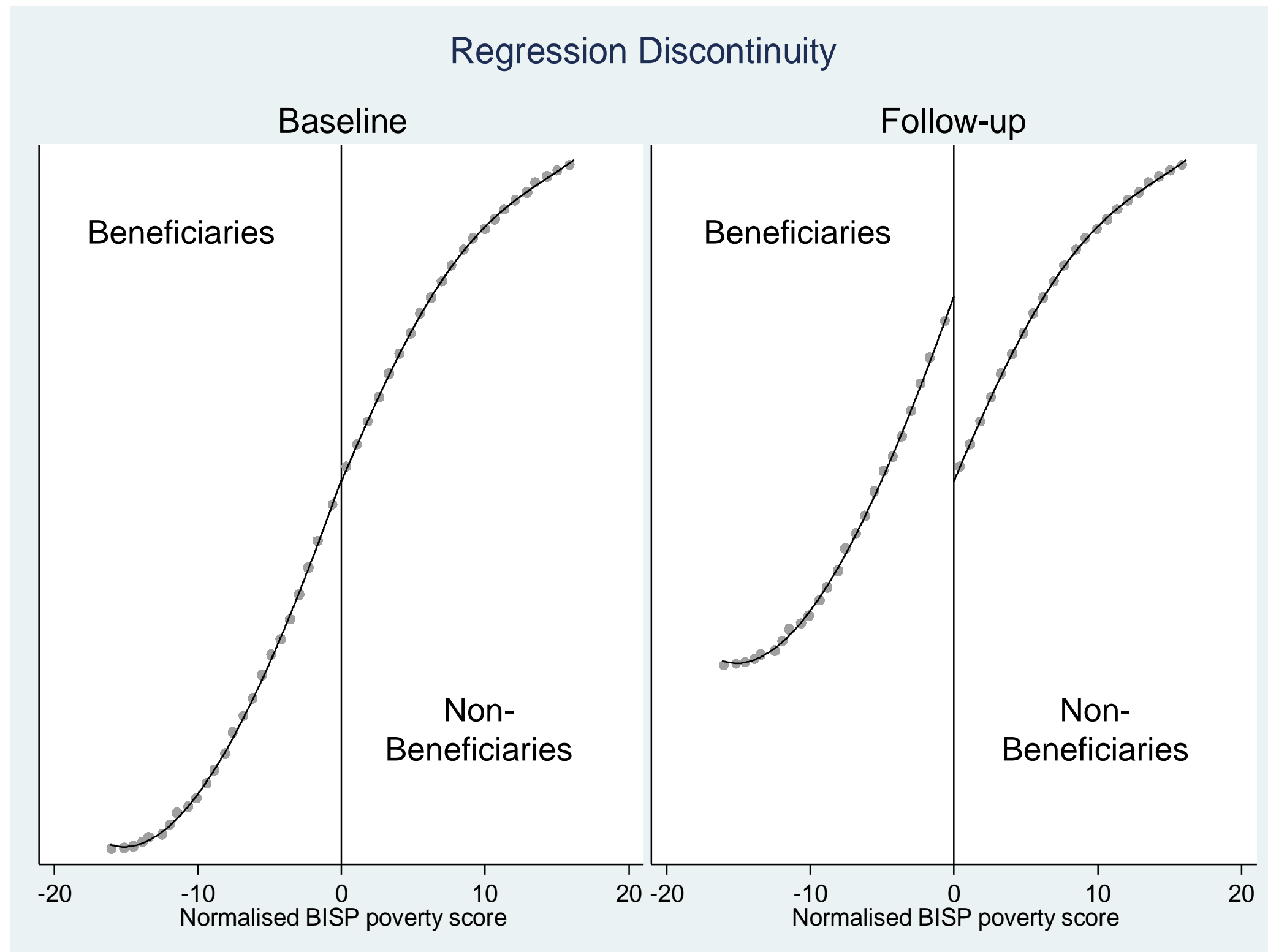
# What is being measured?

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- OPM was asked to evaluate the impact of the BISP against a set of key impact areas against which receipt of a **cash transfer can realistically have an impact**
- Following extensive stakeholder consultations and a small piece of formative qualitative research a set of realistic impact areas were developed:

Impact area	Hypotheses
Poverty and livelihoods	A monthly injection of cash may have first order effects on household expenditure lifting beneficiaries out of poverty
Vulnerability to shocks	A reliable source of household income may help beneficiaries to insure themselves against shocks (as opposed to depleting savings/assets or taking on debt)
Child nutrition	Child nutrition may improve as household food expenditure rises, especially if female members have greater control of resources
Child labour	Reliance on child labour may fall as monthly transfers allow households to cover basic needs
Women's empowerment	Targeting money directly at female members may alter intra-household decision making process, giving women greater control of resources
Health	The most commonly given reason for not seeking health care despite illness is <i>not being able to afford consultation</i>
Education	The most commonly cited reason for non-enrolment is <i>not being able to afford education related expenditure</i>

