

## Special Section

### Poverty Alleviation: Initiative Taken by Bunyad Literacy Community Council in Rural Punjab<sup>1</sup>

#### 1.1 Multidimensional Nature of Poverty

The multidimensional nature of poverty suggests an integrated and holistic approach to attack the problem. Bunyad Literacy Community Council (BLCC), Lahore has taken a number of initiatives since 1994 to address the issue of poverty in different dimensions (see **Box 1**). Bunyad aimed at delivering education to poor children, particularly girls, in rural areas through informal methodology. To address poverty in various dimensions, Bunyad has gradually expanded both in geographical areas of operation as well as the nature of its activities. It is presently active in 18 districts of Punjab, in more than 500 villages. In addition to literacy and non-formal education, its programs includes projects on child labour, women empowerment for poverty alleviation, saving and micro credit community development, integrated farming and sanitation, reproductive health and environment. It would, thus, be important to examine Bunyad's initiatives in different dimensions of poverty and the extent to which these initiatives benefit the poor in rural areas.

#### **Box 1: Bunyad Literacy Community Council**

Bunyad Literacy Community Council (BLCC) and NGO Resource Centre is a non-governmental and non-profit organization (NGO) founded in 1992 and registered in 1994. Envisaged first as a project involving networking of NGOs for the promotion of literacy in Hafizabad district, the program led to the realization of the critical issue of non-attendance of formal school by girls and the need for quality education as an essential ingredient in assisting the country reach its EFA goals. Starting with literacy and education in one district Bunyad has gradually expanded both in geographical areas of operation as well as the field of its activities. The achievements of Bunyad have been recognized widely. Bunyad has received two UNESCO awards for outstanding work in the field of literacy and non-formal education. Bunyad founder Ms Shaheen Attiq-ur-Rehman was awarded the Commenius Medal in 1998. Recently Bunyad has been given UNESCO International Prize 2002 (King Sejong Literacy prize) in non-formal education and social protection of working children in soccer ball industry.

#### **Non-Formal Education**

Bunyad has been actively carrying out programs of non-formal primary education (NFPE) to children of 6-14 years of age since 1992. Emphasis has been given

<sup>1</sup> Thanks are due to the management of the Bunyad Literacy Community Council, Lahore for providing support in conducting field visits to collect data and information from the projects operating areas in rural Punjab.

particularly to female education, as imperfect childcare due to lack of education is one of the major causes of high infant mortality rate in Pakistan.

The main objective of NFPE programs is to provide free primary education to the poor children of villages and skills development for women to improve their economic conditions, particularly for girls. The children are provided free primary education up to class V in 36 months. While Pakistan Literacy Commission (PLC) contributes to the teachers' salary and other inputs such as books, furniture and stationery, Bunyad is responsible for monitoring and teacher training. Community participation is made possible through village education committee and female education committee. These committees are assigned the responsibilities of monitoring and facilitation for smooth functioning of the centre.

Bunyad also promotes learning in rural areas and provides training and learning opportunities suited to local needs and environment through Basic Education Resource Training Initiative (BERTI). Over the past few years, these BERTIs have successfully implemented a number of projects in diverse fields (see **Box 2**).

Bunyad has undertaken a number of projects supported by different donors. Presently, it included Pakistan Literacy Commission's (PLC) Non-Formal Primary Education Project and Hafizabad Community School Project funded by European Community (EC). Under the Pakistan Literacy Commission's Non-Formal Primary Education Project, 136 non-formal primary education centers have been established in districts Hafizabad, Multan and Khanewal (Tehsil Kabirwala) targeting 4080 children for schooling; 74% of these children are girls (See **Table 1**).

