



FIRST INTERNATIONAL CONFERENCE ON
RESEARCH AND LEARNING

April 2-3, 2014

Pakistan Poverty Alleviation Fund
Islamabad





Pakistan Poverty Alleviation Fund



The emblem denotes three words: *Ishq, Ilm, Aml* meaning passion, knowledge and action – the core values driving the institution.

Vision

- Restoring hope
- Securing the future
- Ending poverty



FIRST INTERNATIONAL CONFERENCE ON **RESEARCH AND LEARNING**

Acronyms

AKRSP	Agha Khan Rural Support Programme
BISP	Benazir Income Support Programme
CDD	Community Driven Development
CEO	Chief Executive Officer
CGAP	Consultative Group to Assist the Poor
CO	Community Organization
CQA	Compliance and Quality Assurance
CrOs	Credit Officers
DFID	Department for International Development
FA	Field Assistants
LEED	Livelihood Employment and Enterprise Development
LSE	Lahore School of Economics
LSO	Local Support Organization
LUMS	Lahore University of Management and Sciences
MDG	Millennium Development Goal
NRSP	National Rural Support Programme
PIDE	Pakistan Institute of Development Economics
PKR	Pakistan Rupee
PMN	Pakistan Microfinance Network
PO	Partner Organization
PPAF	Pakistan Poverty Alleviation Fund
RCT	Randomized Control Trial
RSP	Rural Support Programme
SDPI	Sustainable Development Policy Institute
SO	Social Organizer
SRSP	Sarhad Rural Support Programme
TTO	Third Tier Organizations
UNDP	United Nations Development Programme
USD	United States Dollar
VO	Village Organization



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DAY ONE

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RESEARCH AND LEARNING

April 2, 2014



INTRODUCTION



The First International Conference on Research and Learning took place on the 2nd and 3rd of April 2014 at Pak-China Friendship Centre. The conference was a reflection of PPAF's long-standing commitment to innovation and sustainability in its approach, ideas, and methodologies by bridging the gap between the development world and that of research.



The primary objective of conducting this conference was to share the results of all the ongoing and completed research studies at PPAF with a wider audience in order to enrich existing literature on development work within the country. These research projects were conducted over the last few years, in collaboration with the World Bank and other notable institutions. The aim of these studies was to evaluate the approaches and components being employed for Community Driven Development (CDD) and to appropriately intervene with course correction. The ten sessions of the conference highlighted the multidimensional nature of the research projects. Researchers were provided a forum through which they could present their research findings, complemented by astute observations and questions from the invited discussants and audience members.

Such a platform was considered essential in providing an objective forum to learn from both successes and failures. The conference also showcased the diverse work of PPAF and its partner organizations do. Most importantly, because of its international scope, the conference encouraged participants to examine issues in both a comparative and global context, with the ultimate aim of not only enhancing knowledge, but also facilitating the implementation of positive changes in and



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across the development sector. Another objective of this conference was to create more opportunities for further collaboration between various institutes, giving way to more productive and extensive research work and eventually translating into more efficient and sustainable policies.

The two-day conference was termed a success as it not only created a platform for knowledge sharing with a wider audience, but also identified areas of future research and collaboration that can strengthen the sector's contribution towards policies and programmes that help alleviate poverty.

WELCOME AND CONFERENCE OVERVIEW

Ms. Samia Liaquat Ali Khan, Group Head Compliance and Quality Assurance, PPAF

Ms. Samia Liaquat Khan welcomed the guests to the First International Conference on Research and Learning and introduced the theme of the conference. She stated that there was a need for quality level research in the field of development and poverty alleviation within a geographically and culturally diverse country like Pakistan, and emphasized that research was the key mechanism to identify and understand the depth and diversity of poverty. She commented that although there were an abundance of resources available, Pakistan still faced challenges in terms of governance, poverty, and lack of opportunities, and she perceived research as a mode of providing contextualized focus and guidance in poverty alleviation. The audience was briefed on the research PPAF had been conducting with the World Bank and how PPAF has integrated the Community Driven Development model into its ethos and core values. She ended by stressing that PPAF had been working towards developing research capacity in Pakistan by connecting with local and international researchers and think tanks, and she hoped that the research presented at the conference would be informative to the participants and provide greater opportunity for collaboration in the future with other research institutes.





PPAF AND THE WORLD BANK - A HISTORICAL ASSOCIATION

Mr. Rachid Benmessaoud, Country Director, The World Bank



Mr. Rachid Benmessaoud expressed his pleasure at attending the First International Conference on Research and Learning. He presented a short history of the relationship between PPAF and the World Bank, and stated that PPAF was at its halfway mark of its third project with the World Bank, with an increased focus on social inclusion and community engagement. He reinforced the World Bank's ambitious objective of ending extreme poverty within a generation, with an increased stress on higher accountability. Mr. Benmessaoud accredited the research that was conducted as being critical to ensuring sustainable growth and policies that are well tailored to reach the less fortunate. Moreover, he iterated it was essential to capture and disseminate the research that was being carried out in order to assess the successes and failures of a programme, as well as replicate and refine policies that would eliminate poverty and create greater social inclusion.



He provided a brief overview of the presentations that would be shared over the next two days, and introduced the two primary researchers from the World Bank who had been working with PPAF. He deemed that the best way to help a country was by including and enhancing the local citizens' voices. Through their consultations with the civil society and government, the World Bank had perceived a consensus among all citizens that working with the community is the best mechanism for social growth and accountability. He further underscored the designing of projects that are gender sensitive and engaging of youth. He cited the example of Peshawar University, where the World Bank had selected twelve students to audit projects and make presentations that were presented to the government of Pakistan and the World Bank. He closed by congratulating PPAF and the World Bank research teams and anticipated a greater and consistently productive partnership in the future as well.

COMMUNITY DRIVEN DEVELOPMENT

Keynote Speaker, Mr. Shoaib Sultan, Chairman Rural Support Programme Network

Mr. Shoaib Sultan Khan introduced the concept of Community Driven Development (CDD), which he was first acquainted with in 1959 as a young field officer in East Pakistan by Dr. Akhtar Hamid Khan. Dr. Khan had termed this approach as 'social mobilization,' a concept he borrowed from Raiffeisen in Germany. Mr. Sultan Khan defined the three principles of social mobilization as organization, capital generation through savings, and human skill development. Mr. Sultan Khan adopted this concept and challenge of social mobilization in 1982, by virtue of the support of Agha Khan. This institutionalization of community mobilization led to the creation of Agha Khan Rural Support Programme in Gilgit-Baltistan and Chitral. He shared his struggle of twelve years with the audience and educated them on the visionary work accomplished by Dr. Akhtar Hamid Khan. He narrated the gradual attention AKRSP gained due to the World Bank and UNDP's observation of its activities. During the first tenure of Nawaz Sharif's premiership, his finance minister, Sartaj Aziz, suggested the replication of AKRSP nationwide, but this was interrupted due to political instability. In the second tenure of Nawaz Sharif, Sartaj Aziz created the Pakistan Poverty Alleviation Fund to ensure the nationwide replication of AKRSP. He acclaimed the work of PPAF for setting up a sustainable fund for poverty alleviation and advised special attention to the rural areas of Pakistan, which constituted a major portion of the population of the country.



She updated the audience and panel on the operations of the World Bank, which was supporting over 400 CDD projects and a 3 billion portfolio of livelihoods programs in South Asia.



ADDRESS BY DR. SHOBHA SHETTY

Sector Manager, South Asia Rural Development and Livelihoods, The World Bank

Dr. Shobha Shetty reiterated the importance of the CDD approach and its importance as a key mechanism to reduce poverty. She acknowledged the effective operation strategy of PPAF and praised the influence of AKRSP in the field of development. She updated the audience and panel on the operations of the World Bank, which was supporting over 400 CDD projects and a 3 billion portfolio of livelihoods programs in South Asia. She praised the initiation of the Conference on Research, as CDD was a nonlinear approach, and highlighted the importance of evaluation. She was pleased that the World Bank had supported PPAF since its first phase and expected that the Conference would highlight important issues, as it was vital to understand the impact of the various programmes that were being implemented and how to strengthen their modalities.

The Challenge of Building Inclusive Institutions in Participatory Development Programs

Session One

Presenter: Dr. Ghazala Mansuri, Lead Economist, The World Bank

Chair: Dr. Shobha Shetty, Sector Manager, South Asia Rural Development and Livelihoods, The World Bank

Discussants: Mr. Qazi Azmat Isa, Chief Executive Officer, PPAF
Dr. Rashid Bajwa, Chief Executive Officer, NRSP
Dr. S Akbar Zaidi, Economist, Karachi University



Presentation: Building Inclusive Institutions of the Poor

Dr. Ghazala Mansuri commenced the first session of the conference by extending her gratitude towards PPAF and Mr. Qazi Azmat Isa for their integral participation and support with the research. She introduced the audience to the study that the World Bank began conducting about eight and half years ago. Explicating the overall process of monitoring and evaluation of the second phase of PPAF, she explained its relevance in the development of the third phase of PPAF. The second half of her presentation focused on delineating the midline results of the third phase, with an emphasis on analyzing the effects of the introduction of inclusion mandates for women and the economically poor.

