



▶ ILO Brief

June 2021

Achieving the SDGs and ending poverty through universal social protection in Pakistan

A brief on project outcomes

Key points

- ▶ This compilation brings together key outcomes and successes of the 'Achieving the SDGs and ending poverty through universal social protection', (RAS/18/01/UNS), a 3-year project implemented jointly by ILO and UNDESA.
- ▶ This brief highlights best practices under the four project strands to improve the social protection system in Pakistan vis-à-vis coordination, coverage, compliance and the collection of data on social protection.

The context

Social protection systems are at the centre of enhancing human capital, reducing inequalities, building resilience and eradicating poverty. In recent years, social protection has emerged as a unifying concept for an array of measures aimed at building fairer and more inclusive societies.¹

While social protection is one of the key target indicators of the 2030 Agenda for Sustainable Development, many countries around the world continue to have inadequate and underdeveloped social protection systems. Financial sustainability, inefficient, poorly governed social protection schemes not only expose already vulnerable groups to

more risks, they also tend to undermine gains in human capital development.

Recent years have witnessed increasing inequalities, with regards to inclusive growth and prosperity worldwide. The COVID-19 pandemic has further exposed the gaps and inequalities in the system. Above all, the implementation of social protection programmes and schemes has proved to be one of the most effective and straight-forward strategies to meet basic needs, uphold fundamental human rights and contribute to inclusive growth.

The case of Pakistan is not different.

¹ NGO Committee Social Development, *Social Protection: A Coherent Strategy for Shared Prosperity: United Nations 56th*

Commission for Social Development Civil Society Declaration, 2018.

Sharpening the focus on social protection as a means to address these challenges, therefore, is extremely relevant in Pakistan’s context. Historically, the country’s social protection system has been fragmented and peripheral, in the sense that it has never been a central pillar of the development discourse.

A number of issues affect the social protection sector in Pakistan. Foremost among these challenges is the lack of a coherent policy, financing and institutional framework to end social security deficits in the country. Current laws remain exclusionary, leaving out the vast majority (71.4 per cent of the non-agricultural work force according to the Labour Force Survey 2017–18) of workers employed in the informal economy. Even within the formal economy, many groups continue to be excluded from labour and social security laws, for example, due to non-standard forms of employment. Social protection provision remains limited given significant deficits in coverage, adequacy and comprehensiveness.

In terms of implementation, a fragmented delivery structure, targeting inefficiencies, duplication and the weak application of laws hamper the effectiveness of the current system. System efficiency is further weighed down at the administrative level as registration processes are complicated, cumbersome and time consuming.²

Recent years, however, have witnessed a shift in the policy paradigm with social protection taking on a dominant position in the discourse. The crisis evoked by COVID-19 also pushed the social protection agenda to the centre, drawing attention to the urgency and feasibility of moving towards universal social protection systems.

The Government of Pakistan’s *Ehsaas* Strategy, launched in 2019, is the first policy document related to Sustainable Development Goal (SDG) target 1.3 to be implemented in practice. The Government of Punjab is developing a Social Protection Policy since 2019, and Khyber Pakhtunkhwa is in the process of revising its draft Social Protection Policy, originally formulated in 2014. Government of Sindh has

notified a Social Protection Strategy Unit, which was created in 2019 to prepare and implement the province’s social protection strategy.³ The Government of AJK has also drafted a Social Protection Policy in 2019.

Building on the opportunities and space created for policy discourse and action towards the universalization of social protection in Pakistan, the International Labour Organization (ILO) and the United Nations Department of Economic and Social Affairs (UNDESA) launched ‘Achieving the SDGs and ending poverty through universal social protection’ in 2019. This project aims to improve the effectiveness of social security systems in Pakistan.

In this context, and the ILO’s vast experience of engagement with tripartite constituents on similar issues, the project focused on addressing the key challenges facing the social protection agenda in Pakistan. It prioritized several deficit areas and developed interventions to address challenges in these spheres. The four strands developed by the project focused on supporting and strengthening:

- coordination among social protection agencies;
- the expansion of social security coverage;
- data collection and reporting on social protection; and
- the enforcement of social security law.

► Project components



² Wajih Akhter, “Extending social security coverage in Pakistan”, in *Daily Times*, 22 May 2021.

