Effects of Benazir Income Support Program on Small Business Activities in Rural Area of District Peshawar

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https://doi.org/10.62345/jads.2025.14.3.96

Abstract

The study was carried out since 2025 in the rural area of the district of Peshawar. The primary objective of the study was to investigate the effects of BISP on small-scale business activities in the rural areas of District Peshawar. The total number of respondents was 227: Suleman Khel 47, Khazana Bala 45, Afithozai 63, and Ahozai 72. Through the interview schedule, data were collected from the respondents. Through SPSS, the data was analysed. Descriptive statistics were used for data analysis. The result shows that 14 respondents were only involved in small business activities out of 227. The main reason was that the allocated funds were insufficient, while most respondents spent them on food, children's education, clothes, and other daily necessities. The major hurdles and constraints were religious and cultural issues, less funding provision by BISP, illiteracy of the women, transport facilities, etc. These factors have negatively affected the growth of businesses in the study area. Based on the problems and constraints, the study recommends increasing the BISP fund to improve the education of women beneficiaries. The husband's cooperation is required, while the government should address cultural and religious issues to enhance the business activities of the women beneficiaries. Similarly, without business activities, sustainable development is impossible in the study area.

Keywords: BISP Effects, Small Scale, Business, District Peshawar.

Introduction

President Asif Ali Zardari started the Benazir Income Support Program in July 2008. The primary objective of this program was to empower women in all districts of Pakistan. Initially, the amount was very low, but it gradually increased. By 2023, it reached 10500, alongside programs and efforts, such as educational initiatives, to empower women in the country. The Benazir Income Support Programme (BISP) primarily focuses on providing financial assistance to eligible families through unconditional cash transfers, rather than engaging in direct business activities. While BISP does not directly provide funds for businesses, it plays a role in poverty alleviation, which can indirectly impact the economy by increasing demand and potentially stimulating local businesses. In the fiscal year 2024-25, BISP disbursed Rs. 592 billion to 9.9 million low-income families, according to Associated Press of Pakistan. Here's a more detailed explanation: BISP's primary function is to provide cash payments to eligible families, aiming to mitigate poverty and vulnerability. BISP does not directly invest in or fund businesses. The program's focus is on social welfare and poverty reduction through direct cash assistance.

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By providing cash to low-income families, BISP can indirectly stimulate local economies. These funds are often used for necessities like food, education, and healthcare, potentially increasing demand for goods and services in regional markets. In the fiscal year 2024-25, BISP received a budget of Rs. 722.48 billion, with Rs. 592 billion disbursed to 9.9 million families as unconditional cash transfers, according to Business Recorder. Launched in 2008, BISP was designed to cushion the impact on people with low incomes and provide a safety net. The program has evolved, with changes in the amount of cash transfers and the introduction of initiatives like the Waseela-e-Taleem (conditional cash transfer for education). BISP has gradually increased the financial safety net, and its primary objective is to improve business activities at home. In July 2025, the majority of women received Rs. 8500 to enhance their businesses, and with this support, they are transforming into small businesses across the country to improve their economy. The sustainability of small businesses developed by BISP beneficiaries needs to be addressed through continued support and access to resources. Ensuring that BISP's initiatives effectively target individuals with entrepreneurial potential is essential for maximizing the program's impact on small business growth.

Ghazi et al.'s (2021) study revealed that the BISP fund is too small to improve the business activities of the beneficiaries in the study area. Therefore, the government must increase the BISP fund to support small businesses, thereby improving the income level of women and establishing sustainability in the study area. Ahamad et al. 2017 stated that BISP activities have a positive effect on poverty reduction. The study universe was the Swat area of Madayeen, where most women found this program satisfactory and enjoyable for eradicating poverty. This program has a positive impact on the business growth. Khan (October 14, 2024) stated that BISP has positive effects on poverty reduction, female empowerment, governance, and political power. The fund, increasing by BISP, plays a significant role in the development of women. It also affects the growth of women's businesses in the study area.