The study conducted by Dr. Ghazala refrained from the regular 'black box' approach of evaluation, which compares the existence of a certain programme with a hypothetical scenario where the programme did not exist. Instead, she explained that they reviewed each component of PPAF, such as microfinance or infrastructure development, and assessed the data on the cost of each component. She highlighted five distinct issues extensively examined:

1. The nature of participation in community based organizations.
2. Better targeting of infrastructure for the poor.
3. How microcredit schemes affected the enhancement of livelihood opportunities.
4. Do frontline staff, such as social organizers, have enough incentives, financial or otherwise.
5. To what extent did women's political participation expand in these communities?

The data covered 155 villages (800 settlements/habitations); this included 65,000 households, including information on household composition, wealth, zaat (caste), relationship with politically influential individuals in the village, as well as the education and occupation of the household head and other household demographics. The findings from the study confirmed that within the same settlement COs (Community Organizations) were highly segregated in terms of wealth, caste, and political connections. However, Dr. Mansuri observed that in villages with higher schooling they found less social and economic differences within the COs. The study also established that the characteristics of a CO member tended to be predominantly male, wealthier with additional schooling, more land ownership, and more likely to be connected to the village elite. Therefore, in order to create a better design for PPAF III, deeper penetration within each village needed to take place, as well as better engagement with women and better tracking of the inclusion of the poor. This inclusion, she stipulated, meant not only inclusion of the voice, but also impact on policy implications.

In September 2013, Dr. Mansuri's team assessed the impact of inclusion mandates, before any money was transferred to these COs, as to qualify the pure effect of social organization. She expressed her enthusiasm in the positive results that the inclusion mandates had yielded within a short span of two years. The study had noted an increase in female participation, especially in leadership positions in the VOs (Village Organizations). Dr. Mansuri's team also assessed the opinions of people in villages regarding women as political leaders and the aspirations of parents for their children. The results depicted that women have lower aspirations for their daughters as compared to their sons; however, women VO members have higher aspirations for both their sons and their daughters, as compared to their female neighbors. Overall, this suggests that women that are more "progressive" become VO members. Their presence in the VO helps change attitudes towards women, particularly among young boys. Their inclusion also substantively affects the VO's decision-making in favor of women and girls.

Dr. Mansuri observed that in villages with higher schooling they found less social and economic differences within the COs. The study also established that the characteristics of a CO member tended to be predominantly male, wealthier with additional schooling, more land ownership, and more likely to be connected to the village elite.

Discussion

Mr. Qazi Azmat Isa began the discussion by identifying a key problem that inhibited society from being inclusive, and that related to the 'poverty of the mind.' He further clarified that development organizations were not ideologically fixated on one model, nor were they in the business of proscribing models, but they were amenable to exploring various models. He added that those in social development must evaluate different issues and models that were relevant, as Pakistan was a heterogeneous society, and monitoring was vital in tracking results with regular course correction. He stressed that inclusion irrespective of gender, disability and socio-economic background was vital for social change





Mr. Rashid Bajwa assessed that the barriers impeding inclusion were psychological and the greatest barrier existed with working with women. He imparted that over the years the development sector had learnt a crucial lesson, which led to the determination that communities should independently decide and dispense community investment funds and overcome financial matters autonomously without any dictums from RSPs (Rural Support Programmes) or the World Bank. Moreover, he added that LSOs (Local Support Organizations) are communicating with local governments and demanding rights, even for minor concerns such as birth certificates or voter registration. He concluded that major change in Pakistan in the future would result from the inclusion of women in the public sphere.



Dr. S Akbar Zaidi appreciated the research conducted by Dr. Mansuri and expanded on the theme of the presentation by posing certain questions. He inquired whether the research predicted the likelihood of the development of COs in certain villages based on certain community characteristics. He expressed interest in the interaction between the community and local governments, especially in their ability to interact and negotiate. His last note concerned the role of women in leadership positions in VOs and any consequent result of the politicization of women in local elections.



Question and Answers

After the concluding remarks from the discussants, the floor opened for questions from the audience. The first question addressed the establishment of different power structures and their co-relation to the success of a CO. Another question from the audience centered on the role of RSPs as catalysts for the functioning of a CO and whether inclusion mandates led to the increase of more mixed CO groups. Additional questions focused on the relationship and cooperation between COs and local governments.

Dr. Mansuri, in response to the concerns raised, addressed the need for active COs because of a lack of inclusionary policies in local governments. She emphasized that COs did not serve to undermine local governments, but to complement them. She acquiesced that this may not always be the case and that there was a need for a strong and functional state. She underscored that the concept of development was not simply promoting economic empowerment, but also citizens' rights. The problem in the past, she reflected, was that the community was seen as social capital that simply had to be harnessed. However, she objected that the communities they worked with were the most disadvantaged people in the hierarchical structure and did not have the capacity to organize. She added that the communities needed help to become cohesive and to be able to organize, and that objective would take time. This is why institutions such as PPAF and RSPs were needed, she concluded.

Closing remarks by the chair

Dr. Shobha Shetty concluded the session by terming the relationship between governments and COs as a 'supply and demand' relationship. COs create the demand by demanding accountability and citizens' rights, and the local governments serve as the supply side. This relationship, she stated, needed to be substantiated. The other crucial element in her concluding remarks was the theme of growing urbanization of poverty, which created new variants, for which, she proposed, a 'PPAF urban' would be required in the future.

Results

- The study suggests that in contexts where local inequalities of power and wealth are important, it is unlikely that inclusive local institutions will emerge endogenously.
- Villages with higher schooling exhibited less social and economic inequalities within the COs.
- Specific and clear mandates on the inclusion of marginalized sub-groups are needed.
- The inclusion of women and poor can have potentially positive implications for resource allocation and development in favour of women and girls.
- The inclusion of women in VOs helps change the mindset towards women in general, especially that of young men towards women.
- Constant monitoring and course correction was necessary in order to ensure effective programming and results.

Evidence from PPAF's Disability Baseline

Presenter: Presenter: Ms. Fahmina Puri, Senior Management Executive, PPAF

Session Two



Ms. Fahmina Puri presented the disability data from PPAF's Disability Baseline survey. She apprised the audience regarding the background of the disability programme that began in 2007 to help rehabilitate disabled earthquake victims. Observing a lack of rehabilitation programmes for people with disabilities, PPAF launched a nationwide disability programme. The main objectives of this programme were to improve the life of people with disabilities, provide better mobility, and help integrate them into mainstream society. The definition of disability they used was *'any person who is unable to perform their duties to the best of their wishes'*. They conducted the survey in seven districts of the country and found that at least 8% of the population was disabled, from which at least 28% disabled were youth.



The first priority of this programme was to determine an individual's disability, then, according to his/her needs, develop a rehabilitation plan and thus help improve his/her mobility. Part of this programme, she informed the audience, was to provide enterprise training and greater integration into mainstream schools. However, she noted, a targeted plan for disabled people resulted in a limited outreach, as the programme could only reach out to a small figure of disabled people. Therefore, as of January 2014, she concluded, PPAF had introduced a disability guideline in its entire mainstream policy. PPAF, she explained, would provide training to all Union Council members and include people with disabilities in COs so that they can inform development policies. Ms. Puri expressed hope that more organizations would follow suit in including people with disabilities into their mainstream policies.



Incentivizing development, a research study on reducing elite capture within the union council-based organizations

Presenter: Kate Vyborny, University of Oxford & Visiting Fellow at Lahore School of Economics

Chair: Dr. Imtiaz Alvi, Task Team Leader PPAF, The World Bank

Discussants: Dr. Zeba Sathar, Senior Associate & Country Director, Population Council
Dr. Allah Nawaz Samoo, General Manager, Institutional Development Unit, PPAF

Session Three



The intent of the experiment, she expounded, was to determine strategies for long-term engagement with these organizations (TTOs) once they are mature at a larger geographical level rather than at an optimal setup at a grassroots level.

Presentation: A Field Experiment with PPAF-Supported Third Tier Organizations

Kate Vyborny briefed the audience on an incentivizing development experiment, which was a randomized controlled trial designed by Ms. Vyborny in collaboration with PPAF and its partners. The experiment, she explained, was motivated by PPAF's main strategy of Community Driven Development through a multi-tiered social mobilization scheme. Currently, she explicated, there are approximately 800 TTOs (Third Tier Organizations¹) across Pakistan that PPAF supports via Partner Organizations.

Her experiment aimed to determine a methodology to create long-term sustainable development of TTOs, regardless of PPAF funding and support, and eventually lead TTOs to develop into independent organizations. Moreover, she was interested in deciphering how to encourage TTOs to engage underrepresented groups and become more inclusive, as to prevent the current scenario of elite capture by various elite groups. The experiment, Ms. Vyborny related, would ask TTOs to report on their own progress to POs and PPAF directly, using a simple four-indicator scorecard; these indicators would measure involvement in the Executive Body and General Body.

¹ The 3rd tier of community organization is usually known as Local Support Organization and is an apex organization of all the VOs formed in a specific Union Council. The 2nd tier of community organizations called the VO is a federated organ of community organizations that aims to plan and implement activities jointly at the village level. The 1st tier organization or the Community organization represents preferably all but at least 60% of households in a certain locality Mohallah/Hamlet/ Goth.



