FINDING A WAY FORWARD

Utilisation of Income Generating Grants by Poor Rural Households

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The Rural Support Programmes Network (RSPN) and the National Rural Support Programme (NRSP) provided me with the opportunity to undertake this study. Many people supported and guided me in conducting my field visits and compiling this intimate look into the lives of Income Generating Grant (IGG) beneficiaries. I specially want to thank Mr. Khaleel Ahmed Tetlay, COO RSPN, for his supervision and dedicated guidance throughout my journey in RSPN.

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Lastly, these studies are dedicated to those families who have undertaken extraordinary steps to secure their future. I would like to extend my deep thanks to the community members who participated in the interviews and shared their life experiences, pains, joys and hopes during the fieldwork.
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<tr>
<td>BISP:</td>
<td>Benazir Income Support Programme</td>
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<td>BMST:</td>
<td>Business Management Skill Training</td>
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<td>CDD:</td>
<td>Community Driven Development</td>
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<td>CO:</td>
<td>Community Organisation</td>
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<td>CRP:</td>
<td>Community Resource Person</td>
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<td>IGG:</td>
<td>Income Generating Grant</td>
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<td>KPI:</td>
<td>Key Performance Indicator</td>
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<td>NRSP:</td>
<td>National Rural Support Programme</td>
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<td>PSC:</td>
<td>Poverty Score Card</td>
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<td>RSP:</td>
<td>Rural Support Programme</td>
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<td>SMT:</td>
<td>Social Mobilisation Team</td>
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<td>VO:</td>
<td>Village Organisation</td>
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ABSTRACT

These case studies take a close look into the lives of women living in the districts of Nowshera & Swabi in the Province Khyber Pakhtunkhwa (KP). Specifically, these case studies examine how NRSP’s Income Generating Grant (IGG) intervention has affected their lives, in context to their Poverty Scorecard (PSC) survey scores from before and after the intervention. Interviews conducted with the women who qualified for the IGG, all of whom were also BISP beneficiaries, revealed that the beneficiaries and their families were now enjoying a greater quality of life.
ABOUT RSPN

The Rural Support Programmes Network (RSPN) consists of ten member Rural Support Programmes (RSPs) that espouse a common approach to rural development: social mobilisation. Social mobilisation centres on the belief that poor people have an innate potential to help themselves, that they can better manage their limited resources if they organise and are provided technical and financial support. The RSPs provide social guidance, technical and financial assistance to the rural poor. RSPN provides capacity building support to RSPs, and assists them in policy advocacy and donor linkages.

ABOUT NRSP

Established in 1991, NRSP is the largest Rural Support Programme in the country in terms of outreach, staff and development activities. It is a not for profit organization registered under Section 42 of Companies Ordinance 1984 (Registration Certificate). NRSP’s mandate is to alleviate poverty by harnessing people’s potential and undertake development activities in Pakistan. It has a presence in 72 Districts in all the four Provinces including Azad Jammu and Kashmir through Regional Offices and Field Offices. NRSP is currently working with more than 3.5 million poor households organised into a network of 224,465 Community Organisations. With sustained incremental growth, it is emerging as Pakistan’s leading engine for poverty reduction and rural development.
CASE STUDY 01

FINDING A PATH

Asif Ali is a 40-year old entrepreneur living in his family's ancestral village of Banda Nabi, Nowshera with his wife, Taj Begum. Despite having lead lives marred by poverty, Asif and Taj have a happy marriage, with three sons and three daughters – all of whom are enrolled in schools except the youngest. Asif also has an elder brother, who alongside his wife, would share the rental home with Asif and Taj. Asif's brother would work locally, making ends meet for his wife and himself, with no extra savings to contribute to the rent.

In the past, Asif's father used to work as a repairman for electronic goods. However, as he aged, his eyesight worsened to the point where he had to stop working. His work was carried on through Asif, who adapted the profession as his own. Asif sought technical training from a man who previously worked with his father and, after gaining experience began working in his own shop with a business partner, repairing and selling electronics such as televisions, irons, etc. Asif would cycle to work every day, his tools in tow. Their meagre profits were split two ways, with rarely enough left over for Asif to properly feed his family.