# How do we measure impact – Regression Discontinuity basics



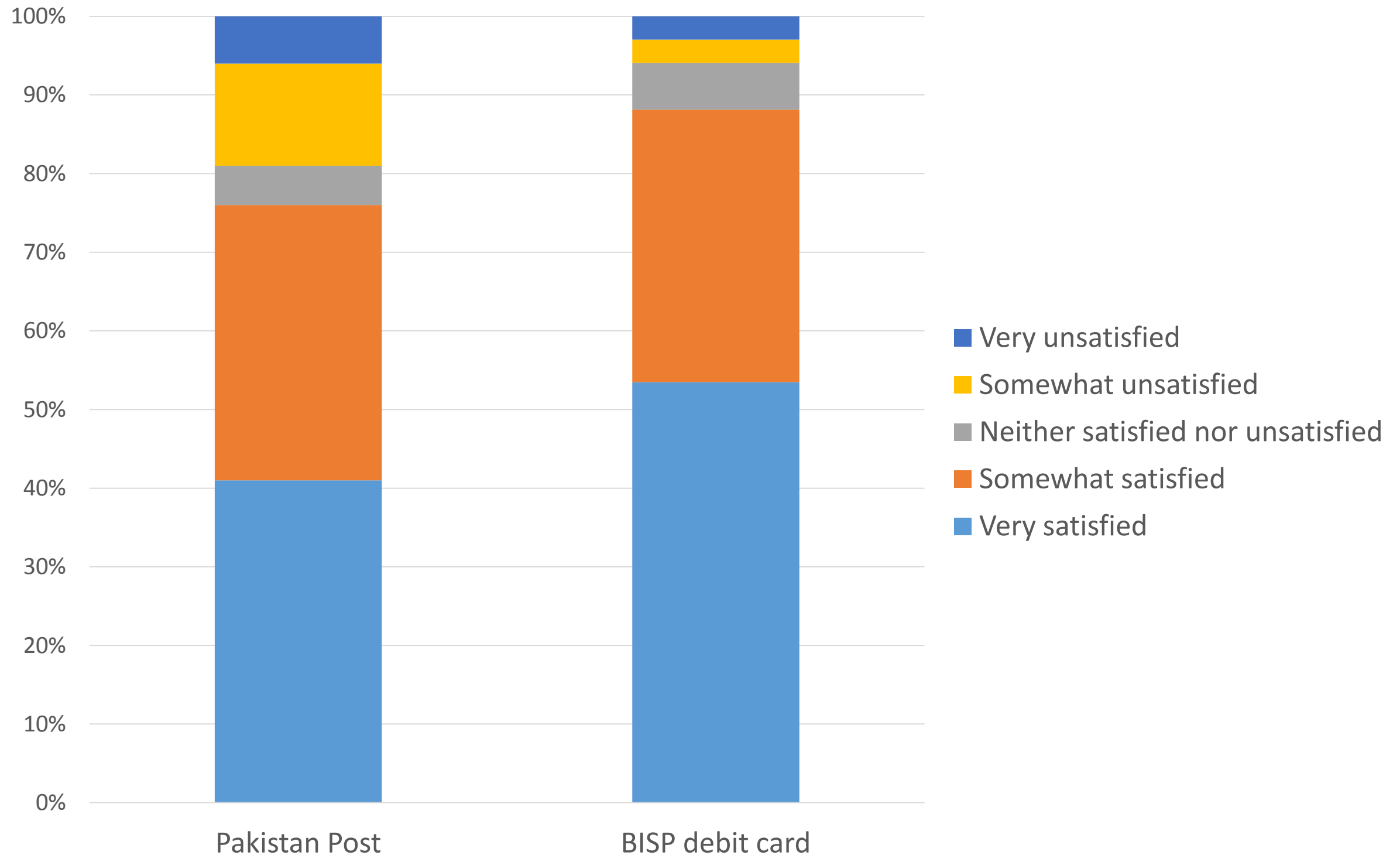


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# Beneficiary experience with transfer