Ms. Vyborny claimed that the test measured the impact of two sustainable measures that PPAF could utilize to engage with the existing TTOs. The intent of the experiment, she expounded, was to determine strategies for long-term engagement with these organizations (TTOs) once they are mature at a larger geographical level rather than at an optimal setup at a grassroots level. She explained that the key subject they were investigating was the impact of non-financial incentives on TTOs.

She explained the division of the TTOs into three groups. The first control group would continue with the status quo, the second group focused on self-reporting through a scorecard and lastly, the third group would be issued the same score card, but with non-financial incentives. The purpose, she clarified was to verify whether self-reporting was sufficient, or there was a need to encourage self-reporting through non-financial incentives. She elucidated the multiple components of the non-financial incentive packages, and clarified that the recognition would be based on the level of improvement of the TTOs. The overall objective of the experiment, she underlined, was to investigate:

- I. Whether the TTOs were matching household needs
- II. The total involvement of women in the executive and general body
- III. TTOs' interaction with government
- IV. The level of inclusion of disadvantaged groups
- V. Breadth and depth of volunteerism in the community

In conclusion, if there were improvements in response to the self-reporting and non-financial incentives then further analysis of the study would investigate the reasons. This would help determine the kind of incentives that influenced the functioning of the three-tiered organizations. Ms. Vyborny stressed that baseline survey alone would give useful descriptive and analytical findings on TTOs across the country.

Discussion

Dr. Zeba Sathar congratulated PPAF on their first international research conference. She praised PPAF and its partner organizations for conducting projects that were essential in Pakistan. She regretted that for decades, development was viewed with a top-up approach, and that currently the perspective of development had shifted to looking at a bottom up approach. She expressed that the research outlined by Ms. Vyborny would be immensely challenging, and that she should think of supplementing her investigation with qualitative research as well. She highlighted three major challenges in the experiment; firstly, how would TTOs be grouped together, secondly how would randomization be done, and thirdly how would the research team ensure controlling and maintaining the quality of intervention. Moreover, she expressed a concern regarding the simplicity of the scorecard.

Mr. Masood ul Mulk cautioned against a few factors. He presented a similar example of a maturity index developed by SRSP in the 1990s; the results when conveyed to the SOs (Social Organizers) proved to be ineffective for them, as they relied more on their intuition and local knowledge than external research findings. He drew attention to the theme of leadership as a means to mobilize people and communities for collective action. He presented an example from the North of the country where people worked together for centuries through collectivization process, but due to commercialization, that collectivism was disappearing. He emphasized that context was very important and leadership would vary from area to area and there was a need to understand the role of experiment, positive deviance and building of coalitions.

Dr. Allah Nawaz Samoo highlighted three important dimensions; the first dimension related to institutional mechanisms, the second concerned the access to information at the ground level to help the poor to be productive and part of the decision making process, and third, the horizontal and vertical connectedness of the COs. He emphasized the importance of social networks such as organizations that were working for women's rights, as they serve as a bargaining power, especially in enhancing MDGs.



Question and Answers

Most of the audience members concluded that the experiment was extremely ambitious and challenging, and that it would be beneficial to include qualitative analysis. Some of the questions centered on the theme of geographical and sociological diversity of communities, and a challenge in comprehending and analyzing diverse business and cultural milieus. A primary concern from the audience members was that the scorecard had to measure mature indicators, but simultaneously remain simple.

Mr. Rashid Bajwa articulated the problem of the verification of TTOs as representatives of the second and first tier organizations, because, he added, TTOs eventually become independent or replace second and first tier organizations. He suggested there were a large number of female TTOs that should be incorporated in the experiment.

Ms. Kate Vyborny, appreciating the comments, answered the central theme of the questions, which was the trade-off between simplicity and complexity. She clarified that the experiment was trying to measure not only the whole package of intervention, but also the impact of certain key components. She acknowledged that there was a challenge in gathering complex qualitative understanding of what organizations were doing on the ground by using a simple four-indicator scorecard. However, she emphasized that a complex scorecard could hamper the success of self-reporting. The purpose, she iterated, was to encourage people to actively self-report, without adding any administrative burden to the community. She ended the discussion by stating that the test could be generalized to other things, but if they made it to complex, they risked initial failure.

Closing remarks by the chair

Dr. Imtiaz Alvi assayed that the organizing institutions of the poor are at the heart of a CDD approach, but that posed a number of challenges. One challenge, he highlighted was the inclusion of those that are at the bottom of the pyramid. The second challenge, he claimed, would be to identify them and include them in the process of social mobilization as an active voice. He underscored the need to create groups that have a voice, more access to resources ,greater representation at higher levels, and an accountable state government. The TTOs, he proclaimed, functioned as the voice of the people and they helped navigate the state resources.

Results

- The aim of the experiment was to determine a methodology to create long-term sustainable development of Third Tier organizations (TTOs).
- The tests measures the impact of self-reporting and non-financial incentives as measures that PPAF could utilize to engage with the TTOs.
- The experiment would also test the level of elite capture by certain affluent groups.
- The purpose was to verify whether self-reporting was sufficient, or there was a need to encourage self-reporting through non-financial incentives.
- There were reservations regarding the simplicity of a four-indicator scorecard and tradeoff between simplicity and complexity in the experiment.

Supporting Livelihoods through Microcredit

Presenter: Dr. Xavier Gine, Lead Economist Finance and Private Sector Development, The World Bank

Chair: Dr. Ashfaq Hassan, Dean National University of Science & Technology

Discussants: Mr. Syed Mohsin Ahmed, CEO Pakistan Microfinance Network
Ms. Shahnaz Kapadia, Senior Group Head, Livelihoods, Employment & Enterprise Development, PPAF
Mr. Yasir Ashfaq, Group Head, Financial Services Group, PPAF

Session Four



Dr. Gine shared that the results depicted improvements in business operations, knowledge and practice, but not in the business sales and profit.

Presentation: Money or Ideas? A Field Experiment on Constraints to Entrepreneurship in Rural Pakistan

Dr. Xavier Gine's presentations shifted the theme of the conference from social organization to micro-credit. Discussing the role of microcredit in developing countries, Dr. Gine assessed that microcredit affected individuals who are involved in self-employment. Self-employment, he continued, accounted for a large share of employment in most developing countries, especially among low-income households. Dr. Gine surmised that economically poor people are natural entrepreneurs, but they lacked capital to profit from their ideas in practice and hence escape poverty. He summarized that the concept of providing access to significant credit was to allow people to acquire productive technology including human capital and credit.

He informed the audience of the overall structure of their microcredit and business training module, which was conducted in partnership with PPAF and NRSP. They carried out an initial randomized field survey, that established the reasons for the barriers to entrepreneurship including factors such as money, capital, human resources, and ideas. He explained that a 2x2 module was set up in which participants could take business training and could borrow up to PKR 100,000 by entering a loan lottery. He established that CO members were recruited for the business training, where they were educated on business market strategies, pricing and product promotion. He illustrated the various business-training modules, which included entrepreneurship development and

market visits. After the conclusion of this training, members were given the opportunity to participate in a loan lottery.

Dr. Gine shared that the results depicted improvements in business operations, knowledge and practice, but not in the business sales and profit. However, he attributed this to the fact that the business training kept afloat businesses that would otherwise have failed. The problem, he regretted with the results was that the effects were concentrated solely on men, even though women grasped more information, but there was no visible impact on business practice and loan size. This, he inferred, might be connected to the social constraints on women such as time and mobility; women have a smaller voice in the business practices and their spouses often usurp their loans. Thus, he concluded, exposing women to new information, especially when it challenges prevailing norms may not be successful and in the future, they need a multi-pronged approach.

Discussion

Ms. Shahnaz Kapadia expressed appreciation over the results of the presentation. She conceded that there had been no emphasis on how to specifically deal with women and recommended that dealing with gender discrimination should have been a specific intervention of the training as that would have delivered outcomes that are more effective for the women compared to men. She also pointed out that occasionally in such trainings there was a gestation period, only after which the expected outcomes can be observed.

Mr. Syed Mohsin Ahmed congratulated PPAF on taking the initiative for the conference, as research was often neglected. He suggested that there was a need to review the entire spectrum and evaluate the kind of microfinance services that the spectrum required in order to progress. He suggested that the structures needed to be institutionalized; especially those that can provide risk management, particularly in disaster prone areas. He further suggested that it would be beneficial to create linkages such as between the microfinance sector to the youth loan scheme, or to low-income private schools. Moreover, there was a need to create those enterprises that would create more jobs in the future.

Mr. Yasir Ashfaq noted that these particular studies pertain to the supply side, but there are also demand side constraints. He proposed that they needed to establish whether there was a need for a market for large loans or technical trainings. He stated that increasingly in rural areas, the microfinance partners had realized that markets were weak and the infrastructure deplorable, because of which there was a need for value-chain building, irrespective of men or women who are availing the loans. He stated that specific social mobilization efforts were instrumental in empowering these men and women.