³ ILO, *Building an Inclusive Social Protection System in Pakistan*, 2021

► Strengthening coordination among social protection agencies

The challenge

In Pakistan, more than 50 agencies at the federal and provincial levels constitute the delivery structure for the provision of different social protection services. Yet, there is no structured mechanism for coordination among them, leading to deficits at multiple levels. This is also true for agencies catering the formal sector. In the absence of a formalized coordination platform, horizontal knowledge sharing and continued learning are neglected, leading to **knowledge deficits**. The potential for cooperation between various institutions remains underutilized, resulting in weak partnerships and an **alliance deficit**.

Addressing the challenge

Recognizing that a high degree of coordination and multi-sectoral collaboration is needed to implement a coherent and consistent system, the project facilitated the **creation of a tripartite Coordination Forum for Social Security Institutions**. The forum includes all provincial Employees' Social Security Institutions, the Employees' Old-Age Benefits Institution, provincial Departments of Labour and social partners. The forum's establishment was a pioneering effort to foster cooperation between stakeholder organizations, improve inter-agency and transnational coordination, and create networks for knowledge sharing.

Results, outcomes and successes

Coordination between these stakeholder institutions provided impetus to reduce fragmentation and strengthen internal coordination mechanisms between different institutions. This helped to build a more integrated and comprehensive approach to address key issues in terms of policy gaps and implementation challenges in the provision of social protection.

The **emerging consensus in favour of the universalization of social protection** is certainly one of the main achievements of this inter-agency interaction.

The coordination forum also offered an opportunity to **spotlight important policy issues**, especially the exclusion of various segments of the workforce and gaps in coverage. It offered key social protection actors the chance to come together to **provide policy advice** and inputs for addressing these issues at the policy and institutional levels.

A particularly useful added value of multi-stakeholder interaction is the capacity to address and solve **trans-provincial issues**. For example, the Pakistan Workers' Federation raised the issue of the portability of benefits at the forum. This triggered broad debate on the capacity and harmonization of the social security system to ensure that benefits are transferable, especially when workers move from one province to another. To strengthen the policy discourse and create a knowledge base to influence change, the project provided support by undertaking research on the issues identified by the forum. This included a study on continuation of health coverage post retirement and coverage of dependents of trans-provincial workers under social security.

The forum also provided an opportunity for **inter-agency collaboration** and cooperation. The various stakeholder institutions had the chance to learn from each other's experiences to develop and enhance their performance capabilities. For example, The Punjab Employees' Social Security Institution (PESSI) has taken the lead in simplifying administrative arrangements by digitizing the registration and contribution collection systems. Similarly, The Sindh Employees' Social Security Institution (SESSI) has taken measures in digitizing payments related to Employment Injury Benefits and in particular the top up benefits to the victims of the Baldia fire. This to ensure that workers and employers can fully benefit from technological progress. Social security institutions in other provinces, particularly the Khyber Pakhtunkhwa Employees' Social Security Institution were keen to learn from PESSI's experience of digitization and replicate it in their own organizations.

► Expanding social security coverage

The challenge

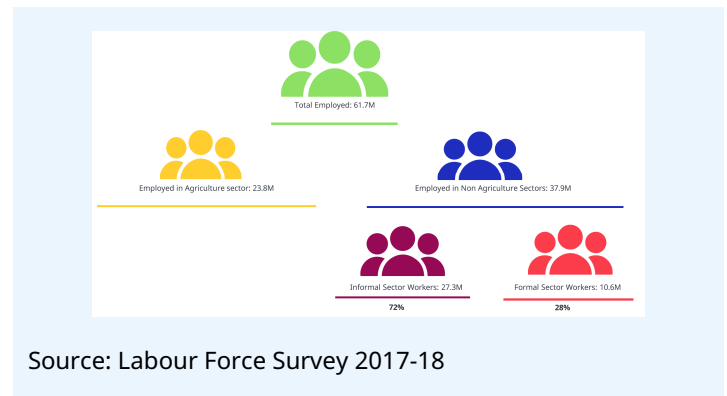
For most of the poor and a large segment of Pakistan’s work force, social security continues to be a distant dream. While targeting inefficiencies and duplications in many social assistance schemes prevent them from reaching those most in need, policy and implementation gaps hamper the inclusion of many others in the present social security regime. For example, of Pakistan’s 61.7 million workers, 23.8 million are in the agricultural sector and the informal economy. A huge proportion of these workers are not covered by social security. Pakistan’s 27.3 million workers engaged in the non-agricultural informal economy earn less than the minimum wage of PKR 17,500 per month and remain excluded from the social protection regime, which offers no universal social Protection scheme.

