JOURNAL OF AGRICULTURE & SOCIAL SCIENCES
1813–2235/2006/02–2–110–111
http://www. fspublishers.org

Role of Punjab Rural Support Programme in Increasing Economic Status and Poverty Alleviation Efforts in Rural Faisalabad (Pakistan)

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ABSTRACT

A field level survey was conducted to see the role of non-governmental organization namely Punjab Rural Support Programme in increasing economic status and poverty alleviation efforts in rural Faisalabad. The study revealed that young and educated people confirmed this role to higher extent. The belief diminished with increasing age and decreasing education level of the target people.

Key Words: NGOs; PRSP, Poverty alleviation; Economic development

INTRODUCTION

Poverty is a complex and multidimensional phenomenon, which goes beyond the notion of income and encompasses social, economic and political deprivations. According to the caloric based poverty definition (headcount ratio), 28.2% people in Pakistan were living below the poverty line in 1998 - 99 (Economic Survey, 2002 - 03). South Asia has one of the largest concentrations of the poor in the world. Nearly a billion people in about 180 million households are constrained to live in object poverty and Pakistan is no exception. It is seen that absolute poverty is experienced by about 30.6% of Pakistan's population with a national poverty line of Rs. 670 per capita per month in 1998 - 99. This entails that about 40 million poor are living below US$ 1.65 per person day (PPP). This is 65% higher than the internationally accepted more for absolute poverty i.e. $ 1 per day (in PPP terms).

No progress is possible unless we root out poverty. Poverty reduction is the high priority goal of the present government. There is general consensus that rapid and sustainable growth must be processed by direct poverty alleviation and anti-poverty programs. Among such programs there are social sector development, such as education, health, sanitation and increased provision of credit to the poor for investment in micro-enterprise (Rauf, 2001).

The concept of non-governmental organizations (NGOs) is not a new phenomenon. In Pakistan regular bodies of NGOs started during 1985. NGOs and Community Based Organization (CBOs) are much important institutions for creating awareness and delivering services in the community at gross root level. These are providing assistance to government as well as social development agencies. According to Huang (2005), World Bank recognizes the important role of NGOs and civil society in helping achieve the development goals. NGOs can help improve the quality of people's lives through project work and by representing the interest of poor. In fact, the programs run by NGOs are often more effective in reaching the poor in remote areas than those managed by public sector. According to a study (PRSP, 1991) a total of 4,833 NGOs were registered in Pakistan. Out of these NGOs 2714 were located in Punjab, 1743 in Sindh, 231 in Baluchistan and 163 in NWFP. The study revealed that there were 375 NGOs or welfare societies active, out of total 439 registered NGOs in district Faisalabad (Asif, 1991). Many NGOs are working on social, political and religious scenarios. The Punjab Rural Support Programme (PRSP) was incorporated in November, 1997 as a "non-profit organization". The purpose of such a support system is to initiate and sustain a process of diversified growth of economic, human and natural resources specifically for the poor. The bulk of its operations are related to micro credit along with providing assistance in the areas of business development, health and education, etc. This paper describes the opinion of the people regarding the role of Punjab Rural Support Programme in poverty alleviation in Faisalabad.

MATERIALS AND METHODS

The present study was conducted in the rural areas of tehsil Sadar, Faisalabad. A total of 150 respondents were selected randomly and interviewed by using simple random and multistage sampling techniques. Data collected was used to ascertain relationship between independent and dependent variables (Sher & Kamal, 2005). The association between independent and dependent variables was considered significant at 5% probability level if the calculated value of Chi-square was greater than or equal to the table value of Chi-square test.