Question and Answers

The chair then opened the floor for questions from the audience. Most questions centered on the relationship between micro loans and women, and whether Pakistan was a unique case, where women did not respond to micro loans and livelihood trainings. Another concern raised was that since there was no tracking and auditing of loans there was a general perception that some loans were not utilized the way they should be and perhaps there was some way in which these loans could be tracked and linked to livelihood indicators. There were suggestions to provide microfinance facilities to ethnic and religious minorities, where financial penetration was low; moreover to qualify social factors such as attitude and thought changes and linking them to microfinance.

Dr. Xavier responded to the questions regarding the lack of benefits of livelihood trainings on women and attributed that the simple reason women do not benefit in comparison to men was due to lack of inclusion in the decision-making. In reference to the gestation period, he positively responded that if there was enough funding for another round of research it might provide valuable insight. The problem, he alleged, was that the success of microfinance was measured by the frequency of repayments, but the main measurement should be the creation and fostering of entrepreneurs. He suggested that in order to see more entrepreneurship development there needed to be more flexibility; this would result in higher productive risk taking, with a side effect of more loan default, but more thriving businesses.

Mr. Syed Mohsin, from the panel, urged people to look at the larger impact of microfinance and to focus not only on the financial results, but also on the social performance indicators. Mr. Yasir Ashfaq highlighted several Gallup studies and RCTs on microfinance that showed an increase in income of the borrowers and improvement in businesses. Ms. Shahnaz Kapadia informed that one of the areas that PPAF was working on is creating an eco-system based in the Union Council suitable for expanding businesses.



Closing remarks by the chair

Dr. Ashfaq Hassan observed that the issue of microfinance has emerged in the global economic scene after the 2008 global economic crisis. He recounted that many people in the Asia Pacific lost their jobs and the worst affected were the women and youth. As a result, he extrapolated, the world realized that growth alone is not sufficient and it needed to be more inclusive, broad based, and sustainable with involvements from governments and organizations like PPAF. He concluded that PPAF could help remove constraints of liquidity for those who are self-employed. He shared that there was discussion regarding a setup of a microfinance reserve for the Asia Pacific region, as this region carried a reserve of 6 trillion dollars and that this reserve should be utilized.

Results

- The results from the business trainings depicted improvements in business operations, knowledge and practice.
- The training provided prevented larger business failures.
- The success of the results did not translate to the female participants of the training.
- This was attributed to the lack of inclusion of women in decision-making especially in businesses.
- The training needed a mechanism through which it could also tackle gender discrimination in household decision-making.
- There was an emphasis on measuring microcredit success through changes in social factors and enhancement in thriving entrepreneurships.

Opening the Black Box: Using Games to Understand Participatory Development Projects

Presenter: Asadullah Tahir, Consultant, The World Bank
Chair: Ms. Muqaddisa Mehreen, Senior Gender Specialist, The World Bank
Discussants: Dr. Ghazala Mansuri, Lead Economist, The World Bank
 Dr. Xavier Gine, Lead Economist Finance and Private Sector Development, The World Bank
 Mr. Raza Khan, Results and Evaluation Adviser, DFID

Session Five



Presentation: Opening the Black Box: Using Games to Understand Participatory Development Projects

Dr. Xavier Gine introduced the theme of the last session of the day and explained the motivation behind the design for the black box game. He shared that the intention behind development projects pertained to the improvement of social cohesion through community participation, greater yield of accountability and greater inclusive development. Dr. Gine divulged that these were difficult questions to ascertain. The conventional method of conducting surveys had the drawback of the interviewees responding in a way that satisfied the interviewer. The advantage of playing a game, he indicated, was that it allowed them access to a controlled environment with players from the same community. He believed that the data collected through the gaming methodology gave them an accurate measure of the data for social cohesion.

Dr. Xavier Gine, shared the results of the outcome of the games, which depicted that the distribution of the Village Distribution Fund tended to be more egalitarian when there was a ratification clause implemented.

Mr. Asadullah Tahir resumed the description of the procedures of the games. The goal of the games, he continued, was to measure the increase in social capital, because of the intervention done by NRSP. They invited 86 individuals to participate and each participant was allocated with PKR 170 for this special survey. He explained the setup of the game that equally divided men and women separately. One of the games mimicked the intervention done by NRSP, by putting the entire village development fund to a vote. In half of the treatment villages, there was a ratification requirement, which meant a certain portion of the village had to approve the allocation of the Village Development Fund. He expanded on the procedure and technicalities of the various games, such as the public goods game and the third party punishment game. He exemplified the details and outcomes of the game through graphic illustrations and live audience participation.

Dr. Xavier Gine, shared the results of the outcome of the games, which depicted that the distribution of the Village Distribution Fund tended to be more egalitarian when there was a ratification clause implemented. The public goods game meant to reflect the nature of social cohesion in the village, while the third party punishment game correlated to leadership skills. The results, he imparted, found that the average contribution of men is higher than the contribution by women, both at the baseline and midline surveys. This, he pointed out, was different from the literature that stated that gender should not matter in contribution. He presumed that the possibilities for this were that women could be more risk averse, or less altruistic than men, or that women expected lower contributions from the rest of team. Further games that were played indicated that women were more risk takers, but in the games that measured altruism, women contributed less than their male counterparts did. The other intriguing result, Dr. Gine underlined was that under inclusion and ratification mandates overall contributions tended to be lower; however, he added that there were no definitive results to explain this. He concluded that that they had collected data on this issue and in the future would have an analysis to explain these anomalies.



Discussion

Dr. Ghazala Mansuri conveyed that there was suggestive evidence that where inclusion and ratification mandates were enforced, communities exhibited patterns that are indicative of greater empowerment expressed through dissent. This meant that individuals were more aware of their rights, and their displeasure was a signal of empowerment as a byproduct of an increase in their aspirations and expectation. However, data to verify this had yet to be evaluated.

Mr. Raza Khan was interested in the new dimensions that this method of conducting surveys highlighted as compared to the traditional survey based methods.

Mr. Asadullah, reiterated that the disadvantage of relying on traditional surveys was the disparity in individual perceptions, as different people interpret questions differently. Once money is added, he explained, the scenario becomes more realistic. Dr. Mansuri further argued that the greatest drawback of surveys was the problem of people responding to what they thought the interviewers wanted to hear.

Question and Answers

The session proceeded to answer queries from the audience. Most of the questions focused on the highlighted difference between the contributions made by men and women. One of the concerns, from the audience, was the attribution of natural differences between men and women without any evidence, because that could become incorporated into various narratives. There were several suggestions to understand this disparity. One participant argued that women could

be more risk averse, which would explain the less contribution in inclusion mandates. Another suggestion was that women tended to be primary caretakers of their children and hence tended to hold back their financial contributions. Another concern was the validity of subconscious perceptions as short-term markers for long-term changes.

Dr. Gine clarified that the analysis was based on the results from the people that participated that the game. He responded that if women had liquidity constraints, they would tend to choose the safe lotteries, but instead they tended to choose the higher expected return lotteries. He stressed that they employed only neutral rules and language to explain the games. Dr. Mansuri objected to the perception that the results negatively represented women. This was an anomaly, she explained, but they needed more evidence and data to explore the gender dimension.

Closing remarks by the chair

Ms. Muqaddisa Mehreen ended the discussion by highlighting the transition from hard to soft methodologies, such as greater focus on perceptions and the development of certain trends. She advocated the use of multiple methodologies to confirm the reliability and accuracy of the tests, which could consequently expand awareness of the current affairs.

Results

- The black box game was designed to measure the improvement of social cohesion through community participation.
- The results indicated that distribution of the Village Distribution Fund tended to be more egalitarian when there was a ratification mandate.
- The average financial contribution of men tends to be higher than the contribution by women.
- Under inclusion and ratification mandates, overall contributions from individuals tended to be lower.
- Women tended to contribute less than the men who were participating in the game.



DAY TWO

FIRST INTERNATIONAL CONFERENCE ON
RESEARCH AND LEARNING

April 3, 2014

CGAP Evaluation Results: Global Study on the Effect of Asset Transfer on Ultra-Poor Households

Presenter: Ms. Samia Liaquat Khan, Group Head- CQA, PPAF
Chair: Dr. Qazi Azmat Isa, CEO PPAF
Discussants: Dr. Imran Rasul, Professor of Economics, University College London
 Dr. Faisal Bari, Associate Professor of Economics, LUMS, Deputy-Director, Open Society Foundation
 Ms. Kate Vyborny, Visiting Fellow LSE, University of Oxford

Session Six



Presentation: Impacts from a Study of the Graduation Model Targeting the Ultra-Poor

Ms. Samia Liaquat Ali Khan presented the study on the graduation model administered by CGAP and authored by Dean Karlan and William Pariente. The study was a global experiment to test the success of this model as a poverty alleviation mechanism targeted to help graduate the ultra-poor out of poverty. In Pakistan, the experiment was implemented through PPAF in the coastal area of the Sindh region, where 65 villages were given an asset transfer worth USD180.



Ms. Liaquat contended that the study was distinct because it focused on the effects of asset transfer, through 10 pilot countries across the globe, with Pakistan yielding the third best results. She outlined the timeline of this project and the survey modules that were used, such as household information, health indicators, education and consumption. In order to determine the band of the ultra-poorest they used participatory wealth ranking at the community level; once the poorest were identified and later verified by the field officers, the designated households then participated in a public lottery to select the treatment and control groups.