Small businesses depend on various factors. If women are educated, they invest their money wisely and earn more than others. Sometimes, different locations earn different amounts, so locality is also a factor that affects business income. There are so many factors which influence the business. The attitude of the businesswoman also affects the business. If the attitude is good, it runs the business well, and they always try to keep the customer happy. They meet with the people very nicely, and they try to make them happy. Sometimes people say that if character is lost, everything is lost; if health is lost, something is lost; while if wealth is lost, nothing is lost. So, good character plays a significant role in business development. Some women run businesses from their homes, reinvesting the money in the business, which makes them very rich in the long run. If the BISP provides more funds to the beneficiaries, then the business of the women will be developed. Given the situation, the present study was arranged to investigate the effects of BISP on small businesses of beneficiaries in the study area.

Methodology

The study universe was District Peshawar. The total number of rural councils was 216, and only four union councils —Suleman Khel, Khazana, Regi, and Palosi —were randomly selected. From these, one village from each union council —namely Suleman Khel, Khazana Bala, Afthozai, and Atho —was taken randomly. All beneficiaries were selected for the study. The Suleman Khel respondent number was 47, Khazana Bala 45, Afithozai 63, while the number of Athozai was 72. Through the interview schedule, data were collected from all the respondents. Descriptive statistics were used for data analysis

Results and Discussion

The results and discussion explained the distribution of labour, small-scale businesses, support income sources, utilisation in business activities, and problems and constraints. The detail is given below:

Labour Distribution of the Sampled Respondents

The poor people always work as labour in different sectors of the economy. Through labour, they earn money, spend it on household expenses, and sometimes save it to invest in house construction and other economic activities. They cultivate other people's land in the village and use the money they earn to purchase inputs for the field. Table. One indicates the labour distribution of the respondents in the study area. The table shows that in Suleman Khel, 5.7% of respondents fall in the yes labour category, while 15% fall in the no category. The total coverage of both respondents is 20.7% in this village. Similarly, in Khazana Bala village, 2.6% of respondents fall into the no category, while 17.2% fall into another category. The total respondents in Khazana village is 19.8%.

However, in the village of Afithozai, the yes category has 6.6% of respondents, while the no category has 21.1%. The total number of respondents in this village is 27.8% of the total respondents. Similarly, in Athozai village, 2.6% of respondents reported working as labour in other houses to enhance their household economy, while 29.1% stated they cannot work as labour. The total sampled respondents in this village is 31.7%. Out of a hundred respondents, 17.6% say they work as labour in other houses in the town to boost their household economy, while 82.4% claim they cannot work as labour in different homes in the city.

The study concludes that labour plays a significant role in the household development of the village, while only a few sampled respondents work as labour to support their household economy. The highest frequency was found in Afithozai village at 6.6%, followed by Suleman Khel village at 5.7%. The lowest numbers were found in the towns of Khazana Bala and Athozai, with rates of 2.6% and 2.6%, respectively. This is followed by Suleman Khel, at 5.7%. In no category does Athozai have 29.1%, followed by Afthozia at 21.1%. Similarly, the lowest number is in the no category in Suleman Khel, at 15%, which is followed by Khazana Bala, at 17.2%. The study concludes that very few respondents, 17.6% work as labourers in the study area, while the remaining 82.4% cannot work as labourers. The study revealed that they cannot permit household members to work outside the house. They care for the purdah and culture. These are the hurdles which resist the respondents as labour outside the home. Labour plays an essential role in the early stages, which later helps and supports the country's small industrial sector. The source of the table is field survey, 2024.