**Box 2: Basic Education Resource Training Initiative (BERTI)**

Bunyad has decentralized resource centers called the Basic Education Resource Training Initiative (BERTI). UNESCO concept of Community Learning Center (CLC) is promoted by Bunyad through these BERTIs. They are focal points of learning in rural areas and provide training and learning opportunities suited to local needs and environment. The main objective of these CLCs is to promote human and community development through lifelong learning and provide opportunities without discrimination on the basis of cast, age and sex. There are 13 BERTIs community learning centers working at Lahore, Sheikhpura, Hafizabad Multan, Muzafargarh, Saikot, Bahawalpur, Shujabad, Kabirwala, Arifwala, Sargodha, Ghulla Watoan.

These centers help in implementing the projects related to the non formal primary education, functional literacy, income generation, and environment awareness programs. In the long run these BERTIs would be cost effective and self-sustaining information resource centre for the community due to effective involvement of communities, local resource mobilization and ownership of programmes by the communities.

On the other hand, Hafizabad Community School Project funded by EC is aimed at providing basic education to the girls residing in 43 villages of 5 union councils of district Hafizabad. About 1800 girls, 5-14 years of age are targeted

**Table 1: Coverage and Enrolment in PLC Project**

Area	No. of union council	No. of centers	No. of enrolled children		
			Boys	Girls	Total
Hafizabad	6	80	700	1700	2400
Multan	5	46	380	1000	1380
Kabirwala	2	10	0	300	300
<b>Total</b>	<b>13</b>	<b>136</b>	<b>1080</b>	<b>3000</b>	<b>4080</b>

under the project through establishment of 50 community schools.

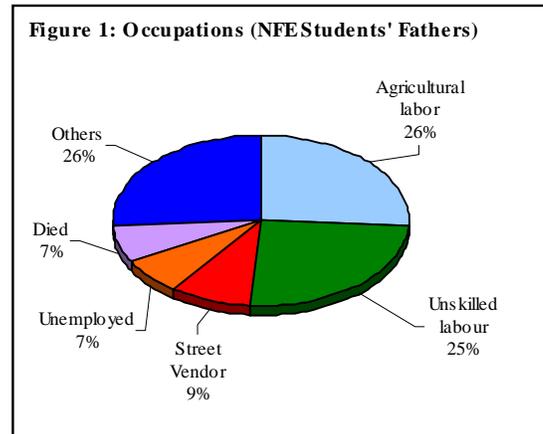
Besides non formal education, Bunyad is also playing its role in promoting primary education through the formal system. Bunyad has started establishing formal schools in rural Punjab. The first of its school is established in Kolo Tarar, Hafizabad covering an area of 9 kanals of land donated by a local resource person. The female enrolment is 61% in this school. In Natt village Lahore, the model is replicated on 6 kanals donated land with the help of the community.

**An Assessment of Non Formal Primary Education Schools**

Although the initiatives taken by Bunyad are encouraging, it is important to see whether these initiatives actually benefit the poor children in rural areas. To address this question, field visits have been conducted in different areas of activity in selected projects of Lahore, Sheikhpura, Hafizabad, Bahawalpur, Sialkot and Rawalpindi by the Research Department in the third week of May, 2004. Data and information have been collected on socioeconomic attributes of children studying in non formal primary education schools during the field visits. Different questions were put to the students during visits in non-formal primary schools taken from the relevant syllabus to make an assessment of student learning. The findings are summarized below:

- Poverty among students is reflected by fact that their parents were employed in low paid occupations of casual nature. The occupational status of students’ parents shows that 26 percent were agricultural laborers (or tenants), 25 percent were unskilled labors, 9 percent were street vendors and 7 percent were unemployed. Of the total 7 percent students were orphans. Parents of the rest of the students interviewed were engaged in other occupations like shopkeepers and masons etc., (see **Figure 1**).

- The education status of the majority parents of student was illiterate. While illiteracy rate was 60 percent among fathers, the illiteracy rate among mothers was extremely high at 88 percent. Such alarming high illiteracy rates, especially among females, reflect extreme poverty among families of students.



- The average family size was 9.5 while the average monthly income was Rs 5125. This translates into a monthly per capita income at Rs 564, which is substantially below the official poverty line.
- To assess the learning of students, different questions from the prescribed books were asked. Many of them answered the questions correctly.