Asif and his family had been barely getting by this way for the past 25 years, with no relief in sight. That was, until Asif's wife Taj learnt through her friends that National Rural Support Programme’s (NRSP) was visiting the village from her friends. This, she was told, was an organisation visiting nearby villages, urging locals to work together towards more effectively bettering their circumstances.
In February 2014, an NRSP team visited Banda Nabi, Asif’s ancestral village. The team asked the women to consider organising their households into a Community Organisation (CO). Taj, who had learnt of the meeting from a friend, attended it with her husband’s approval. And thus, the CO Nida was born, with 23 member households, with Asif and Taj’s home one of them.

Being part of a CO came with a host of benefits for Asif’s family. They learnt about the Income Generating Grant (IGG) and applied after speaking to their fellow CO members. Shortly afterwards, they were lent Rs 50,000 – a sum that would go a long way in turning around this family’s fortunes.

Asif, after careful deliberation with his wife, made some practical decisions. His first act as an investor was to buy out his partner’s share of the electronics shop. His partner had been looking for an opportunity to start over in Kabul while Asif had been wanting to invest more money into the store. This investment would now give him complete control over inventory and sales, an opportunity that would allow him to buy larger electronics and spare parts he could use to fix and sell his projects. He hired two apprentices as his partner’s replacement, and paid them each a daily stipend of Rs 200 and Rs 500. In return for good work, he taught them his craft and encouraged them to eventually set up shops of their own.

Upon being asked about the IGG, Asif said: “When I got my IGG, I used the 50,000 to buy used parts, batteries, fans, fridges and televisions. I order things depending on their market demand. A few days ago, I bought two televisions for Rs 18,000 and Rs 15,000, which I sold to a hotel, with the one I bought for Rs 18,000 selling for Rs 25,000. This is how I make profit now. Selling smaller spare parts was not getting me anywhere, so I changed the focus to larger electronics with a greater profit margin.”

According to Asif, due to the popularity of cricket in the country, the demand for televisions is high. During the recent World Cup Tournament, Asif managed to sell a total of ten televisions for a large profit.

His family decided to shift to his parent’s house, which had been uninhabited for quite some time. Asif supervised the house’s renovation and had an extra room constructed on the roof. He also parted ways with his old bicycle, replacing it with an old motorcycle he bought and fixed up himself.

Taj, a Benazir Income Support Programme beneficiary, was receiving a Rs 5000 stipend every quarter. Seeing the progress her husband was making in his business with the IGG motivated her to take steps to help him. Taj had learnt the craft of embroidery and tailoring from her mother in the past, and began funding her children’s needs through orders for clothes placed by her neighbours in the village. She thus started spending her earned profits on her children’s education and clothes. She is hopeful that in the future, she could expand her operations and start selling her work outside of Banda Nabi as well. Taj Begum was very pleased with the IGG support that enabled her family to improve their socio-economic status, and most of all to see her husband smile again.

In the future, Asif plans to open another shop outside the village, with a more expansive inventory. He plans to hire more apprentices to help him manage his shops, and by shifting into an entrepreneurial role in his village, give back to the community by creating local jobs.
Bas Pari grew up with her parents, her three brothers and one sister in a four-roomed house in the village of Musa Banda, Swabi. While Bas Pari does not remember her original date of birth, she estimates her age to be in the early 40s. 13 years ago, Bas Pari’s parents arranged her marriage to Akhmad Shah, a man they did not know very well. This marriage lasted for 4 months, ending with his tragic death. While their union was short, it was successful: Bas Pari and Akhmad were deeply in love, and she bore him a son named Fahad, in the months following his sudden death.

With teary eyes and trembling hands, Bas Pari opens up about Akhmad’s passing.

“Akhmad’s brother made a false allegation, saying my husband had an affair with his wife 12 years ago, before marrying me. Akhmad denied this. Then 4 months into our marriage…his brother showed up one day at our house with a pistol, and shot Akhmad. My husband was murdered in cold blood by his own brother…That day, and talking about that day, gives me flashbacks and I can’t sleep.”

