



Employers' Federation of Pakistan

**A Presentation On
Social Protection Issues & Challenges in Pakistan
at
Enhancing Employers' Involvement in Social Protection
Policy Debates
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The present situation and future Government plans in Social Protection in Pakistan

- Pakistan badly lacks in providing national social Protection Floor containing basic social security guarantees ensuring to all its citizens universal access to essential healthcare and income security.

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- There are however, a number of sporadic initiatives taken by the Government in the area of social protection some of which are as follows:-
 - Benazir Income Support Program (BISP)
 - Child Labor Prevention – Pakistan Baitul Maal (MSW)
 - Khushal Pakistan
 - Medical Assistance – Zakat and PBM
 - Micro Credit (Microfinance Network, Government/PPAF)
 - Micro Credit Khushal Bank
 - Orphanages Government (MSW)
 - Pakistan Baitul Maal (Tawana Nutrition)
 - Pakistan Baitul Maal (MSW)
 - PBM Rehabilitation Ministry of Social Welfare
 - PBM Vocational Training (MSW)
 - Provincial Child Protection Program
 - Provincial DSW Program (Department of Social Welfare)
 - Punjab Baitul Maal Local Government
 - Zakat Rehabilitation Grant
 - Zakat Subsistence Allowance
 - Education and Training for Children with disabilities
 - Education stipend Punjab Baitul Maal Local Government
 - Education Stipend PBM (MSW)
 - Education Stipend Zakat (ZC)

The present situation and future Government plans in Social Protection in Pakistan

- The Government has also introduced Social Protection Floors for the armed forces and civilian employees. Some of which are as under:-
 - Health Services for Army Personnel
 - Pension for Armed Forces
 - Pension for Civilian Armed Forces
 - Pension for Civilian Employees of Armed Forces
 - Pension for Provincial Government Employees
 - Pension for Federal Civil Employees
 - Pension for WAPDA Employees

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- The Government has also introduced social security schemes for employees which is fully contributed by the employer which are the followings:-
 - Employees Social Security Institution
 - Employees Old-age Benefit Institution
 - Workers Welfare Fund Grants (WWF)
 - WWF Educational Stipends (WWF)

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- Some of the social protection programs are run by the NGOs such as:-
 - Disability Programs (Apna Ghar NGO)
 - Edhi Foundation Destitute and Children's homes
 - Edhi Foundation Services for the poor
 - Orphanages – Islamic Charities
 - Chipa Welfare Trust
 - Alamgir Welfare Trust
 - Vocational and Technical Training (Government / NGOs)

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- A number of trusts, foundations, charity centres are run by NGOs, private philanthropist, business houses for assisting the disabled underprivileged destitutes and orphans

- All these institutions plus many more are carrying out social protection programs which are highly disintegrated.
- The governance of these sporadic institutions have always been in public debate because of rampant corruption
- As a religious institution, it is mandatory for every Muslim to part with a portion of his/her wealth annually for helping the destitutes and the poor.
- Customarily Zakat is paid at the rate of 2.5% of a Muslim's total savings and wealth above a minimum amount known as nisab (the individual's determined earning / wealth)

- It is estimated that the total Annual Zakat contribution comes to the tune of somewhere around \$2 Billion a year but since there is no organized system of its collection or distribution, its actual impact on alleviation of poverty has never been evaluated.
- The total public expenditure on health is around 0.8% of GDP.
- The total public expenditure on education is around 2.2% of GDP.

- The Government has allocated in the last annual budget 2017, a minimum of 4.5% of GDP to Social and Poverty related expenditure.
- According to a report of Asian Development Bank titled ‘Social Protection Index Assessing Results for Asia and Pacific’, Pakistan spends less than 3 per cent of its GDP for the protection of its poor population. With such a low spending, the country’s score on Social Protection Index (SPI) is 0.047, which is lower than the South Asian average, i.e. 0.061.
- 30% of Pakistan’s population is below the poverty line and enough is not being done for poverty alleviation other than unverifiable statistical claims which shows the dismal picture of social protection floors and safety net in Pakistan.

EFP's Position towards Social Protection Policies

- Employers` Federation of Pakistan in collaboration with business organizations and associations decided to form Pakistan Business Network for Social Protection Floors in August 2016 with a view to support the global knowledge campaign on Social protection floors and to mobilize the private sector in Pakistan for supporting the Social Protection systems Program inline with Global Business Network (GBN) guidelines.
- Pakistan thus became the first country among 21 countries selected by ILO for supporting social protection programs where through private sector initiative the Business Network for Social Protection Floors has been formed through which concrete country level activities of the Global Business Network (GBN) will take place.
- This was also acknowledged by the Director General ILO in his foreword to the Global Business Network for Social Protection Floors 2nd Annual meeting held at Geneva on 25th October, 2016.

OBJECTIVES

The Network set the following four broad objectives:-

- Building business cases for social protection through hands-on research and documenting good practices.
- Raising awareness among enterprises and workers about the benefits of Social Protection.
- Create a platform to provide concrete proposals to the government to change the governance of existing social security schemes at the federal and Provincial levels.
- Support the development of Social Protection Floors for uncovered groups such as the disabled, minorities, women agriculture sector, home based workers, and automobile shops etc.

ACTIVITIES

In the year 2016-17, the Network decided to undertake the following activities:-

1. A comprehensive study and survey of Social protection benefits available to industrial workers/ uncovered groups in the public and private and different industrial sectors.
2. Identifying social protection measures beyond the law practiced by the private sector and their impact on organizational productivity.
3. Conducting researches and gaps in benefits and impact of Social Protection institutions run by the government.
4. Social dialogue with government and workers on improvement of the governance of Social Security Protection institutions such as EOBI, SESSI etc.
5. Country wide Awareness raising seminars on improving social protection floors.
6. Support the development of Social Protection Floor infrastructure from uncovered groups such as disabled/ minorities/ women/ household/ domestic workers/home based workers/workers in the agriculture sector/automobile shops etc.

EFP's influence on National Social Protection Policies

- As Employers most representative body, the EFP is fully poised to raise the employers voice on issues and challenges of social protection particularly in respect of industrial workforce.
- Since the Social Protection Program for Industrial Workers in Pakistan is fully funded by employers in Pakistan, the EFP is in serious debate with the Government for improving the governance structure of the regulatory bodies responsible for collection and distribution of the social security contributions from employers.
- Social dialogue is being initiated by EFP at the Provincial and Federal level to improve the governance of the regulatory bodies by giving employers majority representation in the board of governance in these institute.
- The Workers Federation and Trade Unions at the Federal and Provincial level fully support the Employers' Federation of Pakistan in social dialogue with the Government in improving the social security network and governance of social safety net institutions.
- The EFP is sanguine that the activities it proposes to undertake through the Pakistan Business Network for Social Protection Floors will set the right basis and tone for addressing the issues and challenges of social protection floors in Pakistan.

- EFP's efforts to mobilize all the stakeholders including the business, government, the workers, academia and NGOs in identifying the issues, challenges and solutions for effective social protection floors has great potential to make a difference in the situation currently prevailing in Pakistan.

- The EFP also feels confident that the deliberations and learning of this program on **‘Enhancing Employers’ Involvement in Social Protection Policy Debates’** will also benefit the EFP in supplementing the efforts it is making in Pakistan to address the social protection issues.

Thank You