## **Eradicating Poverty through Enterprise**

By: Shoaib Sultan Khan November 2007

When I look back on over 54 years of my working career in Government, United Nations (UNCRD, UNICEF, and UNDP/UNOPS), an international NGO (Aga Khan Foundation (AKF) and Rural Support Programmes (RSPs), my greatest successes and satisfaction were when I succeeded in forging genuine and meaningful partnerships with communities. Over forty seven years ago my mentor Akhter Hameed Khan gave me my first lessons in forging partnerships with communities. But it is only during the last 30 years that I got the opportunity, thanks to UNICEF, AKF and later to UNDP to fully and exclusively devote myself interacting with the communities in Pakistan, Bangladesh, India, Maldives, Nepal and Sri Lanka. Over this period I have personally held dialogues with over 5,000 communities and today I intend to share this experience with you.

I still vividly remember the bitterly cold December in 1982 when I drove 600 kilometers from Islamabad to Gilgit on a borrowed jeep. This was the beginning of the Aga Khan Rural Support Programme (AKRSP) and forging of partnerships over the next twelve years with a million people in one of the most inhospitable and harshest terrain anywhere in the world. I brought them a simple message but time tested from the days of Raifessen in Nineteenth Century Europe followed by Japan, Taiwan, Comilla (Bangladesh) and South Korea. This was a message of partnership in Development. AKRSP was not there to listen to their demands, needs and problems and offer solutions. AKRSP offered them only a methodology, an approach and social guidance to overcome their handicaps themselves. The villagers used to look at me with disbelief. A programme bearing the name of one of the richest person in the world not willing to solve their problems and asking them to do things first. I explained this is a partnership which entails obligations on both sides and unless the community was prepared to fulfil its obligations how can the partnership be formed? Many were impatient and would pester me to tell them what was the limit to which the Programme would help them if

they accepted the terms of partnership and my simple response used to be your limit is our limit. Whatever the community can do or was willing to do was the programme limit.

Gradually and incrementally we moved forward. I had already learnt my lesson a few years earlier when using a blue print approach a portfolio of projects was prepared without consulting the communities, which later on was found to have nothing in common what the community wanted. The micro-variations at the local level demand consultation and dialogues with each and every community. I was very happy when the approach was reinforced by the first World Bank Assessment of AKRSP saying that the first four years of AKRSP are the missed four years of most rural development projects in the world where blueprint took precedence over a process approach.

AKRSP did not go to the communities with a pre-conceived package and left it to each community to identify their potential not only as community but also at household level. The results were most illuminating. At the community level, it was productive infrastructure, mostly irrigation channels and at the household level, it was human resource development and micro credit for enterprise. No sooner AKRSP responded to the portfolios of opportunities, physical infrastructure, training and upgrading of human skills, technological packages in Natural Resource Management and credit requirements of each community for enterprise, a visible change in the economic and social situation of the poor became apparent followed by a holistic view of development by the community itself.

I have seen people coming out of poverty with my own eyes and smiles on their faces instead of abstruse statistics.

The one million people I worked with for 12 years in Northern Areas of Pakistan through the Aga Khan Rural Support Programme reinforced my conviction of the tremendous potential and willingness in people to do many things themselves to come out of poverty. All that they needed was a support organisation to help them unleash their potential. Once organised the men and women took their destiny in their own hands. They knew what would bring them out of poverty. They got thousands of villagers trained as service providers, managers of their organisations, identified constructed and maintained thousands of physical infrastructure works – irrigation channels, link roads, sprinkler irrigation, flood protection works, school buildings etc., increased their productive capacity, planted 50 million trees on land brought under irrigation range, generated about six megawatts of electricity through village built and managed minihydels which won two international awards one presented by Prince Charles and second by Government of Japan as the most innovative project of 2005 and accumulated over Rupees four hundred million as their savings resulting in setting up of First Micro Finance Bank.

Last time on my visit to Northern Areas I went to a village Ahmedabad where 22 years ago I had gone sitting in a basket pulled across the river as there was no bridge on the river. The village with 110 households was totally isolated although the Karakorum Highway passed by it. The village had no access, no road, no school, no health facility, no potable drinking water and no electricity. Today it has everything including two microhydels supplying electricity 24 hours and savings and credit fund of over a million rupees. These people would never have been touched by any growth strategy or macro planning. They needed a development strategy which involved each and every household in the development process. Unfortunately this is what our macro planners fail to comprehend. When I asked them what was the secret of their success, their spontaneous response was "we got organised".