After her husband’s death, Bas Pari moved back to the house where her parents and her brothers lived together. Bas Pari’s father was too ill to continue working. Having suffered multiple falls and giving his family repeated scares, his sons were afraid of letting him perform any labour, despite their financial situation. The family owned an ill cow that they were looking to sell, as the animal had stopped giving milk. The well at home was drying
out as well, making them dependent on their neighbours for buckets of clean water. Her father’s inability to work, coupled with their animal’s illness worsened their family’s financial situation, meaning the family couldn’t afford to have boring done to make their well deeper.

In the year following Akhmad’s death, Bas Pari decided she would start a business, as it would be a much-needed distraction from her recent personal tragedy, and also help her become financially independent. Bas Pari asked her brothers to help her set up a shop to sell items like cosmetics, but was turned down, as they were worried the community would mock them for having a sister who ran a business. In spite of this, Bas Pari’s mother pledged her support, and gave her Rs 3000 to purchase items for the store. And thus, Bas Pari broke gender stereotypes and opened up a shop at home. This was done with her mother’s blessings, who said ‘I’m old, and unsure of how long I’ll live. It’s not that her brothers won’t take care of her, but I want her to be independent’.

Bas Pari was just getting by with her store at the time through the 5000 Rupees that she got every quarter as a BISP beneficiary, when the National Rural Support Programme team visited their village to encourage the locals to organise themselves into a Community Organisation (CO). Her neighbour Shaheen convinced Bas Pari to attend their meetings, and encouraged her to register as a CO member. This was a wise decision for her, as she managed to qualify for an Income Generating Grant (IGG) of Rs 50,000 through the CO. The money helped change her life. She invested some of it into stocking kitchen utensils at her store, and spends her profits on her son’s education, clothes, and food. Bas Pari manages to cover most expenses from the modest profit she makes from her store. She elaborates on managing her finances, saying ‘I don’t misuse my profits. I save them for trying times, for when Allah is testing us. I would only then take money from the shop, otherwise I save it for the future. I intend to keep my shop going, and full of items as per the villager’s demands’.

This money enabled Bas Pari to fix the family’s longstanding water issue, using a portion of her IGG grant to get boring done to make their well deeper.

Upon being asked if she would consider a remarriage, Bas Pari smiled sadly. ‘I don’t want to get remarried. I want to give Fahad a better life. One in which he won’t be sitting at home, dependent on the people around him for money. My focus is on my business and on earning enough to give us a good life’.

Despite all of the obstacles she had faced, Bas Pari is content with her work and thankful to Allah for all His blessings. She is happy that the IGG helped stabilise her family’s finances, and plans on responsibly expanding her business with her own profits, no longer dependent on anyone else for assistance.
Younas is a 28-years old man, who was born and raised in a joint family in the village of Banda Nabi, Nowshera. With his family’s desperate poverty, Younas dropped out of school in the 5th grade, while his other seven siblings could not even get a primary education. This was due to their family having any means to finance the childrens’ education, according to Younas’s mother, who says “Poverty was the reason none of my children studied”.

Younas was only ten months old when he ran a high fever, and lost the ability to move his lower body. There was no history of paralysis in his family. “He would get around fine just like the other street kids as a child, then he had that fever...His father worked tirelessly to try to get him treatment; but now we have made peace with it, as this is God’s will,” his mother says. Today, Younas co-habitates the family home alongside his aunts and uncles. There were five rooms in the house – one for each family – but only one common washroom, which everyone had to use in turns. Growing up, Younas’s father Rokhan was the breadwinner for the family: he would toil away in the fields, harvesting potatoes to barely make ends meet. Now, all of Younas’s brothers were employed, but would make just enough to barely sustain themselves.

With limited breadwinners in the house, it had been difficult for each family to be provided for equally. There were times when they were not even sure where their next dinner was going to come from. As for Younas, he decided to learn a trade. “After I left school I started working with a tailor nearby who paid me Rs20–30 per
week. We had a small shop at the time, but when the tailor left the city, I travelled to Pabbi to learn stitching. I worked there for 5 years and they taught me the trade free of cost”.

