

Developing the rural economy in Pakistan through income generating grants



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Sustainable rural development is at the centre of sustainable development goals and it is crucial for the socioeconomic development of rural poor communities. It is also indispensable for poverty reduction since poverty is [overwhelmingly rural](#). There is great wealth to be gained by coordinating rural development focused initiatives that contribute to sustainable means of livelihood. Rural livelihoods can be improved through active participation of rural communities in the organisation of their own economic and social goals by harnessing the intrinsic potential of the rural poor, particularly women and youth.

One of the main aspects of developing the rural economy is, beyond meeting basic needs, is linking investments to the potential to increase productivity and income. Rural Support Programmes (RSPs) working for socioeconomic development of rural communities in Pakistan have come up with similar approaches and initiatives such as provision of Income Generating Grants (IGGs) and the success of such approaches and initiatives is evident from some of the success stories I collected from my visit to district Kech, district Killa Abdullah and district Pishin in Balochistan province which are discussed below.

The main purpose of (IGGs) is to offer support to rurally situated poor households through a one-time cash grant and technical training so they become capable of starting self-identified income generating activities in order to increase their household incomes. During my visit to District Kech, I met with some beneficiaries of this initiative, provided by the National Rural Support Programme with support of Pakistan Poverty Alleviation Fund's [Programme for Poverty Reduction](#), for starting an income generating activity. Here I want to share the stories of some IGG beneficiaries, all from poor rural neighborhoods in the districts of Kech, Killa Abdullah and Pishin, with the purpose of illustrating that how the provision of a small amount of capital under IGG and basic technical trainings can bring positive change in someone's household income.



Mr. Abid Ali (Right). Photo credit: NRSP.

Mr. Abid Ali aspired to be an engineer, but due to lack of access to quality education and the poor financial conditions of his family he could not pursue his dream. He started working at a mechanic's shop at his village Shaytger district Kech but could not meet his family expenditure needs due to low wages. NRSP provided him with tools and equipment and training relating to the tuning of motor engines and other equipment. He used to earn 7000 to 8000 PKR per month, but now, he is able to earn 20000-25000 PKR per month and is fully supporting family. He also supports two disabled helpers who work with him, and they in turn, earn enough money to support their families.

Mr. Baqir Ali, was born with polio, and is now completely dependent on a



wheelchair. He comes from a very poor family. Two years ago, he used to beg, sitting along the roadside, to feed his destitute family. Now, after the provision of puncture repair tools and equipment and basic training provided by NRSP, he is earning 400-600 PKR per day and contributing to his family's income. "In my native village generally people insult disabled persons, and don't consider them as useful members of society unless they contribute economically. After starting this work with IGG provided by NRSP from Programme for

Poverty Reduction, I have observed change in people's perception particularly of my family members who now considers me a very valuable member of the family." Mr. Baqir stated.

Mr. Baqir Ali (far right). Photo credit: NRSP.



Mr. Noor Ali. Photo credit: NRSP.

Noor Ali and his family from Dad Muhammad village in district Killa Abdullah has suffered massively because of a long spell of drought and conflict in his district. In 2016, Balochistan Rural Support Programme (BRSP) under the European Union funded Balochistan Community Development Programme (BCDP), provided eight sheep to Noor Ali and their number has now grown up twenty-two. These sheep are not only a source of income generation for his family but also a great source of provision of nutrition to his family. "I produce milk, yogurt and butter from these sheep and sell in the nearby market and earn 1000 PKR daily which is enough for my family daily expenditure"

Mr. Raz Muhammad is 34 years old and

resides in Village Zarghoon, UC Khushab, District Pishin. His household is comprised of 11 persons. Before the IGG he was unemployed and his household was ultra-poor. He said, "Through BRSP/PPAF in the year 2016, I received PKR 50,000 to purchase a rickshaw in order to earn bread and butter. This asset transfer changed my life. Currently, I earn PKR 500 daily which means PKR 15000 monthly. All the children in the household are attending the school and our wellbeing has improved over time", shared Mr. Raz Muhammad.



Mr. Raz Muhammad. Photo credit: NRSP.



Mr. Ali Shah. Photo credit: NRSP.

Mr. Ali Shah, a livelihood intervention beneficiary, is a resident of village Bala Khushab, UC Khushab, District Pishin. He shared that before the asset transfers, his family was extremely poor and loaded with loans. He was the only bread earner and that too a daily wage earner. Most of the days he did not get any labour work. The children in the households were not going to school due to scarce financial resources. Mr. Ali Shah said, "In 2015, BRSP did social mobilisation under PPR in his village. Considering the poverty score (10) of my household, the Village Organisation suggested BRSP to help my household and provide us with some loan/cash to start a small business. Thus, BRSP provided us with PKR 50,000 as grant with which I opened a butcher shop. I was also provided with the relevant training."

The butcher shop is then extended to a vegetable shop and supply of LPG in the village. He told us that he earns PKR 11,000 monthly nowadays. The situation of his household has changed significantly. He said, "Now we have money to fulfil our basic needs including health and education expenditures. Also, all school age children in my family are now attending school." He envisions a bright future for his family.

Building on the successful implications of [Programme for Poverty Reduction](#) and [Balochistan Community Development Programme \(BCDP\)](#) on poverty reduction in rural areas of Balochistan, EU with support of RSPs has planned to expand similar initiative [Balochistan Rural Development and Community Empowerment Programme](#) to 249 Union Councils of eight districts of Balochistan with very clear objective to support Government of Balochistan in reducing the negative impact of economic deprivation, poverty and social inequality, environmental degradation and climate change, and to turn this into opportunities to build and empower resilient communities participating actively in identifying and implementing socio-economic development activities on a sustainable basis in partnership with local authorities. Under this initiative, approximately 9,820 households, 50% women, will get income generating grants to improve their means of livelihood.

Provision of income generating grants has significant implications for the development of rural economy: the positive results of aforementioned poverty reductions programmes underscores the need for special attention of government of Balochistan to extend such programmes to other rural areas of the province so that the benefits of development reach to every household.

Cover image: a woman herding sheep in Hunza, Pakistan. Photo credit: UN Women Asia and the Pacific, [Flickr](#), [CC BY-NC-ND 2.0](#).

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