

The Role of Punjab Rural Support Programme in Poverty Reduction: A Case Study of District Muzaffargarh (Pakistan)

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Abstract

In Pakistan, people with low incomes usually acquire loans from informal sources. Lack of income and resources force them to take loans to meet the necessities of life, and the hurdle of collateral leaves them at the mercy of the informal avenues. Pakistan's unique position as a poor country with few visible signs of poverty. This study examined whether PRSP (Punjab Rural Support Programme) improved household welfare and developed businesses, as perceived by borrowers from PRSP. In this research, the researcher selected a sample of 160 respondents with the help of simple random sampling techniques. A well-planned Questionnaire was utilized as a tool for data collection. The relationship of variables and statistical analysis was done through SPSS Software. The results have shown that PRSP has an impact on improvement in the social and financial situation of people experiencing poverty, and it's a significant cause in the reduction of poverty. Moreover, it has been capable of increasing self-employment in Muzaffargarh. These loans lead to the development of small entrepreneurship. In the end, the researcher concluded that PRSP performs a better role regarding poverty alleviation through the different types of initiatives taken in the selected localities of District Muzaffargarh, Punjab, Pakistan.

Keywords: Punjab Rural Support Programme, Poverty, Muzaffargarh, Microfinance.

Introduction

Poverty has been a noteworthy issue since the development of humankind. Today, it has turned into a significant wonder. As indicated by (UNESCO, 2015), poverty is the absence of cash or materials which are essential to meet fundamental needs, for example, shelter, food and garments. An individual having less than 1.9 dollars a day is considered poor.

Extreme poverty is a worldwide challenge that isn't just seen in developing nations but also developed economies. Poverty is an extraordinary obstacle to financial and social advancement (Yassine & Bakass, 2022). Poverty is a significant obstacle that causes issues in accomplishing monetary targets, and it additionally makes social issues become a reason for different illegal exercises (Iqbal et al., 2015). Poverty is the oldest and the most resistant virus that brings about a shocking disease in the third world or developing countries (Middlemiss, 2022). Its rate of effect can't be contrasted with any illness from the beginning of humanity. It is more terrible than HIV/AIDS, which is acknowledged to be the most noteworthy killer disease (Addae, 2014).

Several essential factors add to the existence of poverty. There needs to be a more balanced distribution of financial resources, for example, wealth, employment and infrastructure, and social assets like healthcare services, educational institutes, and transportation. These variables indicate that not all individuals have similar chances to get these (Al-Zaman, 2023). Another big reason

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behind this is environmental degradation and poverty in Pakistan. Environmental poverty also has a negative effect on individual health. For example, if we have a look at waterborne diseases, 17% of urban and 47% of rural people do not have an approach to safe and clean drinking water; that is why waterborne disease is increasing day by day (Aftab et al., 2002).

Some proposed applicable factors are linked to poverty in Pakistan; for example, economic growth, investment and trade openness are highly connected to poverty in Pakistan. They further exhibited that a rise in economic growth rate and investment diminishes poverty while, opposite to this, trade openness and inflation are the significant causes of poverty in Pakistan (Abbas et al., 2018).

The idea of non-governmental organizations (NGOs) is certainly not another wonder. In Pakistan, customary gatherings of NGOs began in 1985. NGOs and community-based organizations (CBOs) play the most important role in creating awareness through their different programs in rural areas, as well as presenting their best services at the grass root level (Huang, 2005). These are giving help to the government and supporting social advancement organizations. The projects run by NGOs are regularly progressively more compelling in helping people with low incomes in remote territories than those managed by the public sector (Kabonga, 2023).

The researcher was interested in identifying the role of different NGOs in poverty reduction. The present study was also to see the relationship/association between different types of PRSP programs and better performance regarding poverty alleviation. The present study was intended to provide information regarding poverty alleviation through the PRSP.