Younas notes that traveling to Pabbi made him more cognizant to the severity of his disability. “I have to wear slippers on my hands when I walk.” Younas somberly noted that he had yearned to experience the joy of a normal stroll for as long as he could remember. However, he is determined to not let his disability define him.

When the NRSP team visited his village in June, 2014 and set up a Community Organisation (CO), Younas’s mother Zain-Ul-Wara who was a BISP beneficiary and was receiving a quarterly grant of Rs. 5000, met with the newly appointed CO President Najmul Zari and had her household registered as 1 of the 25 households constituting the CO. The CO recognised Younas’s potential to become a skilled tailor, and arranged for him to become an IGG beneficiary.

Following a 3-day training (BMST), NRSP gave him Rs50,000 to invest into his store. With the IGG money, he had much-needed repairs completed at his shop and among other things, purchased tailoring materials such as collars, buttons, buckram cloth etc. Through the IGG grant, he made a gallery, built a cupboard, and purchased a generator and a UPS. Younas. In this time period, also began to give back to the community by teaching 23 fellow villagers his trade, who now are working alongside other tailors elsewhere to earn a livelihood for their respective families too.

Younas thus managed to use the IGG to turn his family’s fortunes around, as well as those of 23 other families in the village. Younas stitches around 3-4 dresses everyday, netting up to Rs 800 of profits in the process. On festive occasions such as Eid, he stitches up to 6 dresses a day, when the demand for readymade garments skyrockets, which could see him earning up to Rs 2000 per day.

When he grew up and started to work as a tailor, his brothers started to earn as well and that enabled them to save some money and they finally decided to marry their younger sister to their first cousin. Their mother felt relieved as she was satisfied with the work of NRSP and how his son had come a long way after struggling with his disability for 27 years. Now Younas’s monthly income is around Rs18, 000.

Younas has become an example of bravery and confidence for people in his village and those people who used to mock him, now quote Younas as an example to their own children. His mother says that NRSP’s social guidance bolstered her son’s confidence, and now they can look forward to a prosperous and sustainable future.
Pasham Gul lives in a mud-house with 2 rooms, with his wife Shahnaz. Their union was a happy one, with the couple having 2 daughters and 3 sons. One of his daughters is now married, while his eldest son is in the 9th grade working part-time repairing cycles with his father. Pasham's other 2 sons did not receive any education.

This was partly due to the family’s shaky financial situation. Pasham would labour every day in the fields, earning approximately Rs300. When it would rain, the water would ruin their crops, and force him to attempt the process all over again. The family would purchase groceries on credit, which Pasham would repay later upon receiving his meagre wages. This, they describe, as one of the most challenging time periods of their lives.

“I have diabetes, while my eldest son is suffering from epilepsy. Our financial situation forces me to prioritize his medication over mine, as I cannot compromise on my child’s health. This, alongside the high costs of other household items is why I struggle to save from my wages”.

When the NRSP team arrived at their village, his wife Shahnaz registered their household as one of the 19 households coming together to form the Community Organisation Noor in 2014. With the CO leader Safeena’s support, the family managed to secure an IGG of Rs 50,000. In addition, Shahnaz was also a beneficiary of BISP, through which she would receive Rs. 5000 every
quarter, this collectively augmented the family’s financial status.

Using this money, Pasham first made a shaky investment in to some electric fans, which were only partially operable and thus would not sell regularly. The 1–2 fans he would sell in a month did not make enough money to fund his family’s regular expenses.

“Then I ended that business and instead of giving up, bought spare parts for repairing tools, using my skills as an electrician. I worked alongside someone else in his shop, and used my 2 hours breaks to practice my craft. This eventually helped me generate enough income to provide food, clothing and shelter to my family”.

When Pasham Gul was asked about his son’s medical condition, he responded somberly with a story of how his infant son accidentally fell from the edge of the bed and hit his head. He was admitted into the hospital for a day and subsequently discharged without undergoing thorough treatment. 14 years later, his son’s condition began to worsen, due to which Pasham had to once again fund his treatment.

