AN ASSESSMENT OF SOCIAL SAFETY NET PROGRAMMES TOWARDS CHALLENGES AND BENEFITS OF COMMUNITY IN PAKISTAN

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Abstract

In this research, the researcher tried to analyze the transparency with government perspective, while convenience to be assessed with respect to the payment receivers. The beneficiaries from three most used payment methods were taken into consideration like Post Office, ATM Cards, and Electronic-Biometric Money transfer system. Population of this mixed descriptive study were the beneficiaries, who have experience of receiving payment from all the three payment methods, therefore, beneficiaries of BISP belonging to districts Ghotki and Kairpur of Province Sindh were taken as the population. 06 Focus Group Discussions (FGDs) were conducted. There is a need to make this system cultural and context specific. Themes and concepts were made to analyze challenges and benefits of beneficiaries by evaluating the coverage, efficiency, effectiveness, convenience, transparency and satisfaction o. An effective and strong public information campaign (by using all means of communication) can also play

a vital role in minimizing the financial leakage. These quality machines will further help in better service delivery by reducing the payment receipt time and try to maintain better connectivity services, especially in the days of payment.

Key Words: Social Safety Nets, Challenges, Benefits, Effectiveness, Convenience, Transparency, Satisfaction

INTRODUCTION

Developing nations like, Pakistan, are trying to eradicate poverty through different social protection program and schemes. Evolution of “human rights-based approach” has made it need of the hour to ensure convenience, transparency, participation, and accountability while designing and executing a social protection Programme. Pakistan witnessed a significant increase in financial allocation for the social safety net programme in the year 2008. Change of government also took place in the same year, which led to heightened concerns about social protection for the marginalized segment of the society. This situation gave rise to many questions like targeting, enrolment, and payment of benefit costs to deserving families. With the passage of time, it was also realized that all the processes involved should be transparent, efficient, effective, and convenient for the beneficiaries. Presently, Cash Transfer (CT) and Conditional Cash Transfer (CCT) Programme are functional in Pakistan. Both of these programme involve money transfer through different mechanisms like through Post Offices, ATM Cards, Electronic Money Transfer, and Electronic-Biometric Money Transfer. In this scenario there is a need to identify such a payment mechanism that will suit to beneficiary in terms of convenience and to the government with respect to transparency.

Human rights serve as the basis for social protection programme and it creates obligations for social protection agencies to design, implement, and evaluate the systems in line with the standards as have been defined in human rights. Social protection systems are meant to ensure that various socio-cultural and socio-economic rights are realized like adequate living standards, food, shelter, clothing, education, and health. The success of a social protection system depends on the extent to which the standards identified in human rights have been achieved. Fewer gaps depict that a particular social protection Programme is closer to the benchmark- “human rights”. Social protection authorities often face technical, administrative, and financial constraint in designing and implementing social protection strategies (Ahmad, 2015).

Two types of cash transfer programme are operative in Pakistan—Cash Transfer Programme (CTP) and Conditional Cash Transfer Programme (CCTP). Historically Pakistan has witnessed many CTP Food Support Programme (FSP), Atta Subsidy Scheme, Food Stamp Programme, Individual Financial Assistance (IFA), and Benazir Income Support Programme (BISP). The Concept of CCTP is new for the world but it is not new for Pakistan. National Centers for Rehabilitation of Child Labour (NCRCL), Women Empowerment and Development Centers (WDEC) are among those projects wherein conditions were applied for granting stipend like attendance of children in the schools. Child Support Programme (CSP) is the latest version of the CCTP. In BISP this project is known as Waseela-e-Taaleem. All the projects of BISP are revolving around National Socio-Economic Registry (NSER). Concept of proxy means testing has been applied and people are ranked on the basis of their well-being status ranging from 0-100 (Arif, 2002).

