**The Ehsaas programme**

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Ehsaas, a flagship social protection programme launched by the incumbent federal government, is the biggest and boldest programme ever launched in Pakistan to uplift marginalised people. Through consumption smoothing, Ehsaas improves food security, helps in the reduction of poverty and inequalities through periodic cash support directly to the beneficiaries, mostly females, across the country.

In a mixed economy like Pakistan, inequality is inevitable owing to skewed natural endowments and opportunities for personal growth. In such circumstances, redistributive policies do help in reducing income inequality. The federal government launched the Ehsaas programme with the specific objective to compensate the neglected and excluded.

The Ehsaas programme was initially launched by Prime Minister Imran Khan on March 27, 2019 within eight months of coming into power following the July 2018 general elections in the country. Ehsaas aims at the creation of a welfare state by countering elite capture and leveraging 21st century tools such as using information and digital payment systems, to create modern safety net programmes, promoting financial inclusion and providing access to digital services and mainstreaming the role of the private philanthropic sector on the one hand and fostering locally-relevant innovation and on the other, protecting livelihoods of the most vulnerable.

[Usman Buzdar to reach Quetta on day-long visit today](https://nation.com.pk/27-Nov-2021/usman-buzdar-to-reach-quetta-on-day-long-visit-today)

Ehsaas programme has been especially designed for the ultra poor, orphans, widows, the homeless, the disabled, those who are at risk of health shocks, the jobless, poor farmers, labourers, the sick and undernourished, students from low-income backgrounds, poor women and elderly citizens.

Ehsaas’ poverty reduction strategy is articulated in four pillars and it currently embodies more than 140 policy actions, which can be expanded as consultations on the programme are taken forward. The four pillars include addressing elite capture and making the governance system work for a more equal society; implementing safety net programmes for disadvantaged segments of the population; supporting jobs and livelihoods, and; enhancing human capital development.

Since the launch of Ehsaas, many transformative initiatives and policy reforms have effectively been implemented nationwide, according to information gathered from official sources. Some of the Ehsaas early wins across various sectors include Ehsaas Kafalat, Ehsaas Emergency Cash, Ehsaas Undergraduate Scholarship , Ehsaas Nashonuma, Ehsaas Langars, Ehsaas Interest Free Loans, Ehsaas Interest Loans, Ehsaas Amdan, Ehsaas Koi Bhoka Na Soye, Panahgah, Individual Financial Assistance, Dar-ul-Ehsaas (Orphanages), Ehsaas Kada (for shelterless senior citizens), Women Empowerment Centres, Schools for the Rehabilitation of Child Labour, Data4Pakistan, Ehsaas Tahafuz, One Window Ehsaas, Ehsaas Labour Expert Group, Ehsaas Living Standards for Orphanages in the private Sector and Ehsaas Governance and Integrity Policy and Observatory.

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According to the available information, the main instruments through which prioritisation of the safety net is being carried out include an increase in social protection spending by the federal government; enhanced scope and coverage of safety nets; a strong focus on governance of institutions implementing safety net programmes; the development of a new national socio-economic registry to ensure a sound targeting mechanism; system building for efficiency and integrity, and service delivery through Ehsaas One Window.

A new federal division, the Poverty Alleviation and Social Safety Division (PASSD), has since already been established to oversee the implementation of the policies, programmes and initiatives related to poverty alleviation and social safety nets. The new division was established in April 2019 and has come to be popularly known as the ‘Ehsaas Ministry’. All the agencies responsible for executing Ehsaas programmes which were previously reporting to different ministries are now attached to the ‘Ehsaas Ministry’.

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Ehsaas was targeting 5.8 million households till 2019-20, which has gradually increased to 14.83 million.

There are plans to expand its coverage to another 4 million households during 2021-22 under its second phase. It is expected that as Ehsaas 11 rolls out, 58 percent of households in Pakistan out of 32.21 million total households as per the 2017 census would be benefitting annually from distribution of money under Ehsaas for their uplift and reducing overall inequality.

In 2018-19, the overall spending under Ehsaas Kafalat was Rs 124 billion which was provided to 5.8 million households. Under the Ehsaas Kafalat programme, another Rs 179.3 billion was distributed in 2020-21 to 14.83 million families. An amount of Rs 48 billion has been allocated for disbursement among marginalised households under Ehsaas 11 during the ongoing financial year 2021-22.

Under Ehsaas Kafalat, an amount of Rs53 billion was disbursed to distressed families during 2020-21, in addition to regular Ehsaas payments. The target of regular Ehsaas payments fell in the 1 and 2 decile, assuming that the additional disbursement has helped those in the 3rd and 4th deciles, the additional amount has resulted in an increase in the helped average consumption expenditures from Rs 3902 per month to Rs 4437 per month for the 3rd decile and from Rs4356 per month to Rs4978 per month for the 4th decile. Thus, the additional amount has quite appreciably resulted in a reduction to inequality by 1.9 percentage points from 30.3 percent to 28.4 percent.

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The roll out of Ehsaas 11 during financial year 2021-22 was expected to benefit households falling in the 5th decile, to whom, an amount of Rs 48 billion was hopefully in the process of being disbursed. It was also expected that average consumption expenditure of the households falling in the 5th decile will be increasing from Rs 4818 per month to Rs 5489 per month. Accordingly, this was expected to result in a reduction in overall inequality by 2.3 percentage points from 30.3 percent to 28 percent.

In conclusion, there was a dire need to look into drivers of poverty. The existing available documents mentioned several factors which adversely impacted the poverty situation such as natural disasters, health shocks, crop failures etc. Factors affecting poverty positively included cash transfers, better crop return owing to better pricing or volume and remittances back home from Overseas Pakistanis. The huge transfer of money to rural areas in the shape of higher prices of crop output was most likely to make a significant impact on poverty alleviation. A similar episode of higher prices of wheat happened way back in 2008-10 which brought an unprecedented increase in consumption expenditure and reduction in poverty.

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The federal government’s response to the pandemic of COVID-19 and Ehsaas-led initiatives have positively impacted the incidence of poverty and inequality and reversed the negative impact of COVID-19 in terms of the decline in overall consumption.

In principle, the cash transfers are effective in reducing poverty or inequality because around three-fourths of the population surrounds the poverty line, which is termed as transitory poor or transitory vulnerable. Even a small cash injection can make a significant difference by reducing poverty or a shock like crop failure, which can otherwise lead to a rise in poverty. COVID-19 could have had a disastrous effect on the poverty situation in the whole country in the absence of rapid cash support by the incumbent federal government.