In the past, when someone used to get their washing machines, juicers, motorcycles repaired, they had to travel all the way from Banda Nabi to Pabbi, which increased the cost. Now, owing to Pasham’s shop people can easily purchase spare parts and can get their machines fixed. Pasham Gul earns around Rs. 600 per day and saves about Rs. 10,000 a month from all 3 of his shops.

Pasham Gul narrates, “We do save money, but by the end of the month someone gets ill and the monthly bills add to that and leaves us with little or no money. Shahnaz, being a BISP beneficiary, uses her Rs. 5000 per quarter stipend mostly for buying groceries.

Adding on to his story, he said that his sons are in their prime matrimonial age, but as the house is small and they lack money to build more rooms. To counter this, they are thinking of selling their house and shifting to a rented one enabling them to save for building one with more rooms and get their sons married.

‘Food is either cooked on fire or cylinder, as gas has not yet been provided and they have a water pump built inside the house which is used by our neighbors as well and we are grateful to have clean drinking water’.

Pasham, taking a moment to reflect on how the IGG helped uplift his family’s financial fortunes, said he had never imagined that he would see himself in this position, with such means to earn for himself and his family. Their lack of education had, in the past, led them to live a life of poverty. Yet, with NRSP’s social guidance and IGG intervention, his family’s socio-economic trajectory has now changed for the better.
Sharaf Gul is a man in his early 60s, who lives with his wife Gulmina in the village of Sanghbhatti, Swabi. Sharaf and Gulmina got married 26 years ago, with their union resulting in 3 sons and 3 daughters. As marrying girls off very young was a local norm that the community respected, Gulmina succumbed to the pressure of having her daughters married off at an early age.

Sharaf had tried his hand at working as a clerk at a construction site which helped him make just enough to barely cover his family’s regular expenses. In order to make more money, he opened a makeshift shop outside his home, where he sold local snacks such as samosas and pakoras.

Sharaf would purchase ingredients from other stores on credit and repay them with his profits.

When NRSP arrived at their village, things changed for the Gul household. “While I was busy with my daily routine in the food stall, my friend Shahzad came and told me about a meeting being held by NRSP in the village. I registered my name and after having a few talks with the NRSP team, I became the member of the Community Organisation (CO), Khushbo as well as member of Village Organisation (VO), Saddat,” Sharaf says.

And thus, through the CO Sharaf was given a 3-day Business Management Skill Training, and an Income Generating Grant of Rs 50,000. He invested this money into transforming his modest stall into a proper store, and increased the quantity of the food items he sold.
Gulmina would prepare samosas and pakoras inside the house and Sharaf would fry them outside in his shop. He no longer had to buy ingredients on credit from other shops anymore, and he managed to repay all his outstanding loans, changing his family’s financial situation permanently.

The IGG was transformative for the Gul household. “When my father passed away, I managed to cover all of the funeral expenses with the income generated from the shop. My monthly salary varies, but before the grant I would earn Rs 5000 a month whereas now, I now earn Rs 10,000 a month. The money I earn is enough to run my house and cover other expenses.”

Their future plan is to buy a new shop in the main market, where they could charge a more premium rate. Sharaf plans to use his new-found profits to educate his three sons, so they can break the cycle of poverty.

Today, 2 years into his new business venture, the Gul family is now more financially secure. They now look forward to expanding their business and have lots of bright dreams for their children’s future. All this happened due to after becoming a member of CO. Sharaf Gul and his family is grateful to NRSP for showing them the path out of dire poverty.
WHO WE ARE

The Rural Support Programmes Network is the largest development network of Pakistan, with an outreach to over 48.9 million rural Pakistanis. It consists of 10 member Rural Support Programmes (RSPs) that espouse a common approach to rural development: social mobilisation. Social mobilisation centres around the belief that poor people have an innate potential to help themselves, that they can better manage their limited resources if they organise and are provided technical and financial support. The RSPs provide social guidance and technical and financial assistance to the rural poor. RSPN is the strategic platform for the RSPs: it provided capacity building support to them, and assists them in policy advocacy and donor linkages.

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