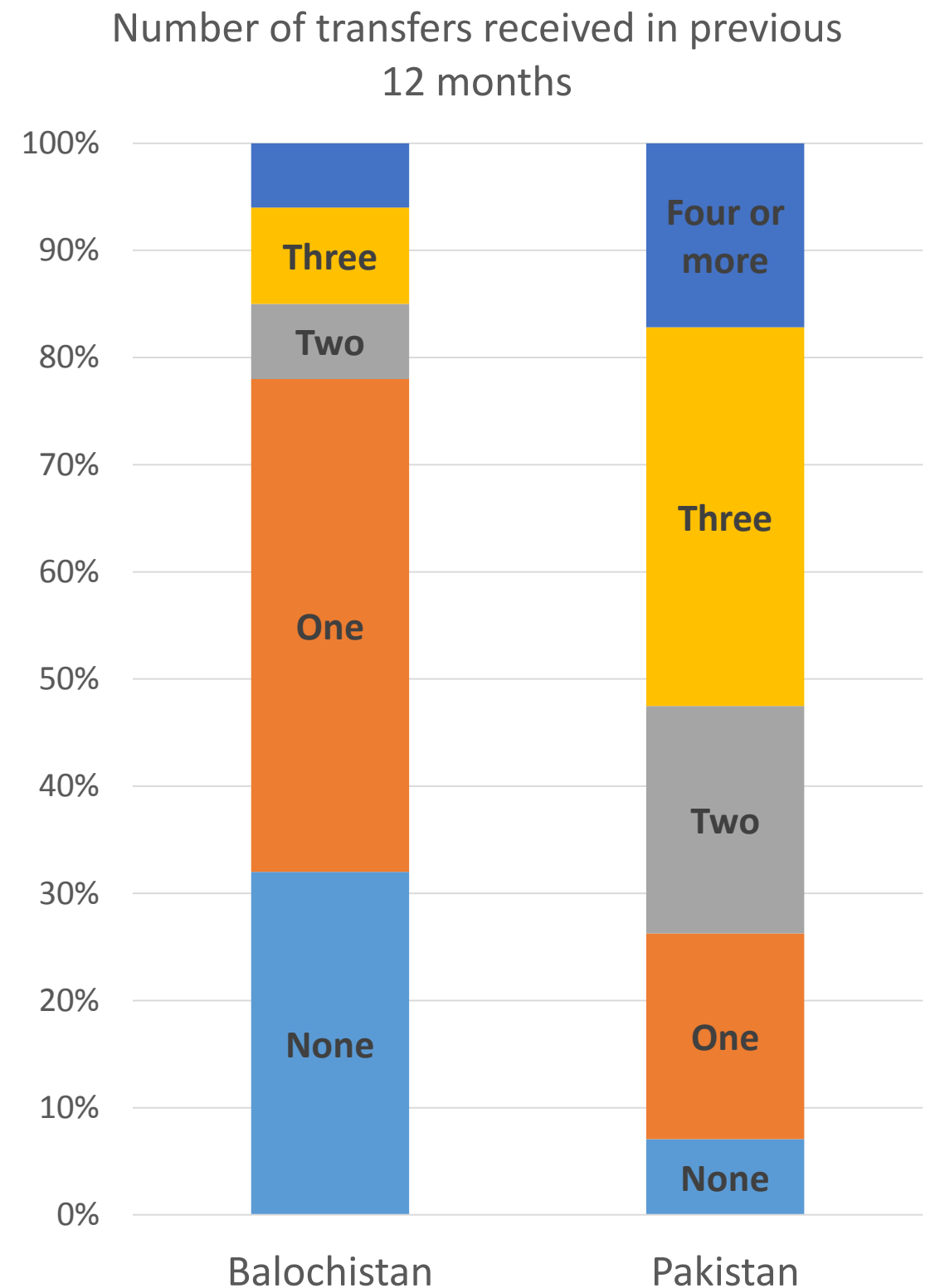
# Satisfaction with payments mechanism

Proportion of recipients satisfied with the payments mechanism



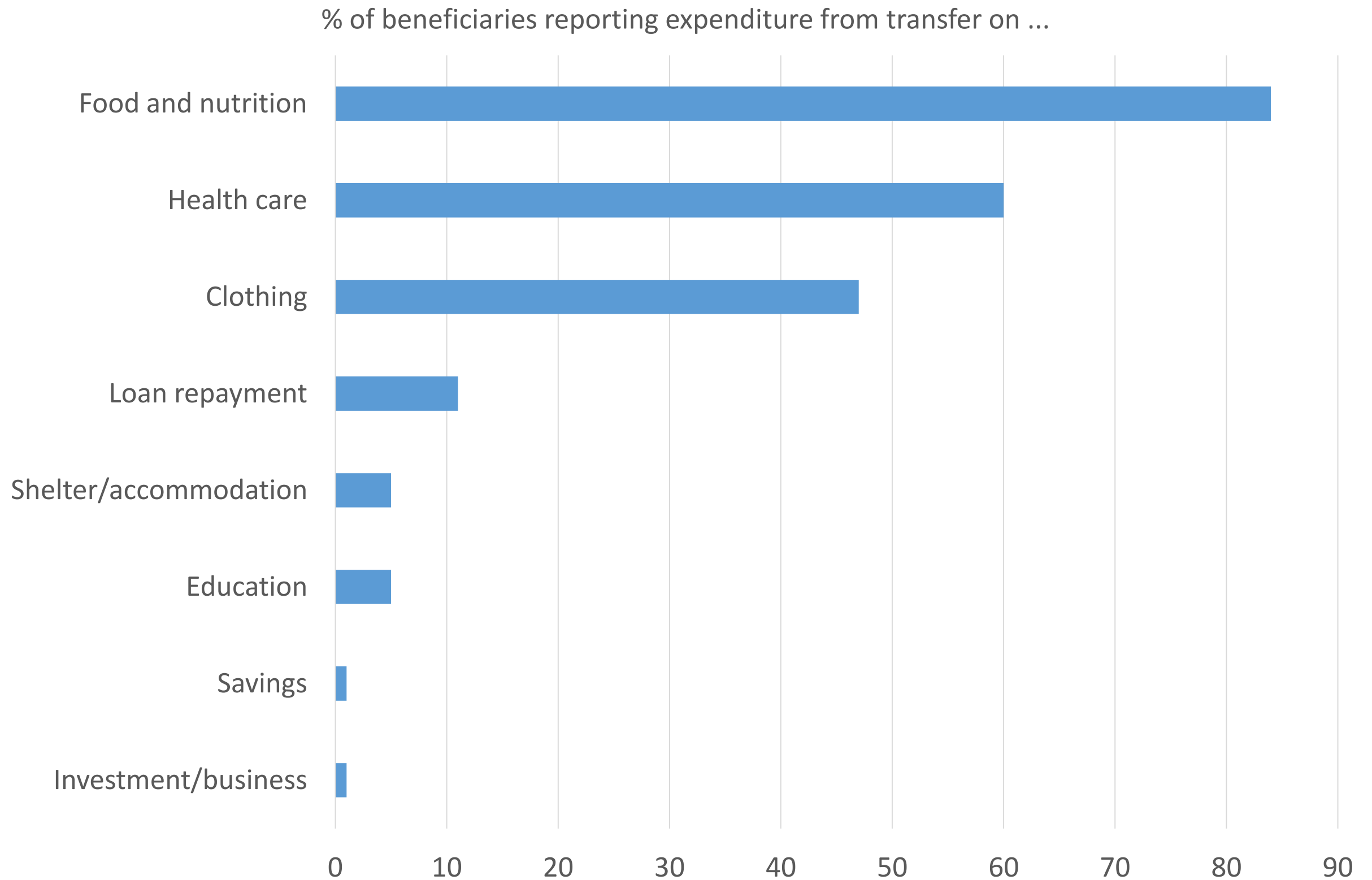
# Some issues with delivery of payments

- Beneficiaries are expected to **receive four transfers of PKR 3,000 in a 12 month period**
- In the 12 months preceding our 2013 evaluation survey we find that the majority received either **three transfers (35%)** or **two transfers (21%)**
- **17% received all four transfers**
- The majority of beneficiaries receive full amount for each transfer, with the **average reported value of a transfer at PKR 2,900**