According to second World Bank evaluation of AKRSP, in ten years the income of the people of Northern Areas had in real terms more than doubled.

In 1994, when UNDP asked me to take lessons learnt in Northern Areas of Pakistan to South Asia, India being the largest country in the region it was the greatest challenge to South Asia Poverty Alleviation Programme (SAPAP) to make a difference to the lives of women and their households there. The 20 Mandals which SAPAP took as demonstration area for empowerment of women and poverty reduction have a different

story to tell today. On my visits to Andhra Pradesh to SAPAP Mandals, I had never seen such a tremendous transformation in a short period in the lives of the people especially the women not only in terms of economic empowerment but in every aspect of life. Given the opportunity and support by SAPAP these illiterate rural women demonstrated dynamism, managerial and productive skills and a sense of responsibility and sensitivity to social evils such as bonded and child labour, social discrimination, indifference or excesses of local bureaucracy that one had to see to believe it. The support of the Government of Andhra Pradesh to SAPAP was exemplary and when on my request Ms Meiko Nishimizu, the Vice President of the World Bank after a four day field visit to SAPAP Mandals called it "UNDP's Miracle" and offered the State Government every help to replicate SAPAP in the State, the offer was embraced by the Government.

In Andhra Pradesh, I was told that in a span of 7 years almost 75% of the organised households had risen above the subsistence level. When I doubted this statement, the women insisted on taking me to their homes. I visited a number of houses which I had visited on my first visit in 1995 which had barely any amenities of life available. I was wonderstruck to find modern amenities like TV, telephone etc., in the houses. In one house, I did not see TV and I asked the lady if she had been left behind others. She asked me to visit her backyard where more than 35 goats were standing. She explained her children are young and unlike other children, do not insist on going to neighbours to see the TV. Hence she made her choice of preferring goats to TV. This reminded me of Nobel Laureate Amartya Sen's book "Development As Freedom."

In April 2007, I was again invited to Andhra which had by now organized 8 million rural households and helped them rise above the level of subsistence by accessing in 2006 Rs. 25,000 million from commercial banks for enterprises and other activities. Since 2001, the cumulative credit accessed by the organized groups reached over one billion dollars.

Dr. Akhter Hameed Khan used to say that in Pakistan, development would not come from the top. It will come from the bottom and it shall happen in pockets one island formed here and one island there. AKRSP and its replication has shown how true it is.

The Prime Minister Mr. Shaukat Aziz as Finance Minister sometimes used to ring me up on his free weekends to take him on a visit to villages and I took him to quite a few villages to show what villagers could accomplish if given support and an enabling environment. I was greatly encouraged by his declaration in his address to the nation to spread Rural Support Programmes on a wider population base.

More than 7 years ago, I persuaded President Musharraf to visit Northern Areas. Seeing the excellent work done by villagers he declared that he would make every village of Pakistan like Northern Areas villages.

With this commitment at the highest political level, all we need is to translate these good intentions into action to help the 75 million poor of Pakistan to come out of poverty and remain solvent.

The Government of Pakistan (GoP) has taken many steps such as Pakistan Poverty Alleviation Fund (PPAF), Khushhali Bank, National Commission for Human Development and revamping of the Zakat Fund. The challenge is how to scale up coverage of poor households which is stagnating at under 20% unlike Northern Areas and Chitral where AKRSP reached more than 85% of the poor households. With this objective in view, GoP in 1992 provided resources to set up an independent and autonomous National Rural Support Programme (NRSP) on the lines of AKRSP which has been followed by setting up of provincial and regional programmes.

I had the privilege of being a member of the first Independent South Asian Commission on Poverty Alleviation. The Commission traveled all over South Asia for a year and decided to make an overarching recommendation for poverty alleviation to the Heads of Government of SAARC Countries on the basis of successful poverty reduction initiatives in the region.

The SAARC Summit in its meeting at Dhaka in 1993 endorsed the recommendation of the Commission that Social Mobilization should be centerpiece for all poverty reduction strategies of the governments of the region..

In Pakistan like Andhra with the support of the World Bank in the person of John Wall and PPAF, the Prime Minister personally took the decision to mobilize communities for poverty reduction through enterprise and other activities.

Today the Rural Support Programmes Network (RSPN) in Pakistan extends to 93 out of 127 districts of Pakistan comprising over 100,000 communities with 2 million households as members. Pakistan is probably the only country in South Asia where Government has provided resources since 1992 for fostering independent and autonomous support organizations as envisaged by 1991 Poverty Commission set up by SAARC Heads of State.