Assistance in the form of cash is the main feature of any mega social safety net. In Pakistan, this practice is also followed both at federal and provincial level. It gives the poverty-stricken people with flexibility in terms of its use depending upon their priorities. All these projects are in practice in order to make life of poor people relatively easy and to enable them to get their rights. This situation asks for adaptation of such a mechanism that suits to culture of the area like a culture specific-socio-technical payment disbursement mechanism. This point of view upholds that such a technology based efficient, effective, transparent and convenient innovative banking system may be devised, that suits to the needs of local communities. It should have embedded feature of bottom up approach so that marginalized segment may be served properly.

Awareness of the need over the past thirty years to promote social, economic and political equality and empowered women by making them more accessible by broader access to basic human rights. A steady increase was observed. The fact that so far, there is not a single country which has managed to bridge the increasing fast gender gap is disturbing. Many states/countries, which have did not fully utilised the prospective of half of its communities, are using the human capital and undermine the competitiveness in the pursuit of development (Zahidi, 1999).

Women in the process of changing rural areas are seen as an extremely important point. The participation of women in Wseela e haq offers them the opportunity to take part in the decision-making process actively. The participation of women in different groups of women has proven an appropriate and effective way of changing the way of life in economic welfare and the use of new technology (Singh, 2009).

Study will be an addition in the existing body of knowledge with reference to convenient, secure, and transparent social sector interventions. It will be helpful in making vital decision regarding the selection of the mode of payment cost in social sector interventions. It will be helpful for the policy makers to assess the pros and cons of the existing payment procedures. Compatibility between convenience and transparency is assessed with reference to better service delivery and satisfaction of the eligible beneficiaries. Study will help in setting priorities both for government agencies and the payment receivers in such a way that will suit to both the parties.

Objectives of study

Following are the objectives of study.

1. To comprehend the problems that beneficiary of social safety net programme are facing while collecting their government sponsored benefit cost through different methods of funds transfer like post offices, ATM cards, and electronic-biometric system.
2. To analyze transparency of disbursement mechanism while using the information, communication and technology by the beneficiaries.
3. To provide direction to align government priorities and beneficiaries' preferences while designing payment methods in social protection programme.

RESEARCH METHODOLOGY

For undertaking a scientific study, selection and specification of universe is the first and important step. Districts Khairpur, and Ghotki from Pakistan were the Universe for the present study. This was a mixed and descriptive study in nature as data were collected from different locations at one point of time. The research applied the quantitative research approach and qualitative research approaches to buck up results and to get the maximum accuracy in results. To carry out the quantitative and qualitative research, the researcher adopted the Survey research design and Focus Group Discussions (FGDs) research design respectively. Population of the study comprised on the Benazir Income Support Programme (BISP) beneficiaries who have experience of receiving payment from Post Offices, using ATM Cards, and electronic-biometric money transfer system. Interview was the method under which a well structures questionnaire was constructed for the quantitative part to complete survey while Focus Group Guide/check list were developed to done the qualitative research. Latest Version of SPSS was used for the purpose data entry and data analysis. Quantitative data was analyzed through SPSS. In uni-variate analysis such as frequency, percentage and measures of central tendency (mean, standard deviation) were used to describe the data while under multivariate hypotheses were tested.

Descriptive statistics were also drawn for data analysis. Efforts were made to triangulate the findings of quantitative analysis with the findings of focus group discussions. Results and discussion of this article is just focused on the qualitative study.

RESULTS AND DISCUSSIONS

Focus groups discussions were conducted at three places with various groups having the different characteristics and dimensions. These groups comprise in government executives, political leaders and development organizations officials.

Cultural and Geographic Aspects

In Pakistan, BISP is the main social sector intervention and it is focusing on women empowerment and more than 90% of its beneficiaries are female. More than 90% beneficiaries of this mega social safety net consist of female beneficiaries. Technology driven payment method enabled women to receive the full amount of payment, as in this method they don't have to pay bribe like "baksheesh" to any community person or postmen for receiving benefit cost at home. Beneficiaries are also not well aware of the exact amount that they have to receive as they were not informed in time, so they doubt the amount they collected.