It was started in 1997. Punjab Rural Support Program is the most extensive Rural Support Program ever in Pakistan with respect to its effort performance territory, devoted staff arrangement and all-around well-arranged development exercises. It is not a revenue-driven organization and is enrolled under Section 42 of the Companies Ordinance 1984. Most of its tasks are identified with microcredit alongside giving help with the areas of business improvement, wellbeing and training, education and so on. By and by, it covers the twenty districts of Punjab through eight regional workplaces (PRSP, 2018).

PRSP is additionally assuming a significant job in poverty eradication. If we look at the performance of PRSP, we can say many new businesses have been built up and are flourishing, furnishing families with secure employment. Now, micro-credit is accessible in remote areas of Pakistan, in per-urban offices and urban offices through village Branches (PRSP, 2019).

Problem Statement

This research focuses on “The Role of Punjab Rural Support Programme in Poverty Reduction: A Case Study of District Muzaffargarh, Pakistan”. In our society, poverty is increasing day by day and to achieve the development, poverty must be reduced to some extent. This study aims to find possible ways to make their life better. Small investments are made to create new materials and can multiply their surplus, and this can help enhance their standard of living. The researcher opts for this topic of research because, in Muzaffargarh, no study related to poverty reduction has been conducted. This study will help the people of district Muzaffargarh to know about their skills and utilize them efficiently. And the government give them a small amount of money, which will be helpful in the long term.

Objectives

1. To examine the role of PRSP’s micro-credit provision in poverty alleviation in Muzaffargarh District.
2. To suggest some policy guidelines to relevant stakeholders in light of the results of the study.

Research Questions

1. What is the Demographic and socioeconomic condition of the people in Muzaffargarh?
2. What kinds of policies do poor people use to advance their living conditions?
3. Does the PRSP program help overcome the problems of low-income families?
4. To what degree has PRSP in Muzaffargarh been fruitful in empowering the people?

Literature Review

It was expressed that poverty, as an idea, portrays the socioeconomic or general state of individuals who are insufficiently off and includes numerous types of disservices. Poverty is regularly identified with a lack of salaries (Rizwan et al., 2023). The analyst contended that Poverty alleviation covers giving material products and chances to acquire pay to meet fundamental issues. The state ought to provide the conditions required for poverty decrease (such as housing, irrigation, marketing facilities, educational and medication facilities, and legal environment) expected to empower people experiencing poverty to speak to their benefits to the local leadership bodies and save them [Ahmad & Bashir]. It is in this setting the job of NGO projects of small-scale funds emerges not just on account of their potential for poverty easing but also as a result of their position in poverty decrease (Rajasekhar, 2002).

In a state where poor people's pay is not satisfactory to satisfy their central needs, including the arrangement of food or nutrition, lack of wellbeing and medication facilities, non-appearance of better education offices, non-appearance of sanitation framework and low-income family settings, such a nation is called an immature state (Adewole, 2008).

Poverty decrease is a procedure of expanding pay and Socio financial strength, which will quickly improve the fulfilment of essential wants and management and build up a scope of advantages that will diminish family unit helplessness to physical, communal and economic shock (Rizwan et al., 2023; Sayeed & Hasan, 2021). Smaller-scale credit refers to little advances made by MFIs to people with low incomes to seek independent work and begin private companies (Bamwesigye, 2008).

Poor individuals in developing nations can decrease their poverty through better training of kids, provision of food and utilization thing, and improving wellbeing and medication facilities (Khan et al., 2021). They are enhancing sanitation frameworks to counter the different diseases and utilizing better technology. All these are workable for the needy individuals through microfinance and small-scale protection that the microfinance institutions MFIs are giving (Iqbal et al., 2015).