- However, in **Balochistan, 32% reported receiving nothing**



# How the transfer is being used

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# Welfare and livelihoods

# BISP beneficiaries survive on very little

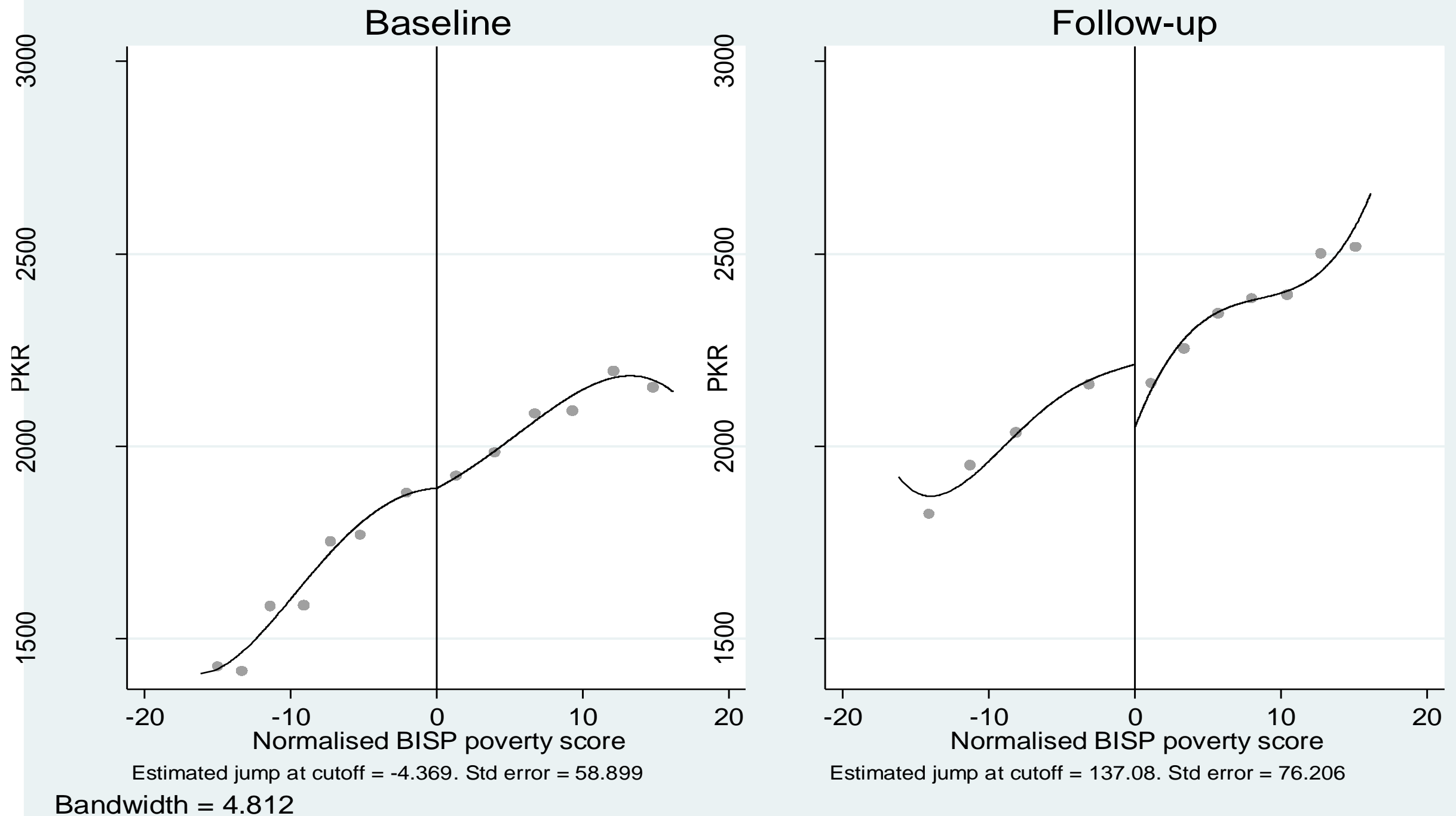
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- BISP beneficiary households are very poor, with an average per adult monthly equivalent consumption expenditure of **just PKR 1,700 at baseline**,
- This translates to individuals within BISP beneficiary households living on **less than US\$ 1 per day**
- This is well below the national poverty line: BISP beneficiary households are **surviving on less than the recommended 2,350 calories** per adult equivalent per day
- The average **poverty gap at baseline** (or difference between an adult equivalent level of consumption expenditure and the poverty line) is **PKR 284 per month**
- The average per adult equivalent monthly value of the transfer is PKR 113, or **40% of the value of the poverty gap**
- This highlights the importance of **complementary interventions** to help leverage change
  - Waseela-e-Rozgar (vocational training)
  - Waseela-e-Haq (micro loans)
  - Waseela-e-Taleem (CCT for education)