Table 1: Labor distribution of the respondents

Village name	Work as Labor		Not work as Labor		Total	
	Frequency	%	Frequency	%	Frequency	%
Suleman Khel	13	5.7	34	15.0	47	20.7
Khazana Bala	6	2.6	39	17.2	45	19.8
Afithozai	15	6.6	48	21.1	63	27.8
Athozia	6	2.6	66	29.1	72	31.7
Total	40	17.6	187	82.4	227	100

Small-scale Businesses

Small-scale businesses play a significant role in the development of the country. It requires less money while providing an early return to households, which increases their income level. In small-scale businesses, fewer than five members are needed. None of the sampled respondents reports a small business in the study area, while 14 respondents have a small business elsewhere. Through small businesses, jobs are created, allowing unemployed household members to find employment, which plays a significant role in resolving unemployment problems.

Table 2 shows the distribution of small businesses among the sampled respondents in the study area. According to the table in Suleman Khel, only 1.3% of respondents engaged in small-scale businesses, namely poultry and gardening. In comparison, 19.4% of respondents do not conduct small-scale businesses in Suleman Khel village. In Khazana Bala village, 0.9% of respondents are involved in small-scale business, while 19.4% do not engage in such activities. However, in Afithozai, 1.8% of respondents are involved in small-scale business activities, while 25.6% do not engage in such activities in the study area. In Athozai, only 1.8% of respondents engage in small-scale business in the study area, while 30% have none. The total number of respondents involved in small-scale business is 6.2%, while 93.8% have no small business in the study area. The highest business frequency in Afithozaie is 2.2%, followed by Athozai at 1.8%. The lowest frequency of small enterprises in Khazana Bala is 0.9%, followed by Suleman Khel at 1.3%.

The study concludes that the income level of the sampled respondents is very low. Therefore, very few respondents are involved in the small business. BISP must provide more funds to sampled respondents in the study area to start small businesses, which will address the unemployment issues of household members and enhance household income in the future. The study explains that small businesses are the proper solution for developing the household economy when they obtain funds from the Benazir Income Support Program.

Iji (March 2021) found that in Nigeria, 97.41 per cent do not depend on their husbands' income, while 63.70 per cent manage their income through their own efforts. However, 81.10 per cent of women reported that they contribute to their household and take care of themselves. The results indicate that most women are involved in small businesses, significantly contributing to their household and family well-being. Currently, only 6.2 per cent of women are engaged in small businesses, such as poultry farming, which boosts their income levels with the help of BISP. Here, the study area is not favourable for business due to low income and other problems faced by females.

Table 2: Small scale business distribution of the respondents

Village name	Small Scale Business				Total	
	Yes		NO			
	Frequency	%	Frequency	%	Frequency	%
Suleman Khel	3	1.3	44	19.4	47	20.7
Khazana Bala	2	0.9	43	18.9	45	19.8
Afithozai	5	2.2	58	25.6	63	27.8
Athozia	4	1.8	68	30.0	72	31.7
Total	14	6.2	213	93.8	227	100

Source: Field survey 2024

Support Income Source

Support income is that income which is paid to poor people through zakat, Alum and Hirath. So it full fill the daily need of the poor person while sometime it save the money and invest in small business. Table 3 indicates the support income sources distribution of the sampled respondents in the study area. According to table in Suleman Khel village 15% respondents obtained the zakat, Hirath money etc. from the rich people while 5.7% respondents cannot receive the Hirath and Zakat Money etc. Similarly, in Khazana Bala village 19.8% sampled respondents get the zakat and Hirath money etc. However, in Afithozai 23.3% respondents get the zakat and Hirath money while 4.4% cannot receive the Zakat and Hirath money etc. Similarly, in Athozai 31.3% respondents receive the zakat and hirath money etc while 0.4 % respondents cannot receive the zakat and hirath money etc. The total 89.4% respondents receive the zakat and hitath money etc. in the study area while the remaining 10.6% respondents cannot obtain the zakat and hirath money in the study area. Zakat and hirath money distribution play great role for uplifting the household economy of the poor people. It fulfill the deficiency of the poor people and put on develop path.