In Pakistan, microfinance as a tool of social activation and neediness decreased and began picking up significance within the late 1990s. To be sure, International Financial Institutions empowered both open and private areas by giving assets to the improvement of the microfinance division in the nation (Khan et al., 2021). The Government of Pakistan made a massive stride by launching the Microfinance Sector Development Program in 2000. The Government of Pakistan focuses on microfinance by making it advanced and more accessible for the poor people. The genuine part of the Microfinance Sector Development Program is to give money-related assistance to poor people. Besides, the MFIs Ordinance 2001 was established by the Pakistani government to support the improvement of the microfinance sector (Abbas & Abbas, 2015).

Microfinance establishments assume a vital job in Pakistan's economy by improving the expectations for everyday comforts of low-income family units. He clarified that MFIs are a crucial area, being an employable and established channel of credit conveyance to the small and medium family units of the economy (Tahir & Tahir, 2015).

Empowerment Theory

The basis of empowerment is closely connected to Marxist sociological theory, with the main idea of empowerment being to give power (Rappaport, 1987). Power in the sense of giving someone the strength to stand for someone and sharing that belief and hope that they can do that; in the understanding of Empowerment theory, individuals are assigned power and hope in the form of financial support that they must own work and, in this way, can get out of the disease of poverty. According to (Rowlands, 1997), She believes that empowerment is a personal improvement. Moreover (Rowlands, 1999) views empowerment as a three-dimensional phenomenon. Empowerment at the personal level when an individual has confidence in himself. The second dimension is to make decisions that are appropriate or suitable for oneself, and the third dimension is empowerment at the collective level, where all the concerned people work together to achieve a specific goal. To improve the standard of living, livelihood, and environment or focus on the needs of households (Perkins & Zimmerman, 1995). In the end, empowerment emphasizes the individual strengths and individual capabilities regarding the social and political environment (Rappaport, 1981, 1984; Dass et al., 2022).

Application of the Theory

Most of the social issues are just because of the unequal distribution of the resources. Empowerment can enhance effective changes in progress and poverty mitigation in developing countries like Pakistan. The most important thing for any individual is a combination of freedom, which enhances choices and opportunities to choose to live the life one wants and can only occur by giving empowerment. Pakistan is a developing country where one-third of the population of Pakistan, approximately 39%, lives below the poverty line. Pakistan stands out amongst the most populated countries in the world with the maximum poverty rate. The primary reason for poverty is an unequal distribution of resources; people need more confidence to change their lives. Microfinance organizations play a vital role in poverty reduction and enriching the living standards of poor individuals. Pakistan is one of the poor nations that needs more resources for its people, and they are unable to fulfil their basic needs. The ideal tool for reducing poverty is microcredit, by which we can empower individuals. So, PRSP is playing a role of empowerment for any individual by giving them loans so they can start their own business to improve their family's standards.

Materials and Methods

The Present research was conducted on “The Role of Punjab Rural Support Programme in Poverty Reduction “A Case Study of District Muzaffargarh, Punjab, Pakistan”. In order to study the relationship between various quantitative variables, the standard data analysis techniques of quantitative research were applied. The study was drawn from the primary data source. The study was focused on District Muzaffargarh, Pakistan. A comprehensive questionnaire was developed for the factors' socioeconomic conditions and the role of PRSP in poverty reduction in the study area (Knott et al., 2022). Since it appeared to be exceptionally hard to approach all research components/respondents because of the lack of time and monetary assets, a sample of 160 respondents was chosen with the assistance of a simple random sampling technique. After data collection, the data was analyzed by using the computer software (SPSS) – Statistical Package for the Social Scientists. The chi-square test was applied to see the relationship between PRSP credit and poverty reduction in the study area.

Results and Discussion

Table 1 Statistics with respect to Age and Education

	N	Minimum	Maximum	Mean
Age (years)	160	21	59	34.41
Education (years)	160	0	16	4.91

Field Survey, 2023.