In the presentation, Ms. Liaquat enumerated the various assets that were transferred, with livestock being the largest asset transfer choice of most households. The impact of the programme was assessed through the change in the lives of clients as compared to a change in their lives in the absence of the program. Ms. Liaquat shared the results from all three surveys: the baseline, midline and the final. She informed that the largest effect in the treatment households was the increase in the number of assets. Moreover, the results indicated that with the



Moreover, the results indicated that with the increase in asset value, the programme also increased household income, consumption, food security, and increased social empowerment, whereas reliance on informal debt decreased, and more treatment households became members of COs.

increase in asset value, the programme also increased household income, consumption, food security, and increased social empowerment, whereas reliance on informal debt decreased, and more treatment households became members of COs. However, at this stage, she confessed, they did not detect significant program impacts on secondary outcomes such as adults' physical health or children's school attendance. The researchers found that overall there was a graduation of the ultra-poor, but still within the poverty band.

Ms. Liaquat defined the role PPAF had played in facilitating the programme and the plans to enhance the asset transfer programme. However, she annotated that the asset transfers on their own were not sufficient, and they needed to enable an eco-system with increased livelihood support, with the need to integrate health and education sectors. In the future, she accentuated the need to empower women as owners of actual assets.

Discussion

Dr. Faisal Bari discussed the implications of widening the programme to other parts of the country and the change in variables of the treatment. He was intrigued by any positive or negative spillovers in the villages from the programme and suggested that before expanding this asset transfer programme it was essential to investigate alternate policies that impact the ultra-poor. Moreover, he advised that they should determine the multiplicative factors that can ensure sustainability in the long-term. His last comment was regarding the increase in entrepreneurial activity, and its impact on risk preferences.

Ms. Kate Vyborny noted the complexity of the study and suggested a long-term follow up, which would help attenuate the results that may not have matured in the short run. She expressed her reservations regarding the participatory wealth ranking, which was a mechanism well established to identify the poor in the short term; but in the long term there were chances of potential gaming. She also raised doubts with the claim of greater community empowerment, as it could be a mechanical byproduct; she deduced that the social mobilizer had to interact with the beneficiaries, which might have resulted in their inclusion in the CO. In order to affirm this result, she proposed they note the active participation of those members.

Dr. Imran Rasul accentuated the importance of appreciating the heterogeneity among households, especially while comparing the different results across countries. He advocated the identification of the failures that prevent the programme in becoming self-sustaining. He was interested in the general public perception of the lottery. Moreover, he suggested that food security and health should be measured through infants and not adults; they should focus on child nutrition, birth weight differences, and expectations of parents for their children. He also suggested investigating the spillover effect on other institutions such as infrastructural development.



Question and Answers

The question and answer session focused on the results from the study. A major concern was regarding the future of the study and the implications of transforming it into a national programme. The other important factor was the fundamental change and the extent of the decreased reliance on money borrowing. Most participants cautioned against establishing premature conclusions and the need to measure indirect effects such as leadership development and the increase in operations of other organizations in the area. The audience similarly agreed that on the economic side, it was established that this intervention was effective, but on the social side it was alarming as there was no increment visible in health and education, which were areas identified for future research.

Ms. Liaquat responded that all the points raised were insightful and would be conveyed to the authors to keep in mind when further developing their study. She informed the audience that the authors had noted the negligible impact on health and education was consistent in all the studies carried out across the globe.

Closing remarks by the Chair

Mr. Qazi Azmat Isa in his closing remarks enlightened the audience on the genesis of this study, which he termed as a classic example of outside learning. In regards to programmes targeting the vulnerable poor, they needed to combine different sectors and the ultra-poor had to be supported for a while in order to make a difference. The results of this study at a pilot scale were interesting, but he conceded that there remained certain concerns, which they would take into account. He reminded the panelists that education and healthcare effects required a long period to actualize. He professed that poverty was not homogeneous and stressed that no single programme could prove as a single solution. There were several unanswered questions regarding the impact of trainings and handholding, but he was pleased that civil society had matured enough to incorporate and appreciate analysis and research.

Results

- Three years after the implementation of the asset transfer program, results showed that the situation of treatment households had improved in many dimensions in comparison to the control group.
- Livestock was the largest asset transfer choice of most households in the treatment groups.
- The results indicated that there was an increase in asset value, as well as increase in household income, consumption, food security, and increased social empowerment.
- There was a decrease in reliance on moneylenders and informal credit.
- There were no visible outcomes on social indicators such as healthcare and education.
- The scaling up of the programme would include increased livelihood support and empowerment of women as asset owners.
- Suggestion of a long-term follow-up to evaluate results that were not visible in the short run.
- Establishing mechanisms that ensure sustainability of the programme in the long term.

Hard Talk: Performance Incentives in Mission Driven Organizations

Guests: Dr. Ghazala Mansuri, Economist, The World Bank,
Dr. Xavier Gine, Economist, The World Bank
Moderator: Ms. Samia Liaquat Ali Khan, Group Head-CQA,
PPAF

Session Seven



Presentation: A Field Experiment with PPAF-Supported Third Tier Organizations

Ms. Samia Liaquat introduced the theme of the session, which related to the topic of the fourth brief; a, "Study on the performing incentives in multi mission organizations", designed by Dr. Ghazala Mansuri and Dr. Xavier Gine. She commenced the conversation by inquiring about the necessity that led to the study and the demand that motivated the research.

Dr. Mansuri in response related that the main purpose of institutions such as PPAF and the RSPs was to facilitate social mobilization and empowerment of poor households through the strengthening of the organizations of the poor at the community level. Dr. Ghazala detailed that with the substantial increase in microloan programmes by NRSP and PPAF, there was concern about the impact of this increased emphasis on micro credit and repayment on the quality of the social organizations. The research was in response to this structural change and its subsequent effect on the performance of the frontline staff, primarily the Field Assistants (FAs).

This research, she described, was to measure the way FAs viewed their own mission. As a result, they designed a performance-based incentive programme that targeted different aspects of their overall mission. The dynamic they were looking to examine was if FA's were incentivized on one dimension of their tasks, then what would be the impact on the other dimensions of their jobs. She explained that they designed two performance based bonus contracts for the FAs in order to test any potential tradeoffs. There was a credit bonus that incentivized their performance on disbursement and loan recovery, and a social bonus that



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incentivized performance based on observable parameters of social empowerment, such as formation of new COs, quantity of meetings and savings by the CO members. A third group was observed as the control group.

Dr. Mansuri delineated the average results of the bonus programmes. She revealed that with the financial bonus, repayment improved on the 20th of the month by 7% on average, when the bonuses were due, but otherwise there was no difference of payment at the end of the month. However, there was a negative impact on the social outcomes such as attendance in meetings declined. In contrast, the social bonus FAs improved repayment slightly and improved social outcomes, such as an increase in CO formations and attendance. They also examined the impact of partnerships between FAs on performance in each of the incentive packages. They found that partnered FAs on the social bonus track perform poorly on the social and financial outcomes, this she attributed to the possibility of free riding among partners.

Dr. Mansuri explained the concept of intrinsic motivation; half of the frontline staff listed their motivation as caring about poverty alleviation. Unfortunately, she related, the results showed that by providing monetary incentive, those that are intrinsically motivated do not improve performance; however, they do no worse than the control, but those who are not intrinsically motivated do better. She suggested that these incentives could be a means through which to target the non-intrinsically motivated.

Ms. Liaquat addressed the controversial issue regarding whether those organizations that foster community mobilization should also assume the role of micro-finance. She postulated that this role of social mobilizer and credit officer could play a contradictory role. Dr. Gine responded that most social mobilizing programmes target the ultra-poor who are not subject to microcredit; the programmes institutionalized are meant to bring them to a level where they can be part of microcredit. Furthermore, he added that microcredit activities had been branched off to the banks, so that it should not impact the social mobilization efforts being carried out.

Dr. Mansuri indicated that the next question for them was to determine the structure of the incentive packages. She averred that the frontline staff becomes exhausted, as their jobs require intense energy with few opportunities to be recognized; they needed to create better systems for career development and stressed the importance of working in teams.

Question and Answers

Audience members posed the possibility of effects on the results from any previously institutionalized incentives. There were also queries regarding any possibility of gaming the incentive programme and the presence of any non-monetary systems that may offset the monetary effects. Mr. Masood ul Mulk was skeptical regarding the veracity of the intrinsic motivation responses and results. Another audience member suggested the inspection of the existing financial incentives in nonprofits, such as Khushhali Bank, as a model for the incentive programme.

Dr. Mansuri and **Dr. Gine** avowed that there were no chances of gaming the system; the work of the FAs was monitored and evaluated by CrOs and SOs. They believed that the people with implicit incentives will not respond to additional monetary incentives.

Results

- They designed two performance based bonus contracts for the FAs in order to test any potential tradeoffs.
- The social bonus FAs improved repayment slightly and improved social outcomes, such as an increase in CO formations and attendance.
- The partnered FAs on the social bonus track perform poorly on the social and financial outcome due to the possibility of free riding among partners.
- The intrinsically motivate do not perform any better through monetary incentives.
- There needs to be further exploration and construction of a better system of incentives and career developments for the frontline staff.

