

Setting Pakistan's Agenda for Universal Social Protection (USP)

Universal Social Protection (USP) can only be achieved through political commitment, strong institutional capacity, and a system for inclusive SP systems. The myth of the need for 'strong fiscal space' for USP burst a long time ago. Core SP programmes can be calibrated to be affordable by even the lowest income countries.

The Context

'The COVID-19 crisis has exposed gaps in social protection coverage in developing countries, and recovery will only be sustained and future crises prevented if they can transform their ad hoc crisis response measures into comprehensive and sustainable social protection systems – as recommended by international social protection standards' (ILO 2020a) – particularly, ILO Convention on Social Security (Minimum Standards), 1952 (No. 102) and ILO Social Protection Floors Recommendation, 2012 (No. 202).

COVID-19 has pointed out to two major gaps:

1. Coverage, adequacy and comprehensiveness of provision. It is imperative to provide equitable access to comprehensive risk coverage through a coherent system to the entire population when in need.
2. Delivery, implementation and capacity challenges, compounded by a lack of preparedness for programme and system adaptation ('shock responsiveness') to help respond to large covariate shocks.

Looking beyond the short-term ramifications of the lockdowns and disruptions of global supply chains, the medium-term effects of the global recession caused by COVID-19 and their implications for different types of livelihoods in Pakistan is not yet clear.

COVID-19 is not the last epidemic the world will face. There might be many other pandemics, crises, and disruptions. Therefore, Pakistan will need to invest further in SP programmes and systems to ensure preparedness for - and resilience to - future, overlapping, shocks. There is currently a high demand for innovative approaches that can leverage the capacities of existing systems. In this sense, the current crisis provides tremendous opportunity for change, which must not be wasted.

An integrated response will require 'removing financial barriers to quality health care, enhancing income security, reaching out to workers in the informal economy, protecting incomes and jobs, and improving the delivery of social protection, employment and other interventions' (ILO 2020a). 'A nationally defined social protection floor that guarantees access to health care and at least a basic level of income security throughout the life course is critical' (ILO 2020b).

In terms of SP coverage in Pakistan, around 11.6 million¹ beneficiaries are enrolled with various provincial and federally run schemes. 'According to Pakistan's multidimensional poverty index in 2014-15, 38.8 per cent of the population was multi-dimensionally poor, with considerable regional variations. This indicates that a large proportion of the population is deprived across three critical dimensions – education, health and living standards. A significant proportion of population is faced

¹ 6% of the population of 207 million.

with the risk of falling below the national poverty line if they experience sudden shocks’ (GoP 2019, p.24).

‘The expenditure on SP by Pakistan’s federal and provincial governments constitutes 2.36% of the country’s GDP, including approximately 1% of GDP at the provincial level’ (ILO 2019). The expenditure appears to fall short when compared to the records of some of the emerging market economies such as India and China with 4.3% and 3.7%, respectively.

The existing SP programmes include both contributory and non-contributory schemes and consist of the following categories:

1. Social Assistance Programme including Benazir Income Support Programme, *Zakat* and Bait-ul-Maal administered by the federal government; While social welfare, and other social assistance programmes are being run at the provincial levels.
2. Social Insurance Schemes, contributed by employers administered by provincial and federal governments² including provincial Employees Social Security Institutions (ESSIs) and Employees Old Age Benefits Institutions (EOBIs) and civil pensions, National Health Programme (NHP) administered through the Ministry of National Health Services, Regulations and Coordination.
3. Labour market policies and programmes including skills, enterprise, access to finance, (*Kamyab Jawan*, Provincial Technical Education and Vocational Training Authorities).

USP can provide an integrated response to COVID-19 socioeconomic consequences. The launch of the national poverty alleviation programme *Ehsaas* by the Government of Pakistan reaffirms its commitment towards inclusive and sustainable development. The four strands of *Ehsaas* are interconnected and strengthen response towards universalising SP. However, a strategic approach is missing which will guide the process of universalising /expanding the existing SP schemes and designing new schemes to cover life contingencies that are currently not addressed adequately (e.g., unemployment).

The Socio-economic Impact Assessment & Response Plan (SEIA&RP) carried out by the Planning Commission with the UNDP Country Team in Pakistan draws attention to these missing segments of population that should be covered by SP, in particular workers in the informal economy It also highlights the importance of integrated and sustainable SP responses that uses active labour market policies and programmes along with social assistance packages (UNDP 2020).³ It is, therefore, important to bring the subject of sustainable financing of rights-based SP systems to light and discuss policy options to address expanded coverage so that no one is left behind.

To give momentum to a national dialogue and enable discussion on areas of priorities for Pakistan and a strategy for universalisation of SP, the ILO is providing technical assistance in several areas:

- a) Creating knowledge resources on SP including legal frameworks, policies and strategies, socioeconomic and political economy; developing the investment case for prioritisation of public finances in SP and gap assessment considering ILO Conventions.
- b) Capacity building in reporting and data collection on SP to measure progress on related Sustainable Development Goals.

² While ESSIs are Provincial, EOBI is Federal.

³ Chapter on impact on labour economy was carried out by the ILO.

- c) Capacity building in expanding coverage and improving governance of schemes.
- d) Enabling effective coordination at all levels for effective delivery of schemes and programmes.

The overall aim of this conference panel at the SDC 2020 is to advocate for and promote Universal Social Protection in Pakistan as a response to COVID-19 as well as a long-term policy agenda. The discussion will focus on:

- Key initiatives for universalisation taken by Pakistan (for example Health Insurance in Khyber Pakhtunkhwa);
- Gaps in social protection coverage, reasons and strategies to address these gaps;
- Opportunities for USP in Pakistan based on regional and/or international best practices.

References

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