Table 1 depicts that the average age of the selected respondents is 34 years, with a minimum age of 21 years and a maximum of 59 years. The literacy rate in the desired sample size was meagre as results described that the average education level in the respondents was four years of education with a minimum of illiterate people and a maximum of 16 years of education. Details are given above in Table 1. Most of the respondents had ten years of education; few respondents had the education of graduation and master's degree, but one thing is essential: they were fully aware of their issues. That's why most of the family choices were made by these individuals since they are mindful of reality. They have good knowledge of their problems and their solutions. They also know about the use of microcredit loans and their benefits. Education is the best power in the world. It is the best evaluator for any individual. Most respondents said that they have girls' schools as well as boys' schools in their area. It shows that the govt and private organizations are doing their best work on education because education is the only tool for easing poverty.

Table 2 The availability of PRSP micro credit services in your area is satisfactory

	Frequency	Percent
Strongly Disagree (SD)	2	1.3
Disagree (D)	13	8.1
Neither Agree nor Disagree (N)	60	37.5
Agree (A)	72	45.0
Strongly Agree (SA)	13	8.1
Total	160	100.0

Field Survey, 2023.

Table 2 depicts that 1.3 percent respondent responded that they were Strongly disagree about the availability of PRSP microcredit services in our area, 8.1 were disagree, 37.5 were in neutral, 45 percent responded in agree option while 8.1 were in strongly agree option. Respondents clarified that PRSP is playing an imperative part within the advancement of the region and PRSP is reducing their issues related to their fundamental needs. This is attempting to empower the individual by giving them loan. For the most part respondents said that PRSP is working in numerous divisions, but its Centre was to diminish the destitution by small scale loan.

Table 3 Microcredit has improved life of those who have availed it

	Frequency	Percent
Strongly Disagree (SD)	1	.6
Disagree (D)	16	10.0
Neither Agree nor Disagree (N)	62	38.8
Agree (A)	75	46.9
Strongly Agree (SA)	6	3.8
Total	160	100.0

Field Survey, 2023

Table number 3 depicts that 0.6 percent respondent responded that they were Strongly disagree about the improvement in their lives by taking loan, 10 percent respondent were disagreed, 38.8 percent responded in neutral, 46.9 percent respondent said about agree option and 3.8 percent were strongly agree about this option.

Table 4 Microcredit is reducing poverty level in your area

	Frequency	Percent
Strongly Disagree (SD)	5	3.1
Disagree (D)	11	6.9
Neither Agree nor Disagree (N)	66	41.3
Agree (A)	59	36.9
Strongly Agree (SA)	19	11.9
Total	160	100.0

Field Survey, 2023

Table number 4 depicts that 3.1 percent respondent responded that they were strongly disagree about the poverty reduction in our area. 6.9 percent respondent were disagreeing, 41.3 percent responded in neutral option while 36.9 percent respondent responded in agree option while 11.9 percent respondents were strongly agreeing.

Table 5 Your monthly income

	Frequency	Percent
Better	83	51.9
Same	71	44.4
Worse	6	3.8
Total	160	100.0

Field Survey, 2023

Table number 5 depicts the condition after taking a loan from PRSP; 51.9 per cent of respondents responded that their income got better, 44.4 per cent of respondents were in the same position, and 3.8 per cent responded to the worse option. The majority of them, 51.9 per cent, said about better. Poverty in Pakistan is an expanding social issue and represents the severe challenges to be addressed by the government of Pakistan. It is measured that 39% of the Pakistani population is below the poverty line. So, the vast extent of the Pakistani population needs to have a satisfactory