The COVID-19 pandemic has further exposed the deep fissures in Pakistan’s social protection set-up, drawing attention to the need to rethink the policy paradigm and recalibrate the system.

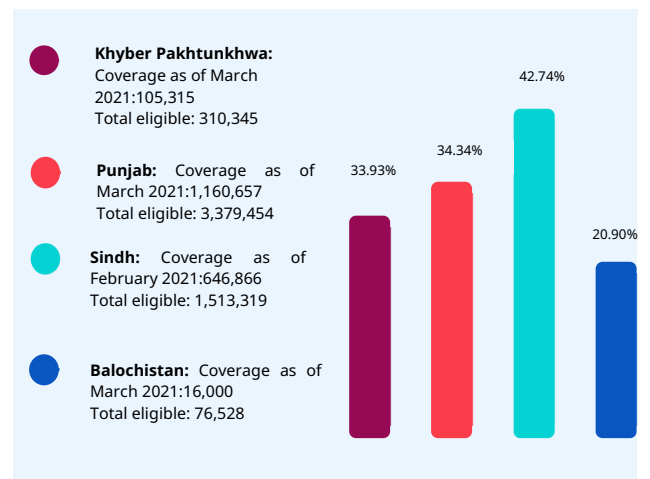
Current statistics on social security coverage reveal a grim picture. At present, only a small number of enterprises and their workers in the formal economy are registered with provincial Employees’ Social Security Institutions (ESSIs) – just 34 per cent, or about 1.8 million workers of the country’s 5.27 million eligible workers.⁴

Alongside the persistence of many legal and administrative problems, a lack of awareness and information appears to be an important factor in low levels of social security coverage.

► Informality in the labour economy



► Formal sector workers eligible for social security currently covered by ESSIs



⁴ Calculations by the project using data from the Labour Force Survey 2017-18 .

Addressing the challenge




The project sought to address gaps in social security coverage through a comprehensive multi-pronged approach. This involved designing and publishing information materials, and organizing awareness raising workshops for government representatives, employers and workers. It also included dedicated media programmes and newspaper articles, the development of a training manual, the implementation of training for ESSI staff, and supporting employers’ and workers’ organizations to advocate for improved social security coverage for workers in the formal economy. The project in cooperation with other ILO executed projects on social security **designed and executed a full-scale information, education and communication (IEC) campaign**. Various communication tools were developed as part of the campaign – including posters, public service messages and animated videos in multiple languages. The project’s IEC products covered various aspects of social security provision, such as available benefits and services, legal provisions, information on registration processes, and the advantages and ‘ease of doing business’ for employers. The materials were disseminated through the print and electronic media, and widely distributed by tripartite constituents within their circles of influence.

Strengthening **social dialogue and engagement** between service providers and employers was another important focus of the project.

To support the **development of a conducive policy environment** for extending social security coverage, the project provided technical support to the Punjab Employees Social Security Institution. This aided the development of an implementation framework of an innovative pilot project to extend social security coverage to domestic workers.

The project, under the banner of the ILO Office, also supported the Ministry of Overseas Pakistanis and Human Resource Development, and the Poverty Alleviation and Social Safety Division to set up the Labour Welfare and Social Protection Expert Group and launch *Mazdoor Ka Ehsaas*. This initiative aims to universalize the social protection system, with a focus on including informal economy workers in the fold of social protection. The MKE programme is launched finally on 1 May 2021 with the support under the project.