The above evidence suggests that Bunyad is targeting the poorest areas of rural Punjab and children from the poor families are benefiting from non-formal education service, which is affordable to them. Nevertheless, there is a need to improve the quality of education particularly through teacher training. There is also a need to improve the facilities of schools, such as fans, furniture, toilets and play area.

### **Achieving Universal Primary Education**

A wide range of policies has been pursued to promote primary education in the country, both in the short and long terms, over the last three decades. However, they have failed to achieve universal primary education. It was in this context that Bunyad realized the need to develop a replicable model with the objective of ensuring 100% primary enrollment besides ensuring its retention and improved quality of education. The central focus is on literacy and primary education to enable to achieve Education For All (EFA) goals. In collaboration with UNICEF, Bunyad has launched a project of Universal Primary Education in Sialkot and Murree. The strategy is two-pronged—one is the orientation towards motivating

the community including parents and influential people, while the other focuses on teachers. UPE strategy is to bring attitudinal change in values that communities and civil society attach to education. Its implementation is carried out through social mobilization of parents. By conducting a door-to-door survey, the projects have identified 13,408 and 3,035 children out of school in Sialkot and Murree, respectively. Out of which 11,851 and 2,874 children were enrolled in government schools in Sialkot and Murree, respectively. The retention rate has been satisfactory as 95 percent of enrolled children continued their education till 2002 in the Murree Project. Because of the initial success of the project, National Commission for Human Development (NCHD) has adopted the model of UPE for its replication in different regions. The project has now been taken over by the district government.

The SBP research team made an attempt to verify the retention rate of students by checking student records in schools selected randomly and estimated that retention rate of enrolled children has now declined to 93 percent. Thus, the monitoring of enrolled children should be strengthened to improve the retention rate. Data on socioeconomic attributes of school children have also been collected during field visits. In contrast to other areas of rural Punjab, the occupational status and income level of the parents of students in rural areas of Murree differs significantly. The occupational status shows that they belong to the low paid jobs such unskilled laborers, restaurant waiters and cooks, drivers, security guards and small shopkeepers. The average household income was the lowest at Rs 3,769 per month in villages of Murree. With average family size of 9.8, the per capita income was extremely low at Rs 382, which is substantially below the official poverty line. Student learning assessment shows that majority of students were able to answer the questions from the prescribed textbooks.

### **Combating Child Labour**

The problem of child labour is deeply rooted in poverty as well as the cultural and social role that further limit educational development of children. These children are not well paid and work under severe conditions, which deprives them of proper physical and mental development. In view of the gravity of the problem, Bunyad has been actively involved in combating child labour in various industries such as carpet weaving, soccer ball making, surgical instruments as well as among the street-working children.

Bunyad has recently completed a project on “The Elimination of Child Labour in Soccer Ball Industry” in Sialkot undertaken in 1999. The objective of the project was to prevent children between the ages of 7-14 from entering in soccer ball industry and to ensure best possible education for them. The project established

185 centers in 119 villages to provide non-formal primary education to the working children. A total of 6,019 children were withdrawn from the industry, of which 35% were boys and 65% were girls. The program has been designed to ensure that children leaving the soccer ball stitching are not forced to engage again in harmful and hazardous forms of work. Awareness has been created among children, parents and communities about hazards of child labour and rights of children.

Carpet weaving industry is one of the largest cottage industries in Pakistan. A significant portion of child labor is found in this industry. Bunyad has been working in district Sheikhpura and Hafizabad where it has established 110 non formal education centers targeting more than 3800 carpet weaving children aged 7-14 years. A replication of the carpet project has also been started in Multan from April 2004. The efforts are focused on creating a learning environment and on establishing non-formal education as a viable option for combating child labor. International Labour Organization (ILO) and International Programme to Eliminate Child Labour (IPEC) have been working to combat child labor in district Sheikhpura. With its successful experience in the Sialkot Soccer Ball Project, UNICEF has now joined the ILO and IPEC in providing backup awareness, raising social mobilization and monitoring systems both in the ongoing activities as well as the unmet needs. The strategy is based on social mobilization to ensure local ownership and establishment of linkages with the formal education system for possible mainstreaming of children. A major motivational drive was launched in 60 villages in 9 union councils of Sheikhpura. 120 community meetings at village level were held to highlight the hazards of child labour. A few seminars were held at tehsil level to educate the general public on rights of children and child abuse.