level of food. This research investigated various elements determining local family unit poverty in District Muzaffargarh as a contextual investigation. Our rule descriptive variable was the financial strengthening of the family unit. It is experimentally demonstrated that economic strengthening finishes family poverty, and the government ought to build up policies that upgrade the financial strength of country families. In the ongoing strategy alternatives for diminishing country family poverty, a variety of choices have been offered by the government. Our outcomes encourage the idea that financial strengthening of the regional family units is expected to dispose of country family neediness. Agreeing on the perspectives of respondents, it was clear the general population of the study territory was happy with the work, just as with the execution of PRSP. Microcredit or small-scale money assumes an essential job in the disposal of poverty. The present research intended to consider "The Role of Punjab Rural Support Programme in Poverty Reduction" in this way. The universe chosen for the study was comprised of smaller-scale credit borrowers. For this reason, PRSP was chosen to check the job of small-scale credit in disposal neediness. Small-scale credit is a notable source of pays age. Solid ties with these channels encourage the assets and openings in the improvement of expectations for everyday comforts and take care of the issues. The researcher further presumed that credit programs give chances to give salary assets. Along these lines, based on the findings of the examination, the following is finished. PRSP is performing a better job regarding poverty easing through the various kinds of programs in Muzaffargarh. PRSP is doing a better job of wiping out poverty through multiple activities in chosen areas of Muzaffargarh. For example, to provide essential needs, microcredit, and technical training to their target community.

Testing of Hypothesis

Hypothesis

Association between types of programs and better performance regarding poverty.

Null hypothesis: There is no association between types of programs and better performance regarding poverty alleviation.

Alternate hypothesis: There is an association between types of programs and better performance regarding poverty alleviation.

**Table 6 Do you think that PRSP performed a better role regarding poverty alleviation?
* How PRSP eliminate the poverty in your areas? Cross tabulation**

Count		How PRSP eliminate the poverty in your areas?				Total
		Through social mobilization	To give the basic needs	To give the micro credit	To provide technical trainings	
Do you think that PRSP performed a better role regarding poverty alleviation?	Yes	10	8	106	5	129
	No	8	3	15	5	31
Total		18	11	121	10	160

Table 7 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.457 ^a	3	.001
Likelihood Ratio	15.142	3	.002
Linear-by-Linear Association	3.516	1	.061
N of Valid Cases	160		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.94.

The above table shows the relationship between performance and eliminating poverty through PRSP. The extracted results show that there was a significant solid relationship among “Do you think that PRSP performed a better role regarding poverty alleviation? How does PRSP eliminate poverty in your areas”? So, the alternate hypothesis statement may be assumed as accurate, and it is concluded that PRSP performs the better role in eliminating poverty through the different programmes in Muzaffargarh, Punjab, Pakistan.

Conclusion and Recommendations

The present study was about the Punjab Rural Support Program Association and its services, which are given to the person through credit. The target of this research was to investigate "The Role of Punjab Rural Support Programme in Poverty Reduction in Muzaffargarh". Research additionally looks at the services which are given to the person. As per our examination, the organization is working effectively because the staff is quiet and calm. The team repeatedly helped and participated with the customers; in the study, the more significant part of the respondents had a place with the lower class; their salary was soft, yet they had a strong bond with each other. Individuals take micro-finance and afterwards begin independent companies, which is the reason they boost the entire family. Indeed, even though they have no access to fundamental needs, they attempt to give the facilities to the family. Punjab Rural Support Programme changed the lives of poor individuals through individual strengthening by offering them loans. In this way, toward the end, it might be presumed that microcredit is mainly connected with the inspiration of financial strengthening of the lower class at District Muzaffargarh in Pakistan. This study demonstrates that microcredit programmes are fruitful in engaging poor people. The requirement for microcredit is higher in the provincial territory than in the urban region. Microfinance is the most vital asset to give credits and other essential monetary administrations to expand the employment rate profitability and lessen poverty.

Recommendations

- The majority of the benefits of the PRSP needed to be more skilled and needed operational help for leading effective business. So PRSP should play their best role in this favor, and active support to benefices may be provided in terms of business and management skills.
- PRSP should lead the business under their very own supervision based on the Organization with the benefits.
- There ought to be a procedure of confirmation through which it will be watched whether either credit is utilized at its best or not.
- Training programs ought to be presented for the benefices.
- The loan sum ought to be expanded, which may assist the general population with improving their life condition.

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