► Provincial initiatives for the expansion of social security coverage

<p>Khyber Pakhtun khwa</p>	<p>The Government of Khyber Pakhtunkhwa has amended its Social Security Law to include measures for enhancing coverage by bringing more enterprises into the ambit of law. A draft Domestic Workers Act has also been developed indicating a policy shift towards the universalization of social security.</p>	
<p>Punjab</p>	<p>The Government of Punjab has announced an Amnesty Scheme encouraging enterprises to register with PESSI by June 2021, those who comply will be exempted from paying arrears.</p> <p>PESSI launched a registration Certificate which Employers would display at their workplaces to show compliance for their inspections as well as for improving their corporate image for buyers. The project is supported PESSI by developing an implementation framework for operationalizing the Punjab Domestic Workers Act, 2019, as well as for launching a pilot project to extend social security coverage to domestic workers.</p>	
<p>Sindh</p>	<p>The Government of Sindh launched the Benazir Mazdoor Card scheme in January 2021 to extend social security services to all workers in both the formal and informal economy.</p>	

Results, outcomes and successes

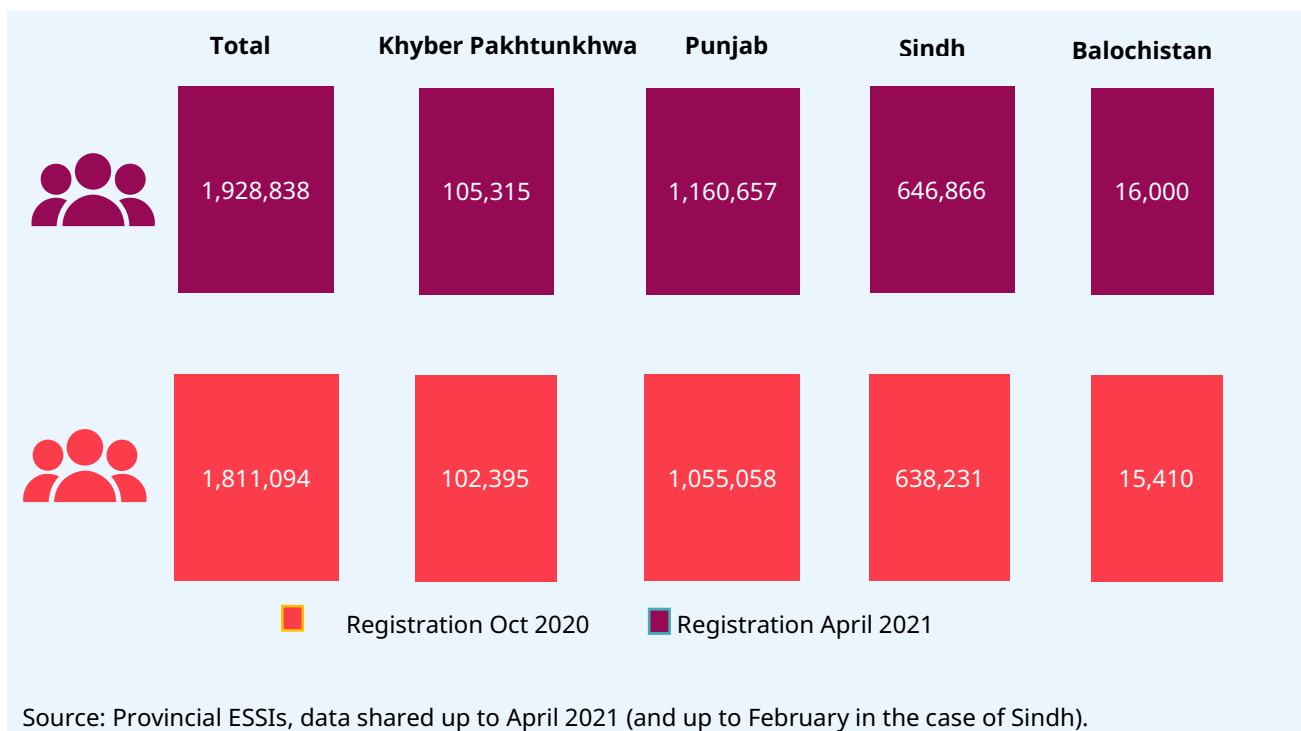
Sustaining efforts to **build on a conducive policy environment** with a sharper focus on universal social protection, the project’s research interventions contributed to the knowledge and evidence base for action. This was followed up with support for developing frameworks and roadmaps for implementation by service provider agencies.

The provinces have caught up with this momentum, generated through sustained efforts to place the universal social protection agenda firmly within the policy discourse. They are now taking concrete actions of their own.

Workers’ registration increased in provincial Employees’ Social Security Institutions in the wake of the IEC campaign designed by the project, and supported by various social security agencies and forums of employers’ and workers’ representatives.