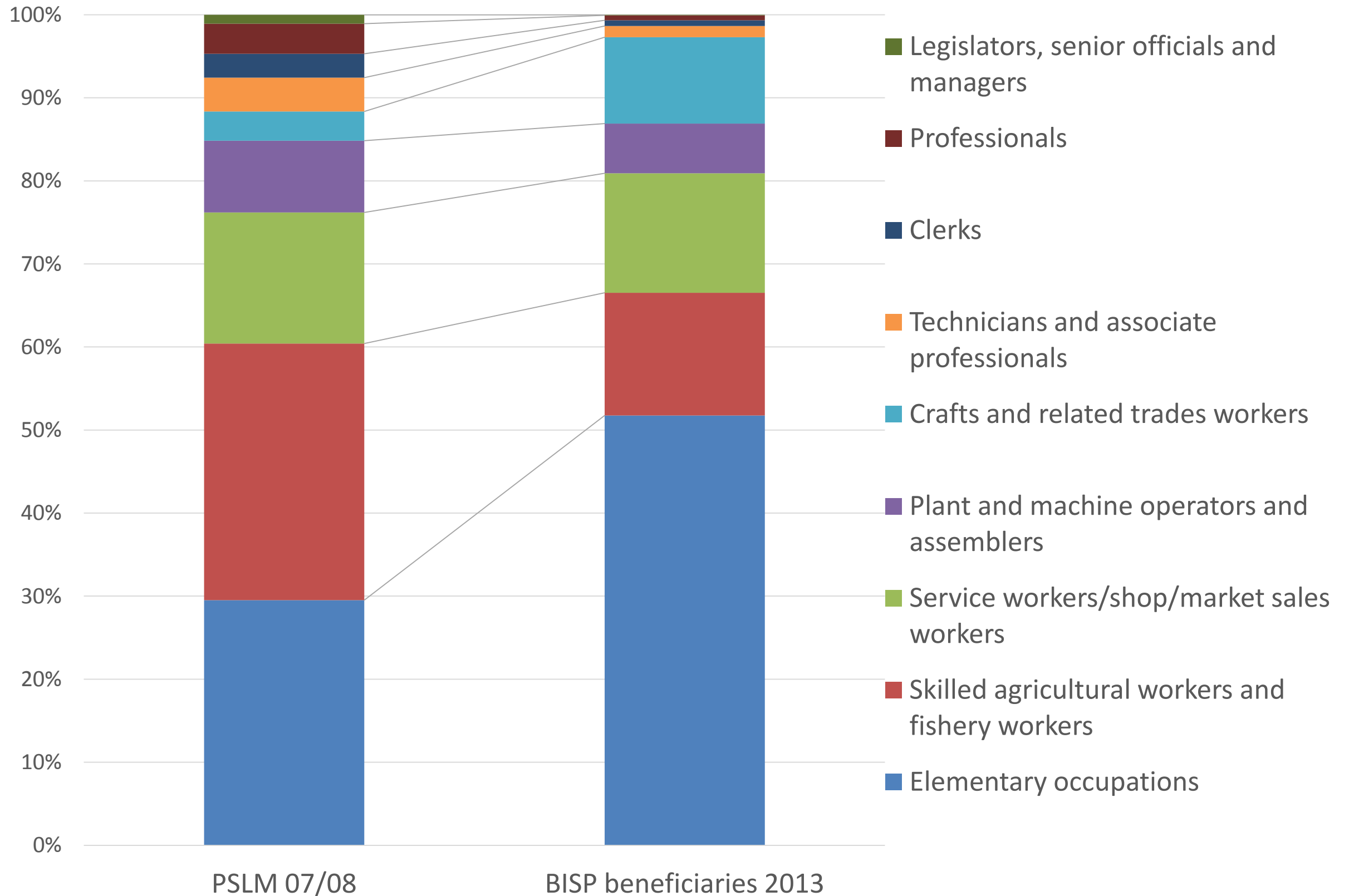


# Preliminary results on welfare

## Regression Discontinuity: Pae total monthly consumption expenditure



# Vulnerable livelihoods



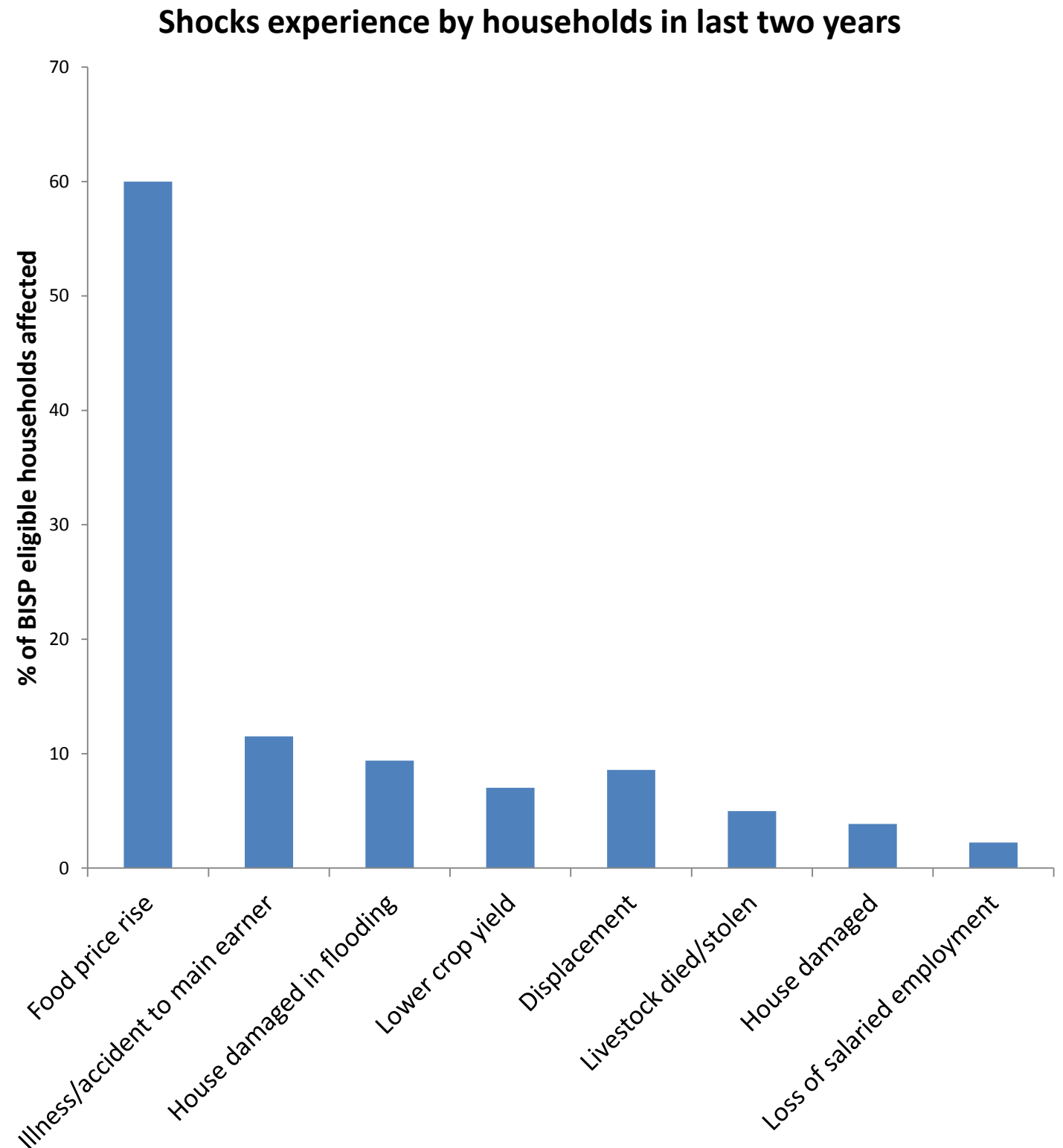


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# Vulnerability to shocks

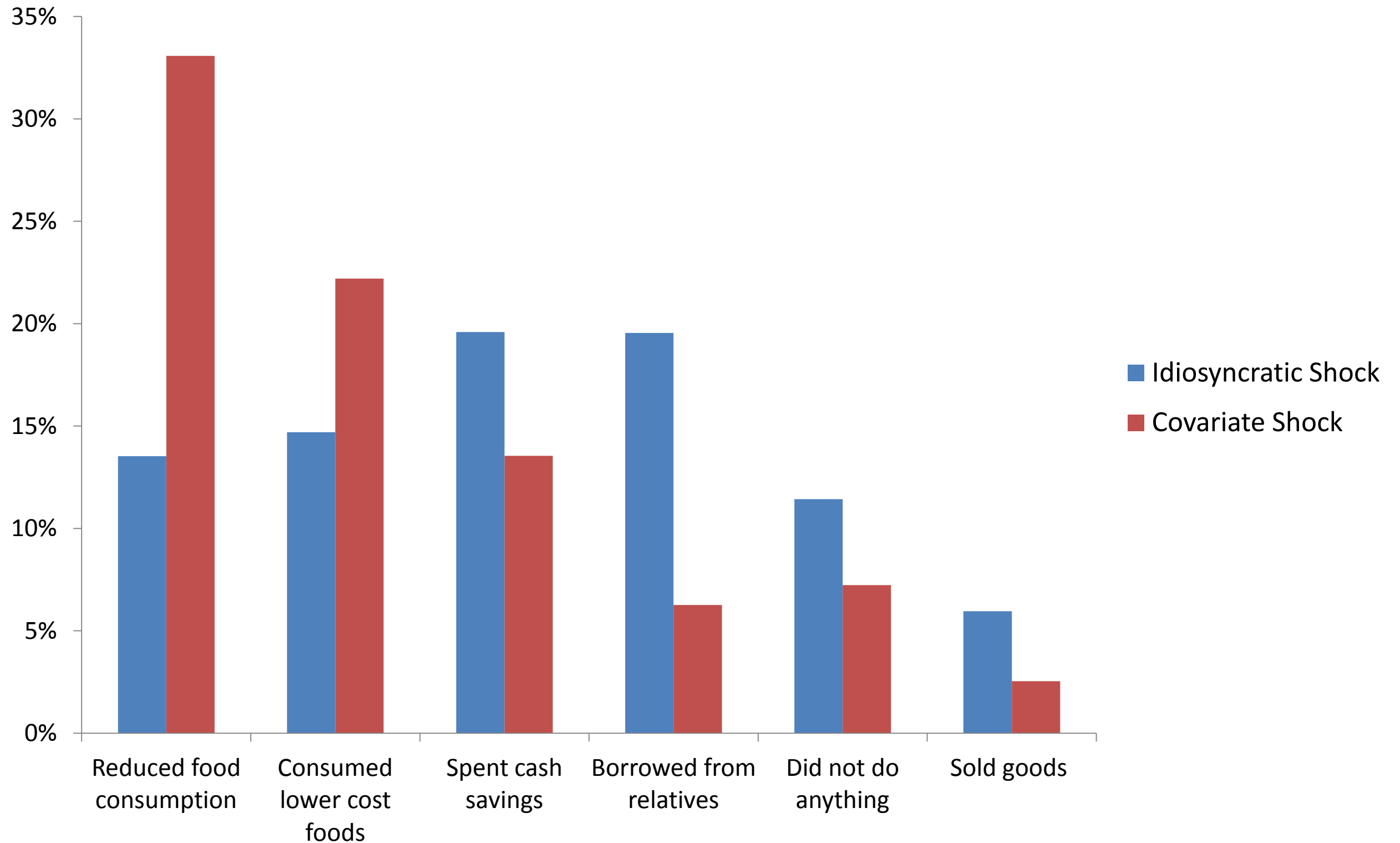
# BISP households face a range of household shocks

- Given the volatile nature of livelihood strategies and low levels of income BISP households are **vulnerable to wide range of exogenous shocks**
- Theory tells us that with a lack of insurance, **temporary shocks** can have **persistent effects**
- Regular and reliable payments under the BISP can help to “insure” households against exogenous shocks