RESULTS AND DISCUSSION

Analysis of data (Table I) revealed that a significant association occurred between age of the respondents and their opinion that PRSP was trying to improve their economic status. Gamma value showed a negative relationship between variables. The concept that PRSP was trying to improve the economic status of the people in this area declined with advancement in age of the respondents. The age group up to 25 years agreed that PRSP was helpful in improving the economic status of people to great extent, some extent, and not at all as 40, 42 and 18%, respectively. While the age group of 46 and above said that PRSP played a great role (13%), to some extent (78%) and had no role (9%) in improving the economic status of the people in this area (Table I). Chambers (2000) described that poverty in Pakistan is largely a rural phenomenon both in terms of headcount and severity. PRSP has succeeded in creating an enabling economic environment thus leading to a considerable increase in the income of the rural poor. PRSP aims to increase the income of farmers by helping them overcome the problems through total factor productivity. It also facilitates awareness building among the communities through information dissemination and organizing different activities such as field days and workshops in agriculture, livestock and poultry farming.

The Chi-square value showed a highly significant association between education of the respondents and their opinion that PRSP's efforts/steps helped in reducing the poverty. Gamma value showed a positive relationship between variables. The level of education of respondents confirming that PRSP helped in reducing poverty to great extent was illiterate (30.8%), primary (2703), middle (30.8%), secondary (20.5%), and graduate (13.3%). But the level of education of those who accepted the role of PRSP in poverty alleviation to some extent was 41% (illiterate), 27% (primary), 53.8% (middle), 70.5% (secondary), 73.3% (graduate) and 66.7% (master). Similarly those who out rightly rejected the role of PRSP in poverty alleviation were 28.2% illiterate, 54.5% primary, 15.4% middle, 9.0% secondary,13.3% graduate and 33.7% master. (Table II). Zaki (2000) stated that Bangladesh had the world's third largest number of poor. But at the same time a number of NGOs were operating and making a concrete effort to alleviate poverty. This sector had become a model that was unique, most productive and more effective in poverty alleviation. The present study also confirms to findings of Akhtar (2003) was described that the number of NGOs were implementing integrated rural and urban development programme in different part of the country and provided a range of development services. Amongst the most prominent development NGOs were the RSP's and Orangi Pilot Project. Broadly, the RSP's used a threefold approach that emphasized social mobilization or organization, building up of capital through regular saving & human resource development to increase the capacities of rural communities to undertake their own development. NGOs and CBOs are working throughout Pakistan in a wide-range of poverty reduction activities.

Table I. Association between age of the respondents and their opinion that PRSP trying to improve their economic status

	Opinion that PRSP trying to improve their economic status			
	To great extent	**To some extent**	**Not at all**	
Up to 25	39.6%	41.6%	18.8%	32.0%
26-35	17.5%	70.0%	12.5%	26.7%
36-45	28.2%	48.7%	23.1%	26.0%
46 & above	13.0%	78.3%	8.7%	15.3%
Total	26.7%	56.7%	16.6%	100.0%

χ^2 = 13.767; d.f. = 6 Significance = 0.032*, Gamma= -.139; *=Significant

Table II. Association between education of the respondent and their opinion that PRSP's efforts/steps helped in reducing poverty

	Opinion that PRSP's efforts/steps helped in alleviating the poverty.			
	To great extent	**To some extent**	**Not at all**	
Illiterate	30.8%	41.0%	28.2%	26.0%
Primary	27.3%	27.3%	45.4%	22.0%
Middle	30.8%	53.8%	15.4%	8.7%
Secondary	(20.5%	70.5%	9.0%	29.3%
Graduation	13.3%	73.3%	13.4%	10.0%
Master	-	66.7%	33.3%	4.0%
Total	22.7%	52.0%	25.3%	100.0%

χ^2 = 25.214, d.f. = 10, Significance = 0.005**, Gamma= 0.099, **=Highly significant

CONCLUSION

The present study concludes that young and educated people have more assertions towards accepting the role of PRSP in improving the economic status and alleviating poverty of the population in the study area. However, they had some reservations about the same, which necessitates PRSP management to review their credit policy, enhance training level of their staff to effectively mobilize the rural community and pay more attention on health sector.

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(Received 21 September 2005; Accepted 18 March 2006)