The initiative was a joint collaboration of the SDG project and the ILO project on Implementation of Agreement 0 concerning additional employment injury benefits to the victims of the Ali Enterprises Fire and Strengthening Employment.

► Impact of the IEC campaign on the coverage of provincial ESSIs

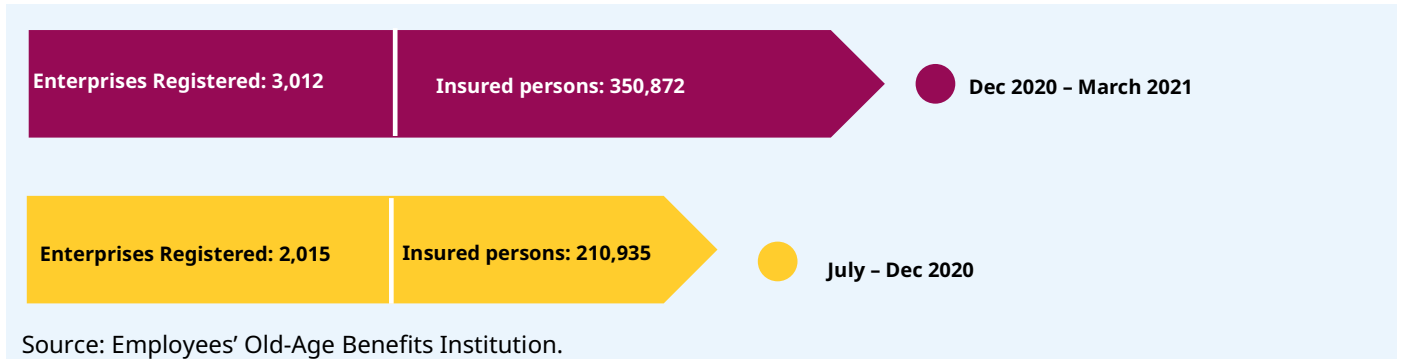


► Increased patterns of ESSI coverage during the project period

- Provincial Employees’ Social Security Institutions reported a total of **1,928, 838** workers registered with them until April 2021 – an increase of **215, 664** workers registered during the project period. The baseline was **1,713,174 workers** in January 2019. The total number of enterprises registered during the time frame is **105, 157**.

A similar trend was noted for the Employees’ Old-Age Benefits Institution (EOBI), as the registration of enterprises and individuals increased by 139,937 in three months (December 2020–March 2021) following the IEC campaign. The Employees’ Old-Age Benefits Institution recorded an increase of about 11,000 registrations per month, on average, compared to past trends.

► **The IEC campaign’s impact on EOBI coverage**



► **EOBI’s monthly coverage increased after the IEC campaign**

The Employees’ Old-Age Benefits Institution reported an increase of 997 enterprises registered with them until March 2021, with an additional 139,937 persons insured following a rigorous coverage campaign.

The project continued **outreach and engagement with various constituents** and stakeholders to advocate for the expansion of social security coverage. A number of awareness raising sessions with employers and their representatives were conducted in January–February 2021. Many employers who participated in these sessions reported becoming aware of the importance of social security as a contributing factor for organizational growth.

Through seven province-wide awareness raising seminars, the project engaged the seven largest industry associations and reached out to over 300 employers.

► [Employers’ Federation of Pakistan](#)

The Employers’ Federation of Pakistan (EFP) took a central role in encouraging its members to register all of the workers in their supply chains. The Federation reported setting up a mechanism for periodic meetings between employers to identify and share examples of compliance. This indicates a step towards **institutionalizing actions**. The sessions also enabled the emergence of the first **structured mechanism for liaisons and coordination** between social security agencies and employers.

Liaisons with social security agencies also paved way to develop institutional mechanisms for coordination. These included setting up information desks to help employers assess their obligations, prepare declarations, register workers and understand legal requirements.

To **support the development of enabling frameworks and direction setting for policy discourse** on extending social security coverage, the project contributed to the formation of the Tripartite Labour Expert Group. Including government officials, workers’ and employers’ representatives, and independent labour experts, the group was constituted under the *Ehsaas* Programme to offer recommendations on extending labour welfare to workers in the informal economy, identify legislative gaps,

With the project’s support, dialogue sessions were also organized between ESSIs and employers’ organizations.

and devise measures for the effective implementation, application and enforcement of legislation.⁵

Awareness raising and outreach campaigns continued, with different project constituents taking the lead in information dissemination. The Pakistan Workers' Federation undertook a rigorous outreach campaign.