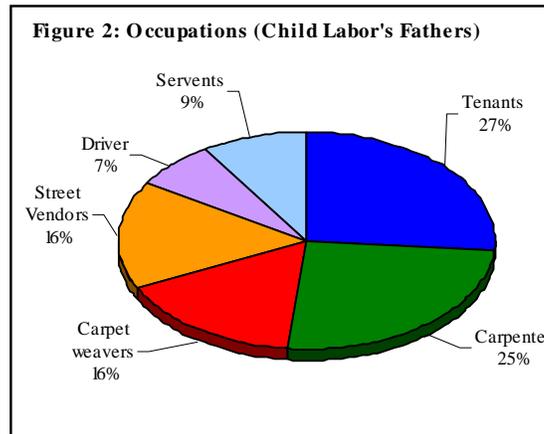
Bunyad has undertaken another task of combating child labour in collaboration with ILO-IPEC in the surgical instrument manufacturing industry in Sialkot in 2000. The objective was to withdraw children from the surgical instruments manufacturing industry, prevent children entering the industry and to provide appropriate rehabilitation, prevention and protection to children and their families. The parents and employers were pursued for withdrawal of all younger children from the hazardous surgical instrument industry. Initial baseline survey has been conducted to identify child labor in different urban and rural areas of Sialkot. A total of 15 non-formal education centers have been established for more than 6000 working children in the industry.

Data and information on socioeconomic attributes of working children enrolled in non-formal primary education have been collected by the SBP research team

during the field visits in Sheikhpura and Sialkot. The findings are summarized below:

- Poverty in most cases has forced children to work. A few of them expressed the view that if they have good prospects in education, their parents would send them to school. The average age of students who came from child labor background was 11 years. Since low family income and high cost of schooling are the main constraints in access to primary education, students are provided fee books in non-formal education centers. Students are charged a school fee of Rs10 per month, which is affordable.
- The occupational status of student's parents indicates that the majority were agricultural laborers/tenants (23%) mason/carpenters etc., (22%), workers in carpet weaving factories (14%), street vendors (14%), servants (8%) and drivers (6%) (see **Figure 2**).

- The education status of majority of working student's parents was reportedly illiterate. 55% of the father and 67% of the mothers were illiterate.



- The average earnings of the parents were around Rs 4,874 per month. With an average family size at 9.4, the per capita income comes to Rs 548, which is substantially below the official poverty line.
- Majority of students also worked full time before attending the school in the evening. The average earning of working children was substantially low at Rs 1200 per month compared to Rs 3500 per month for an adult. It seems difficult for the children to adjust to the school settings because they spent most of their day with machines and instruments at the workshops. In addition, evening school hours are not suitable as working

children get tired and feel exhausted after finishing their full time work, which also affects their learning abilities as well as the quality of education. The working conditions of children are too hazardous as children often bear serious injuries and other health problems in surgical instrument and carpet weaving industries.

While poverty is the main cause of child labor, it appears that inaccessibility to quality education also induces parents to admit their children in the labor market for more profitable activities. Awareness of the health hazards for children working in the surgical instrument industry should be created among parents, children and vendors through an effective campaign. Vendors, parents and other community members, particularly influential persons in local areas, should be convinced of the basic rights of children. Health awareness and children regular medical check ups should be added as an integral part of the project. In addition, children school hours should be changed to morning times in consultation with parents, vendors and influential community members. While these measures will improve cognitive abilities of children, the need to improve the quality of education through teachers training cannot be denied.