Bottom up or Bottom down? Participation and the Provision of Local Public Goods

Presenter: Dr. Ghazala Mansuri, The World Bank
Discussants: Dr. G.M Arif, Chief of Research, Pakistan Institute for Development Economics
Dr. Abid Suleri, Executive Director, Sustainable Development Policy Institute
Mr. Zaffar Pervez Sabri, Senior Group Head, Public Goods and Services, PPAF

Session Eight



Presentation:

The third session of the day focused on the survey conducted by the World Bank to measure the impact of community partnership on the quality of a project. The most important part of the survey was to compare the quality and targeting of infrastructure projects supported by the RSPs with similar projects delivered by government line departments in the same village. Dr. Ghazala Mansuri elucidated the data survey mechanism and the overall process of evaluation of the projects. They had tasked a team of engineers to collect administrative and technical data on project design, construction quality, and maintenance. She added that it had been difficult to collect the data for government projects, because of lack of documentation.

Dr. Mansuri shared the results of the engineer's survey: they had noted that community built projects were better designed, constructed and maintained than comparable projects delivered by government line departments, and the effects were economically large. This case, she specified, was unique to the RSPs in Pakistan, this was because maintenance costs were built into project costs at the proposal stage, and while the community was responsible for project maintenance, the RSPs continued to provide technical assistance as needed. However, she deprecated that the benefits from the participatory project were no better distributed than benefits from the relevant government project. Both types of projects tended to be located in settlements that are wealthier, high caste dominant, and where politically influential people were settled. She noted that this situation might have altered with the introduction of inclusion mandates in the communities.

Discussion

Dr. G. M Arif articulated that the research design was impressive and the selection of comparable schemes from community partnerships and governments must have been tedious. He particularly appreciated the use of professionals in ascertaining the results. He inquired about the issue of selecting a project completed by an RSP in a village where a government scheme had failed. He postulated whether it would have been beneficial to include villages that had either only government schemes or only RSP schemes. His second suggestion was regarding the fact that these findings depicted an overall better performance of RSPs is, but in terms of poverty reduction, there were problems and that this type of intervention had perhaps increased inequality.

Dr. Abid Suleri appreciated the shift in perspective in the development sector from handing out a fix-all panacea to instead empowering communities with homegrown solutions. He encouraged more learning about local political economies and their analysis. Previously, he stated, development was viewed through linear lenses, but currently they had realized an inter-disciplinary approach. He shared that a similar review by SDPI of projects from Sindh Rural Support Programme found that in remote areas of Sindh, project beneficiaries were more equally distributed than in Punjab. This he reasoned was because remote villages in Sindh tended to be more homogenous, whereas in Punjab there was high level of heterogeneity. He ended by emphasizing the need to approach poverty as multi-dimensional, and social mobilization was an excellent tool for this and the next step was to empower and understand local political economies.

Mr. Zafar Pervaiz Sabri was concerned with PPAF involvement in public goods that were owned by the government. He believed PPAF should also be involved where the government did not have access. He felt that study addressed some of these concerns. He noted that one of the achievements of PPAF has been to successfully eliminate leakages of finances completely, hence ensuring a low cost.. He further articulated that COs were now more inclusive and that should help in preventing elite capture. He expressed discomfort at the over-lapping of boundaries between public and private goods such as education, and link roads, which led to the larger debate of the definition of a public good, and its use as a private good.



Question and Answers

The theme during the question and answer session stressed that contexts play a crucial role and that should be kept in mind for future research designs in other areas of the country. Some of the other concerns from the audience were the criteria of the measurement of the number of beneficiaries, the lack of beneficiaries affected by irrigation projects and whether the government line



departments should adopt a similar model of employing in house technicians, such as the RSPs had done.

Dr. Ghazala Mansuri, in response clarified that government schemes that were selected were functional and that they avoided choosing only government and RSP project areas. She explained that the information from this study had been utilized in the construction of the design for PPAF III. She explicated that the reason for better maintenance of RSP projects was the presence of a community organizer who connected the village with technician staff. She agreed that project benefits were unfairly distributed in unequal villages; these communities were also less likely to choose irrigation projects.

Results

- Community partnership projects were better built, designed and maintained than government line projects.
- Community built public goods were economically more cost effective than government built projects.
- The participatory projects were as unfairly distributed among beneficiaries as government projects.
- It is essential to empower and understand local political economies in order to tackle poverty.

Asset or Cash Transfers: A Question of Choice

Presenter: Dr. Imran Rasul, Professor of Economics, University College London

Chair: Dr. Naved Hamid, Dean Centre for Research in Economics & Business, Lahore School of Economics

Discussants: Ms. Shahnaz Kapadia, Senior Group Head, LEED, PPAF
Ms. Aban Haq, CFO Pakistan Microfinance Network
Dr. Manzoor Awan, Associate Country Director, Oxfam Pakistan

Session Nine



Presentation: In-Kind Asset Transfers versus Unconditional Cash Transfers

This session addressed the central debate of whether in-kind transfers were more effective than cash transfers. Dr. Imran Rasul demonstrated the principle microeconomic foundations of perfect market behaviours and the implications of unconditional asset transfer versus cash transfer in a perfect market condition. Navigating through graphic illustrations, he estimated that eventually both scenarios would yield the same results. The problem, he identified, was that real markets function differently and that multiple market imperfections led to varied results between unconditional cash transfers and asset transfers.

Dr. Rasul outlined the overall survey model and the inclusion of both poor and non-poor households to determine the root cause of poverty. The first variable in the imperfect market, he identified, was the cost of accessing markets for the poor, for example the distance from the livestock market. They surveyed various actors on the supply side of the livestock market such as vets or cattle markets, which allowed them to determine whether the supply side was responsive to the requirements of the asset transfer.

Another cause for variation between in-kind and asset transfers, he highlighted was a missing market for skills, credits, and information, which could make unconditional cash transfer less effective. They collected data from across wealth classes on various projects, such as their expectations or uncertainty over earnings from livestock and credit market participation. In poorer rural areas another variation, he included was a missing market for social insurance. The study recorded the way in which cash was informally transferred in the community through households



The study deduced that the considerable difference between the poor and rich is the discrepancy in productivity in their livestock, whereas their skills and knowledge tend to be at the same level; animals of the rich tended to be more productive and as result the rich engaged in more commercial activities.

because of extended family networks and the variation of these informal demands across wealth classes.

The less tangible factor, he distinguished for a divergence between in-kind and UCT related to the decision making processes in households. He described that women have less say in the way cash was spent in unconditional cash transfer, but had more decision-making rights in the in-kind cash transfer. He connected this to the context of varied preferences between men and women. He addressed other policy relevant issues, and concluded that between in-kind versus conditional, in-kind tended to be more costly.

Dr. Rasul elucidated the research mechanism for determining the pattern of economic lives of households in particular villages and their list of assets. He mapped the different data collecting models and surveys. Accordingly, he explained, they prepared asset bundles and cash option for treatment villages to test which mechanism seemed most effective. There were two treatment groups, the first treatment group duplicated the regular asset transfer programmes, where an in-kind asset transfer, of any value combination up to the value of PKR 50,000, combined with business training was offered to the beneficiaries. The second group was offered the equivalent amount in cash instead of assets, and a third group consisted of the control group.

The study deduced that the considerable difference between the poor and rich is the discrepancy in productivity in their livestock, whereas their skills and knowledge tend to be at the same level; animals of the rich tended to be more productive and as result the rich engaged in more commercial activities. He accentuated the potential sources of divergence driving returns to UCT and in-kind transfers. He summarized that, between cash and asset transfers what is better depends on which market imperfection exists will overall affect the design and the cost of the social protection programmes.

Discussion

Dr. Manzoor Awan asserted that the asset and cash transfers were effective mechanism that economically aided the poor and ultra-poor. He praised the longitudinal design of the research and reiterated that apart from asset transfer, credit and skills were important. He appreciated how the study bolstered the number of activities that development organizations were doing. He diagnosed that it was difficult to channel cash transfers to ensure that money was used for income enhancement. He also stated that it is important to design programs according to people's needs and to support vulnerable people. He intimated that both programmes if combined with skills and some conditions and incentives the program might prove more effective. This analysis, he concluded provided evidence for policy campaigning particularly for government programmes.

Ms. Aban Haq stipulated that the poor people are not homogenous and the needs of the vulnerable and poor vary, therefore, programmes should have different targets and methods to deal with poverty. She referenced a study conducted by PMN with the World Bank to understand the different types of cash transfer programmes and their implementation. They found that there were no concrete structures to these programmes; moreover a lack of information of the benefits, and other multiple factors that were obscure. She thought that government programmes could benefit by this study and it could add value to policy makers and help them create policies suitable for the poor. She also presumed that this study could be useful for the microfinance sector.

Ms. Shahnaz Kapadia was curious regarding the framework of the study and the role of the key players, for example the partner organizations. She speculated whether certain organizations were fit to conduct certain projects than others. She stressed that heterogeneity had to be assumed, but there was a need to think in terms of knowledge, skills and attitude and with more flexibility around those three factors.

Dr. Naved Hamid, the chair of the session summarized his points, and was curious regarding the number attributed to the cost of training and its relation to the unconditional cash compensation. The other point he raised was the inclusion of BISP recipients and their relevance in the programme design.