The impact of awareness raising is becoming visible in many ways, with more trade unions making social security a key agenda as part of their collective bargaining agreements. The impact of awareness raising at the demand end is becoming visible in many ways with more trade unions making social security a key agenda as part of their collective bargaining agreements.

► The Pakistan Workers' Federation reported the dissemination of the IEC materials to 110 affiliated unions of central Punjab region, targeting approximately 150,000 members.

► Pakistan Workers' Federation

► The awareness raising programme with employers is a welcome initiative – the first ever dialogue to discuss operational level challenges among employers and social security agencies.

► Ministry of Overseas Pakistanis and Human Resource Development

⁵ Poverty Alleviation and Social Security Department and Ministry of Overseas Pakistanis and Human Resource Development,

Recommendations to implement on Mazdoor Ka Ehsaas (Islamabad: Labour Welfare and Social Protection Expert Group, 2021).

► Reaching out to the excluded: A pioneering initiative to extend social security coverage to domestic workers by the Government of Punjab

Given the 'atypical' characteristics of their work, domestic workers are seen as a 'difficult to cover' segment of workers in terms of social security and welfare programmes. The ILO estimates that only 7 million of the world's 67 million domestic workers have some form of social security coverage. There are several reasons – legal, administrative, social and economic – that prevent such policies from being enacted all over the world.⁶

The case of Pakistan is no different. The ILO estimates that 827,802 people in Pakistan (55 per cent of whom are women) are involved in domestic work

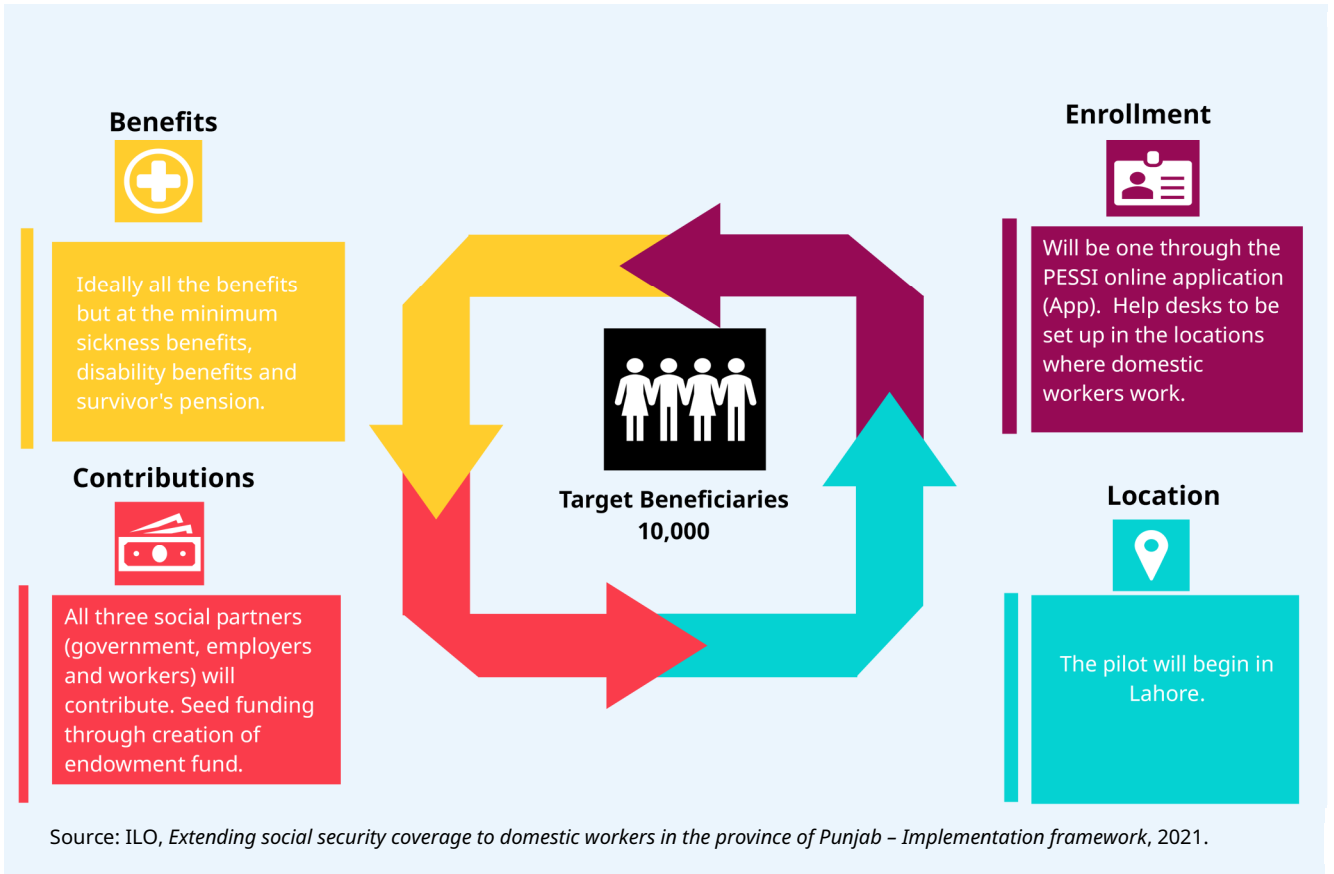
Punjab was the first province in Pakistan to register a Domestic Workers' Trade Union, which was registered with the Department of Labour in 2015. As of January 2021, it amounts to 2,700 members. The province also has a number of domestic workers registered with the Punjab Employees' Social Security Institution and the Department of Labour, although they represent a small percentage of the total.