Table 3: Support income sources distribution of the respondents

Village name	Other Support Income Sources				Total	
	Yes		No			
	Frequency	%	Frequency	%	Frequency	%
Suleman Khel	34	15.0	13	5.7	47	20.7
Khazana Bala	45	19.8	0	00	45	19.8
Afithozai	53	23.3	10	4.4	63	27.8
Athozia	71	31.3	1	0.4	72	31.7
Total	203	89.4	24	10.6	227	100

Source: Field survey 2024

Amount Utilised in Business Activities

Small-scale businesses play a significant role in the development of a country. It is the savings that drive the business and income levels of the people, directly affecting their survival. The business activities generate employment, which solves the problem of unemployment among the sampled respondents in the study area. Table 3 shows the utilisation amount of BISP in small-scale business activities of the sampled respondents in the study area. According to Table 1.3, 3% of respondents said they have utilised the amount for small-scale business in Suleman Khel village, while 19% explained that they have not utilised the BISP funds for small-scale business. Similarly, in Athozai village, 1.8% of respondents reported using the BISP fund for small-scale business. In comparison, 30% stated they have not used the BISP amount for small-scale industries in the study area. The study reveals that the BISP amount is insufficient, and the majority of respondents use it for daily expenditure in the study area. The table further explains that 6.2% of respondents used the BISP amount in small-scale businesses, while 93.8% could not do so in the study area. The study concludes that small-scale enterprises need funding for their start-up phase, as most respondents genuinely cannot afford the business costs. Similarly, this study also declares that small businesses play a significant role in enhancing the economy. Due to a fund deficiency, every respondent hesitates to use the BISP fund in small-scale enterprises.

As of today, in 2025, the BISP has increased the amount from 10500 to 13500. They try to expand the business of women in Pakistan. The BISP gives short training to their beneficiaries. The BISP is considering setting up a stall at their home for something. Link the program with WhatsApp and inform the nearest people that she has set up a stall at home. Keep Rs 2000 as an emergency fund and invest the remaining money in samosas and other activities. Gradually, your program will be developed, and eventually, you will be rich. You will start small and then expand to make it big. Purchase some birds and supply their eggs to the market to earn money. So, through this small business, you will become the boss of the future. The majority of people say that this amount can only generate employment at the local level and increase the income of BISP beneficiaries. BISP has also established some training institutions, namely, tailoring in the study area. They purchased the sewing machine for this amount and then started tailoring at home. So, it concludes that the BISP program expands small industries in the country while generating employment. So, small sectors play a significant role in the development of a country. A similar situation also exists in the study area.

Table 4: Amount utilization of BISP in small scale business activities distribution of the respondents

Name of Village	ount Utilization of BISP in Small Scale Business				Total	
	Yes		No			
	Frequency	%	Frequency	%	Frequency	%
Suleman Khel	3	1.3	44	19.4	47	20.7
Khazana Bala	2	0.9	43	18.9	45	19.8
Afithozai	5	2.2	58	25.6	63	27.8
Athozia	4	1.8	68	30.0	72	31.7
Total	14	6.2	213	93.8	227	100

Source: Field survey 2024

Problems and Constraints Faced by Respondents

Table 5 shows the problems and constraints faced by respondents. The table shows that 99.6% of respondents claim the program's funds are not available on time, while 0.4% argue that the funds were available on time. The majority of respondents did not obtain the funds in time, which affected their daily activities and created hurdles for the long run. Similarly, 98.7% of respondents stated that the fund was very short, failing to meet the requirements of daily basic needs. Improvement is needed to enhance the economic growth of respondents, while 1.3% claim that the fund is sufficient. However, the transportation system was recorded by 97.8% respondents. They claimed that the transportation system is not reliable, and they travel long distances on foot to receive the funds, while 2.2% of respondents said that the transportation system is reliable.