Beneficiaries complain of the high travel costs involved in reaching at post offices or banking agents in order to collect their amount. Main reason is the poor network banking sector, post office in remote communities and this is defeating the purpose of enhanced financial access for women. In order to reduce the transportation charges most of the women travel in the form of group. Further, poor network also lead to overcrowding at the point of payment and often beneficiaries have to visit more than once in order to collect their amount.

Lack of 'human capabilities', like lack of technical and financial literacy, women are still dependent on the other members of the family, or relatives, to know about the contents of mobile text messages that also contain the personal identification number (PIN) which is mandatory for collecting money. Women beneficiaries cannot use their mobile phones at their own, even to hear voice messages. Male members, especially husbands use their phones and consider it a symbol of empowerment. Hence it can be inferred that mobile banking has not been able to completely remove the concept of human interface. This interference was earlier in the shape of local politician or postman and now in the shape of banking agents or male members of the family. Dependency has just changed its shape but still it exists. Cultural constraint like it is hard for female

beneficiaries to move out of home for a longer period as it is not acceptable in Pakistani culture, particularly in the rural community. It is also added here that poverty is more pervasive in rural areas and most of the BISP female beneficiaries belong to rural community.

Technological and Infrastructural Aspects

Mobile phone banking payment mechanism has some technological constraints regarding the usage of mobile phone like handsets get damaged or lost. High replacement cost makes it hard for banks or mobile operators to provide new handsets. Provision of replacement to millions of beneficiaries require huge financing. This is considered to be one of the main often reasons that mobile phone payment mechanism has not been able hold ground in Pakistan. Similarly, SIM or mobile accounts often get blocked because of a wrong number recognized against national identity card. Non receipt of interactive voice recording (IVR) is also another issue. Such messages were supposed to be received in the local languages and in national language. Text methods regarding payment notifications are not properly communicated due to various infrastructural problems like poor network coverage, connectivity and signal issues. Power shut down is also aggravating the issue, particularly for the women residing in semi urban or in rural areas. It is also reported that mobile banking or post office payment mechanism is not “gender friendly” for women. Therefore such mechanism has to be placed in field that suits to illiterate poor women of the country.

Convenience

Convenience for the beneficiaries can be analyzed from the graph 1. Comparison of each payment mechanism has been illustrated with reference to outreach and coverage. It can be easily ascertained from this graph that electronic-biometric money transfer best suits to the beneficiaries because retailer’s network is vast and payment collection points are closest to the beneficiaries as compare to other disbursement mechanism. Travelling time for most of the beneficiaries is less than 30 minutes. Same results were obtained from the qualitative research, where most of the beneficiaries showed their preference for the biometric – based disbursement mechanism. Second preference for the beneficiaries were the ATM based banking service, while the POST Offices happened to be the least preferred payment mechanism with respect to the traveling time.

Travelling cost reached to points of collection also happened to be the lowest for electronic-biometric mode of payment as compare to other disburse methods. Graph#3 establishes that this mode of payment is convenient and efficient in terms of cost. Most of

the beneficiaries had to pay less than Rs 100, to reach the disbursement center, while for remaining methods transportation cost was more. It means that biometric based payment mechanism is both convenient and efficient for the poor beneficiaries.

Efficiency

Electronic-biometric funds transfer system also happened to be the more efficient and effective system as compare to other methods. This efficiency and effectiveness brings convenience for the beneficiaries with respect to retrieval of cash. Same Results of focus group also triangulate the same. More than 90% beneficiaries got their payment within 15 minutes. Use of ATM cards resulted as the second efficient payment mechanism, while the post offices were the least convenient and least efficient payment mechanism. It took more than 3 hours for collection of benefit cost. Hence it can be concluded that Biometric based payment mechanism is the most convenient, efficient, cost effective, and timesaving payment mechanism in the social safety net programmes of Pakistan.