To take forward the initiative on universal social protection for domestic workers, the project supported Punjab Employees' Social Security Institution to design a pioneering pilot project. Currently being rolled out, the pilot's target is to reach 10,000 people in Punjab and to gradually extend social security benefits to domestic workers across the province.

To strengthen the pilot outreach and communications component, the project supported an awareness raising campaign on the side of the 10th anniversary of the Domestic Workers Convention, 2011 (No. 189). The week of activation from June 16th to June 21st was about disseminating information about the rights of domestic workers through print media articles, social media campaign and information desks that were set up in four selected areas in Lahore city.

⁶ ILO, *Social protection for domestic workers: Key policy trends and statistics*, 2016.

► A pilot of extending social protection to domestic workers in Punjab



► Number of domestic workers registered in Punjab as of January 2021

Punjab Employees Social Security Institution - PESSI	14,717	
Department of Labour	15,027	
Total Domestic Workers Registered	29,744	
Total Employers Registered	4,270	

Source: ILO, *Extending social security coverage to domestic workers in the province of Punjab – Implementation framework, 2021.*

► Data collection and reporting on social protection

The challenge

Targeted coverage and duplication continue to pose key challenges for Pakistan’s social security system, hampering effective coverage. A lack of data on social protection is among the main contributing factors to these challenges. There is no mechanism/system where data from all social protection agencies converge in one place to give a cumulative picture of social protection coverage in Pakistan. Without sufficient data, it is difficult to assess the actual provision of social protection at the national level. Thus, Pakistan continues to lack the critical evidence base needed to design responsive policies and programmes. This is a key impediment to designing needs-focused social security initiatives.

Addressing the challenge

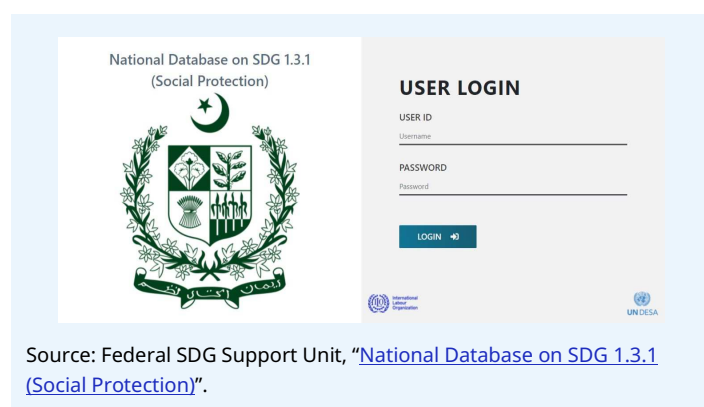
One of project’s components focused on developing the first-ever national level repository on social protection. A **pioneering initiative**, the centralized national database for social protection was developed in consensus with all social protection agencies at the federal and provincial levels. With the project’s support, a harmonized web-based interface and a central database on social protection was developed to **foster coordination and joint reporting** by all social protection agencies at the federal and provincial levels.