#### **Bunyat Micro Credit**

To empower the poorest of the poor segment of society, particularly women and children, Bunyat has taken various initiatives. Providing micro credit facility to poor rural women is one of them. The main objective is to empower women by raising their income earning capacities, self employment and organizational skills. The poor women were provided with small credit to undertake micro enterprises to supplement their household income, along with literacy and skill development, for their social and economic empowerment.

Bunyat offers short and medium term loans of 6 months to 18 months respectively to targeted clients. The major focus is on the poor female members of the community who are organized in a group. The main credit group consists of 20 members with sub groups of 5 members each. Women in the group make an application on the prescribed forms individually. These women save Rs 50 to Rs 100 per month for six months, and then they open a bank account in the nearest bank. As loans are provided without any collateral, only the guarantee of group members is required. Recoveries of loans are guaranteed by the use of peer pressure. While making groups, the fact is kept in consideration that the group should not consist of close relatives such as mother and daughter or sister. This is done to ensure the maximum number of household beneficiaries. In this way, family grouping is avoided and peer pressure kept active. The local NGOs play the role of intermediary between the BLCC and the borrower. First two members

of sub group receive the loan and after they return half of the amount, the other three become eligible.

Bunyard Micro Credit Lending comprises three projects namely ILO Project in Employment Promotion (PEP) started in 1996, Women Enablement Project (WEP) supported by the Federal Ministry of Women Development and the Pakistan Poverty Alleviation Fund (PPAF) 2002. Under the above three projects, BLCC

Project	Loanees	Total Amount (Rs)
ILO PEF	410	600,000
WEP	668	9,633,320
PPAF Q I	48	1,000,000
PPAF Q II	83	1,000,000
PPAF Q III	93	1,000,000
PPAF Q IV	137	1,000,000
PPAF Q V	104	1,500,000
PPAF Q VI	125	1,000,000
<b>Total</b>	<b>1668</b>	<b>16,733,320</b>

provided micro credit facility to 11 districts of Punjab. A total amount of Rs16.7 million has been disbursed during the 1996-2004 (see **Table 2**).

Under the micro credit facility program, Bunyard covers the rural areas of Punjab including Hafizabad, Lahore, Sheikhpura Kabirwala, Sailkot, Shujabad, Muzaffargarh, Multan, Sargodha, Shahdara and Qasur. BLCC provide loans ranging from Rs 5000 to Rs 25000 according to the need of the poor. An interest rate of 20% per annum is charged on micro credit to the poor. The interest rate charged by Bunyard seems to be low, in comparison to other NGOs in the same vicinity who charge up to 40% per annum. Recently interest rates have declined substantially to single digit for all kinds of business and private customers. But these rates have remained unchanged for the poor. The poor do not seem to have benefited from a general decline in interest rates. Thus, there is a need to take measures for reducing the cost of intermediation by NGOs and other collaborative organizations/institutions like PPAF, ILO etc to reduce the interest rate for the poor.

Bunyard has been catering to the need of more than 1,600 poor women in different areas as is clear from **Table 3**. Customer base is the highest in Multan where 496 loanees availed the average loan size of Rs 10,000. In other words BLCC offers them an appropriate way of saving and credit to start new businesses or to upgrade their existing one.

Bunyard does not only provide credit to women but also trains them for effective and productive use of funds. Bunyard provides training in poultry, livestock and agriculture. It also provides technical training, which may be helpful for self-

employment of females. As a result, women use credit efficiently; this is also reflected in a high recovery rate at 98 percent.