Dr. Rasul addressed these concerns by stating that the survey gave them a good idea regarding the political economy and the nature of heterogeneity. He stated that they should be able to identify BISP recipients in the survey. He clarified that costs associated with training and other asset provisions was the average cost documented by PPAF. The study, he reiterated, would provide an indication of what type of policy to implement given resource constraints.



Results

- The study investigated whether the form of social assistance to the poor mattered
- The various potential outcomes from giving in-kind and UCTs depended on the kind of market imperfection that existed in that village.
- In-kind transfers overall tend to be more costly, but it is difficult to channel unconditional cash transfers for income enhancement.
- Heterogeneous differences have implications for policy design and policy targeting
- The survey included both eligible and non-eligible households in the same village in order to determine factors effecting market imperfections.

Information and Empowerment

Presenter: Dr. Xavier Gine, Economist, The World Bank
Chair: Mr. Marc Andre Franche, Country Director UNDP
Discussants: Dr. Feriyal Amal Aslam, Head of Department Development Studies, PIDE
 Dr. Aisha Khan, CEO, Research and Development Studies PIDE
 Dr. Imran Rasul, Professor of Economics, University College London

Session Ten



Presentation: Information and Empowerment



Dr. Xavier Gine introduced the session topic by asserting that although women have acquired de jure rights to participate in democratic institutions, there still existed barriers to effective participation by women, both as voters and legislators. The research, he displayed examined the barriers to participation of women as voters. The costs of participation for women, he noted, was higher due to social constraints, such as cultural stereotypes and security concerns in conflict environments that restrict choices and mobility of women. Another significant reason, he underscored, was a lack of information. Dr. Gine analyzed that women, due to illiteracy, have fewer and poorer sources of information about the significance of political participation and the balloting process.



The research focused on determining whether an increase in information to women would correlate to an enhancement in female voters and a change in their candidate choice. The concept that the presentation illuminated was that although it was difficult to change attitudes quickly, information could be provided expeditiously, that could potentially improve equity in 'voice'. The researchers also wanted to observe any spillovers from the effects of providing information. Dr. Gine sketched the overall process of the study; they had provided information through door-to-door information campaigns directed at rural women just before the February 2008 national elections in Pakistan. They divided the treatment groups into two subgroups. The first were informed of the importance of voting and the second treatment group was cognizant of the same information plus the significance of secret balloting; emphasizing the importance of the ability to vote in accordance with one's own preferences without external pressure. They treated all



The results, he disclosed, showed that there were substantial peer effects and that control households in treatment clusters behave similarly like the treatment households.

women in the household at the same time without the presence of the male members. He displayed the various visual aids that were used in helping women understand the significance of the voting process.

This treatment was carried out in particular villages in Sindh, where there was high electoral competition. He explained that they divided each village into geographical clusters and some clusters were used as buffer clusters, so that sample clusters were all geographically non-contiguous. He then explicated the overall patterns of clusters and the timeline of visitations. The results, he disclosed, showed that there were substantial peer effects and that control households in treatment clusters behave similarly like the treatment households. At the polling station level, effects were much larger, for every 10 women treated; there were nine additional votes, explained by the spillover effect, which proved that this was very cost effective. However, he noted that men were unresponsive to the information provided, and that men in treated households have significantly less knowledge about the women's candidate choice.

Discussion

The session then moved towards a short discussion from the panel. Dr. Aisha Khan inquired regarding the age group of the women who participated in the treatment and their eventual voter turnout. She speculated that younger and unmarried girls tended to get less attention and as a result, information reached them less often. Dr. Imran Rasul commented on two issues, he suggested games as mean to test the decision-making at the household level and the percentage of the women treated who went out and voted. He wanted to assess whether the underlying problem was that men restricted women to vote, or lack of information was the root cause. Dr. Feriyal Aslam was interested in the male sample and the reasons for the lack of change in men's attitude.

Dr. Gine in response to the discussants comments clarified that the whole exercise was executed in 2008; they had checked for any violence and the pressures that women might have faced by someone in the booth or the presence of information by any other political parties. He professed that there had been no problems reported and protocols had been followed. He answered that they had not examined any male sample, but in future studies they would scrutinize the male response as well. Until then, he stated, they could only intimate that the only way that the male attitude would have changed was if they had discussed it with the women in their households. He linked this with the results of the business trainings, which had little effect, because women had lesser input in the decisions of the household, but women on an individual level could exercise the information imparted to them. He affirmed that there were some women who had not voted before and the treatment had had no visible effect, suggesting that there were barriers beyond information, such as obstacles presented by their spouses.



Question and Answers

Dr. Mansuri added to the discussion that it was not necessary that those who participated in the elections from the COs were individuals who have been recently empowered. In fact, she reminded the audience that traditionally people who join COs and VOs were normally wealthier and politically influential people. Therefore, she was interested to see the emergence of new people with the introduced inclusion mandates. Another point raised by an audience member was that the work regarding electoral information should be continuously conducted; then they would notice change in the long run as well.

Closing remarks by the chair



Mr. Marc Andre commented that social change was a constant social investment and affirmed that work should be conducted over an extensive period. He appreciated the insights provided by the presentation and the importance of political participation. This tied into his earlier comment in the session that it was important to know the kind of information that was being provided and the nature of the advocacy. He had shared that 30% of the locally elected persons had previously been part of CO's in Baluchistan, so it was plausible that social development created a certain lasting social impact and empowerment. He also suggested an introspection regarding the role of media penetration in pushing women to vote.

Results

- The study assessed the implications of providing information and its subsequent effect on voter turnout and candidate choice.
- At the polling station level, for every 10 women treated, there are nine additional votes.
- Turnout among both targeted and untargeted women in treatment clusters increased by 1.2 female votes for every 10 targeted women.
- There was an overall increase in the number of female voters in treatment clusters as opposed to control clusters.
- There is no effect on men in the households that were treated, men in treated households were also less aware about the women's candidate choice.
- Some women did not respond to the information programme, suggesting that there were other factors impeded women's vote.



CLOSING CEREMONY AND REMARKS BY THE CHIEF GUEST

Mr. Sartaj Aziz was invited to close the first International Conference on Research and Learning. He complimented PPAF and its partners for hosting the event; and emphasized the importance of recording and analyzing experiences, which could help further research in informing policies at a national and international level. He shared that his own research focused on the political aspect of poverty reduction.



He underlined nine political dimensions that informed and shaped the decision-making and path to poverty reduction. The first dimension, he noted was the pattern of land ownership, which needed reformation. Poverty would remain unaffected, he assessed, until land was not more equitably distributed, citing the example of China. The second dimension was the political power base of the government; it was vital that the country elites be invested in reducing poverty. The third measure was a need for a decentralized government. Elected local governments, he asserted were a good mechanism to decentralize governments. The fourth factor was the participation of the poor in governance and development, with a vested and continuous voice in governance related issues. The fifth and more complex issue was the degree of polarization in society, some societies were discriminated and marginalized, which hindered equality in the state.



His sixth note was regarding the importance of the capacity of administrative structures to implement pro-poor programs. He stated that every government had nicely planned documents, but these required practical mechanism by which resources could reach the poor. His seventh point highlighted the importance of an independent judiciary that guaranteed human and civil rights. He also stressed the

importance of fair labour markets; generally, poorer employees were deprived of social benefits. He indicated that the terms of trade needed to be positive, especially in relation to agriculture, which was the source of income for most of the population. His last and ninth dimension was that the proportion of financial and budget resources for social sectors such as health and education, which should reach and affect the poor.

He underscored that pro-poor policies that actually cater to eliminating poverty should be implemented and regretted that not enough resources were allocated to the poor. His overall assessment of the state in the country suggested that there were reasonably good prospects of eliminating poverty. He concluded that they needed more progress on the legal side and the right to food security; food could be produced through good agricultural policies, but access to food was also critical.



CLOSING REMARKS BY MR. QAZI AZMAT ISA

Mr. Qazi Azmat Isa praised the work of both Sartaj Aziz and Mr. Shoaib Sultan Khan, as both, he distinguished, were luminaries in their field. He appreciated the research of all the presenters and the insights of the discussants who had participated. The institution of poverty alleviation was the amalgamation of everyone's efforts and this conference provided a valuable opportunity to interlink the research findings to the fieldwork being done. He expressed his elation in regards to the growing awareness and need for research and course correction by the civil society, which he perceived as a sign of maturity. He reviewed that the range of topics explored in the conference was extensive with a special focus on gender, and highlighted the importance of greater introspection with a need to analyze more than just the statistical data. He cited the example of their research on microfinance that showed an increased number of female borrowers from 50% to 77%, but by analyzing the data further they identified that most of the loans were being shifted to the male members, as a result they looked to course correction to ensure empowerment of women. He encouraged the audience members to go the extra mile in order to create an inclusionary and poverty free society.