Currently housed within the SDG Support Unit at the Planning Commission, the database will enable centralized data and reporting to provide key inputs for policy planning. This will go a long way towards aligning programmes and identifying gaps.

► Data from 50 social protection agencies at the provincial and federal levels, covering 80 per cent of social protection programmes and schemes, have been included in the database. This will enable the SDG Unit to produce the first analytical report on SDG 1.3.1.

► Federal SDG Support Unit

► SDG 1.3.1 database



Source: Federal SDG Support Unit, “[National Database on SDG 1.3.1 \(Social Protection\)](#)”.

Results, outcomes and successes

The SDG Support Unit reports that it has received administrative data from over 50 social protection agencies at the provincial and federal levels covering almost 80 per cent of the schemes being implemented in the country. This makes the database the **most comprehensive repository** on social security in Pakistan.

In order to strengthen the data collection process, the project supported various social protection agencies by training their staff on reporting requirements. The project organized in-person and virtual trainings with staff members of various social security organizations. This support proved particularly **effective in ensuring compliance** with reporting requirements. The project

continued its training cycle with the staff of provincial social protection service provider agencies, ensuring at least 70 per cent data entry for all of Pakistan's provinces.

The project also **contributed to the institutional development** of various organizations, especially in terms of data management, by improving their systems and organizational practices.

One good example of the **institutionalization of the project's efforts** is its engagement with the Pakistan Bureau of Statistics. As a result of this engagement, several indicators related to social protection were included in the Labour Force Survey.

► The project's efforts resulted in the inclusion of **four indicators** related to social protection in the Labour Force Survey carried out by the Pakistan Bureau of Statistics.

► Pakistan Bureau of Statistics

► The enforcement of social security law through development of knowledge products and tools

The challenge

While policy and legal frameworks on social protection in Pakistan need to be recalibrated to shift towards the universalization of services, implementation-related challenges need to be addressed simultaneously in order to improve the effectiveness of the system. In many instances, deficits in compliance with social security and labour laws and regulations have resulted in low effective coverage. In addition, a lack of confidence in existing social security institutions and the poor quality of their services has contributed to the low coverage of service provision.

Addressing the challenge

In order to contribute to institutional development and improve organizational efficiency, the project **developed a resource package**. This includes a handbook on social security, entitled 'SIMPLIFY Social Security', a trainer's guide and a participants' manual in English and Urdu. In addition, a pocket book was also developed for use by social security officials during field inspections. The project also created a group of champions to cascade the initiative.

Results, outcomes and successes

SIMPLIFY appears to be an important contribution to improving the enforcement of, and compliance with, social security provisions by developing the institutional capacity of social security institutions. Backed by a **broad consensus** among social protection actors in the country, SIMPLIFY is set to become part of the organizational system. Social protection agencies consider it an important tool for **improving organizational performance** and appear keen to adopt it.

The project also undertook several other **capacity building initiatives** that targeted multiple levels of staff working in social security agencies, as well as employers and workers' organizations. The project supported 10 individuals representing the Government, employers and workers to participate in eLearning courses on social security by the

►► The orientation pack on social security, 'SIMPLIFY', is a very useful tool that will help in the methodical enforcement of social security laws. We will be mainstreaming this as a training pack in our existing capacity building programme for social security officials.

► Khyber Pakhtunkhwa Employees' Social Security Institution

ILO's International Training Centre (ITC-ILO). These courses covered seven strands, including governance, compliance and contributions, service quality, coverage, the investment of social security funds, actuarial work, and information and communications technology (ICT). Several social security officials also participated in an online training workshop on the 'Toolkit on Government Innovation for the Social Inclusion of Vulnerable Groups', organized by UNDESA.

The cadre of resource persons trained by the project are reportedly carrying out further trainings in their respective organizations. The Punjab Employees' Social Security Institution reports the creation of internal Peer Groups to discuss and share learning across different departments.

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Achieving the SDGs and ending poverty through universal social protection in Pakistan

► The project's contribution to Pakistan's social protection landscape



Illustration of the project overview.
Illustration: © ILO/ R. Razzaque 2021.

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