According to the table, 82% of respondents said that the household head did not allow for outside business, while 18% claimed that they allowed for business outside the home. About 98.2% of respondents claim that Parda is a significant hurdle affecting their activities outside the home. The people in the project area are religious-minded, so they do not allow their women to go outside the home for any activity, while 1.8% of respondents claimed that they have no hurdle for the Parda. About 98.2% of respondents claim that illiteracy is the most significant problem in the study area. Out of the total, only 6.17% of respondents have middle, Matric, and FA/FSc level qualifications. The rest are all illiterate; they cannot read or write in any language. They said it is a significant hurdle to enhancing economic growth for households. The lack of available jobs is also a substantial problem for the respondents. Similarly, 98.2% of respondents argued that the business environment is unfavourable, while 1.8% believed that the climate is suitable for business activity. About 83.3% respondents disclosed that the husband did not cooperate with them for outside the home work due to cultural issues, while 16.7% cooperate with them for outside the home work. About 99.1% of respondents reported facing cultural issues in the study area. The people say that women are for the house, while not for outside work. There, the religious-minded people are more, and they want women to stay in Parda and not outside the home. Similarly, 0.9% respondents say that there is no culture issue.

The main problem there is the low income. The people work as labourers and earn money. Similarly, get the cash from Alms and Zakat as well as from BISP. About 99.1% respondents claim that the main problem is the low income of their families. They cannot afford the cost of their children's education as well as medicine for treatment of health, while also not being able to afford the cost of their basic needs due to the low income of the family.9% respondents said that they have no hurdle in income. The table concludes that many problems and constraints hinder sampled respondents from improving their economic conditions. The BISP paid them less than their requirement, which affects their business growth and, consequently, the income level of the respondents' households. However, in the long run, it impacts their business in the study area. So, it shows that companies seek income, education, husband cooperation, and without overcoming these hurdles and constraints, business growth is impossible.

Ahmad (2024) explained that the main problems of the BISP are technical and political. The technical issues are BISP, Poverty Score Card, fake forms and data stealing, phoney call and SMS, ill-behaviour and choice commission at Easy Paisa shops, Fake BISP forms selling, ill-behaviour of BISP staff, use of ATM Cards, issues in BVS (Biometric Verification System), and hurdles in getting stipend. The political problems are that they utilised the name of former Prime Minister Benazir Bhutto to make a bank. They use the name of Benazir to gain sympathy for a blank vote. A proper survey has not been done to date. The PPP worker processes the study, and all surveys are conducted on a political basis. The political interference is involved in this program. All the key position holders in the BISP program belonged to PPP. The author concludes that the program is carried out by the People's Party to increase the vote balance. A similar situation was also there, and these problems have created a bad environment in the study area.

Table 5: Problems and constraints were faced by respondents

Name of Problems and Constraints	Yes	%	No	%	Total	%
In time availability of fund	226	99.6	1	0.4	227	100
Shortage of fund	224	98.7	3	1.3	227	100
Transportation system	222	97.8	5	2.2	227	100
Husband permission for outside business	188	82.2	39	17.8	227	100

Hurdle of perda	223	98.2	4	1.8	227	100
Hurdle of illiteracy	213	93.83	14	6.17	227	100
Unfavorable environment for business	223	98.2	4	1.8	227	100
Non-cooperation of husband	189	83.3	38	16.7	227	100
Culture Issue	225	99.1	2	0.9	227	100
Low income	225	99.1	2	0.9	227	100

Conclusion

The study concludes that the BISP program funds allocated to women were insufficient, as very few women have started small businesses, while the majority have spent the funds on food, education, clothing, etc. Similarly, other factors were also responsible for the decline in business activities. The major hurdles and constraints were religious and cultural issues, less funding provision by BISP, illiteracy of the women, transport facilities, etc. These factors have affected the growth of business in the study area. Based on problems the study recommend that to improve the BISP fund; provide the transport facilities in the study area; to improve the education level of the beneficiaries as well as provide health facilities to the beneficiaries community of the study area by BISP; Husband cooperation is also essential for enhancement of the business; in time fund availability on monthly basis is required while all problems and constraints solution is necessary for the improvement of business in the study area.

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