To see how micro credit provided by Bunyad is beneficial for the poor and to what extent it has been successful in raising the standard of living in rural Punjab, a random sample of 50 micro credit users women was done. This took place in different villages of rural Punjab including Nutt, Vern,

Sambriyal, Sharief Pura and Solangi Awan by the research team of the SBP during their field visit. The major findings are summarized below:

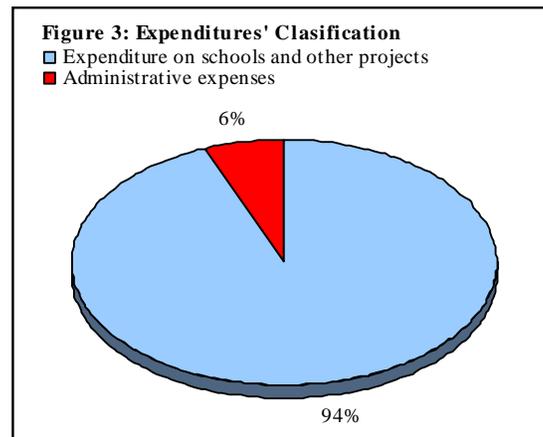
**Table 3: District wise Distribution of Micro credit 1996-2004**

District	Loanees	Groups	Amount
			Disbursed (Rs)
Multan	496	104	4,554,802
Hafizabad	324	67	2,106,220
Lahore	276	46	3,480,000
Khanewal	77	15	1,065,000
Muzafarghar	112	22	1,749,878
Islamabad	33	7	300,000
Saikot	187	10	1,330,420
Shahdra	14	3	350,000
Sheikhupura	71	8	1,040,000
Sargodha	7	1	37,000
Pakpatan	42	5	425,000
Jampur	29	4	335,000
<b>Total</b>	<b>1,668</b>	<b>292</b>	<b>16,773,320</b>

- The educational status of micro credit clients reflect that majority of them were illiterate (74 %) whereas the rest were literate but not above secondary level.
- The occupational status of father/husband of borrowers indicates that majority of them were unskilled daily wage laborers (34%) followed by tenants and agriculture workers (22%). Others were working as driver, shopkeeper, teacher and lower grade employees in government departments.
- The average family size of the loanee's household was more than 8 and average monthly income of household from all resources was around Rs 4450 per month. The monthly per capita income was at Rs 556, which is substantially below the official poverty line.
- There are various purposes for taking loans. Live stock loans account for the major share (52%) followed by the small household business (14%), purchasing shop (10%) and for school building (8%). The other purposes include poultry, embroidery shop, hotel, buying or repairing machine etc.

- The average monthly income of the family before taking loan was Rs 4450 per month. Average income of the household increased to Rs 7275 per month after using the loan money. On average the income of the poor has increased by 63% as a result of a micro credit loan to them. Thus there has been a positive impact of micro credit on the income level of the poor.
- Similarly the expenditure also increased after loan due to increase in income, there was average increase of Rs 940 per month in expenditure. The encouraging thing was that after availing loan facility, the household on average was spending Rs140 per month on their children's education in form of school fees.
- With wide geographical coverage and operation in diverse activities, Bunyad's administrative expenses remained low (see **Figure 3**). The share of administrative expenses is 6.0%, while 94.0% of total is spent on schools and other activities in different projects.

The micro credit experience suggest that it has been a successful instrument for enhancing the household income through empowering females by creating self confidence and awareness about their rights. It provides self-employment opportunities for females along with improving the standard of living of poor families and helping them to spend on the education of their children. Thus, the experience demonstrates that micro credit has a great potential for poverty reduction in Pakistan.



The above findings suggest that children and women of poor families have started benefiting from the initiative taken by the Bunyad of empowering women through micro credit, combating child labour in hazardous working conditions and providing non formal and formal primary education to the children of poor families in remote rural areas. While there is a need for an improvement in provision of quality education to poor children, experience shows how non-profit

private sector initiatives can promote access to education to the children of destitute and the poor families, particularly working children in remote areas of rural Punjab. Although economic compulsion of poor parents mainly forced them to push their children in the labor market in pursuit of livelihood, the inaccessibility to education also contribute to child labour. Thus, the government should take measures to facilitate and strengthen the non-profit organizations initiatives in the private sector so that the out of school and working children from poor families can be provided access to education in rural areas. Furthermore, if poverty reduction is the main objective of the government, policies should focus fundamentally on provision of education and skill development together with micro-credit to the large segment of population with better targeting to the children of poor and underprivileged families in rural areas where these facilities are non-existent.