Effectiveness

Electronic-biometric money transfer payment mechanism and it proved to be the most effective and efficient payment mechanism. Service delivery in this mechanism is the swiftest as compare to other methods of payment. This effective method is also efficient and as majority of the beneficiaries got their payment in their first visit at the payment center. In other payment modes majority of the beneficiaries received their payment in their second visit to the payment points. It means the poor payment receivers have to pay more transportation cost for getting their payment because travelling cost got doubled. Here, it can be concluded that electronic-biometric money transfer system best suits to the poor beneficiaries being effective and efficient in nature.

Transparency

Concept of transparency can be analyzed which portrays that poor payment receivers were badly and illegally taxed while getting their payment through post offices. When dwelling was made, it unearthed that post offices staff demanded money from them in the form of bribe, same happened in the ATM system. A few such incidents took place in electronic-biometric payment mechanism to some extent and retailers tried to sell mobile phone connections to poor beneficiaries. Further, investigation unearthed that most of the beneficiaries were illiterate and were not aware of the exact payment to be received. It means that in biometric based payment mechanism, this illegal practice can be controlled by making beneficiaries more knowledgeable. A vigorous information public campaign can be helpful to curtail this leakage. It is encouraging fact that electronic-biometric system proved to be the most successful model in terms of transparency. A few unethical incidents

have been reported which can be easily handled by educating the beneficiaries about their rights and also by making them aware of the complaint mechanism.

Satisfaction

Beneficiaries are satisfied with the biometric payment mechanism. Majority of the respondents have considered this payment mechanism as the simple one as they got their payments simply by showing their thumb impressions to the machines; no literacy is required; no waiting lines are involved. A vast majority wants to get their payments from the biometric based payment facility, while the post offices have proved to be the least preferred method of cash receipt in the field of social protection.

CONCLUSIONS

Ensuring accessibility in an affordable way to the marginalized segments for disbursement services is one of the keys for reducing economic disparities. Use of technology and ICT are keys to maximize financial inclusion in an efficient way. Technology oriented interventions make public service delivery pertaining to financial services cost effective provided that it is in line with needs and requirements of the culture. In Pakistan there are cultural, technological, convenience, transparency, efficiency, effectiveness, and infrastructural issues.

In Pakistan, BISP is the main social sector intervention and it is focusing on women empowerment and more than 90% of its beneficiaries are female. More than 90% beneficiaries of this mega social safety net consist of female beneficiaries. Technology driven payment method enabled women to receive the full amount of payment, as in this method they don't have to pay bribe like "baksheesh" to any community person or postmen for receiving benefit cost at home. Beneficiaries are also not well aware of the exact amount that they have to receive as they were not informed in time, so they doubt the amount they collected.

Beneficiaries complain of the high travel costs involved in reaching at post offices or banking agents in order to collect their amount. Main reason is the poor network banking sector, post office in remote communities and this is defeating the purpose of enhanced financial access for women. In order to reduce the transportation charges most of the women travel in the form of group. Further, poor network also lead to overcrowding at the point of payment and often beneficiaries have to visit more than once in order to collect their amount.

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RECOMMENDATIONS

- There is a need to make this system cultural and context specific, as majority of the beneficiaries are women are illiterate and belongs to poor households.
- Vast infrastructure of retailers is making this system convenient. This infrastructure can be further strengthened by adding more outlets.
- Bio-metric based disbursement method has also proved to be the most transparent method of social safety net programmes. It has the least leakage among the other modes of disbursements. This leakage can also be curtailed if the banking sector, cellular companies make their monitoring programmes more effective.
- An effective and strong public information campaign (by using all means of communication) can also play a vital role in minimizing the financial leakage, as it will make the beneficiaries more knowledgeable and well aware of their rightful claim. This campaign should also be cultural specific.
- Electronic-biometric system proved to be the most user-friendly and easy. In order to make it even more convenient, better quality biometric machines may be provided at the payment points. These quality machines will further help in better service delivery by reducing the payment receipt time.
- Connectivity problem has also been reported, therefore, there is a need that retailers may be provided with better connectivity services, especially in the days of payment.
- In all the parameters this method is more effective as compared to other payment mechanisms that are in use for social protection. Integration of this method with other banking sector interventions like ATM cards will enhance the scope of this payment method.

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