CONCLUSION

The International Conference on Research and Learning was lauded as a welcome initiative by the participants, academics and civil society members, as it created a platform for PPAF and its research partners to disseminate and analyze their current research findings. These research projects were strongly based on the experiences and policies from the field. **The Express Tribune commended** “that the studies had a practical approach and were not just an addition to bookish knowledge...other organisations, especially our academics, should also follow suit and hold such conferences so that the research studies have a practical orientation and cater to solutions of societal problems.” (**Researchers Without Solutions, May 8, 2014**)

The central findings from the conference affirmed that information and education could play a pivotal role in positively altering societal economic behavior and social empowerment. The research depicted that access to information increased and empowered women as voters; moreover, villages with higher levels of education tended to be naturally more inclusive than villages with very low or negligible levels of education. The inclusion of women and the disabled featured as a prominent component of mainstream development policies; this was justified by the research that the inclusion of women in VOs helped change the mindset towards women in general, especially the attitude of young men. There was a consensus that the success of microcredit should be measured by changes in social factors and enhancement in thriving entrepreneurships. Wherefore, the need for regular evaluation and course correction was necessary in order to ensure effective programming and results, was endorsed.

The International Conference on Research and Learning was promised to be kept as an annual event, organized by PPAF, to continuously inform and update the research that is taking place in the development field.

Profiles of the Researchers



Dr. Ghazala Mansuri is a lead economist in the Poverty Reduction and Equity and Development Research Groups at the World Bank, and is the co-author of the recent report 'Localizing Development: Does Participation Work?' Dr. Mansuri has published extensively in leading journals in economics and development, including the American Economic Review, the Review of Economic Studies and the Journal of Development Economics. She holds a Ph.D. in economics from Boston University.



Kate Vyborny is a final year doctoral candidate in economics at the University of Oxford, where she holds the Rhodes scholarship. Kate's research focuses on Pakistan; her doctoral work examines issues of public service delivery and political economy. Her postdoctoral research also includes work on community organizations, gender, urban development and public transportation. Kate is a visiting faculty member at the Lahore School of Economics, where she is collaborating with Hamna Ahmed and Asha Gul, along with Simon Quinn at Oxford and PPAF, on a randomized control trial with Third Tier Organizations. She is also a visiting faculty member at LUMS. Before coming to Oxford, Kate worked on development assistance effectiveness at the Center for Global Development and on trade and development at the Carnegie Endowment for International Peace. She holds bachelor's degrees in Economics and International Affairs from the University of Georgia in the U.S.

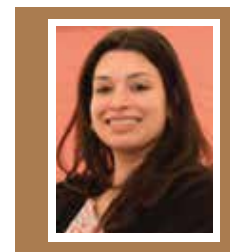


Dr. Xavier Gine is a Lead Economist in the Finance and Private Sector Development Team of the Development Research Group at the World Bank. He is currently a BREAD affiliate and Associate Editor for the Journal of Development Economics. Since joining the World Bank as a Young Economist in 2002, his research has focused on access to financial services and rural financial markets. In recent papers he investigated the macroeconomic effects of credit liberalization; the relationship between formal and informal sources of credit in rural credit markets; indigenous interlinked credit contracts in the fishing industry and the impact of microfinance services such as business training and financial literacy, micro-insurance and micro-savings. Prior to joining the Bank he was a postdoctoral fellow and lecturer at the Economic Growth Center at Yale University. He holds a B.A. in Economics from Universitat Pompeu Fabra in Spain, an M.A and a Ph.D. in Economics from the University of Chicago.

Asadullah Tahir is a Consultant with the World Bank. His work with the Bank includes the randomized evaluation of the Mobilization for Empowerment project with PPAF & NRSP, as well as behavioural economics and experiments focusing on measuring social capital, benevolence, trust and enforcement. Prior to working with the Bank he worked as a Research Associate at the Economics Department at LUMS on wide ranging issues especially devolution, inequality and land revenue. He holds an MPP from University of California, Berkeley and a BSc Economics degree from the Lahore University of Management Sciences.



Samia Liaquat Ali Khan holds a Masters of Public Administration (MPA) from Columbia University, and an MSc in Development Studies, from the School of Oriental and African Studies (SOAS), University of London. She is currently Group Head of Compliance, Quality & Assurance (CQA) Unit within/at Pakistan Poverty Alleviation Fund (PPAF). She has worked in the development and human rights sector since 1993, both in Pakistan and internationally/in other countries. Ms. Samia has also worked with NGOs and community-based organizations across East Africa, South East Europe and South Asia. As a consultant, she has designed a monitoring and evaluation framework for the Global Campaign for Education, undertaken a number of program evaluations for Womankind Worldwide, International Planned Parenthood Foundation, and others, and has had two reports published in UK, as well as written chapters for an upcoming report on MDGs in the Arab World for the UN Economic and Social Commission for Western Asia (ESCWA). She has also recently drafted a Baluchistan Strategy document for PPAF.



Dr. Imran Rasul obtained his PhD in Economics from the LSE in 2003. He is now a Professor at University College London, co-director of the Centre for the Microeconomic Analysis of Public Policy at the Institute for Fiscal Studies, and research co-director of the Entrepreneurship Research Group of the International Growth Centre. His research interests include labor, development and public economics and his work has been published in leading journals such as the Journal of Political Economy, Quarterly Journal of Economics, Econometrica and the Review of Economic Studies. He has been a managing editor of the Review of Economic Studies journal (2009-13). He was awarded the 2007 IZA Young Economist Prize, the 2008 CESifo Distinguished Affiliate Award, and an ERC-starter grant in 2012.



Photos from the Conference

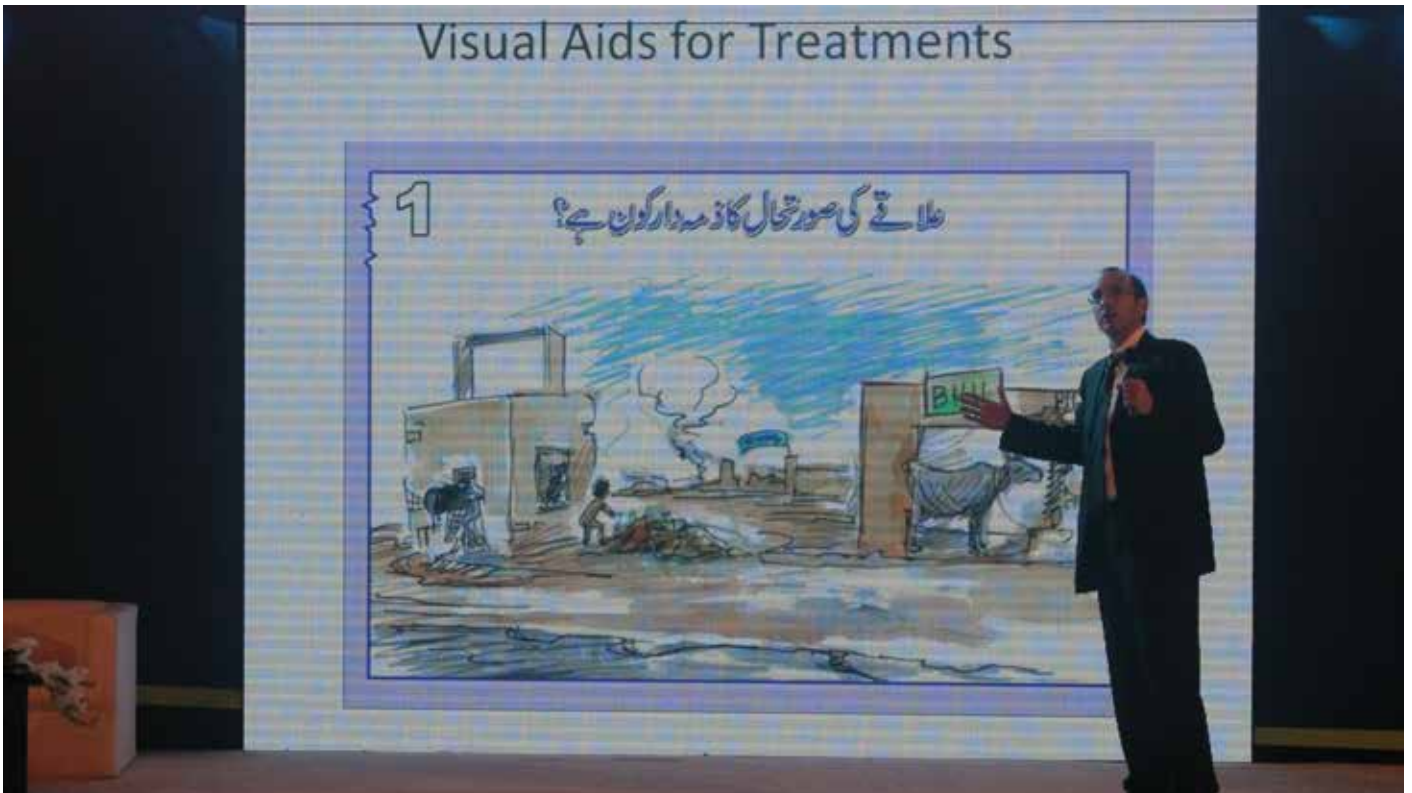
















عشق، علم، عمل

پی پی اے ایف کی بنیادی اقدار اور اس کے کام کی اصل روح ہیں۔

The emblem denotes three words: *Ishq, Ilm, Aml* meaning passion, knowledge and action – the core values driving the institution.

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