# Households are particularly vulnerable to *covariate* shocks

Main coping strategy





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# Women's empowerment

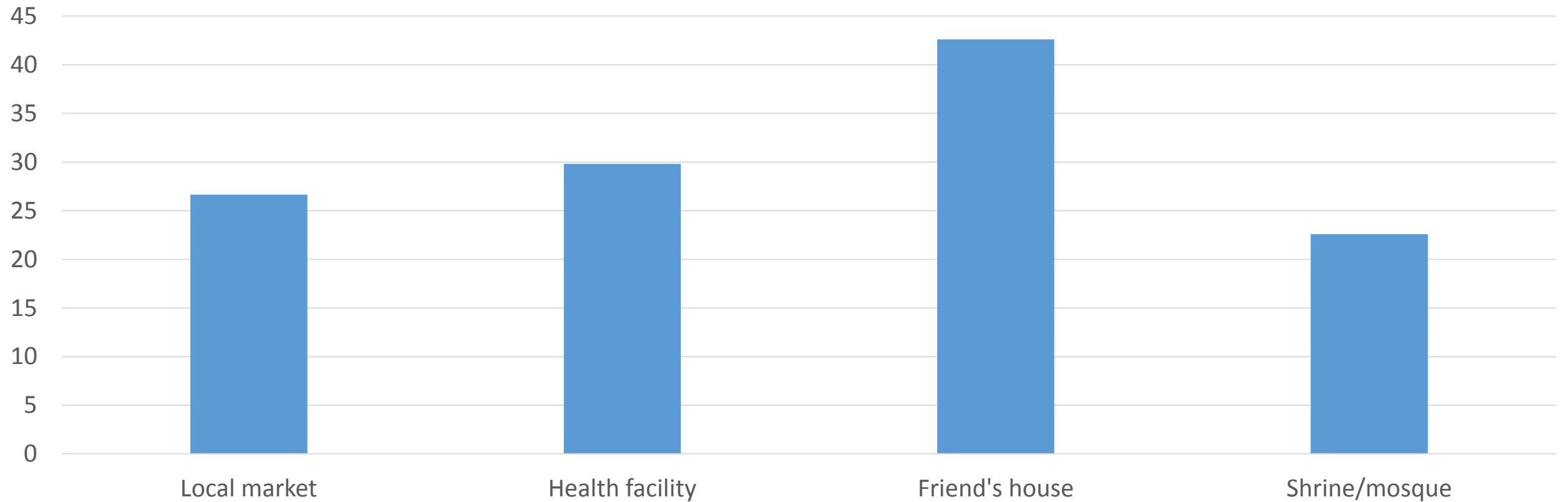
# BISP evaluation will contribute to growing body of evidence

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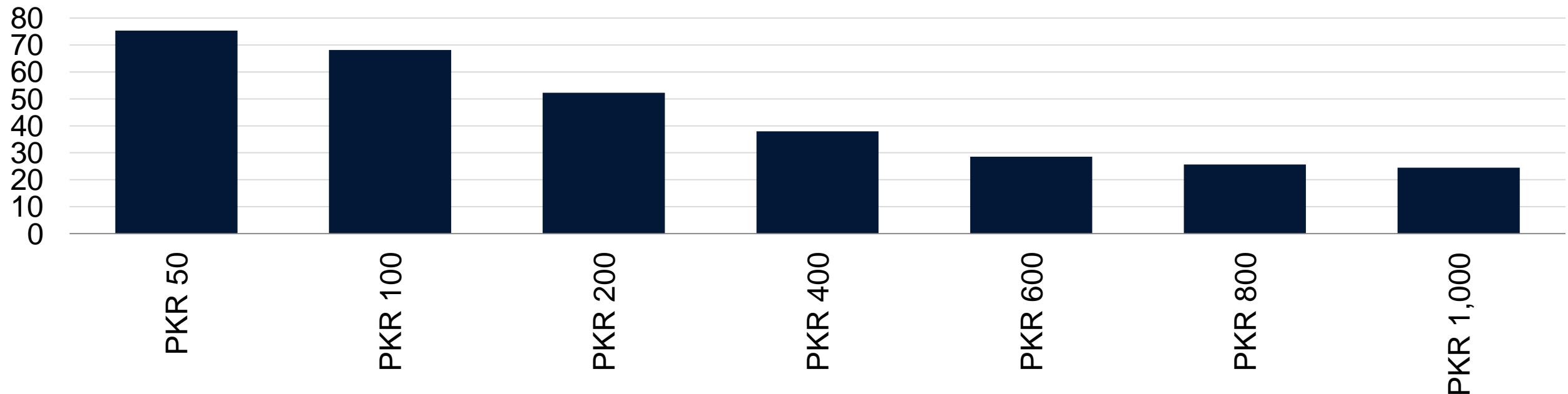
- To date the global evidence of impact on women's empowerment of women receiving regular cash transfers directly is mixed
- *World Bank (2008)* find in Mexico that the *Progressa/Oportunidades* programme in giving cash to women only increases their decision making role in household expenditure, financial security, self-esteem and social status
- Similarly *Suarez et. al. (2006)* find that women's domestic status increased as a result of Brazil's *Bolsa Familia* programme
- However, *Handa et. al. (2008)* find in Mexico that *Progressa/Oportunidades* does not contribute to an increase in female decision making over household expenditure, as women simply substitute transfer money for that which they previously received from their husbands
- Furthermore *Maldonado et. al. (2005)* suggest that in some communities in Mexico women can be subject to violent demands for access to the cash transfer from their husbands.

# Some measurements of women's empowerment

% of women in beneficiary households who can visit alone...



% women in beneficiary households who can easily access in an emergency...







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# What is the potential BISP impact?

# Impact of the BISP

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- The BISP transfer will directly provide **support to the poorest** households
  - Directly reducing poverty
  - Directly reducing vulnerability to exogenous shocks
- BISP can also importantly act as a catalyst to poverty reduction helping vulnerable households to leverage **stepwise changes towards more sustainable livelihoods**
  - This will be supported by complementary interventions:
    - Waseela-e-Haq (micro-loans)
    - Waseela-e-Rozgar (vocational and technical training)
- The BISP transfer can **help promote women's empowerment** both by making the woman the direct recipient but also by encouraging her to get a CNIC
- The BISP transfer in combination with the Waseela-e-Taleem (conditional cash transfer for education) can directly **improve education outcomes** of children in beneficiary households.



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Thank you